



AGREEMENT

between

AMERICAN EAGLE AIRLINES AND EXECUTIVE AIRLINES

and

TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

covering

AIRCRAFT MAINTENANCE TECHNICIANS, INSPECTORS,
TOOL AND DIE MECHANICS, GROUND SUPPORT
TECHNICIANS, REPAIRMAN, AIRCRAFT CLEANERS AND
INVENTORY CONTROL SPECIALIST

of

AMERICAN EAGLE AIRLINES, INC. AND EXECUTIVE AIRLINES,
INC.

Effective date - January 1, 2013

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AGREEMENT

between

AMERICAN EAGLE AIRLINES, INC.,
EXECUTIVE AIRLINES, INC.

and the

TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

Covering

Aircraft Maintenance Technicians, Inspectors, Tool and Die
Mechanics, Ground Support Technicians, Repairman,
Aircraft Cleaners and Inventory Control Specialist

Effective – January 1, 2013

This Agreement is made and entered in accordance with the provisions of the Railway Labor Act, as amended by and between AMERICAN EAGLE AIRLINES, INC. and EXECUTIVE AIRLINES, INC., hereinafter collectively referred to as the “Company”, and the TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO, hereinafter known as the “Union”. Whenever reference is made herein to the “Company”, such reference refers to either American Eagle Airlines, Inc. or Executive Airlines, Inc. whichever is the employer of the applicable employee.

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ARTICLE 1 - RECOGNITION AND SCOPE

- A. In accordance with Recognition Agreements between Simmons Airlines, Inc. and Transport Workers Union of America dated April 17, 1989, and Flagship Airlines Inc. and Transport Workers Union of America dated April 17, 1989, and Executive Airlines, Inc. and Transport Workers Union of America dated May 9, 1990, and AMR Eagle Regional Aircraft Maintenance Center, Inc. and Transport Workers Union of America dated March 1, 1997, the Company hereby recognizes the Transport Workers Union of America, AFL-CIO as the sole bargaining agent for Aircraft Maintenance Technicians, Inspectors, Ground Support Technicians, Aircraft Cleaners and Inventory Control Specialists employed by the Company, and in their behalf to negotiate and conclude an Agreement with the Company with respect to rates of pay, rules and working conditions for all employees covered under this Agreement in the Title Groups set forth in Article 10 who perform the work at Transport Workers Union designated locations.
- B. This Agreement is binding upon the parties hereto and their successors and assigns.
- C. It is understood and agreed that supervisors and other employees may assist in the performing of any work that may be necessary to complete a particular operation. This provision will not be used on a routine basis but will cover those instances wherein short-term help is required to complete the operation in question and due to the nature of the operation, overtime from the work unit is not readily available.

D. Contracting Out of Work - The Company reserves the right to contract in or contract out any or all such work covered by this Agreement if by so doing the Company is able to accomplish such work more economically; provided however, that the Company will not layoff any employee covered by this Agreement solely by reason of the fact that the work ordinarily done by such employee has been contracted out. It is understood and agreed that should the Company at such time not have the manpower, facilities or tooling to do a particular job, such work may be contracted out without limitations. Whenever in the Company's sole judgment, the volume of work at any outstation is sufficient to justify a permanent maintenance base there, then the Company will offer to employees covered by this Agreement, the right to bid on such work.

E. In the event that the Company is a party to any merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction, the Company will meet with the Transport Workers Union to discuss the merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction. The Company will provide the Transport Workers Union with information concerning the proposed merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction at the earliest practical time to allow the Union to prepare for those discussions. Those discussions will include the impact of the merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction upon Transport Workers Union represented employees.

- F. In the event that the Company is a party to any merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction, and a satisfactory Agreement between the parties is not reached in regard to seniority integration, the Company will agree to utilize the procedure as set forth in paragraph H. below.
- G. In the event that American Eagle Airlines Inc. is integrated with any AMR affiliate, the parties representing each bargaining unit will meet to determine seniority integration. If a satisfactory Agreement between the parties is not reached in regard to seniority integration, the Company will agree to utilize the procedure as set forth in paragraph H. below.
- H. In the event of failure to reach a negotiated resolution, the seniority integration dispute will be resolved by a neutral arbitrator in accordance with Section 3 and 13 of the Allegheny-Mohawk Labor Protective Provisions.
- I. Successorship – In the event that the Company is a party to any merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction, the Company will agree to use its best efforts to ensure that the purchaser recognizes the Transport Workers Union as the sole collective bargaining agent of the employees covered by this Agreement, accepts the terms of the collective bargaining agreement then in effect, and accepts the Transport Workers Union represented employees transferred with such transaction.

ARTICLE 2 - DEFINITIONS

- A. "Employee" will mean an employee in the classifications covered by this Agreement.
- B. The term "Hereunder" as used in this Agreement will be construed to mean and read "under all applicable provisions of this Agreement".
- C. "He" or any other pronoun used herein will be deemed and understood to designate any employee hereunder, whether male or female.
- D. The word "Qualification" as used herein will mean all requirements and / or qualifying tests, which may be deemed necessary by the Company for a particular type of work to be performed.
- E. A "Crew" is defined as a group of employees in a particular shop working under either a Crew Chief or Supervisor/Manager.
- F. A "Shop" as referred to in this Agreement will be defined as, but not limited to, "the area or work group that the particular employee is assigned to" i.e. aircraft maintenance, line maintenance, inspections, base shop, avionics / instruments, ground support, cleaners, sheet metal and stores.
- G. The term "License" as used herein will mean all requirements and / or qualifying tests, which may be deemed necessary by the Company or governmental regulation when applicable to the work performed by an employee.
- H. "Base Rate of Pay", "Base Hourly Rate", "Regular Pay", or "Pay As If Working" will be defined as an employee's rate

as shown in Article 4 including any applicable, classification premium. The following are excluded from base rate of pay: license premium, shift differential and higher capacity pay premium.

- I. "Company Seniority Date" will be defined as the employee's hire date with the Company.
- J. "Classification Seniority Date" will be defined as an administrative date that determines the placement of an employee on the applicable pay step and scale.
- K. "Title Group Seniority" or "Occupational Seniority" will be defined as the employee's date of assignment in a title group and will accrue as outlined in the provisions of the labor Agreement. Such occupational seniority will govern shift preference.
- L. The term "Emergency" will herein mean a sudden, generally unexpected occurrence or set of circumstances demanding immediate action.
- M. The term "Temporary Duty Assignment" or "TDY" will herein mean a voluntary assignment to a station or location other than the station in which the employee is normally assigned in order to support operations for a known period of time.
- N. The term "Field Work" or "Field Trip" herein will mean an unexpected assignment of limited duration, to a station or location outside an employee's immediate work area.
- O. "Will" has the same meaning as "Shall".
- P. "AMR EAGLE CARRIER", "COMPANY" OR "COMPANIES" means AMR Eagle Holding Corporation and a carrier(s) owned by AMR Eagle Holding

Corporation, including, but not limited to, American Eagle Airlines, Inc. or Executive Airlines, Inc. provided that in the event of a divestiture of any form from AMR Corporation, “AMR Eagle Carrier”, “Company”, or “Companies” shall mean the successor entity resulting from such a divestiture, in which case all references to “AMR Eagle Carrier”, “American Eagle Airlines”, “Executive Airlines”, “Company”, and/or “Companies” shall be replaced with the name of the successor entity.

Q. “Successor” will include, without limitation, any assignee, purchaser, transferee, administrator, receiver, executor, and / or trustee of the Company or of all or substantially all of the equity securities and / or assets of the Company.

R. “Successorship Transaction” means any transaction, whether single-step or multi-step that provides for, results in, or creates a successor.

S. “Affiliate”, as used in this Agreement means:

1. Any entity that controls the Company or any entity that the Company controls and / or
2. Any other corporate subsidiary, parent, or entity controlled by or that controls any entity referred to in S1 of this paragraph.

T. “On Call” will mean an employee who has been instructed to remain or stand by at a station, shop, hangar, or other location, in order to begin work immediately upon the work becoming available.

U. “Meet and Confer” will mean an obligation to meet and provide information relating to a specific issue with the intent of resolving such issue.

ARTICLE 3
NON-DISCRIMINATION AND MANAGEMENT RIGHTS

- A. The Company and the Union agree to make it a matter of record in this Agreement that in accordance with the established policy of the Company and the Union, the provisions of this Agreement will apply equally to all employees hereunder regardless of sex, age, color, race, religion, sexual orientation, disability, veteran status or national origin.

- B. No employee covered by this Agreement will be interfered with, restrained, coerced, or discriminated against by the Company, its officers or agents, because of membership in the Union.

- C. The rights of ownership, the management of the Company and the direction of the working forces, including the right to hire, discipline and discharge employees for just cause, promote, demote, transfer, layoff and recall, the right to direct, plan and control operations, and to establish and change work schedules, and the right to determine the type of work to be performed, and the right to introduce new and improved methods, equipment or facilities, and to change existing methods, equipment and facilities, and to determine the location of the Company's facilities, and the work to be done at each, and the number of employees, and the right to lease facilities or equipment, and the right to establish or change Company rules, and in general to maintain discipline and efficiency, are vested exclusively with the Company so long as the exercise of such rights will not be in conflict with the specific provisions of this Agreement.

ARTICLE 4 - COMPENSATION

During the period of this Agreement, the rates of pay for the classifications covered hereunder which are incorporated herein and made part of this Agreement.

A. Flexible Hiring Rates (Reference Letter K)

1. In the event that the Company, in its sole discretion, finds that any or all of its starting rates as specified below, are non-competitive with local market starting rates for similarly situated jobs, the Company may hire applicants in any classification(s) hereunder at any station, base or location at rates of pay higher than those starting rates specified below. As market conditions change, the Company may, at its sole discretion, change its designated starting rate. Such designated starting rate may be higher or lower than previous starting rates; however, such starting rate may not be lower than the first step or higher than the maximum hourly rate in the applicable pay scale.
2. In those stations, bases or locations where higher starting rates of pay are designated in accordance with paragraph A1 above, all employees in that classification at that station, base or location who are receiving less than the new designated starting pay will have their rate of pay concurrently increased to the new designated higher starting rate for that classification in that station, base or location.
3. Any employee, who voluntarily transfers to a station, base or location that is not utilizing the Flexible Hiring rate at the time of transfer, will have his rate of pay reduced to the appropriate step, as if he had never received the Flexible Hiring rate. The same concept would apply for an employee who voluntarily transfers

from a station, base or location that is not exercising the Flexible Hiring rate to a station, base or location that is utilizing the Flexible Hiring rate. In this case, the employee's pay rate would be adjusted to reflect the Flexible Hiring rate being exercised in that station, base or location.

4. An employee who transfers to or from a station/base/location which has an adjusted starting rate of pay for his classification will have his rate of pay adjusted upward or downward to conform to the rate of pay received by an employee with the same classification seniority at his new station/base/location. The adjusted rate may not be less than Step 1 nor higher than the maximum hourly rate in the applicable pay scale.

B. Aviation Maintenance License Premium

1. Employees in the classifications of Inspector, Crew Chief, "Train the Trainer" Crew Chief, Aircraft Maintenance Technician and Avionics Technician will receive a premium of one dollar and fifty cents (\$1.50) per hour for the first license held and an additional one dollar and fifty cents (\$1.50) per hour for the second license held where the license(s) is required by the Company for the work performed. Except as set forth in Letter X, Aircraft Maintenance Technicians who bid to and are awarded positions in the base maintenance support shops will be considered Repairmen, and will not be eligible to receive any license premium(s) for hours worked in the base maintenance support shops. (Reference Letter X). Licensed Repairmen shall continue to receive all applicable license premium(s) that an Aircraft Maintenance Technician would receive under this Article for all hours worked outside the base maintenance support shops.

Regardless of the number of license(s) an employee may hold; i.e. Airframe, Powerplant or Avionics (also known as FCC) or the Company may require, the license premium pay will not exceed three dollars (\$3.00) per hour. The premium paid is to include accruals for PDO pay and holiday pay. License premium pay will not be compounded in the computation of overtime rates.

C. Shift Differential

1. An employee assigned to a shift which begins at or after 1500 (or the majority of the shift hours are after 1500) and before 2000 will receive a shift differential of twenty-five (25) cents per hour for all hours worked.
2. An employee assigned to a shift which begins at or after 2000 (or the majority of the shift hours are after 2000) and before 0500 will receive a shift differential of forty-five (45) cents per hour for all hours worked.
3. Shift differential will only be payable for actual hours worked (i.e., not included with PDO pay, etc.) and will not be compounded in the computation of overtime.

D. Classification Premium

1. An employee covered under this Agreement in the positions of Crew Chief, Inspector, "Train the Trainer" Crew Chief will receive one dollar and fifty cents (\$1.50) per hour premium for all hours worked. Such premium will be compounded in the computation of overtime.

E. Rates of Pay

1. During the duration of this Agreement, the regular rate of pay of the classifications covered hereunder is specified below.
2. For employees covered under this Agreement, progression from one step to the next will be based on twelve (12) months of service in each step within a classification.

Title I - Aviation Maintenance

| Step | DOS | 1/1/15 | 1/1/16 |
|------|---------|---------|---------|
| 1 | \$12.94 | \$13.13 | \$13.33 |
| 2 | \$13.87 | \$14.08 | \$14.29 |
| 3 | \$14.78 | \$15.00 | \$15.23 |
| 4 | \$15.70 | \$15.94 | \$16.17 |
| 5 | \$16.63 | \$16.88 | \$17.13 |
| 6 | \$17.08 | \$17.34 | \$17.60 |
| 7 | \$17.55 | \$17.81 | \$18.08 |
| 8 | \$18.47 | \$18.75 | \$19.03 |
| 9 | \$19.38 | \$19.67 | \$19.97 |
| 10 | \$20.30 | \$20.60 | \$20.91 |
| 11 | \$21.22 | \$21.54 | \$21.86 |
| 12+ | \$23.27 | \$23.62 | \$23.97 |

Title II - Ground Support

| Step | DOS | 1/1/15 | 1/1/16 |
|------|---------|---------|---------|
| 1 | \$11.57 | \$11.74 | \$11.92 |
| 2 | \$12.45 | \$12.64 | \$12.83 |
| 3 | \$13.33 | \$13.53 | \$13.73 |
| 4 | \$14.21 | \$14.42 | \$14.64 |
| 5 | \$15.10 | \$15.33 | \$15.56 |
| 6 | \$15.99 | \$16.23 | \$16.47 |
| 7 | \$16.87 | \$17.12 | \$17.38 |
| 8 | \$17.76 | \$18.03 | \$18.30 |
| 9 | \$18.64 | \$18.92 | \$19.20 |
| 10+ | \$19.52 | \$19.81 | \$20.11 |

Title III - Aircraft Cleaner

| Step | DOS | 1/1/15 | 1/1/16 |
|------|---------|---------|---------|
| 1 | \$9.19 | \$9.33 | \$9.47 |
| 1.5 | \$9.46 | \$9.60 | \$9.75 |
| 2 | \$9.72 | \$9.87 | \$10.01 |
| 3 | \$9.98 | \$10.13 | \$10.28 |
| 4 | \$10.24 | \$10.39 | \$10.55 |
| 5 | \$10.51 | \$10.67 | \$10.83 |
| 6 | \$10.77 | \$10.93 | \$11.10 |
| 7 | \$10.96 | \$11.12 | \$11.29 |
| 8 | \$11.64 | \$11.81 | \$11.99 |
| 9 | \$12.30 | \$12.48 | \$12.67 |
| 10 | \$12.95 | \$13.14 | \$13.34 |
| 11 | \$13.73 | \$13.94 | \$14.14 |
| 12+ | \$15.30 | \$15.53 | \$15.76 |

Title IV – Inventory Control

| Step | DOS | 1/1/15 | 1/1/16 |
|------|---------|---------|---------|
| 1 | \$10.24 | \$10.39 | \$10.55 |
| 1.5 | \$10.51 | \$10.67 | \$10.83 |
| 2 | \$10.77 | \$10.93 | \$11.10 |
| 3 | \$11.03 | \$11.20 | \$11.36 |
| 4 | \$11.29 | \$11.46 | \$11.63 |
| 5 | \$11.56 | \$11.73 | \$11.91 |
| 6 | \$11.82 | \$12.00 | \$12.18 |
| 7 | \$12.23 | \$12.41 | \$12.60 |
| 8 | \$12.69 | \$12.88 | \$13.07 |
| 9 | \$13.35 | \$13.55 | \$13.75 |
| 10 | \$14.00 | \$14.21 | \$14.42 |
| 11 | \$14.78 | \$15.00 | \$15.23 |
| 12+ | \$16.35 | \$16.60 | \$16.84 |

ARTICLE 5 – PERSONAL DAYS OFF

- A. Personal Days Off (PDO) hours can be accumulated up to a maximum of 224 hours, to be used in the following calendar year on an individual basis per Article 5B, below.
- B. Employees hereunder will become entitled to and receive Personal Days Off allowances in accordance with the following:
1. As used herein the term "Year" is used to mean a calendar year.
 2. As of December 31st of each year, each employee hereunder who has had one (1) year or more of active service with the Company will be entitled to one hundred four (104) hours of Personal Days Off to be taken in the following year.
 3. As of December 31 of each year, each employee hereunder who has had five (5) years or more of active service with the Company will be entitled to one hundred forty-four (144) hours of Personal Days Off to be taken the following year.
 4. As of December 31 of each year, each employee hereunder who has had fifteen (15) years or more of active service with the Company will be entitled to one hundred eighty four (184) hours of Personal Days Off to be taken the following year.
 5. As of December 31 of each year, each employee hereunder who has had twenty (20) years or more of active service with the Company will be entitled to two hundred twenty four (224) hours of Personal Days Off to be taken the following year.

6. An employee who, as of December 31 of any year, who has less than one (1) year of service with the Company will be entitled to Personal Days Off with pay on the basis of eight (8) hours and forty (40) minutes accrual for each month of active service with the Company for Personal Days Off to be taken in the following year.
- C. In any calendar month, fifteen (15) days or more of service with the Company will be considered a full month and less than fifteen (15) days will not be considered a full month. Fractions of one-half a day or more of earned Personal Days Off will be considered as entitling the employee to a full PDO day and fractions of less than one-half a day will not be considered a full day.
 - D. The pay for such Personal Days Off will be at the pay which the employee would normally have received at his base rate of pay including license premium.
 - E. Preference in the period in which employees hereunder will be permitted to take their Consecutive Personal Days Off (CPDO's) will be granted at each station, base or location in order of Company Seniority.
 - F. Employees must bid all but sixty-four (64) hours of Personal Days Off to be used in one-week blocks of time during the following year. These one-week blocks of time off, or Consecutive Personal Days Off (CPDOs), must be bid as follows:
 1. The Company will post requests for CPDO slot preference for the following year on Company bulletin boards at each station, base or location no later than October 15th of each year and employees eligible will list their preference no later than November 15th. The

posted vacation slots will include at least one (1) slot for each week of the year. The Company will round to the nearest whole number (up) to determine the number of weeks to be provided thereafter. The actual number of slots per week will be determined exclusively by the Company. The CPDO periods will be assigned and posted on Company bulletin boards no later than December 1st. Any employee not expressing a preference will be assigned a CPDO period. The Company and Local Union will have the option to establish station bidding procedures, provided they do not conflict with Article 5E.

2. Holidays recognized by this Agreement which fall within a CPDO period will be paid in addition to PDO pay under this article. For each holiday that falls within an employee's CPDO period, the employee will receive holiday off (HO) pay for one-half (1/2) of the employee's regularly scheduled work hours at the applicable base rate of pay, in addition to CPDO pay.

Example: A 10-hour 4-day employee who takes a one-week CPDO that includes Christmas Day will receive a total of forty-five (45) hours of pay for that week, including forty (40) hours of PDO pay and five (5) hours of holiday off pay.

3. CPDO schedules will be arranged by the Company to provide CPDO slots at employee's convenience and preference as to date in order of Company Seniority, except the maximum number released at one time from a crew or classification will be limited by the requirements necessary to maintain efficient operation of the respective crews. Where there are ten (10) or more employees in a crew, at least two (2) employees will be permitted to take their CPDO at the same time.

4. The actual Personal Days Off during any bid CPDO period will begin on the employee's first scheduled workday following his scheduled days off.

G. The remaining sixty-four (64) PDO hours that have not been bid as CPDOs may be taken for any reason during the following year, except in Sections 1 and 2, below. It will be the responsibility of the employee who will be absent from work for a PDO to report the fact to his immediate supervisor at least two (2) hours prior to normal shift starting time in accordance with local procedures.

1. The following are considered "Special Days": New Year's Eve, Super Bowl Sunday, The Day After Thanksgiving Day, and Christmas Eve. PDOs requested for the "Special Days" must be made at least seven (7) but not more than fourteen (14) days in advance. PDOs requested for the "Special Days" will be paid at straight time and cannot create overtime for the employees. When multiple requests are made for Special Days within the same Title Group at the same location, PDO requests will be granted in order of Company Seniority.
2. An employee who is not granted a "Special Day" PDO under the preceding paragraph, but who later requests a PDO under Article 7, is subject to the notice provisions set forth in Article 7.E.1. and shall be required to provide medical documentation to substantiate the illness or injury for which the requested PDO is being used.
3. For holidays recognized by this Agreement, an employee will forfeit any holiday pay if a PDO is used.

- H. An employee covered by this Agreement that resigns and has given the Company fourteen (14) days advance notice will be entitled to his earned Personal Days Off pay. This notice provision may be waived by the Company. Upon death, the estate of an employee covered by this Agreement will be paid in a lump sum for all accrued and unused Personal Days Off.
- I. Upon retirement, an employee covered by this Agreement who has accrued and unused Personal Days Off will receive a lump sum payment for his accrued Personal Days Off, in accordance with Article 7G.
- J. The Company reserves the right to cancel CPDO periods if necessary to maintain service and will give as much advance notice as possible to the employee, but at least two weeks. In the event that an employee's CPDO has been cancelled by the Company, the employee will select, at his option to:
1. Reschedule his unused Consecutive Personal Days Off during the same calendar year, if a slot is available, or
 2. Be paid for his Consecutive Personal Days Off period, or
 3. Carry his unused Consecutive Personal Days Off over to the following year, or
 4. Elect to bank the hours in his catastrophic sick bank.
- K. At the employee's option, up to forty (40) hours of any remaining Personal Days Off that have not been used by December 31st will be paid to the employee at the employee's base rate of pay on or before February 1 of the following year. Any unused hours that are not paid out to the employee will be deposited in the employee's

catastrophic sick bank.

- L. The Company will permit an employee to request up to forty (40), hours Personal Vacation Days. Personal Vacation Days (PVDs) are defined as Personal Days Off accrued in the current year for use next year to be taken in advance for the current year. The days would then be deducted from next year's Consecutive Personal Days Off allocation. The days will be granted if manning permits.
- M. Employees called to active military duty shall have the option to be paid any unused Personal Days Off prior to their deployment or bank the unused Personal Days Off for use upon their return. Any hours accrued in the employee's catastrophic sick bank are excluded from the aforementioned payout.
- N. Employees covered under this Agreement will begin accumulation of PDO hours on January 1, 2013.

ARTICLE 6
HOLIDAYS

A. The following holidays will be observed and compensated as set forth herein:

New Years Day
Memorial Day
Independence Day

Labor Day
Thanksgiving Day
Christmas Day

The above holidays will be observed on State and National Observance designated days. The above Holidays shall be taken and paid in accordance with this section, and there shall be no “banking” or “moving” Holidays. In addition to the preceding holidays each employee will be entitled to one personal holiday, to be designated at any time during the year by the employee with at least 14 days notice and will be granted in order of seniority at the fourteen (14) day cutoff based upon operational requirements. (Reference Letter D).

B. An employee who works on any of the above holidays (including CSW but excluding overtime) will receive one and one-half (1-1/2) times the base rate of pay (including shift differential) for all hours actually worked.

C. Except as provided in Article 5, Personal Days Off, if any of the above holidays fall on an employee's day off, he will be paid as follows:

1. If the employee does not work the scheduled day off, he will receive Holiday Off (HO) pay for one-half (1/2) of his scheduled work hours at the applicable base rate of pay.

Example: An employee on a 10-hour, 4-day workweek who is scheduled off on a Holiday will be paid five (5) hours of Holiday Off (HO) pay.

2. If the employee works overtime on the scheduled day off, he will receive overtime pay pursuant to Article 11 C. in addition to any Holiday Off (HO) pay received under this Article 6.

D. Payment for a holiday as such will not be made to an employee on a leave of absence or to an employee scheduled to work on such holiday who is not excused from work and who fails to report to work as scheduled.

E. No employee will be required to report for duty on a paid holiday except when absolutely required for the operation.

F. An employee who is scheduled to work on any of the above Holidays, but is then forced or directed by the Company to take the day off from work, will be compensated for all his scheduled hours on that Holiday at his applicable base rate of pay.

ARTICLE 7
SICK LEAVE/ON THE JOB INJURY/
CATASTROPHIC SICK BANK

- A. Sick leave is that time granted to an eligible employee who is incapacitated for the performance of his regular duties by sickness or injury arising from non-occupational causes. Employees may use Personal Day(s) Off, at their discretion, for sick leave and other unexpected occasions in accordance with Article 5.
- B. Except as provided in Article 5J. and 5K., any hours accumulated and not used are transferred into the employee's catastrophic sick bank. The catastrophic sick bank is time reserved for illness that results in extended periods of absence from the Company. The catastrophic sick bank is to be used as follows:
1. For any continuous sickness/illness/injury requiring an employee to be absent for a period of four (4) or more consecutive days, or for any time an employee who is on FMLA leave for his own serious health condition, the employee will use time from the catastrophic sick bank for all hours the employee is absent from work for that occurrence, until the employee returns to work or exhausts the available hours.
 2. Pursuant to Company policy, an employee who is on FMLA leave to care for an eligible family member with a serious health condition shall exhaust PDO hours, and may not use time from his catastrophic sick bank.

3. Upon exhaustion of an employee's catastrophic sick bank under paragraph B.1. above, an employee may use PDO time in accordance with Article 5.

4. When catastrophic sick bank hours are used, medical confirmation is required.

C. As of December 31, 2012, any unused sick time and accrued sick time in an employee's sick bank will be transferred into an employee's catastrophic sick bank for use as defined in Article 7B., above. On January 1, 2013, twenty-four (24) hours of each employee's sick time earned in 2012 will be transferred into the employee's catastrophic sick bank. The remaining twenty-four (24) hours will be converted into PDO hours, to be used in 2013.

D. Unused PDOs will be cumulative in the catastrophic sick bank up to a maximum of seven hundred twenty (720) hours.

E. The Company acknowledges an employee's right to use PDOs for the intended purpose. In accordance with Company policy, the use of PDOs will not be subject to disciplinary action under the American Eagle Attendance Control Policy unless the employee has exhausted all unbid PDOs for the current year and there is evidence to substantiate abuse. An employee may also be subject to disciplinary action under the American Eagle Attendance Control Policy if the employee fails to comply with the notification requirements set forth below.

1. It will be the responsibility of the employee who will be absent from work due to use of PDO time to report the facts to his immediate supervisor at

least two (2) hours prior to normal shift starting time in accordance with local procedures.

2. An employee who fails to comply with paragraph E.1. above may be required to provide medical documentation to substantiate a claimed illness or injury for which PDO is used.

F. Injury on duty benefits will be in accordance with the applicable worker's compensation laws.

G. An employee who has completed twelve (12) years of AE TWU seniority and has a minimum of 240 hours in his / her catastrophic sick bank will be paid three dollars (\$3.00) per hour for all accumulated time in the catastrophic sick bank upon retiring or voluntarily resigning (excluding an employee on any step of the advisory stages under ACP within the last twelve (12) months).

ARTICLE 8
PHYSICAL EXAMINATIONS

- A. Any employee hereunder who fails to pass a Company physical examination may, at his option, have a review of his case as outlined below.
1. Within fifteen (15) days he may employ a qualified medical examiner of his own choosing and at his own expense for the purpose of conducting a physical examination for the same purpose as the physical examination was made by the medical examiner by the Company.
 2. A copy of the findings of the medical examiner chosen by the employee will be furnished to the Company within fifteen (15) days following the examination, and in the event that such findings verify the findings of the medical examiner employed by the Company, no further medical review of the case will be afforded.
 3. In the event that the findings of the medical examiner chosen by the employee disagree with the findings of the medical examiner employed by the Company, the Company will, at the written request of the employee, ask that the two (2) medical examiners agree upon and appoint a third, qualified and disinterested medical examiner, preferably a specialist for the purpose of making a further physical examination of the employee.
 4. Such three (3) doctors, one (1) representing the Company, one (1) representing the employee affected, one (1) disinterested doctor approved by the Company doctor and the employee's doctor will constitute a board of three (3), the majority vote of which will decide the case.

- B. If the majority opinion of the Board of three (3) medical examiners upholds the employee's case, he will be restored to his former job and be paid for time lost, at his base rate of pay, less any amount he may have received as compensation during the interim period.
- C. The expense of employing the disinterested medical examiner will be borne one-half (1/2) by the employee and one-half (1/2) by the Company. Copies of such medical examiner's report will be furnished to the Company and to the employee.
- D. The above procedures do not apply in the case of time sensitive examinations, such as random drug testing, when required by law or approved Company plan.
- E. In instances where the Company requires an examination by a specialist to make the initial determination as stated in paragraph A above, such costs will be borne by the Company.

ARTICLE 9 - SENIORITY

- A. Company Seniority will commence with the effective day of placement on the payroll.
- B. All references in this Agreement to seniority will mean Title Group Seniority, also referred to as Occupational Seniority except where specific reference is made to Company Seniority or Classification Seniority.
- C. Occupational Seniority will begin to accrue from the date of first assignment to a Classification, including paid training, within any of the Title Groups enumerated in Article 10 of this Agreement.
- D. If an employee is transferred from one station to another, his seniority will not be broken.
- E. Occupational Seniority will govern all employees hereunder in the case of shift preference (hours / days off), promotion, demotion, transfer, retention in case of reduction in force, and re-employment after release due to reduction in force, provided that the employee's qualifications are sufficient for the conduct of the work in the Classification to which he is assigned.
- F. The parties agree to the establishment of an accurate seniority list for the Title Groups covered by this Agreement, including Company, Classification, and Occupational Seniority. Such list will be updated regularly and posted electronically.
- G. Resignation, discharge for just cause, or failure to accept recall from layoff will result in forfeiture of seniority and all rights thereto.

- H. An employee or the Union may protest any omission or incorrect posting affecting any employee's seniority within thirty (30) days after electronically posting of the seniority list, except that an employee on a leave of absence in accordance with Article 16 of this Agreement will have thirty (30) days from the date of return to duty.
- I. An employee who, as of the date of this Agreement, accepts a position with the Company outside the bargaining unit will retain but not accrue his seniority. Such an employee may return to his former Title Group and station, if a vacancy exists, upon thirty (30) days written notice. The Company may elect to defer for an additional thirty (30) days at its discretion as long as it does not hold the employee beyond (13) months from the day he left the bargaining unit. If such employee works outside the bargaining unit over thirteen (13) months, he will forfeit all seniority.
- J. When a volunteer is required for a Special Assignment outside the bargaining unit the company and the Local Union President or his designee will meet and confer regarding such assignment and anticipated duration.
- K. An employee who accepts an acting assignment as a manager or supervisor with the Company (MPR) will not exceed a period of ninety (90) days for all time worked in any calendar year.
1. Any extension will be made only by agreement between the Company and Union in writing.
 2. An employee who exceeds ninety (90) days in any calendar year will forfeit all Occupational Seniority unless extended per this article.

3. The Company will provide to the Local TWU President a monthly report of those employees receiving MPR.

L. An employee having Title Group seniority who permanently transfers at his own request to a Classification in another Title Group (under either this Maintenance Agreement or the Fleet Service Agreement) will retain seniority in the Classification and Title Group from which he transferred for a period of time not exceeding his service in the former Title Group. Such retained seniority may be exercised only in the event of a reduction in force pursuant to the provisions of Article 15.

M. In the event several employees are hired on the same date and have the same Occupational Seniority date, the following agreed upon procedure should be used to determine proper placement:

1. Occupational Seniority / AE Transport Workers Union
2. Company Seniority
3. Date of Birth

ARTICLE 10 - CLASSIFICATIONS AND QUALIFICATIONS

A. Employees covered by this Agreement will be assigned to a Classification within one of the following Title Groups:

1. Title I - Aviation Maintenance
2. Title II - Ground Support
3. Title III - Aircraft Cleaner
4. Title IV – Inventory Control

B. The Classifications included in Title I - Aviation Maintenance include:

1. Inspector - Quality Control
2. Aircraft Maintenance Crew Chief
3. "Train the Trainer" Crew Chief
4. Aircraft Maintenance Technician
5. Avionics Technician
6. Tool and Die Maker
7. Repairman

C. The Classifications included in Title II - Ground Support Technician include:

1. Ground Support Crew Chief
2. Ground Support Technician

D. The Classifications included in Title III - Aircraft Cleaner include:

1. Aircraft Cleaner Crew Chief
2. Aircraft Cleaner

E. The Classifications included in Title IV - Inventory Control include:

1. Inventory Control Specialist Crew Chief
2. Inventory Control Specialist

F. The Classification descriptions set forth are incorporated herein and made part of this Agreement. These classification descriptions are not intended to be all-inclusive; however, any additional duties assigned must be directly related to the employee's assigned classification.

G. The Company may assign an employee in a higher or lower Classification for a period not to exceed thirty (30) consecutive days. If the position is for a period of thirty-one (31) days or longer it will be considered a vacancy and will be filled in accordance with Article 14.

H. The Company agrees that an employee assigned to a lower Classification will be compensated at his base rate of pay. An employee assigned a higher Classification will receive the base rate of pay associated with the higher classification.

CLASSIFICATION DESCRIPTIONS

I. INSPECTOR - QUALITY CONTROL

1. The Inspectors are responsible to perform the required inspections in accordance with Federal Aviation Regulations and Company procedures to ensure the continuous airworthiness of the aircraft operated by the Company under the applicable Federal Aviation Regulations.

2. Works according to Federal Aviation Administration and Company regulations and procedures.
3. Coordinates with Maintenance Crew Chiefs and Supervisors to ensure the timely and satisfactory completion of work assignments.
4. The position may be delegated to qualified personnel within Title Group I when it is impossible, impracticable or unreasonable to assign a Quality Control Inspector to the job in question. A designated inspector will not inspect or “buy back” any maintenance work that he has accomplished. While he is performing the duties of a “Designated Inspector,” he is in the chain of command of the Quality Control Department.
5. The Quality Control Inspector reports to the Chief Inspector.
6. Inspectors may also be assigned to Shops as required by Management.
7. Any checks, inspections, and tests performed by an Inspector may be made after an aircraft and / or any component has been in service, when Aircraft Maintenance personnel have performed or are performing service, overhaul, modification, or fabrication operations and have certified their own workmanship, or prior to the release of an aircraft and / or any components into service.

8. RESPONSIBILITIES

- a. Involved in inspection and maintenance effort for a given shift.

- b. Arranges for or makes the necessary inspections of aircraft as required by work cards or any time there is a Required Inspection Item.
- c. Performs surveillance of parts and material from vendors to ensure proper certification source of quality of parts, components and materials purchased by the Company. Also, performs special projects such as aircraft acquisitions, modification and overhauls performed by outside agencies.
- d. Reviews component reliability problems with Maintenance and Reliability Analyst and coordinates corrective action with purchasing when vendor product quality is not within acceptable standards.
- e. Assists with the audit of vendors requested by Management. Written reports indicating approval or disapproval will be forwarded to the Chief Inspector within prescribed time limitation.
- f. Coordinates Quality Control procedures relative to acceptance and conformity inspections or uncertified parts obtained from sources other than the original manufacturers.
- g. Performs "on site" Quality Control monitoring of work performed on purchased and leased aircraft, as assigned by the Chief Inspector.
- h. Monitors workmanship and materials to verify that the Company and Federal Aviation Administration rules, regulations and standards are complied with.
- i. Monitors proper completion and preservation of required aircraft and related records.

- j. When directed, conducts audits of the line maintenance stations and records section, parts department, vendor and contract maintenance facilities, tools and test equipment.
- k. Audits actual repair and overhaul work operations to ensure reliable performance.
- l. Monitors compliance with Federal Aviation Regulations and Airworthiness Directives.
- m. Performs Required Inspection Item inspections.
- n. Performs on the job training as determined by the Company.
- o. Will be required to perform nondestructive testing and borescope inspections.
- p. Assures that their work area is maintained in a safe and orderly manner at all times.

J. CREW CHIEF

- 1. The Crew Chief will be responsible to management for the overall performance of the employees assigned to his crew, and the timely and satisfactory completion of work assignments, by ensuring that:
 - a. Management instructions are promptly and correctly complied with.
 - b. Employees assigned to his crew are properly utilized and instructed for the efficient performance of their daily work.

- c. Work assignments are carried out in compliance with operational and safety procedures required by the policies of the Company and appropriate Governmental Regulations.
 - d. Required forms, records, reports and other paperwork are completed legibly and correctly.
 - e. Employees assigned to his crew use only those vehicles, tools and equipment on which the Company has determined them to be qualified.
 - f. Assigned equipment is in proper operating condition, scheduled for maximum utilization and operated for the purpose intended.
 - g. Hazardous conditions, unsafe practices, improperly functioning equipment and tools are immediately brought to the attention of management.
2. The Crew Chief will be responsible to management for ensuring compliance with all Company policies, including those relating to personal conduct while on the job by those employees assigned to him.
 3. The Company agrees to the following with respect to Crew Chiefs:
 - a. Title I: For the Title I group only, the Company will maintain, on a system-wide basis, a ratio of one (1) Crew Chief (CC) for every seven (7) Aircraft Maintenance Technicians (AMTs) (1:7 ratio). In those locations, areas, or shops where a Crew Chief is not assigned to work, AMTs may be required to report directly to a manager or supervisor.

The Company shall, in January and July of each year, provide the Union with a report containing information showing that it is in compliance with the 1:7 system-wide ratio set forth above.

- b. Titles II, III, IV: A maximum of fifteen (15) people per shift may be assigned to any one (1) Crew Chief at a time.
4. Will communicate with other Company personnel as required in a manner designated by the Company.
 5. The Crew Chief may be required to demonstrate proper work methods, conduct on-the-job or classroom training, conduct meetings or indoctrinate employees in new or revised operational procedures.
 6. In addition to the above, the Crew Chief will, upon request, assist management in areas such as:
 - a. Periodic evaluation of operating requirements and performance.
 - b. Operational Planning and Scheduling
 - c. Evaluation of training methods and techniques.
 - d. Evaluation of equipment, vehicles and tools.
 - e. Performance appraisal of employees providing oral advice and comments.
 7. The Crew Chief will be qualified in the duties of his classification and will be capable of performing those duties. He will assist his assigned crew in the performance of their duties, provided that such assistance does not interfere with the performance of

his primary responsibilities as described above. While he is performing such duties, his primary responsibilities will not be assumed by others. However, the above provisions do not preclude management from directing individual employees under non-routine circumstances or, in the absence of the Crew Chief from the immediate work area.

8. Assures that their work area is maintained in a safe and orderly manner at all times.

K. “Train the Trainer” CREW CHIEF

1. PURPOSE

The purpose of the “Train the Trainer” Crew Chief is to provide technical assistance, guidance, training and administrative support to the Maintenance and Engineering department.

2. JOB DESCRIPTION

The Description of the “Train the Trainer” Crew Chief will, in addition to the Crew Chief classification description outlined in this Agreement, include the following:

- a. Performs and provide guidance and assistance in trouble-shooting and technical assistance to the employee or employees assigned.
- b. Provides instruction, either classroom or on the job, relating to aircraft systems and / or ground support.
- c. Ensures that forms, delay reports, logbooks, work cards and related paperwork are completed correctly.

- d. Maintains knowledge of, and work with manuals, supply / parts catalogs, minimum equipment lists and Company records.
- e. Assures that their work area is maintained in a safe and orderly manner at all times.

3. QUALIFICATIONS

- a. Must possess an Airframe and Powerplant license.
- b. Must have a minimum of one (1) year of experience as an Aircraft Maintenance Technician.
- c. Demonstrates procedures and techniques in troubleshooting and repair of the Company's aircraft, powerplants and components, utilizing the manufacturer's aircraft manuals.
- d. Demonstrates proficiency in the use of manuals, supply / parts catalogs, minimum equipment lists, and wiring diagrams.
- e. Demonstrates the proficiency in group and / or individual instruction.
- f. Demonstrates administrative proficiency in the completion and comprehension of Company records.
- g. Must have successfully completed the "Train the Trainer" course.

L. AIRCRAFT MAINTENANCE TECHNICIAN

1. The work of an Aircraft Maintenance Technician includes all work generally recognized as Aircraft Maintenance Technicians work performed on an aircraft or in a shop on aircraft components.
2. The Aircraft Maintenance Technician reports to their Crew Chief and works in accordance with Federal Aviation Administration and Company policies, regulations, procedures and instructions from his Crew Chief. In accordance with paragraph 10 J.3. above, an Aircraft Maintenance Technician may be required to report to, or take instruction from, a manager or supervisor.

3. RESPONSIBILITIES

- a. Aircraft Checks
- b. Dismantling, overhauling, repairing, fabricating, assembling, welding and erecting all parts of aircraft, airframe, engines, radio equipment, instruments, electrical systems, heating systems, cooling systems, hydraulic systems and machine tool work in connection therewith.
- c. Test and inspect parts, subassemblies or completed assemblies, including Company aircraft to the extent necessary to determine, accomplish and approve his own work.
- d. Employees may be required to conduct and perform on the job training (OJT) as determined by the Company.

- e. If qualified, taxiing, towing, and run-up of aircraft for maintenance purposes.
- f. Completes required paperwork and computer entries as required for all maintenance performed.
- g. Assures that their shop / work area is maintained in a safe and orderly manner at all times.
- h. Communicates with other Company personnel as to the status of their assigned task.
- i. Hazardous conditions, unsafe practices, improperly functioning equipment and tools are immediately brought to the attention of the crew chief and / or management.

M. AVIONICS TECHNICIAN

1. The Avionic Technician reports to their Crew Chief / Supervisor and works in accordance with Federal Aviation Administration and Company policies, regulations, procedures and instruction from his Crew Chief.

2. RESPONSIBILITIES

- a. The Avionics Technician's responsibilities include the troubleshooting, replacement, modification, inspection, functional testing and maintenance of all installed or removed avionics system components, wiring and sub-assemblies.
- b. Assures that their work area is maintained in a safe and orderly manner at all times.

- c. Communicate with other Company personnel as to the status of their assigned task.

3. QUALIFICATIONS

- a. Must possess an Airframe and Powerplant License. FCC license preferred but not required.
- b. Must demonstrate ability and knowledge in the following areas:
 - i. Demonstrate procedures and techniques in troubleshooting and repair of the Avionics and electrical systems / components.
 - ii. Demonstrate proficiency in the use of manufacturer manuals, especially wiring diagrams.

N. TOOL AND DIE MAKER

1. The work of the tool and die maker is to produce drawings and fabricate tooling, test rigs and / or equipment as directed. In addition, the tool and die maker will assist aircraft maintenance in any aircraft machining, such as:
 - a. Oversees all machining and fabricating within the machine shop.
 - b. Fabricates and machine required tooling and / or parts in a timely manner.
 - c. Assures the machine work area is maintained in a safe and orderly manner.
 - d. Performs other duties (tool and die) as directed by supervisory personnel.

2. QUALIFICATIONS:

- a. Must possess or be working toward a repairman's certificate issued by an appropriate regulatory authority. Two (2) years of formal training in the machinist craft or equivalent experience in a related field. The ability to work from production and manufacturing drawings, blueprints, and / or sketches.

O. REPAIRMAN

1. The Repairman reports to their Crew Chief / Supervisor for the repair, overhaul, inspection and functional testing of aircraft and components and / or sub-assemblies removed from Company aircraft.
2. Additional specific responsibilities are as follows:
 - a. Assures that the shop / work area is maintained in a safe and orderly manner at all times.
 - b. Designs, procures sub-assemblies and builds special test equipment or tooling as required.
 - c. Provides direct support to line maintenance in any capacity required.
 - d. Interfaces with Engineering for continuous product improvement.
 - e. Works closely with the Inspection Department to ensure compliance with Company policies and procedures as well as applicable Federal Regulations.

P. GROUND SUPPORT TECHNICIAN

1. Reports to the Ground Support Crew Chief / Supervisor.

2. RESPONSIBILITIES

- a. Fabricating, operating, servicing, cleaning of parts, painting, maintaining, troubleshooting, repairing and overhauling all types of ground equipment and subassemblies, including cars, trucks, vans, busses, tractors, tugs, ground power units, preheaters, deicers, carts, towbars and any other kind of ground support equipment.
- b. Receiving, mixing and transporting of deicing fluid; cleaning, maintaining and repair of ground support shops and their fixtures, tools and equipment; implementation of preventive maintenance programs; providing informal instruction and advise to equipment operators; completing all required paperwork or data entry required to keep records of the work and other duties of a general utility nature as assigned.
- c. Communicates with other Company personnel as to the status of their assigned task.
- d. Employee may be required to conduct and perform on the job training (OJT) and will also communicate with other Company personnel as determined by the Company.

Q. AIRCRAFT CLEANER

1. Reports to their Crew Chief / Supervisor and works according to Company regulations, procedures and instructions from the Crew Chief.

2. RESPONSIBILITIES

- a. Ensures that all aircraft are maintained to present a professional appearance to the public.
- b. Responsible for cleaning and polishing aircraft exteriors.
- c. Cleans and stocks interior of aircraft with magazines, briefing cards, emergency sacks and / or other promotional materials where required.
- d. Cleans hangars and removes trash from work areas.
- e. Cleans ground equipment and assigned facility areas.

R. INVENTORY CONTROL SPECIALIST

1. FUNCTION

The work of an Inventory Control Specialist includes all work generally recognized as Inventory Control work performed by Stores.

The Inventory Control Specialist reports to the Inventory Control Specialist Crew Chief or Stores Supervisor in those locations where an Inventory Control Specialist Crew Chief is not available, and works in accordance with Federal Aviation Administration and Company Regulations & Procedures, and instructions from his Inventory Control Specialist Crew Chief or Supervisor.

2. RESPONSIBILITIES

- a. Receiving, disbursing, shipping of supplies, tools, free stock and aircraft parts.
- b. Stocking, storing, stock chasing, issuing and performing physical inventory of materials charged to Stores.
- c. If trained & qualified, may be responsible for repair orders, work orders, and tear down reports.
- d. Identifies errors in paperwork, data entry, bin quantity discrepancies, computer data entry, and refers them to his Crew Chief or Supervisor.
- e. Reports overdue items and shortage to his Crew Chief or Supervisor.
- f. Exchanges information with authorized maintenance and records personnel.
- g. Keeps stockroom and adjacent work areas clean and orderly.
- h. Stores items according to Company, fire safety, and "good housekeeping" regulations and practices.
- i. Performs all aspects of the job in a safe manner.
- j. Obtaining, through the Company, Department of Transportation qualifications and remaining current throughout tenure.

- k. Performs accurate data entry in Company computer systems.
- l. Delivering materials to and from the facility as determined by the Company.
- m. Setting up or tearing down facilities to carry out duties and associated miscellaneous activities to accomplish such operations.
- n. Assures that their work area is maintained in a safe and orderly manner at all times.
- o. Employee may be required to conduct and perform on the job training (OJT).

ARTICLE 11
OVERTIME

A. Overtime, computed and adjusted to the nearest six-minute unit of work (tenths) will be paid.

B. Weekly Overtime: Time worked in excess of forty (40) hours in a work week (excluding PDO and CSW) will be considered overtime and will be paid as follows:

1. Employees will receive one and one-half (1-1/2) times the base rate of pay for hours worked in excess of forty hours in a work week except as set forth in Articles 11E. and 11G. below.

2. Time paid for and not worked on a holiday pursuant to 6F. will be considered as time worked for purposes of computing overtime.

Example: A 10-hour employee's regular schedule is Sunday - Wednesday, with Thursday, Friday and Saturday off. Overtime under this Article would be paid as follows for the scenarios below:

| | Sat | Sun | Mon | Tue | Wed | Thu | Fri |
|-------------|-----|-------|----------------------|--------------|-------|-----|-----|
| Scenario #1 | Off | 10w | 10w | 10w | 10PDO | Off | Off |
| Scenario #2 | Off | 10w | 10w | 10w | 10PDO | 10w | Off |
| Scenario #3 | Off | 10w | 10w 4hold over | 10w | 10PDO | 10w | Off |
| Scenario #4 | 10w | 10PDO | 10PDO | 10PDO | 10w | 10w | 10w |
| Scenario #5 | Off | 10UBP | 10w | 10Pd Rest | 10w | 10w | Off |

Scenario #1 – Employee would receive 30 hours of regular pay and 10 hours of PDO.

Scenario #2 – Employee would receive 40 hours regular pay and 10 hours of PDO.

Scenario #3 – Employee would receive 40 hours of regular pay, 10 hours of PDO, and four (4) hours of OT pay.

Scenario #4 – Employee would receive 40 hours of regular pay and 30 hours of PDO.

Scenario #5 – Employee would receive 20 hours regular pay, 10 hours UBP (Article 19), 10 hours Paid Rest (Article 17), and 10 (ten) hours OT at 1.5x pay because the hours for UBP and Paid Rest are included in hours worked.

C. Shift differentials will not be compounded in the calculation of overtime rates.

D. Overtime work will be distributed in seniority order among the employees qualified to perform the work necessitating overtime as equitably as practicable. The Company and the Union will “meet and confer” to develop a distribution method for each work location. (Reference Letter V)

E. Exchange of shifts and days off trades (CS):

An employee working an exchange of shifts or days off will be paid at his base rate of pay for the new schedule. Hours worked by an employee as the result of an exchange of shifts or days off shall not be counted as hours worked for purposes of computing overtime. If, however, an employee works additional hours at Company request in conjunction with an exchange of shifts or days off, such hours will be counted as hours worked for purposes of computing overtime.

Example: A 10-hour employee's regular schedule is Sunday - Wednesday, with Thursday, Friday and Saturday off. Overtime under this Article would be paid as follows for the scenarios below:

| | Sat | Sun | Mon | Tue | Wed | Thu | Fri |
|-------------|-----|-------------|------------------------------|-----|-------|--------|-------|
| Scenario #1 | Off | 10w | 10w | 10w | 10PDO | 10 CSW | Off |
| Scenario #2 | Off | 10w | 10w | 10w | 10PDO | 10CSW | 10CSW |
| Scenario #3 | Off | 10w 8CSW | 10w 8CSW 4hold over | 10w | 10PDO | 10w | Off |

Scenario #1 – Employee would receive 30 hours of regular pay, 10 hours CSW pay and 10 hours of PDO.

Scenario #2 – Employee would receive 30 hours regular pay, 20 hours of CSW pay and 10 hours of PDO.

Scenario #3 – Employee would receive 40 hours of regular pay, 16 hours of CSW pay, 10 hours of PDO, and four (4) hours of OT pay, because the hold over hours are included in hours worked.

F. An employee whose overtime working period continues into the following day will continue to receive overtime rates for all overtime so worked.

G. If any work period continues so that its termination will fall within seven and one-half (7-1/2) hours prior to the commencement of the employee's regular shift in the succeeding workday, he will receive pay for all time worked during his regular shift on the succeeding workday at the rate of time and one-half his regular hourly rate.

Example: An employee's normal daily shift starts on Thursday at 07:30 AM and ends at 06:00 PM. He worked overtime and punched out at 12:00 AM. His next normal day to work is Friday at 07:30 AM and will get paid at time and one-half his regular hourly rate of pay i.e. when he punched out he was within 7-1/2 hours of his next scheduled workday.

- H. No overtime will be worked except by direction of the proper supervisory personnel of the Company, except in cases of emergency and when prior authority cannot be obtained.
- I. In no event will any employee covered hereunder receive more than one and one-half (1-1/2) times his base rate of pay (excluding shift differentials) under this Agreement.
- J. In the event of an emergency or when there are an insufficient number of employees being available, the Company will assign employees in inverse order of seniority to perform such work. The Company will use its best efforts to provide employees a minimum of two (2) hours notice in writing.
- K. When an employee covered by this Agreement has been relieved for the day and is recalled to work, or works on his regularly scheduled days off, he will be paid not less than two (2) hours at his base rate of pay.

ARTICLE 12 - PROBATIONARY PERIOD

- A. New employees will be considered on probation for the first six (6) months of active service. Probationary employees may be disciplined or discharged without having recourse to the grievance and arbitration provisions of this Agreement.
- B. Probationary employees will be assigned a shift and work group by the Company. New employees will bid a shift on succeeding shift bids, but may not change work areas until completion of probationary period.
- C. No probationary employees will work in a Crew Chief or Inspector capacity.
- D. Employees on probation will have the right to Union representation, and may file a grievance based on alleged violations of the Agreement excluding discipline and discharge.

ARTICLE 13 - HOURS OF WORK

- A. The workday will consist of a twenty-four (24) hour period beginning at 12:00 o'clock midnight and a regular day's work will consist of eight (8) hours, exclusive of meal periods.
- B. The basic workweek (and pay week) will consist of:
1. Seven (7) days beginning at 12:01 a.m. Saturday and the regular weekly work schedule will consist of five (5) workdays of eight (8) hours each within the workweek.
 2. Each employee will be scheduled two (2) days off during each workweek. The Company will make every reasonable effort to arrange work schedules so that, whenever practicable, those days will be Saturday and Sunday. When an employee's days off are other than Saturday and Sunday, they will be two (2) consecutive days. Nothing herein will prohibit the Company from scheduling Friday and Saturday as the two (2) consecutive days off; provided that when this is done Friday will be considered the first scheduled day off and Saturday will be considered the second scheduled day off, and the employee's eligibility for overtime shall be in accordance with Article 11.
- C. The Company will provide an option for work locations to have ten (10) hour shifts. Each work location must submit, for approval, their applicable work rules which would include the shift starting times and overtime rules. The Company reserves the right to disapprove or terminate such if it is more costly or less productive than eight (8) hour shifts. The Company agrees to meet and confer with the Union before terminating approved plans.

1. The four (4) day work week will consist of four (4) consecutive ten (10) hour workdays, exclusive of meal period and will total forty (40) hours for each calendar week.
- D. The Company will publish and post work schedules which will include shifts, hours, and days off for employees under this Agreement. Employees will have the opportunity to bid shifts, hours, and days off at least twice per year. Each bid period will last a minimum of three months unless otherwise dictated by operational necessity.
- E. Seven (7) calendar days' notice will be given for shift changes, except in emergencies.
- F. Part time employee's hours will be governed by the provisions of Article 24.
- G. Exchange of shift and day off trades (CS) are permissible at local management's discretion. Trades require the supervisor's prior approval and are limited by service needs and state and federal laws. No such trades may generate extra pay for either employee involved except as provided for in Article 11 Overtime.
- H. Full time employees may volunteer for split days off.

ARTICLE 14 - TRANSFERS AND PROMOTIONS

- A. Before any new employee is hired, employees covered by this Agreement will be given preference in accordance with their seniority; as provided herein.
- B. Vacancies subject to bidding will be awarded by a local selection panel. (Reference Letter E)
1. The following Classifications will be considered bid positions:
 - a. Inspector
 - b. Aircraft Maintenance Crew Chief
 - c. "Train the Trainer" Crew Chief
 - d. Ground Support Crew Chief
 - e. Inventory Control Specialist Crew Chief
 - f. Aircraft Cleaner Crew Chief
 2. Notices of such vacancies and awards will be posted electronically or on all bulletin boards in all shops and work stations, bases or locations where employees are employed. The notice of vacancy will state whether the vacancies or jobs are expected to be temporary or permanent, the number of jobs to be filled, the base or location and will specify a deadline date for bids. Such date will not be less than ten (10) days after the date of such posting. All successful awards will be posted no later than ten (10) days after the closing date.
 3. Bids will be submitted electronically when available. Until such time as bids become available electronically they will be submitted by certified or registered United States mail, return receipt requested.

4. Employees shall not be deemed qualified without one (1) year seniority.

5. Selection Criteria: For each bid position there shall be two selection criteria, weighted as follows:

a. Seniority:

Less than three years - 0 points

Three to five years - 5 points

Six to Ten years – 10 points

Each full year over Ten – 1 point

b. Panel interview: Maximum score - 40 points. Each candidate shall be interviewed by a four-person selection panel consisting of the local TWU President or his designee, another representative appointed by the local TWU President, the manager responsible for the open position, and another representative appointed by the hiring manager. Each applicant will be asked to answer an identical series of questions prepared by the hiring manager and the TWU relating to the experience, qualifications, skills, ability and work habits required for the position. Each candidate will be provided the opportunity to discuss with the panel the reasons the candidate wants the position, why the candidate should be selected, and any on the job or off the job accomplishments. Each panel member may ask each candidate questions with regard to the employee's work experience and performance at American Eagle or at other jobs that are related to the qualification, skills, ability or work habits required for the position.

c. Candidate selection: The candidate selected shall be the one with the highest number of points totaled

from the points earned from each of the two selection criteria. The score for the panel interview shall be determined by dropping the high and low scores from the panel members and taking the average of the two remaining scores. If two or more applicants are determined to be of equal qualification, the most senior employee will be selected.

d. Before announcing the name of the selected candidate, member(s) from the panel (Company and TWU) will review the scoring with each candidate.

C. Vacancies not subject to bidding will be filled as follows:

1. Notices of vacancies, request for transfers and awards will be posted electronically, when available.
2. An employee hereunder may request a transfer to fill a regular full time or part time vacancy within his Title Group, not subject to bidding, either at his own or at another station, provided that the employee is qualified for the conduct of the work to which he is to be assigned and provided:
 - a. Employee has a minimum of six (6) months' service with the Company.
 - b. Employee has submitted a request for transfer to the Company not less than fifteen (15) calendar days prior to the declared vacancy date.
 - c. Employee has not completed or refused a transfer within the six (6) month period preceding the declared vacancy date.

- d. Each January 1 and July 1 a request for transfer not submitted within the preceding thirty (30) days will be voided and it will be necessary for a new request to be submitted.
 - e. A vacancy created by the transfer of an employee may be filled or left unfilled by the Company at its option.
 - f. Employees who accept a transfer request will report to their new assignment within fourteen (14) days of acceptance except as outlined in Article 14D. below.
3. An employee hereunder may request a transfer to a full time or part time vacancy outside his Title Group or to Title Group within the Fleet Service Agreement, not subject to bidding, either at his own station or at another station provided that the employee is qualified for the conduct of the work to which he is to be assigned and provided:
- a. Employee has a minimum of six (6) months' service with the Company.
 - b. Employee has submitted a request for transfer to the Company not less than fifteen (15) calendar days prior to the declared vacancy date.
 - c. Employee has not completed or refused a transfer within the six (6) month period preceding the declared vacancy date.
 - d. Each January 1 and July 1 a request for transfer not submitted within the preceding thirty (30) days will be voided and it will be necessary for a new request to be submitted.

- e. A vacancy created by the transfer of an employee may be filled or left unfilled by the Company at its option.
 - f. Employees who accept a transfer request will report to their new assignment within fourteen (14) days of acceptance except as outlined in Article 14D. below.
4. Full time vacancies, under 14C2 and 14C3, will be filled by the most senior qualified employee requesting to fill such vacancy in accordance with the following order of preference:
- a. System surplus employees in the same classification provided they are senior to the most senior employee holding recall rights to the classification.
 - b. If there are employees on layoff retaining recall rights to the classification, these employees will be blended in seniority order with active part time employees at that station who have transfer requests on file to full time status in the classification with the vacancy.
 - c. Employees in a full time bid classification status in the same city requesting a voluntary demotion under the provisions of Article 14G will be offered full time vacancies.
 - d. Transfer requests of employees currently on payroll in the same classification in other cities blended in seniority order with part time employees transfer requests in the same classification within the city with the vacancy.
 - e. Transfer requests under 14F of the Fleet Service Agreement of those employees (active or laid off)

who have a valid transfer from one classification to another at their own station.

f. Transfer requests by employees on the active payroll who desire to fill a vacancy in another classification at another station.

g. Transfer request by an employee on layoff status in the same classification in which the vacancy exists and who submits a transfer request after being laid off adhering to all procedural and qualification requirements under 14C2 of the Maintenance Agreement.

h. Transfer request by an employee on layoff status in a classification other than the classification in which the vacancy exists and who submits a transfer request after being laid off adhering to all procedural and qualification requirements under 14F of the Fleet Service Agreement.

i. New hire.

D. An employee who accepts a transfer request will report to their new assignment within fourteen (14) days of acceptance. In the event that the Company, due to operational concerns, requires an employee to remain in his current position for a period of time beyond the fourteen days, the employee's base rate of pay will be the greater of his current base rate of pay or the base rate of pay associated with the new assignment from the fifteenth (15th) day after acceptance of the transfer to the new assignment until the actual date of the transfer.

In no event will the employee be withheld from reporting to his new assignment for a period greater than thirty (30) days. If the transfer to the new assignment causes the employee to incur a new occupation or classification seniority date, such seniority will accrue beginning with the earlier of the actual date of transfer or the fifteenth (15th) day following acceptance of the transfer to the new assignment.

- E. An employee having qualified for a different Classification within the Maintenance Agreement (including a qualified employee from a Classification within the Fleet Service Agreement), who subsequently fails to demonstrate the required mechanical ability within six (6) months will be returned to his previous Classification and location. Furthermore, the employee would need to re-qualify and allow a period of twelve (12) months to elapse before rebidding for the same Classification.
- F. An employee having received Company furnished training, who subsequently fails to successfully complete that training, will be offered one (1) make up test opportunity, and if employee fails, the employee will be subject to disqualification.
- G. An employee who is awarded a bid position will not be held on a trial basis in his new assignment for a period longer than one hundred and eighty (180) days and may be demoted or returned to his former assignment in the event of inability to perform his duties in a satisfactory manner. All employees awarded a bid position will be required to have their performance evaluated by a review panel prior to the last day of their one hundred and eighty (180) day trial period. The Union will participate on any such panel in accordance with procedures as determined

by the Company. Employees who fail to meet performance expectations will be demoted as outlined herein. The decision will be final and binding not subject to review under the grievance procedures. In the event that he is demoted, he may return to his former Classification hereunder for which he is qualified, but he will not for a period of twelve (12) months after such return, bid for a vacancy in the same Classification for which he was unable to demonstrate his ability.

- H. An employee hereunder may request a demotion from a bid position at his station provided there is a vacancy within his Title Group in accordance with the order designated in 14C4 above with thirty (30) days notice in writing. Such employee or an employee demoted for cause will not be permitted to bid another vacancy in his Title Group for a period of twelve (12) months following the effective date of such demotion.
- I. An employee who permanently transfers at his own request to another classification of work as provided in this Maintenance Agreement or the Fleet Service Agreement will continue to receive his base rate of pay but in no event will his base rate of pay exceed the maximum rate for the classification to which he transferred. If his base rate of pay at the time of such transfer is not the same as any base rate of pay for the classification to which he transferred, he will immediately receive the nearest higher base rate of pay for such classification.

An employee, who voluntarily or involuntarily returns to a former classification, will accrue classification seniority for all time out of the original classification provided the

employee retains occupational seniority in the former classification at the time of return. Under these circumstances the employee will be treated as if they had never left the original classification. The employee's base rate of pay will be on the same step they would have been on had they never left the original classification.

In the case of a transfer from a higher to a lower classification caused by a reduction in force under this Agreement, the above rules will apply.

ARTICLE 15 - FURLOUGH / RECALL

FURLOUGH

A. An employee having seniority (who has completed his probationary period) and who is directly affected by a reduction in force may at his option:

1. Exercise his seniority to displace the most junior employee at his station in his own or lower classification within his Title group.
2. Exercise his seniority to fill a vacancy in a lower classification within his Title group at his station.
3. Exercise his seniority to fill a vacancy in his own or lower classification in the system not subject to bidding.
4. When there are insufficient vacancies to accommodate the number of employees being reduced he may exercise his seniority to displace the employee or employees with the least system seniority in his own or lower classification.

B. At the time of the lay-off, employees will be advised of, and in order of his seniority, offered his choice of the stations where appropriate vacancies exist and / or the location(s) of the least senior employees in his classification in the system. The number of vacancies and the number of least senior employees in the appropriate classification selected for displacement will correspond to the number of laid off employees who elect to exercise their seniority to a job in their own classification.

1. The number of least senior employees exposed to displacement under this procedure will be subject to change prior to identification of awards.
2. After awards are given the number of least senior employees exposed to displacement under this procedure will not be changed because of failure of a laid off employee to move to a job previously allocated.

C. An employee who is directly affected by a reduction in force and exercises his seniority, either at the time of layoff or after accepting layoff, and thereafter must resign for personal reasons (cannot accept the new area, job or location) will retain recall rights if at the time of resignation they so notify the Company in writing of their desire to retain their recall rights. Any employee wishing to avail himself of this provision must do so within 90 days of accepting the new position or location.

Example: Employee is laid off at DFW and elects to displace a junior employee in ORD. After a few weeks in Chicago the employee's family cannot join him and he elects to resign and retain his recall to DFW. This would be permissible.

Same situation as above except the employee elects layoff at the time of the reduction in force and after being unemployed for some time transfers to a vacancy at ORD. He elects to resign for whatever reason and would be eligible to retain his recall rights.

D. The Company will notify the Union thirty (30) days in advance of planned reductions in force, the number of employees and the locations.

E. An employee who changes stations due to a reduction in force pursuant to A3 and A4 above will be reimbursed by the Company for moving and travel expenses under existing move policy limits.

RECALL

F. An employee who has completed his probationary period and is laid off by the Company and does not exercise his seniority to displace an employee or accept a vacancy in his or a lower classification will continue to accrue occupational seniority during such layoff for a period of ninety (90) days and the employee will continue to retain occupational seniority thereafter. All seniority will be canceled and reemployment / recall rights forfeited if the employee is not reemployed / recalled by the Company within ten (10) years from the effected date of layoff.

G. An employee who has completed his probationary period and, in lieu of lay-off, exercises his seniority to displace an employee or accepts a vacancy in his or a lower classification will continue to accrue occupational and classification seniority for a period not exceeding his previous service to a maximum of two (2) years during such displacement. The employee will continue to retain occupational and classification seniority thereafter. All seniority will be cancelled and recall rights forfeited if the employee is not recalled by the Company within ten (10) years from the effective day of the layoff.

H. An employee bumping through one or more classifications or accepting vacancies and eventually laid off will retain reemployment / recall rights to any non-bid position in each such classification.

- I. An employee will file his proper address with the appropriate manager at the time of lay-off and must keep the Company informed of any change of address.

- J. At the time of reemployment / recall notice, the employee must notify the Company within five (5) days of intent to return to work, and must return to work within fifteen (15) days from the post mark of the original recall notice. An employee who fails to provide such notice or who fails to return to work within the prescribed time limits will lose all rights to reemployment / recall and his seniority will be forfeited unless such time is extended by the Company for a period not to exceed fifteen (15) days. The Company will furnish the Union with all reemployment / recall letters. All notices and replies will be by certified mail return receipt requested.

ARTICLE 16 - LEAVES OF ABSENCE

- A. When the requirements of the service will permit, an employee hereunder may be granted a leave of absence for a period not in excess of ninety (90) days. When such leaves are granted, the employee will retain and continue to accrue seniority during such leaves.
- B. When the requirements of the service will permit, such leave or leaves may be extended for additional periods not to exceed ninety (90) days. If such leave is extended by the Company, the employee will retain but not accrue seniority.
- C. When leaves are granted on account of sickness, injury, or pregnancy an employee hereunder will retain and continue to accrue his seniority plus length of service for pay purposes until he is able to return to duty, except that in no case will leave for sickness or injury exceed a total continuous period of three (3) years.
- D. An employee on leave of absence will report prior to termination date of such leave his intention to return to employment. Failure to make such report or secure renewal of leave of absence will terminate leave of absence and his employment.
- E. An employee hereunder returning from a leave of absence will be permitted to exercise his seniority in resuming his classification at the base to which he had previously been assigned.
- F. The reemployment and seniority status of any employee hereunder who, while in the active service of the Company, takes a Military Leave, will be governed by the provisions applicable by law.

- G. Three (3) days of personal emergency leave (bereavement leave) with pay for death in the immediate family will be extended to the employee covered by this Agreement. Immediate family includes Spouse or Company-recognized Domestic Partner, Children / dependent and non-dependent, Mother / Step-mother / Mother-in-law, Father / Step-father / Father-in-law, Sister / Step-sister, Brother / Step-brother, Domestic Partner's Mother or Father, Employee's Grandparents, Employee's Grandchildren, Legal guardian (former/current), or any person who is a permanent member of your household. If additional days are required, such days may be deducted from the employee's vacation allowance. Personal emergency days must be taken within thirty (30) days of the personal emergency; any extensions must be approved by local management.
- H. Employees called for jury duty will receive their base rate of pay less the fee received for jury services. Such an employee will promptly show his supervisor the jury summons and also show the courts validation of jury service when completed.
- I. An employee hereunder granted a leave of absence under the provisions of the Family Medical Leave Act will continue to accrue all forms of seniority during such leave.
- J. The Company reserves the right to require a physical examination of any employee at the Company's expense prior to return from any leave of absence. If an employee is required to report for said exam outside his base station, the Company will be responsible for travel costs and associated expenses.

K. To the extent that the Company provides more expansive leaves of absence benefits to other employee groups, those benefits will be applied to all employees covered by this Agreement.

ARTICLE 17 - FIELD WORK

- A. When an employee hereunder is required to perform work away from his base station on his regularly scheduled workdays, he will be paid at least eight (8) hours (or ten (10) hours as applicable) at his base rate of pay (including shift differential) for each scheduled workday while away from his base station, whether traveling, on call or working.
1. The work appointed, the duration of the assignment, and the hours worked while away from base and assigned to Field Work are subject to the direction of management.
- B. When an employee hereunder is required to perform work away from his base station on his scheduled day off, he will be paid at least eight (8) hours compensation at overtime rates whether traveling, on call or working.
- C. During a field work assignment, the employee will, while away from his base, be paid reasonable, actual expenses for meals, lodging, and transportation as approved by operating management. Un-receipted expenses will not exceed, without the approval of the Company, the maximums established by the Company. If the field work is outside of the United States and its territories, the Company will either provide advance payment or arrange for the payment of all expenses for required work permits, temporary visas, or any associated fees required to perform the work.
- D. The distribution of field trips will be governed by the following four (4) principles in addition to procedures as agreed to by the Company and the Union at each station, base or location. (Reference Letter V)

1. Employee(s) selected to support the trip must be qualified to perform the task and able to meet the scheduled departure time.
2. Crew Chiefs or highly skilled employees may be assigned by a Supervisor, exclusive of the field trip policy. This would be for jobs such as engine changes, major repairs, electrical problems, avionics, etc. These personnel are not to take the place of a mechanic, but will be used to assist in the correction of complex maintenance items.
3. In the event of an emergency or when there are insufficient or no volunteers for a field trip the Company will assign qualified employees with the lowest occupational seniority on duty or as per the field trip procedures where applicable.
4. All classifications will be on a separate field trip list and temporary duty assignment list except for Crew Chiefs, which will be included with the respective classifications.

Example: Aircraft Maintenance Technicians and Crew Chiefs will be included in the Aircraft Maintenance Technicians distribution list.

E. The distribution of temporary duty assignments (TDY) will be governed by the procedures as agreed to by the Company and the Union at each station, base or location. (Reference Letter V)

1. No employee will be assigned to a temporary duty assignment against his wishes.

2. All temporary duty assignments will be given in writing to the employee affected and in writing or email to the Local President of the Union or his designee.
- F. In consideration for the safety of its passengers and its employees, the following will apply to those employees returning from a field trip or temporary duty assignment:
1. When an employee returns from a field trip or temporary duty assignment, based on considerations of health and safety due to the employee's lack of rest, the Company will make a reasonable determination to relieve the employee from working the remainder of his scheduled shift, or the entirety of his shift if it has not yet begun.
 2. An employee so relieved from work will be paid his base rate of pay for that portion of his shift from which he was relieved, regardless of the rate he would have received had he been permitted to work. All hours paid to an employee pursuant to this paragraph shall be included as hours worked for the purpose of overtime under Article 11.
 3. When making such reasonable determination, the Company will consider the employee's schedule while on a field trip or temporary duty assignment in conjunction with his schedule upon return.
 4. Such reasonable determination should normally be made after the employee has reported back from his field trip or temporary duty assignment and prior to his commencing work, except for such work as may be related to the field trip or temporary duty assignment.

- G. The Company will establish a list of Stores employees who wish to be considered for field trips for the purpose of pickup and delivery of aircraft parts and equipment or temporary duty assignments. Reference Article 17D and 17E.
- H. In the interest of safety as well as complying with various Company Policies and Procedures, all field trips will be staffed with two (2) employees; where a job requires, due to bulk or weight, more than one (1) employee, or where driving a vehicle in excess of 350 miles per day is required. The Supervisor on duty will determine how many people will be sent in all other circumstances.

ARTICLE 18 - ATTENDANCE AT HEARINGS
INVESTIGATIONS OR TRAINING

- A. When an employee hereunder is required by the Company to attend training classes during regular working hours will be paid for time spent in the attendance of such classes at his base rate of pay and such time will be deemed as time spent at his regular work, provided, however, any time so spent after regular work hours or on a scheduled day off will not be classed as overtime and will be compensated for, when attendance is required by the Company, at the employee's base rate of pay.
- B. An employee required due to training, hearings, investigations or meetings that travels on a scheduled day off, will be paid at least eight (8) hours for such time at time and one-half his base rate of pay. Travel time referred to herein will begin sixty (60) minutes before the scheduled departure of the flight actually taken by the employee (or any flight for which he stood by) and will end with the actual arrival at the airport of destination. If an employee is required to provide his own ground transportation to an airport other than his base station, the travel time will begin from the time he begins his trip to arrive at the airport of departure. In both cases, the time will end with the actual arrival at the airport destination. No employee will receive more than eight (8) hours unless the actual trip time exceeds such.
- C. When an employee hereunder is required by the Company to attend hearings, investigations or meetings, he will be paid for such time at his base rate of pay and such time will not be considered overtime.
- D. When an employee hereunder is required by the Company to attend training classes, best efforts will be made to schedule such training on an employee's scheduled workday.

ARTICLE 19 - GENERAL

- A. All orders to and request from an employee involving transfers, promotions, demotions, layoff, reemployment, leaves of absence, or anything affecting his pay or status, will be in writing.
- B. When requested by the Local President, employees will be granted relief from duty without pay for the purpose of official Union business provided this does not interfere with the operation.

An employee, holding a position as an International TWU Representative, an International TWU Officer, or a full time position with the International Union or any of its locals, may request through the International Union, a Union Business (Pay) Continuance Leave of Absence, referred to as "UBP". The request for a UBP will be in writing from the International Union. The request will be sent to the Vice President or designee of Employee Relations. If approved by the Company, the UBP will not exceed twelve (12) calendar months. The written approval will state the expiration date of the leave. An employee on a UBP will continue to retain and accrue seniority throughout the leave.

1. A UBP may be extended in the same manner as stated above. A request for an extension of a UBP must be submitted and approved prior to the expiration date of the current UBP.
2. If the UBP is extended, the employee will continue to retain and accrue seniority.
3. If an employee is on a UBP, there will be no interruption to the employee's pay and benefits, but the Company

will bill the Local Union or the International Union, as applicable, for the employee's salary plus a percentage override for tax and benefit related expenses. Failure of the responsible party to pay the billing will result in the termination of the UBP for the affected employee.

4. UBP and UBC hours shall be considered as hours worked for the purpose of overtime under Article 11.

C. Within forty-five (45) days after signing this Agreement, the Company will provide each employee a copy of this Agreement.

D. In the event of the total loss of an employee's tool box and its contents as a result of fire or theft while the box is located on Company property or while the employee is traveling and / or working on an authorized field assignment and stored in a Company designated area, the employee will assume the first \$50.00 of replacement cost and the Company will provide up to the following amounts towards the balance of the replacement cost of the tool box:

1. \$2000.00 for loss of a "rollaway" toolbox.

2. \$600.00 for the loss of a "tote" box.

The benefit only applies to the entire loss of a toolbox and its contents. It does not cover loss of individual tools. Reimbursement will only be for tools required by the Company; the Company will furnish the Union with a required tool list.

E. Employees covered by this Agreement and their immediate families will be allowed the same pass and reduced fare privilege afforded other American Eagle Airlines, Inc. employees.

F. The Company will provide bulletin boards at each station where employees hereunder are employed, marked Transport Workers Union of America, AFL-CIO and the appropriate Local number, for the posting of official Union business. Such notices will bear the signature of an officer of the Union and will not contain anything of a defamatory or personal nature attacking the Company or its representatives.

G. If the Company requires the employees to wear uniforms, the employee will be required to wear standard Company uniforms. At those locations where local law does not require providing a uniform, the Company will provide the following:

1. Basic Uniform: The Company will pay fifty percent (50%) for the employee's first uniform set and the employee will pay fifty percent (50%). All basic uniform replacement will occur at eighteen (18) month intervals and the Company will provide full replacement of the basic uniform.
2. Jackets / Winter Coats: The Company will pay fifty percent (50%) for the employee's first jacket / winter coat and the Employee will pay fifty percent (50%). All replacements will be paid for in the same manner.
3. Payroll deduction for initial and replacement uniform purchases will not exceed \$50 per month. If the employee leaves the Company prior to paying for the proportionate one half (1/2) share in full, the remaining cost will be deducted from the final paycheck.
4. An employee will be responsible to replace any part of the uniform which is lost or damaged due to negligence or abuse.

5. Employees may wear the standard Transport Workers Union insignia on pins and hats. Transport Workers Union pins may be worn on the Company uniform.

H. Disciplinary documents generated on an employee covered by the Transport Workers Union will only be kept in his file for a period not to exceed (2) two years.

I. In the event free parking facilities for employees are not available at airport locations, the Company will assume the monthly parking charge, assessed by the appropriate authority (airport, port, etc.) for parking in an area designated for employees. This provision will not apply to replacement of original charges to employees for decals, stickers, gate keys, or similar items. Also, where other transportation to and from employee parking facilities is recognized by the Company as an integral part of the employee parking arrangements that transportation will be at Company expense.

J. No employees will incur any cost associated with the initial issue or renewal of Company or associated Airport / Base required ID badges.

K. The Company will forward to the ranking Local Union Representative a copy of the regular shift bid schedule for the station. The shift bid schedule will include scheduled shift hours and scheduled days off.

ARTICLE 20 - REPRESENTATION

- A. The Union may select and designate such representatives in the respective fields, stations, shops and other working units as may be necessary for the purpose of representing the employees under the terms of this Agreement, or in accordance with the Railway Labor Act, as amended.
- B. The Union will notify the Company in writing of the names of its Accredited Representatives at each station and any changes in the personnel thereof. The Company will inform the Union, in writing, of the supervisors with who said Accredited Representatives will deal and changes thereof.
- C. International Officers and Accredited Representatives, or Local Officers of the Union will, at any time during regular working hours, have access to the premises of the Company where employees hereunder are located, for the purpose of investigating grievances or other matters directly connected with the operations of this Agreement and its procedures for the settlement of any dispute. As a matter of courtesy, notice of such intended visit will be given to the ranking Company Official.
- D. An Accredited International Representative of the Union or designated Company official who believes that any provision of this Agreement has not been or is not being properly applied or interpreted and which has not yet become the subject of an actual grievance, will have the right within ten (10) days after such alleged misapplication or misinterpretation has been ascertained to protest such violation, in writing, to the other party, who will evaluate such protest and render a decision in writing within fifteen (15) days. Disputes in respect to actual grievances will be

handled exclusively according to the provisions of Article 21, Grievance Procedure. If no settlement is reached under paragraph D of this Article, an appeal may be made, in writing, within thirty (30) days to an Arbitration panel (as described in Article 22) of this Agreement.

E. The Union does not question the right of the Company supervisors to manage and supervise the work force and make reasonable inquiries of employees, individually or collectively, in the normal course of work. In meetings for the purpose of investigation of any matter which may eventuate in the application of discipline or dismissal, or when written statements may be required, or of sufficient importance for the Company to have witnesses present, or to necessitate the presence of more than one Company supervisor, or during reasonable cause or post accident drug / alcohol testing as provided in Article 20G, the Company will inform the employee of his right to have a Union representative present. If the employee refuses representation, the supervisor's record will reflect his refusal.

1. When the Company convenes a meeting under the provisions of Article 20E, it will, except for rare and compelling reasons, indicate the purpose of the meeting and then, provide an opportunity for the employee and his Union representative to confer for a reasonable period of time. Once the 20E meeting reconvenes, it will continue until concluded by the supervisor.
2. Before written notification of discipline or dismissal is given to the employee, he will be afforded the opportunity to discuss the matter with his supervisor. If he desires, he will have a Union representative present during this discussion. Nothing in this article will be

construed as preventing the Company from holding an employee out of service pending an investigation.

F. Employees covered by this Agreement who are interviewed by a Company Security Department representative as part of a Security Department investigation may, upon request, have an Accredited Representative present during the interview. If a local representative is not readily available, after the request, the Company's Security Department will not be required to wait for his availability before conducting the interview. However, the employee in that circumstance may request the presence of another Union represented employee to be present. The role of the Representative will be that of a silent observer only. The Representative may in no way interfere nor impede the Security Department's investigation and / or interview.

G. Employees who are required to take a reasonable cause or post accident drug / alcohol test by the Company may, upon request, have a Union representative present as a witness during those parts of the specimen collection process indicated below.

1. In those stations where a local Union representative is not readily available, the Company will delay the test for up to one (1) hour from the time the employee requests or is notified of his right to Union representation, whichever comes first, in order to allow the first available representative to be present at the medical facility.
2. Only one (1) Union representative will be allowed to accompany the employee to the medical collection facility and into the collection area where the medical

collector opens the drug testing kit, completes the relevant paperwork and secures the kit after completion of the drug testing process. The Union representative will be allowed to witness the opening of the collection kit by the collector, the documentation of the chain of custody procedure by the collector and the employee, and the packaging and sealing of the kit for shipment following the collection. The Union representative will not be allowed to accompany the employee or collector into the restroom.

3. In accordance with the Federal Aviation Administration's directive of July 1990, no Union representative will engage in any activity, which disrupts the collection process. Should the Union representative engage in disruptive activity, the representative will be required by the Company supervisor to wait in the employee / patient waiting area until the collection process and paperwork has been completed. This is pursuant to the Federal Aviation Administration's directive.

ARTICLE 21 - GRIEVANCE PROCEDURE

- A. An employee who believes that he has been unjustly dealt with or that any provisions of this Agreement have not been properly applied or interpreted, or against whom the Company has proffered charges in writing, may present his grievance through his representative, within seven (7) days to his supervisor who will evaluate the grievance or complaint and render his decision as soon as possible but no later than seven (7) days following receipt of said grievance. The supervisor must physically give the employee the grievance response.
- B. If the decision of the supervisor is not satisfactory, the grievant may appeal within ten (10) days to the Vice President of Maintenance or his designee, who will render a decision as soon as possible, but no later than ten (10) days after the appeal is submitted to him. Responses will be sent to the grievant by certified mail return receipt requested to the grievant's home address as provided by the employee on the grievance form. If mutually agreed with the Company and Local President, the Company may return the grievance physically to the grievant and will supply a confirming e-mail to the Local Union President.
- C. If the decision of the Vice President of Maintenance or his designee is not satisfactory to the employee, the grievance and the decision thereon may be appealed to the American Eagle Airlines, Inc. Boards of Adjustment as provided for in Article 22 of this Agreement; provided however said appeal is submitted within twenty (20) days of receipt of the decision rendered by the Vice President of Maintenance or by his designee. Once a grievance has been docketed for System Board, the Vice President of

Maintenance or his designee and the Local Union President or his designee will meet in an effort to resolve the grievance prior to a System Board hearing.

- D. Any grievances involving discharge only, will be submitted initially to the second step, as provided in section B of this Article. If the grievance is unresolved after such second step it may be submitted to the System Board of Adjustment, as provided in section C of this Article.
- E. All grievances processed under the procedures provided above will be in writing and will be signed by the employee whose grievance it is, and all decisions on said grievance will be in writing.
- F. An employee who has a grievance and his representative may present the grievance during work hours without loss of pay for time so spent, but no more time than is reasonably necessary will be devoted to such presentation of grievance.
- G. If the decision to be made by the Company under the provisions of this Article 21 is not made within the time limits prescribed herein for such decisions, the grievance will be processed to the next step. If such untimely answers are a recurring problem at a given location / station the Local president can call for a panel review of the late answers. The panel will be composed of the Senior Vice President of the department and the International Representative (or his designee) of the Union. Such panel will review the facts surrounding the late grievance answers and issue a panel decision outlining the remedy. Such remedy will be binding on the Company and the employees.

H. If, as a result of a decision in any of the steps of the grievance procedure, an employee is exonerated, all related disciplinary records will be removed from the employee's personnel file and balancing entries made. In addition, if he has been held out of service, he will be reinstated without loss of seniority, and he will be paid at his base rate of pay for his regularly scheduled hours.

ARTICLE 22 - BOARDS OF ADJUSTMENT

- A. There are hereby established, pursuant to the provisions of the Railway Labor Act, as amended, boards of adjustment, called the "Boards of Adjustment, American Eagle Airlines, Inc."
- B. The Boards will be composed of four (4) members, two selected by the Company and two selected by the Union. Either party will have the right to change its representatives from time to time provided only that the designation of the representative for any particular dispute must be made prior to the start of the scheduled hearing.
- C. The System Board will have jurisdiction only over disputes between the Company and the Union or any employee governed by this Agreement growing out of grievances involving interpretations or applications of this Agreement. The Area Board will have jurisdiction only over disputes between the Company and the Union involving discharge or discipline.
- D. The members of the respective Boards will select a Chairperson and a Vice Chairperson whose terms of office will be one (1) year, provided, however, that the offices of Chairperson and Vice Chairperson will be filled alternately by a member representing the Union; that is, when a Union member is the Chairperson, a Company member will be the Vice Chairperson, and vice versa.
- E. The Chairperson, or in his absence, the Vice Chairperson, will preside at meetings of the Board and will have a vote on the adoption of all decisions of the Board.

- F. A dispute submitted to the Board will be in the form of a petition submitted by either party and stating the position of the party submitting the grievance. Union submissions will be submitted to the Transport Workers Union Air Transport Division office and assigned a case number. Time limits will not begin running until the date a case number is assigned and docketed.
- G. The written appeal will be sent to the Transport Workers Union Air Transport Division office in the form of a petition. The Transport Workers Union Air Transport Division office will assign a case number and forward the appeal and two (2) copies, with the case number noted on each, to the Employee Relations Department. The scheduling of cases to be heard before the Boards is an administrative matter addressed by mutual agreement between the Union and the Company.
- H. In the event any dispute or grievance is properly appealed to the System Board, the Company and the Union members of the System Board will, upon request of either party, meet and attempt to resolve the controversy. The System Board will thereafter meet on the matter as soon as possible and at all events within thirty (30) days of request by either party. The System Board hearings will generally be held in DFW unless a different location is agreed upon by the Board members.
- I. The Transport Workers Union Local president or his designee and the Company designated employee relations representative will establish a time and date for all Area Board cases, however,
1. In the event of a discharge case a meeting will take place within ten (10) days of the Union submission to

set a date for the discharge hearing. Such hearing will be within thirty (30) days of that meeting.

2. For cases involving discipline, which are properly submitted for hearing, the local Area Board will adopt a procedure that will require discipline cases to be scheduled for hearing as soon as possible but not less than once every quarter.
- J. The Boards may summon any necessary witness(s) and relevant non-confidential records of the Company and the employee involved. An employee will not be required to testify unless he was a first hand witness.
- K. The advocates will exchange all documents they may enter and the names of witnesses they may call in their direct case no later than ten (10) calendar days prior to the date set for all System Board or Area Board hearings. In the event that a neutral referee has been selected by the parties the advocates will exchange all documents they may enter and the names of witnesses they may call in their direct case no later than forty-five (45) calendar days prior to the date set for the hearing. Upon mutual written agreement both parties may waive the days for document exchange and witness names as listed above. Additionally nothing shall prevent either party from exchanging any or all documents and witness names prior to the calendar days listed above.
- L. A majority vote of all members of the Boards of Adjustment will provide full and complete authority to compromise and otherwise settle any and all grievances presented to it. Any settlement or agreement reached on any grievance will be binding upon the Union, the employee, and the Company. Board findings and decisions will be stated in writing and will be rendered

within thirty (30) calendar days from the close of hearing, unless the period is extended by agreement of the parties to the dispute. In the event the Board deadlocks and is unable to resolve the issue(s) after hearing evidence either member of the Board can, within ten (10) days of the meeting of the Board, request the appointment of a neutral arbitrator in writing.

1. The jointly selected impartial arbitrator will sit with a panel, comprised of one (1) member selected by the Company from the two (2) original Company Board members and one (1) Board member selected from the two (2) original Union Board members. In the event the parties are unable to agree on a selection of an arbitrator, either party may request the National Mediation Board to provide a list of seven (7) neutrals. The parties will select one neutral arbitrator to serve as the third (3rd) member of the panel by alternately striking names from the list submitted by the National Mediation Board, with the first strike being determined by toss of a coin.
2. A majority vote of all members of the Arbitration Panel, as provided herein, will be competent to make a finding or decision with respect to any dispute properly submitted to it and such finding or decision will be final and binding upon all parties, including the grievant(s), to such dispute. Arbitration Panel findings and decisions will be stated in writing and will be rendered within forty-five (45) calendar days from the close of the hearing, unless the period is extended by agreement of the panel members. (Reference Letter A)

M. The Boards of Adjustment or the Arbitration Panel will have no power to amend or modify this Agreement or any

written agreements or addenda supplementary hereto or to establish any new terms or conditions of the same.

- N. The Board will keep a complete and accurate record of all matters submitted for its considerations and of all findings and decisions made. Such findings and decisions of the Board will be stated in writing in each case a copy of the finding or decision will be furnished to the Company, the Union, and such employees who are a party to the dispute.

- O. All expenses of a Board or Panel, including those incurred by reason of the participation of a neutral arbitrator in the determination of the controversy as herein provided, will be borne one-half by the Company and one-half by the Union. The salary or compensation of the members of the Board or Panel, if any, will be by the parties selecting such member or members; except that Board or Panel members who are employees of the Company will be granted necessary leaves of absence without loss of pay to attend Board or Panel meetings. Board and Panel members will receive space available transportation over the lines of the Company from point of duty to point of meetings of the Board.

- P. Essential witnesses and representatives will be furnished space available transportation over the Company's lines without charge to, the point of hearing and return.

ARTICLE 23 - MEAL PERIODS

- A. Meal periods will be thirty (30) minutes, except when a longer period is agreed upon between the parties.

- B. Meal periods will be scheduled not earlier than two and one-half (2-1/2) hours after commencement of work and not later than six (6) hours after commencement of work for full time employees. If the employee is not afforded a meal period within the foregoing time span, an uninterrupted meal period will be provided between the sixth hour and the end of the employee's scheduled shift and the employee will receive thirty (30) minutes additional pay at his base rate of pay.

- C. An employee on a ten (10) hour shift, meal period will be one half hour unpaid, commencing after three and one-half (3-1/2) hours and before the seventh (7th) hour of the shift. Each ten (10) hour shift will actually be scheduled for ten and one-half (10-1/2) hours. If the employee is not afforded a meal period within the forgoing time span, an uninterrupted meal period will be provided between the seventh (7th) hour and the end of the employees scheduled shift and the employee will receive thirty (30) minutes additional pay at his base rate of pay.

- D. By mutual, local agreement between the Company and the Union, eight (8) and ten (10) hour shifts may be scheduled with no meal period. Such eight (8) and ten (10) hour shifts will actually be scheduled for eight (8) or ten (10) hours.

ARTICLE 24 - PART TIME EMPLOYEES

The Company may utilize part-time employees in all classifications under this Agreement at all stations. The provisions of the Agreement will apply to part time employees except as follows:

A. Any vacancy or vacancies may be declared by the Company to be part time.

B. A part time vacancy or vacancies will be filled by the most senior qualified employee(s) requesting to fill such vacancy or vacancies in accordance with the following order of preference:

1. By full time employees in the same classification, currently working at the station.
2. By an employee with recall rights to the station.
3. By employees with active transfers on file.
4. By new employee(s).

A full time employee's refusal of part time work will not affect that employee's seniority or recall rights under this Agreement.

C. A part time employee will be scheduled as follows:

1. For no less than three (3) consecutive hours, but no more than six and one half (6-1/2) consecutive hours in a workday excluding lunch and for a maximum of five (5) consecutive workdays in a workweek.
2. For up to eight (8) consecutive hours (excluding meal periods) for up to four (4) consecutive workdays in a workweek.

3. Part time employees may volunteer for split days off. Part time probationary employees may be assigned to split days off during probation only.

D. Part time employees required to work in excess of five (5) hours will be allowed a thirty (30) minute unpaid meal period. The provisions of Article 23B will not apply.

E. If a part time employee is scheduled and works on a holiday, he will be paid at the applicable rate as defined in Article 6 for hours worked. If a part time employee is not scheduled to work on holiday, he will be paid one-tenth (1/10th) of his regularly scheduled, work hours for that workweek at base rates of pay for the holiday.

F. The probationary period for a part time employee will be the same as for a full time employee.

G. A part time employee will accrue Company and Occupational seniority on the same basis as a full time employee.

H. The provisions of Article 11 Overtime will apply to part time employees.

I. Part Time - Personal Days Off (PDO) General

The provisions of Article 5 and Article 7 shall apply to part-time employees including, but not limited to, the following provisions specifically relating to the conversion to, accrual, and use of, PDO hours for part-time employees.

1. Sick Time. As of December 31, 2012, any unused sick time and accrued sick time in a part-time employee's sick bank will be transferred into his catastrophic sick bank for use as defined in Article 7.B, above. On

January 1, 2013, twelve (12) hours of each part-time employee's sick time earned in 2012 will be transferred into the his catastrophic sick bank. The remaining twelve (12) hours will be converted into PDO hours, to be used in 2013.

2. PDO accrued during a calendar year pursuant to Article 5 will not be used prior to January 1 of the following year.
3. Unused PDOs will be cumulative in the catastrophic sick bank up to a maximum of seven hundred twenty (720) hours.
4. A part time employee who uses PDO hours will be compensated at his regular rate of pay for the number of hours he is scheduled to work.

J. Part Time Personal Days Off Accrual and Use

1. The number of PDO hours accrued will be determined by length of service (as for full time employees) adjusted for leave of absence and layoff, in accordance with Article 5.B.1.-6, and in accordance with paragraph J.2. below.
2. The number of hours of PDO accrued by a part-time employee will be based on the employee's average weekly hours worked, excluding overtime and including CS hours in the previous calendar year (such average will not be more than forty (40) hours for any one week period). The part-time employee's average weekly hours as defined above will then be expressed as a percentage of full-time hours (40 hours), and the resulting percentage will be applied to the PDO hour accrual rates set forth in Article 5.B.1.-6. to determine

the number of PDO hours to which he will be entitled for use in the following year.

EXAMPLES:

The full-time PDO accrual for an employee with three (3) years of active service is 104 hours. Depending on his average weekly hours worked, a part-time employee with the same three (3) years of active service will accrue PDO hours as follows:

| Average Weekly Hours worked (AWH) | Percentage of AWH to Full-time hours | Full-time TTL PDO Hours Credited for use in following year (3-year emp) | Part-time TTL PDO Hours Credited for use in following year (3-year emp) |
|-----------------------------------|--------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
| 20 | 50% | 104 | 52 hours |
| 25 | 62.50% | 104 | 65 hours |
| 30 | 75% | 104 | 78 hours |
| 35 | 87.50% | 104 | 91 hours |
| 40 | 100.00% | 104 | 104 hours |

3. A part-time employee who, as of December 31 of any year, has less than one (1) year of service with the Company will be entitled to Personal Days Off with pay on the basis of four (4) hours and twenty (20) minutes accrual for each month of active service with the Company for PDO to be taken in the following year.
4. Part-time employees must bid all but thirty-two (32) hours (AWH worked 20) up to a maximum of sixty-four (64) (AWH worked 40), of Personal Days Off to be used in one-week blocks of time during the following year. These one-week blocks of time off or Consecutive Personal Days Off (CPDOs) must be bid in accordance with Article 5.F.1.-4.

5. The part-time employees remaining available PDO hours that have not been bid as CPDOs may be taken for any reason during the following year subject to the provisions of Article 5.G.
 6. Notwithstanding the provisions of Article 5 of the Agreement, in the event that a full time employee changes status and becomes a part time employee, or in the event a part time employee changes status and becomes a full time employee, the average weekly hours worked calculation in J2 above will apply for the PDO period during the year in which the employee's status changed.
- K. All full-time employees under this Agreement, if affected by a reduction in force, may exercise their seniority under the provision of Article 15 to fill a full time job in their own or lower classification, or at their option elect to displace or fill a part time position at their station. An employee electing to fill a part time position under the provisions of Article 15 will retain recall rights back to the full time position.
- L. A part time employee's injury on duty benefits will be in accordance with the applicable workman's compensation laws.
- M. A part time employee whose shift begins at or after 1500 and before 2000 will receive a shift differential of twenty-five (.25) cents per hour for all hours worked. For part-time employees whose shift begins at or after 2000 and before 0500 will receive a shift differential of forty-five (.45) cents per hour for all hours worked.

ARTICLE 25 - UNION SECURITY

- A. All employees covered by this Agreement will, as a condition of employment, maintain membership in the Union so long as this Agreement remains in effect, to the extent of paying an initiation fee and membership dues (not including fines and penalties), or agency fees in accordance with applicable law. An employee may have his membership dues deducted from his earnings by signing the form "Assignment and Authorization for Check-Off of Union Dues", also referred to as "Check-Off Form" or, if no such authorization is in effect, he must pay his initiation fee and membership dues directly to the Union.
- B. All new employees of the Company hired on or after the effective date of this Agreement will become members of the Union sixty (60) calendar days after the date of employment with the Company and will, as a condition of employment, maintain membership in the Union so long as this Agreement remains in effect, to the extent of paying initiation fees and membership dues, or in lieu of maintenance of membership, agency fees in accordance with applicable law. The Company will allow the Union an opportunity, during local orientation, to meet with new employees and transferees regarding Union matters.
- C. Employees who are or become members of the Union under paragraphs A or B above will pay membership dues as set forth in this Article, except that payment for membership dues will not be required as a condition of employment during leaves of absence without pay or during periods of transfer to a classification or position not covered by this Agreement.

D. "Member of the Union", for purposes of this Article will mean any employee who is a member of the Union and is not more than sixty (60) calendar days in arrears in the payment of initiation fee and membership dues as specified herein, or agency fee payer not more than sixty (60) calendar days in arrears in the payment of his fees.

E. When an employee who is a member of the Union becomes delinquent within the meaning of paragraph D above, the following procedure will apply:

1. The Director of the Air Transport Division of the Union will notify the employee in writing, certified mail, return receipt requested, that he is delinquent in the payment of the initiation fee and membership dues or agency fees, as specified herein, and accordingly, is subject to discharge as an employee of the Company. Such letter will also notify the employee that he must remit the required payment within fifteen (15) calendar days of the date of mailing of the notice, or be subject to discharge. This provision will be deemed to be complied with if the Union sends, but the employee refuses receipt of the above mailing.
2. If, upon the expiration of the fifteen (15) calendar day period, the employee still remains delinquent, the Director of the Air Transport Division of the Union will certify, in writing, to the Vice President-Employee Relations of the Company, copy to the employee, that the employee has failed to remit payment within the grace period allowed and is therefore to be discharged. The Vice President-Employee Relations after being presented with the appropriate documentation will take proper steps to discharge such employee from the services of the Company.

3. An employee discharged by the Company under the provisions of this paragraph, will be deemed to have been discharged for cause within the meaning of the terms and provisions of this Agreement.
- F. Any discharge under the terms of this Article will be based solely upon the failure of the employee to pay or tender payment of initiation fee and membership dues or agency fees, as specified in this Article, and not because of denial or termination of membership in the Union upon any other ground.
- G. Any grievance by an employee concerning the interpretation or application of the provisions of this Article will be subject exclusively to the following procedure:
1. An employee who believes that the provisions of this Article pertaining to him have not been properly interpreted or applied may submit his request for review, in writing, within five (5) calendar days from the date the grievance arises, except that a grievance arising under paragraph E1, must be filed within the fifteen (15) calendar day period specified in that paragraph. The request will be submitted to his immediate supervisor who will review the grievance and render his decision, in writing, not later than five (5) calendar days following the receipt of the grievance.
 2. The immediate supervisor will forward his decision to the employee with a copy to the Local Union Accredited Representative. If the decision is not satisfactory to both the employee and the Union, then either may appeal the grievance directly to the System Board of Adjustment, established under Article 22 of this Agreement, within ten (10) calendar days from the date of the decision. The terms and provisions of such

Article will be applicable, except as otherwise specified in this Article.

3. If the Union should appeal the decision to the System Board of Adjustment, it will prepare a joint submission of the grievance setting forth the Union's and the employee's position and forward copies to the employee, the Vice President-Employee Relations of the Company and to the members of the System Board of Adjustment. If the employee should appeal the decision, he may request the Vice President Employee Relations to prepare the submission papers in his behalf of the System Board of Adjustment. In this event, such request will be made by the employee, in writing, to his immediate supervisor who will transmit, through the local Manager all facts, data and information concerning the grievance, together with a copy of the decision from which the appeal is taken. The Vice President Employee Relations will forward copies of the employee's separate submission to the employee, the local Manager, the Director of the Air Transport Division of the Union and to the members of the System Board of Adjustment.
4. During the period a grievance is filed under the provisions of this paragraph and until after final award by the System Board of Adjustment, the employee will not be discharged from the Company because of noncompliance with the terms and provisions of this Article. In the event the employee's grievance is denied because he has not tendered dues owed under this Article, he will be considered discharged for cause. In any proceeding under this Article, the employee, the Company, and the Union will be allowed to present any facts or arguments supporting their position concerning proper application of this Article.

- H. The Union agrees that it will indemnify the Company and save the Company harmless from any and all claims, which may be made by the employee or employees against the Company by virtue of the wrongful application or misapplication of any of the terms of this Article.
- I. The Company will not interfere with, restrain or coerce employees because of membership or lawful activity in the Union, nor will it, by discrimination in respect to hire, tenure of employment or any term or condition of employment, attempt to discourage membership in the Union.
- J. The Union agrees that neither the Union nor its members will intimidate or coerce any employee in respect to his right to work, in the proper exercise, performance, or implementation of his duties and responsibilities with the Company, or in respect to Union activity or membership. The Union further agrees that the Company may take disciplinary action for any violation of this provision.
- K. The Company agrees to deduct from the pay of each employee who voluntarily executes the check-off form on or after the effective date of this Agreement, and remit to the Union the membership dues uniformly required by the Union.
- L. When a member of the Union properly executes such "Check-Off Form", the Union will forward an original copy to the appropriate official as designated by the Company. Any Check-Off Form which is incomplete or improperly executed will be returned to the Local Union Office which submitted it. Any notice of revocation as provided for in this Article or the Railway Labor Act, as amended, must be in writing, signed by the employee and delivered by

certified mail, addressed to their respective Local Union Office. Each Local Union Office will forward a copy to the appropriate official as designated by American Eagle, Inc. for future Union dues withholding. Check-Off Forms and notices received by the Company will be stamp-dated on the date received and will constitute notice to the Company on the date received, and not when mailed.

M. When a Check-Off Form is received by the Company on or before a given payday, deductions will commence with first paycheck following said payday, and will continue thereafter until revoked or cancelled as provided in this Article. The Company will remit to the Union a check in payment of all dues collected on a given payday, on or as soon after the payday as possible. These remittances will be subject to normal accounting practice with respect to adjustments necessary because of the methods involved in the deduction procedure. The Company remittance of Union membership dues to the Union will be accompanied by a list of names, personnel numbers and station numbers of the employees for whom deductions have been made in that particular period, arranged in order of their personnel numbers. Additionally, the Company will supply in duplicate to the office of the Union a listing of those employees who are on leave of absence; have accepted a position outside the bargaining unit; or have terminated employment with the Company. The Company will further provide a list of any employees covered by this Agreement not on Check-Off to the Union on a monthly basis.

N. No deductions of Union dues will be made from the wages of any employee who has executed a Check-Off Form and who has been transferred to a job not covered by the Agreement, or who is on leave without pay. Upon return to

work within a classification covered by this Agreement, deductions will be automatically resumed provided the employee has not revoked the assignment in accordance with this Article, and provided it is in accordance with the other appropriate provisions of this Article and of the Railway Labor Act, as amended.

O. An employee who has executed a Check-Off Form and who resigns or is terminated from the employ of the Company for reasons other than layoff will be deemed to have automatically revoked his assignment and if reemployed, further deductions of Union dues will be made only upon execution and receipt of a new Check-Off Form as governed by the provisions of paragraph B above. Upon return from layoff, leave of absence, or reinstatement from disciplinary discharge to work within a classification covered by this Agreement, deductions will be automatically resumed. In cases where Check-Off is not reinstated by the Company due to mechanical or software errors, the Company will collect the back dues at a maximum of fifty (50) dollars per month and remit to the Union, provided the employee has not revoked the assignment in accordance with this Article, and such deductions are in accordance with the other appropriate provisions of this Article and of the Railway Labor Act, as amended.

P. Collection of any back dues owed at the time of starting deductions for any employee, and collection of dues missed because the employee's earnings were not sufficient to cover the payment of dues for a particular pay period, will be the responsibility of the Union and will not be the subject of payroll deductions.

Q. Deductions of membership dues will be made in a flat sum from each paycheck provided there is a balance in the paycheck sufficient to cover the amount after all other deductions authorized by the employee or required by law have been satisfied. In the event of termination of employment, the obligation of the Company to collect dues will not extend beyond the period in which his last day of work occurs.

ARTICLE 26 - NO STRIKE – NO LOCKOUT

A. It is the intent of the parties to this Agreement that the procedures set forth herein and in the Railway labor Act, as amended, for the resolution of disputes will serve as a means of peaceable settlement of all disputes that may arise between them and that, therefore:

1. The Company will neither cause nor permit any lockout of employees covered hereunder during the life of this Agreement; and
2. Neither the Union nor the employees covered hereunder, both individually and collectively, will authorize, cause, sanction, or engage in any strike or job action against the Company, illegal picketing of the Company's premises, slowdown, sit-down, walkout, work stoppage, or curtailment of work of any kind, during the life of this Agreement.

ARTICLE 27 - SAVING CLAUSE

- A. Should any term or provision herein be rendered invalid, such invalidation will not affect the remaining terms and provisions of this Agreement which will remain in full force and effect.

- B. In the event of invalidation, unless otherwise required by law, either the Company or the Union may, upon thirty (30) days written notice, request negotiations concerning modifications or amendment of the invalidated provision or provisions and such negotiations will commence within fifteen (15) days from the date of receipt of said notice.

ARTICLE 28 - HEALTH & SAFETY

- A. No employee will be required to participate in a bomb scare investigation / search against his wishes.
- B. The Company will provide protective devices and other equipment necessary to meet safety regulations and safety standards and will make provisions for the health and safety of the employee during hours of employment. The Company will also make available adequate rain and cold weather gear, and hearing protection. The Company will provide goggles, gloves, and facemasks to those employees assigned the deicing function at Company expense.
- C. The Company agrees to maintain safe, sanitary conditions in all Company shops and facilities.
- D. The Company will provide adequate heating in all shops and facilities.
- E. In order to eliminate accidents, illness and unsafe and unsanitary conditions a joint Company / Union safety committee will be established. It will be the duty of this committee to see that all state and local health and safety regulations are complied with, that safety equipment is being used and that safety practices and procedures are being followed.
- F. In the event that the Joint Safety Committee is unable, within sixty (60) days, to resolve an issue which has been brought to its attention, either the Company or the Union may submit the issue to the System Joint Safety Committee which will constitute a board to review the

issue(s). The System Joint Safety Committee will consist of a representative of the Transport Workers Union International and a representative of the Company's Safety office. If the issue(s) is / are not resolved by the System Joint Safety Committee, either representative may submit the issue(s) on appeal to the Board of Adjustment in accordance with the provisions of Article 22 of the labor Agreement.

ARTICLE 29 - DURATION OF AGREEMENT

This Agreement shall become effective as of January 1, 2013. It shall continue in full force and effect until and including December 31, 2020, and shall renew itself until each succeeding January 1 thereafter, except that a written notice of intended change may be served in accordance with Section 6, Title I of the Railway Labor Act, as amended, by either party hereto at least sixty (60) days prior to December 31, 2020. (Reference Letter Y).

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this 1st day of January 2013.

TRANSPORT WORKERS UNION
OF AMERICA, AFL-CIO

AMERICAN EAGLE AIRLINES, INC

James C. Little
International President

Dan P. Garton
President

Garry Drummond
Int'l Vice President, ATD Director

Pedro Fabregas
President, Executive Airlines, Inc.

Jose Galarza
American Eagle Coordinator

Cathy McCann
Vice President , People

ARTICLE 29 - DURATION OF AGREEMENT

(continued)

Witnesses:

TRANSPORT WORKERS UNION
OF AMERICA, AFL-CIO

AMERICAN EAGLE AIRLINES, INC

Dan Rivera
TWU Local 570

Curtis Coble
Vice President, Line Maintenance

Council Creech
TWU Local 572

Jay Murray
Vice President, Base Maintenance

Luis DeJesus
TWU Local 573

Mike Scimio
Managing Director, Maintenance

Scott Olinske
TWU Local 574

Joan Stevens
Employee Relations Counsel

TWU Local 576

LETTER A - DECISION PROCESS SYSTEM BRDS /
ARBITRATIONS
Reference Article 22

October 15, 2004

Mr. John Orlando
International Vice President
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Orlando,

Procedures for Finalizing Awards: The following procedures are provided in order to standardize the arbitration process and avoid any controversy regarding the deliberations and discussions associated with the publication of System and Area Boards of Adjustment awards:

1. Executive Sessions for every case should take place at the conclusion of the hearing or at such time as agreed upon by a majority of the Board at the conclusion of the Hearing. This postponed session may be necessary due to the submission of briefs or other post-hearing issues, and should be the exception, not the rule.
2. An arbitrator's draft decision, distributed to the Board unsigned, may be changed to any extent agreeable to a majority of the Board. A written decision once executed and signed by the neutral arbitrator, will only be modified as to content by agreement of all Board members.
3. The Board members are not to discuss the decision of the

Board with anyone other than the Board members prior to the publication of the award by the Administrator of the System Board.

4. No ex parte communication concerning the case (that is, discussion held without the presence of the full Board) is permitted at any time.
5. The details of the Board's deliberations must be held confidential by virtue of the Boards intended neutrality. No Board member should divulge the nature or content of the discussions held between the Board members in reaching their decision.

Sincerely,
Rose Doria
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
John Orlando
International Vice President
Transport Workers Union

LETTER B - CR1 ENTRIES RELATIVE TO
INVESTIGATIONS

October 15, 2004

Mr. John Orlando
International Vice President
Transport Workers Union
1791 Hurstview Drive
Hurst, Texas 76054

Dear Mr. Orlando,

This letter will confirm our understanding reached during negotiations, that if there is an investigation of sexual harassment and the charged employee is found to be exonerated of the charges, no entry regarding the charge or investigation will be made in the CR1. Any entry previously made will be deleted from the CR1.

In other cases, a CR1 entry, if any, will reflect the nature of the discussion with the employee. As always, the employee has the prerogative of reviewing the CR1 entry and providing any additional information desired.

This will in no way preclude the Company from discussing policy as related to investigations.

If the above accurately reflects your understanding of our agreement, please signify by signing below.

Sincerely,
Rose Doria
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
John Orlando
International Vice President
Transport Workers Union

LETTER C - CR1 ENTRIES / EMPLOYEE REBUTTAL

October 15, 2004

Mr. John Orlando
International Vice President
Transport Workers Union
1791 Hurstview Drive
Hurst, Texas 76054

Dear Mr. Orlando,

This letter will confirm our understanding reached during negotiations, that when an employee hereunder is coached and counseled resulting in a CR1 entry, the employee can submit a separate rebuttal to the CR1 entry, sign and date it and it will be attached to the related CR1. The employee can request a photocopy of the related CR1 documentation.

If the above accurately reflects your understanding of our agreement, please signify by signing below.

Sincerely,
Rose Doria
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
John Orlando
International Vice President
Transport Workers Union

LETTER D - FLOATING HOLIDAY / PROBATIONARY
EMPS
Reference Article 6

October 28, 2008

Mr. Jose Galarza
American Eagle Coordinator
Transport Workers Union of America
1791 Hurstview Drive
Hurst, Texas 76054

Dear Jose,

Over the course of the past several weeks, the Company and the TWU have engaged in discussions regarding the application of the floating holiday for probationary Aircraft Maintenance Technicians, Inspectors, Tool and Die Mechanics, Ground Support Technicians, Repairman, Aircraft Cleaners, Inventory Control Specialists and Fleet Service Clerk employees.

As a result of those discussions, we have agreed to settle one grievance concerning that application. As you know, this grievance protests the practice of denying the floating holiday outlined in Article 6A for employees currently on probation, less than 6 months of Company service. Under this settlement agreement, effective October 28, 2008, any employee in Title Groups I, II, III, IV and V and currently on probation will be entitled to one personal holiday, within the current calendar year and as outlined in Article 6A. This agreement does not provide for retroactive awards, none will be granted as a result of this settlement agreement.

If the above accurately reflects your understanding of our agreement, please signify by signing below.

Sincerely,
Dianne Taber
Counsel, Employee
Relations
American Eagle Airlines

Agreed to:
Jose Galarza
American Eagle Coordinator
Transport Workers Union

LETTER E - BID POSITIONS / SELECTION PANEL - TVL
EXPENSES

Reference Article 14

DATE: April 27, 2010

Jose Galarza
American Eagle Coordinator
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Galarza,

This will confirm our discussion during negotiations leading up to the signing of the labor agreement effective April 27, 2010.

We have mutually agreed that in the event an employee needs to fly into a location for a panel interview as outlined in Article 14, the Company will provide air transportation (non-revenue business travel).

The selection panel will make its best efforts to schedule the panel interview on the candidate's scheduled work day. The candidate will be compensated his regularly scheduled work day/hours. Local candidates, scheduled for an interview on a regularly scheduled work day and during their regular work hours, will be required to work any of their regularly scheduled shift before and/or after the panel interview.

A candidate who is scheduled for an interview on his scheduled day off will not be compensated for such time.

In the event that an employee is required to overnight, the

Company will reimburse the employee for reasonable overnight accommodations (unless the hotel is direct billed) and actual reasonable expenses for meals. Un-receipted expenses will not exceed, without the approval of the Company, the maximums established by the Company.

The provisions of Article 18 do not apply to the candidates who participate in this process.

If the above accurately reflects your understanding, please signify by signing below.

Sincerely,
Cathy McCann
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
Jose Galarza
American Eagle Coordinator
Transport Workers Union

LETTER F - 401k COMPANY MATCH OF ELIGIBLE EARNINGS

January 1, 2013

Mr. Jose Galarza
American Eagle Coordinator
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Galarza,

This letter will confirm our understanding reached during negotiations whereby the Company offers to continue to provide a Company contribution for employee savings deferred in a 401(k) plan.

The details are outlined in the American Eagle 401(k) Plan Document. However, the chart below summarizes the agreed to contribution levels negotiated by the parties. Subject to the extent allowed by law, the Company shall contribute as an Employer Matching Contribution the following amount based on the employee's elective contributions and length of service:

| Complete Years of Service | Company Match of Eligible Earnings |
|---------------------------|----------------------------------------------------------------|
| 1 – 4 | 50% of up to 6% of eligible earnings for a maximum of 3%. |
| 5 – 9 | 66.6% of up to 6% of eligible earnings for a maximum of 4.25%. |
| 10-14 | 83.3% of up to 6% of eligible earnings for a maximum of 5.40%. |
| 15 – 19 | 100% of up to 6% of eligible earnings for a maximum of 6%. |
| 20+ | 100% of up to 7% of eligible earnings for a maximum of 7%. |

Sincerely,
Cathy McCann
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
Jose Galarza
AE System Coordinator
Transport Workers Union

LETTER G - COPE DEDUCTIONS

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood
Suite 112
Hurst, TX 76054

Dear Mr. Little,

This will confirm our recently reached agreement with regards to COPE payroll deductions.

We agreed the Company will allow all TWU represented employees to authorize payroll deductions for this fund, on a voluntary basis only. It will be the employee's responsibility to obtain and submit an authorization card to the Company. The Company will transfer funds collected to the TWU on the same schedule used for dues transfer.

Sincerely,
Dan Garton
President
American Eagle Airlines, Inc

Agreed to:
James C. Little
International Representative
Transport Workers Union

LETTER H - COMPANY NEPOTISM POLICY / CHANGES

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood
Suite 112
Hurst, TX 76054

Dear Mr. Little,

Changes have been announced to the Company's Nepotism Policy to be effective March 1, 1990. These revised rules will permit the employment of relative (defined as an employee's spouse, parent, brother, sister, brother-in-law, sister-in-law) provided that no first or second level supervisory relationship may be created at any time between such individual employees.

For purposes of first or second level supervisory relationships, crew chiefs and other bid positions under the American Eagle, Inc. / TWU Agreements will not be considered supervisory positions and therefore relatives in these positions and in non-bid position under their direction will not be in conflict with the new policy.

As outlined in the attached policy statement, each employee is responsible for ensuring he/she is in compliance with the applicable restriction of the policy. Therefore, it is agreed that no transfers or bids from incumbents of future hires, under the applicable contractual provisions, will be allowed if such transfer of bid would create a first or second level

supervisory conflict as described above. It is further agreed that if any bid or transfer that would be in violation of the above policy is attempted or completed under any condition, such bid or transfer will be voided. If the above accurately reflects your understanding, please signify by signing below.

Sincerely,
Dan Garton
President
American Eagle Airlines, Inc

Agreed to:
James C. Little
International Representative
Transport Workers Union

LETTER I
EXPANSION OF HOLIDAYS OR MEDICAL PLANS

January 1, 2013

Jose Galarza
American Eagle Coordinator
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Little,

This letter will confirm our understanding reached during the recently concluded negotiations in which the Company agrees that in the event it grants to other employees at American Eagle Airlines Inc. any additional holiday(s) or **an** improved medical plan, the Company will grant the same to those employees covered under this Agreement.

The parties agree that, as a result of the unique circumstances arising from these 1113 negotiations, this letter will not apply with respect to any improvements to holidays granted to other employee groups from the effective date of this Restructuring Agreement through the amendable date of this Restructuring Agreement. Nothing herein shall impact, affect or otherwise in any way negate any other me-too agreement between the parties.

Sincerely,
Cathy McCann
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
Jose Galarza
AE System Coordinator
Transport Workers Union

LETTER J - AA FLOWTHROUGH AGREEMENT

October 15, 2004

Mr. John Orlando
International Vice President
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Orlando,

AMERICAN EAGLE/AMERICAN AIRLINES EMPLOYMENT PROGRAM

The purpose of this program is to increase the opportunities for qualified Eagle employees to be hired at American Airlines. Inc. for the positions of:

Aviation Maintenance Technician
Overhaul Support Mechanic
Parts Washer
Aircraft Cleaner
Plant Maintenance Mechanic
Plant Maintenance Man
Utility Man
Cabin Cleaner
Building Cleaner
Stock Clerk
Fleet Service Clerk
Ground Serviceman
Dispatcher

General Qualifications

1. Employees which are on any step of the PPC or ACP programs are not eligible.
2. Employee has passed all levels of training offered during this period.

3. Licenses as required by the position applied for.

Qualifications for M & E Employees

1. Employee has completed 36 months of service with Eagle.

Qualifications for Ramp Employees

1. Employee has completed 24 months of service with Eagle.

Qualifications for Dispatch Employees

1. Employee has completed 36 months of service with Eagle.

General Rules

1. After completing the required length of service with American Eagle Airlines Inc. or its associated subsidiaries. American Eagle Airlines will accept applicants whom desire to be employed by American Airlines. This program will be administered by American Eagle Airlines and all documentation and requests for positions at American Airlines under this procedure will be handled by the American Eagle Coordinator.
2. Applicants meeting the above listed qualifications will be placed on a preferred hiring list.
3. American will afford qualified American Eagle employees on the preferred hiring list the opportunity for open positions prior to interviewing candidates from companies outside of AMR and in accordance with #4 below:
4. American will extend to qualified American Eagle Airlines employees at least one (1) out of four (4) vacancies that remain after American Airlines internal transfer procedures are complied with.
5. No more than ten (10) Ramp Service employees per classification per station per month will be permitted to leave American Eagle Airlines under this procedure. No more than

- ten (10) percent of Maintenance and Engineering employees per classification per station per quarter will be permitted to leave American Eagle Airlines under this procedure. No more than five (5) percent of the Dispatch employees per six months will be permitted to leave American Eagle Airlines under this procedure.
6. The preferred hiring list provided by American Eagle Airlines will be forwarded to American Airlines upon a request from American Airlines that a job vacancy exists under #3 above.
 7. The employee is responsible for having his/her name on the list. (Which will include the location/s the employees wishes to be considered for), providing American with a fully completed application and resume and ensuring the Employee Information Record (EIR) is up to date.
 8. Employee must pass any qualification tests administered by American Airlines.
 9. Employee must pass any Drug and Alcohol tests as administered by American Airlines. Any failures of these tests are cause for immediate corrective action up to and including discharge from AMR.
 10. Any refusal of a job offer from American Airlines will result in a permanent bar from transferring to American Airlines under this policy.
 11. Lists will be forwarded quarterly to the Transport Workers Union International.
 12. American may spread the hiring dates as required to meet its goals.
 13. Employee will retain and carry Company seniority to their new position but other seniority and benefits will be as provided at the new position. Vacation accrued at the time of leaving American Eagle Airlines will be paid off at the appropriate rate and will not be carried over to the new position.

Any American Eagle Airlines employee who is hired at American Airlines will serve a new probationary period. Failure to complete the probationary period successfully will result in termination from American Airlines. The employee who fails to pass probation will not have any rights (including bumping back) to return to his/her former position at American Eagle Airlines, Inc.

Sincerely,
Rose Doria
Vice President, Employee
Relations
American Eagle Airlines, Inc

Agreed to:
John Orlando
International Vice President
Transport Workers Union

LETTER K - FLEXIBLE HIRING RATES / CLARIFICATION
Reference Article 4

DATE: January 11, 2006

Joe Gordon
International Representative
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Galarza,

Per our discussion and as a clarification to the application of Flexible Hiring rates with regards to an employees' classification seniority date, it has become necessary to establish this Bulletin for future references. This is a result of system board Case #'s AE-49-05, 50-05, 51-05. It became evident between the Company and the Union that it was necessary for the Company to adjust the Classification seniority date for incumbent employees and as you know the evidence demonstrated that this practice became effective January 1, 2001.

The applicable Articles are:
Article 4 A (1, 2) AMT's and related
Article 4 A (1, 2) Fleet Service clerks

In the event that a particular station utilizes the flexible hiring rates, Article 4 (A 1), and raises its starting rate of pay for a specific classification, then incumbent employees at that station and in that specific classification who were at a rate lower than the new flexible hiring rate, will have their base rate of pay raised, Article 4 (A 2). The effective date of the

new base rate of pay will be the date the external candidate (hired at the flexible rate) commences employment within the station and classification.

Example:

BOS hires an AMT at \$13.53 per hour (step 3).

Date of hire 2/1/06

All Incumbent employees will be raised to the new higher rate effective 2/1/06.

In addition, the incumbent who has had their base rate of pay raised, will have their classification seniority date adjusted to reflect the effective date of the increase. Thereafter, the employee will receive step increases on an annual basis. No employee can exceed the maximum step for his or her classification.

Example:

| <u>Current date</u> | | <u>Base rate of pay</u> | <u>Occ date</u> | <u>Class date</u> |
|---------------------|----------|-------------------------|-----------------|-------------------|
| 2/1/06 | John Doe | 12.63 | 11/5/04 | 11/5/04 |

Flex Rate to \$13.53 effective 2/1/06.

| <u>Current date</u> | | <u>Base rate of pay</u> | <u>Occ date</u> | <u>Class date</u> |
|---------------------|----------|-------------------------|-----------------|-------------------|
| 2/1/06 | John Doe | 13.53 | 11/5/04 | 2/1/04 |

If the above accurately reflects your understanding of our agreement, please signify by signing below.

Sincerely,
Dianne E. Taber
Counsel, Employee
Relations
American Eagle Airlines, Inc

Agreed to:
Joe Gordon
International Representative
Transport Workers Union

LETTER L - SJU / ARTICLE 21 – TIME LIMITS
Reference Article 21

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood
Suite 112
Hurst, TX 76054

Dear Mr. Little,

This letter will confirm our understanding reached during negotiations whereby the Transport Workers Union agrees that the following specific procedures will be followed for all TWU employees based in SJU in regards to Article 21 of the American Eagle Airlines / TWU Labor Agreement:

If any decision made by the Company under the provisions of Article 21 is not appealed by the employee affected within the time prescribed herein for such appeals or if the grievance is not presented within the time specified in Article 21, the decision of the Company shall become final and binding.

Furthermore, if the decision to be made by the Company under the provisions of Article 21 is not made within the time limits prescribed herein for such decision, the grievance of the employee shall be granted.

All other provisions of Article 21 of the American Eagle Airlines / TWU Labor Agreement shall remain in effect and are not deemed to be altered or amended in any other way.

If the above accurately reflects your understanding of our agreement, please signify by signing below.

Sincerely,
Dan Garton
President
American Eagle Airlines, Inc

Agreed to:
James C. Little
International Representative
Transport Workers Union

LETTER M - GUIDELINES EMPL ON UNION LEAVE OF
ABSENCE

Reference Article 16

February 16, 2009

THIS LETTER OF AGREEMENT is made and entered in accordance with the provisions of the Railway Labor Act, as amended, by and between AMERICAN EAGLE AIRLINES, INC. AND EXECUTIVE AIRLINES, INC. (hereinafter the "Company") and the TRANSPORT WORKERS UNION OF AMERICA (hereinafter the "Union". The parties hereto have mutually agreed upon the following procedure for an Employee(s) performing Union business and being placed on an unpaid labor leave of absence.

1. In the case of an employee holding a position as an International Representative, an International Officer of the Transport Workers Union or an employee holding a full time position within the International Union, the written request must be submitted by the Director Air Transport Division of the Transport Workers Union to the Vice President - Employee Relations. During this leave for Union business, the employee will maintain his benefits.
 - a. An employee on a Union Leave of Absence shall retain and continue accrue Company, Occupational and Classification Seniority for the duration of the leave.
 - b. An employee on a Union Leave of Absence shall be is entitled to full reinstatement rights at the end of the leave.
 - c. An employee on a Union Leave of Absence shall have the option of continuing to participate in

American Eagle's health plan or may waive it for the TWU health plan.

THIS LETTER OF AGREEMENT shall become effective on the date of execution and shall remain in full force and effect concurrent with the Employee's Basic Agreement

IN WITNESS WHEREOF; the parties have signed this Agreement effective as of the date first written above.

Sincerely,
Cathy McCann
Vice President,
People Department
American Eagle Airlines, Inc

Agreed to:
John M. Conley
Director Air Transport
Division
Transport Workers Union

LETTER N - REPORT CONTRACT MAINTENANCE

Reference Article 1

October 15, 2004

Mr. John Orlando
International Vice President
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Orlando,

This will confirm our understanding reached during negotiations in which the Company agrees that the Vice President, Maintenance of American Eagle or his designee, will provide a quarterly report to the Director of the Air Transport Division, Transport Workers Union, listing the aircraft maintenance work that has been contracted out during the previous quarter.

If the above accurately reflects your understanding of our agreement, please signify by signing below.

Sincerely,
Rose Doria
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
John Orlando
International Vice President
Transport Workers Union

LETTER O – SJU / ARTICLE 22 –BUREAU OF LABOR
ARBITRATION
Reference Article 22

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood
Suite 112
Hurst, TX 76054

Dear Mr. Little,

This will confirm our discussions during the negotiations leading up to the signing of labor Agreements effective April 28, 1998. During these discussions we discussed the Bureau of Arbitration and Conciliation of the Department of Labor of Puerto Rico. We have agreed on a trial basis to utilize this avenue to hear cases that are appealed in accordance with Article 22 of the collective bargaining Agreement from employees based in San Juan, Puerto Rico.

Both parties may terminate this trial upon written notice to the other party and all cases will thereafter be handled in accordance with the provisions of the labor Agreement. In addition, if either party does not wish a particular case to be heard by this tribunal, they can, upon written notice to the other party, schedule the case under the provision of the labor Agreement.

Sincerely,
Dan Garton
President
American Eagle Airlines, Inc

Agreed to:
James C. Little
International Representative
Transport Workers Union

LETTER P - AVIONICS PREMIUM / GRANDFATHERED
EMP
Reference Article 4

October 15, 2004

Mr. John Orlando
International Vice President
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Orlando,

Those grandfathered employees who are currently performing avionics duties and are receiving a \$0.75 / hr avionics premium will continue to receive this premium under the following conditions:

It is understood that the grandfathered avionics employees who possess A & P licenses will perform Aircraft Maintenance Technician duties that are associated with their job functions as an Avionics Technician.

It is understood that if a grandfathered Avionics Technician employee should leave his current position, he will relinquish the \$0.75 / hr premium.

It is also understood that if a grandfathered Avionics Technician employee returns to the avionics position, he will not be entitled to receive the \$0.75 / hr premium.

If the above accurately reflects your understanding, please signify by signing below.

Sincerely,
Rose Doria
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
John Orlando
International Vice President
Transport Workers Union

LETTER Q - ONE STATION AGREEMENT / JFK & LGA

April 27, 2010

Ms Cathy McCann
Vice President People
American Eagle Airlines
4333 Amon Carter Blvd
Ft Worth, TX 76155

Dear Ms McCann,

This will confirm our discussion during the negotiations leading up to the signing of the Labor Agreement effective April 27, 2010.

We have agreed to recognize JFK Airport (JFK) and LaGuardia Airport (LGA) as a one station complex under the following scenarios:

A. An employee based at JFK or LGA will:

1. Be given preference over employees located at other airports / stations with regards to Article 14 – Transfers and Promotions and be considered before any other candidates regardless of their seniority for JFK and LGA higher classification, transfer and reclassification positions / vacancies.
2. Be deemed to be based as one station in the event of:
 - a. A surplus of employees at one airport when vacancies exist at the other;
 - b. A reduction in force at either airport when there are no vacancies available at the other;
 - c. A reduction in force at both airports;

- d. A recall of laid-off employees at both airports;
- e. Temporary assignments between airports

B. Higher Classification positions:

1. A higher classification vacancy will be filled by honoring requests of qualified employees for reassignment from one airport to the other. To be considered qualified, an employee must hold, as a result of having been selected the successful bidder, a job in the same classification as the vacancy and involving the same requirements. The method to follow is outlined below in paragraph (D).
2. Vacancies remaining after such requests have been honored are to be awarded as outlined in Article 14 of this agreement.
3. If a reduction in force is exercised at either JFK or LGA an employee in a bid position affected by the RIF may exercise his seniority to first fill a non-bid vacancy at his current airport, if one exists. If no vacancy exists he may then exercise his seniority to displace a non-bid position at his current airport.

C. Non-Bid Vacancies - Transfers:

1. If a vacancy occurs (non-bid) within the one station complex, requests for lateral reassignment between JFK and LGA will be honored before transfer requests from other stations in the system are considered, and before new employees are hired. An employee interested in being reassigned to the other station (JFK to LGA or LGA to JFK) must file a request for such reassignment not less than fifteen (15) calendar days

prior to reassignment date. All requests will be valid until the following January 1st and July 1st. Each January 1st and July 1st, a request for reassignment not submitted within the preceding thirty (30) calendar days will be voided and it will be necessary for a new request to be submitted.

2. Under this procedure, the Company will not require, as a condition of being eligible to request reassignment, that an employee has completed six (6) months of service at his current airport. However, an employee on probation must have completed his probationary period before being eligible to request such reassignment from one airport to another.
3. Selection to fill a vacancy will be made on the basis of the most senior employee in the same status requesting the reassignment, unless medically restricted.
4. If there are no requests, or an insufficient number of requests to fill any such vacancies, requests for transfer on file from employees at other locations in the system will be honored.

D. Reclassification:

1. If an employee is eligible for upgrading from one classification to another, this will be done on a one-station basis, subject to the requirements of Article 14 as outlined in the AMT & related agreement and Article 14 of the Fleet Service Agreement.

E. Surplus Employees At One Airport, Shortage At The Other Airport:

1. When there is a surplus of employees at one airport and corresponding vacancies at the other airport, the number of employees involved at the airport with the surplus will be equalized through reassignment of volunteers, if any.
2. Selection of volunteers will be made on the basis of the most senior volunteers. If no employee volunteers or an insufficient number volunteer, then the selection will be made on the basis of the most junior employee from the airport with the surplus to the airport with the shortage.
3. If a surplus still exists, such employees who refuse reassignment will be subject to a reduction in force.
 - a. Such surplus employee may accept layoff with recall rights to the original airport of surplus.
 - b. If such employee accepts layoff and a vacancy occurs in the city from where he was laid off, he will be blended in seniority order with active transfers in the same classification within the one station complex. Such vacancy will be filled with the most senior employee.
 - c. An employee who accepts layoff as described above will not be afforded the provisions outlined in paragraph (G) below or the provisions of Article 15 of this Agreement.
4. No Transfer Requests (C) or Reassignments (D) will be processed until the equalization process has been finalized.

F. Reduction In Force:

1. If a reduction in force is exercised at one of the stations in the one-station complex, the two stations will be combined for the purposes of the reduction in force.
2. In the event that there is not a vacancy at the other airport, in the one-station complex then the most junior employee will be affected by the reduction in force and may accept layoff or exercise his seniority in accordance with the provisions of Article 15 of this agreement.

G. Recall:

1. An active employee involuntarily moved from one airport to the other (JFK to LGA or LGA to JFK), as a result of a reassignment, surplus or reduction in force will maintain recall rights back to the original airport.
2. This recall will not be applicable to any higher classification position that was affected by a reduction in force.
3. Vacancy(s) that occurs in the city where there was a reduction in force:
 - a. Will first be offered to active employees within the one-station complex who hold recall.
 - b. Remaining vacancies will be processed as outlined in Article 15 of this agreement.

H. Expenses:

1. An employee reassigned from one airport to another within the one-station complex, whether by employee request or by direction of the Company, will not be eligible for the Company moving reimbursement / expense.

I. Temporary Assignments Between Airports:

1. When an employee, regularly assigned to one airport is assigned to duty at another airport, the provisions of Article 17 will apply.
2. When such assignments are made, employees will be regarded as working and will be paid their regular hourly rate while traveling from one airport to another within the one-station complex.

J. The Company agrees to meet and confer with the Union on other stations that may need to be added to this One Station Agreement.

If the above accurately reflects your understanding, please signify by signing below.

Sincerely,
Jose Galarza
American Eagle Coordinator
Transport Workers Union

Agreed to:
Cathy McCann
Vice President,
Employee Relations
American Eagle Airlines, Inc

LETTER R - MQT / FIELD WORK SELECTION
Reference Article 17

October 15, 2004

Mr. John Orlando
International Vice President
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Orlando,

This will confirm our understanding reached during negotiations in which the parties agree due to Marquette's unique work environment, the provisions of Article 17D3 will not apply to those employees covered by this Agreement who are employed at the Marquette Maintenance base.

In the event of an emergency or when there are insufficient or no volunteers for a field trip, the procedures set forth in the local field trip agreement between the Company and the Union will apply at the Marquette Maintenance base.

If the above accurately reflects your understanding of our agreement, please signify by signing below.

Sincerely,
Rose Doria
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
John Orlando
International Vice President
Transport Workers Union

LETTER S - MQT / DISCIPLINE & DISCHARGE SYSTEM
BOARDS

Reference Article 22

October 15, 2004

Mr. John Orlando
International Vice President
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Orlando,

This will confirm our understanding reached during negotiations in which the parties agree that all area grievances docketed for System Boards hearings from the Marquette Maintenance base, specifically involving discipline and discharge cases, are to be held in Gwinn, Michigan.

If the above accurately reflects your understanding of our agreement, please signify by signing below.

Sincerely,
Rose Doria
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
John Orlando
International Vice President
Transport Workers Union

LETTER T - SJU / LOCAL LAWS ENTITLEMENTS

October 15, 2004

Mr. John Orlando
International Vice President
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Orlando,

This will confirm our discussion during the negotiations leading up to the signing of the labor Agreement effective October 1, 2004.

The Company agrees that it will provide to its employees in Puerto Rico who are represented by the Union those entitlements which it is legally required to provide to them under the laws of the Commonwealth of Puerto Rico, as properly amended from time to time by the Commonwealth.

If the above accurately reflects your understanding, please signify by signing below.

Sincerely,
Rose Doria
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
John Orlando
International Vice President
Transport Workers Union

LETTER U - GROUND SUPPORT MECHANICS / CDL
LICENSE

Reference Article 4

October 15, 2004

Mr. John Orlando
International Vice President
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Orlando,

During negotiations, the Transport Workers Union raised an issue concerning the Ground Support mechanics that are required to operate Company vehicles that require a Commercial Drivers License (CDL).

It is agreed that, in those locations where such vehicles exist, those employees that obtain their CDL and maintain it, will be paid a \$1.00 / hr higher capacity pay rate for all hours worked. This higher capacity pay is to include accruals for sick pay, vacation pay and holiday pay. It will not be compounded for overtime rates. Additionally, the higher capacity rate of pay will remain in effect only as long as the employee remains in that job classification/title group in that location. It is understood that if the employee should leave the job classification/title group or location, he will relinquish the higher capacity pay.

Should the Company discontinue or eliminate the use of the vehicle that requires the CDL the Company reserves the right to eliminate the higher capacity pay for that location.

Nothing will preclude the parties from negotiating a skill premium in lieu of the higher capacity rate of pay.

If the above accurately reflects your understanding, please signify by signing below.

Sincerely,
Rose Doria
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
John Orlando
International Vice President
Transport Workers Union

LETTER V
Universal Overtime, Fieldwork &
Temporary Duty Assignments
(Reference Article 11 and 17)

January 1, 2013

Mr. Jose Galarza
American Eagle Coordinator
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Galarza,

This letter will confirm our understanding reached during negotiations whereby the Company and the Union will meet no later than Sixty (60) days after the signing of this agreement to create universal distribution methods for Overtime, Fieldtrips and Temporary Duty Assignments (TDY).

The universal distribution methods for Overtime, Fieldtrips and Temporary Duty Assignments (TDY) will be governed by the procedures as mutually agreed to by the Company and the Union.

Sincerely,
Cathy McCann
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
Jose Galarza
AE System Coordinator
Transport Workers Union

LETTER W – 1113 ME-TOO PROVISION

January 1, 2013

Mr. Jose Galarza
International Representative
American Eagle System Coordinator
Transport Workers Union of America—AFL-CIO
1791 Hurstview Drive
Hurst, Texas 76054

“Me, too: Provision”

Dear Jose,

During the negotiations that led to the signing of the Agreement between American Eagle Airlines, Inc. (“AE” or “the Company”) and the Transport Workers Union of America, AFL-CIO (“TWU”) covering Aircraft Maintenance Technician, Inspector, Ground Support Technician, Aircraft Cleaner and Inventory Control Specialist employees, the Company and the TWU agreed to the following, effective upon ratification of the Maintenance Agreement by the TWU membership:

Notwithstanding any provision to the contrary in this Restructuring Agreement (“Agreement”) the terms of the Agreement shall not become effective until the Company has received approval to implement, through binding agreement, and/or implemented by legal unilateral authority revisions to (i) the labor contracts of the Company’s other non-TWU unionized employees and (ii) the wages, benefits and working conditions of the Company’s non-union hourly employees and (iii) the wages, benefits, and working conditions of the non-union salaried and management employees so that the aggregate revisions, agreed to or

imposed, in (i), (ii), and (iii) for each individual non-TWU union and non-union employee group are reasonably projected by the Company to produce the targets of labor cost savings specified in the Company's 1113(c) Restructuring Proposals for each union dated March 21, 2012 and in the Company's March 21, 2012 Big Tent Presentation for each non-union labor group, and any Section 1113(c) motion subsequently filed by the Company, provided that the targets specified in the Company's motion match the March 21, 2012 targets.

The Company agrees that if it fails to implement the changes described in paragraph 1 for any other non-TWU union or non-union employee group, without implementing other changes that are reasonably projected by the Company to achieve equivalent labor cost savings, the Company will meet with TWU to discuss and agree upon a proportionate reduction in projected labor cost savings under the Agreement. This paragraph shall expire upon the earlier of 1) six (6) months after the date the Company emerges from the bankruptcy process; or 2) when the changes described in paragraph 1, or other changes that are reasonably projected by the Company to achieve equivalent labor cost savings, are implemented for all non-TWU union or non-union employee groups.

The Company further agrees that if it obtains modifications to agreements with other non-TWU union groups that result in labor cost savings to the Company from reduction in TWU represented employees working under TWU agreements, it will meet with TWU to discuss and agree upon an appropriate credit to the TWU based on the level of labor cost savings realized by the Company from that reduction.

The Company will provide TWU with sufficient relevant information reasonably necessary for TWU to determine compliance with the terms of this agreement.

Any alleged violation of these provisions will be resolved pursuant to the grievance and arbitration procedures of the applicable TWU Agreement.

If this letter accurately reflects the agreement of the parties, please indicate by signing below.

Sincerely,
Cathy McCann
Vice President,
Employee Relations
American Eagle Airlines, Inc

Agreed to:
Jose Galarza
AE System Coordinator
Transport Workers Union

LETTER X

Elimination of License Premiums for
Repairmen For Hours Worked in Certain Shops
(Reference Article 4)

January 1, 2013

Mr. Jose Galarza
American Eagle Coordinator
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Galarza,

This letter will confirm our understanding reached during negotiations relating to license premiums for Repairmen working in certain base maintenance shops. Specifically, the parties have agreed that such premiums would no longer be paid to Repairmen who were working such positions, and Article 4 has been amended to reflect that change.

However, the parties further agreed that (1) positions in certain Marquette “specialty shops” would continue to receive license premiums, and (2) there would be a transition period in order to allow those individuals who are currently receiving such premiums, but who will not be entitled to do so under the agreed to revision to Article 4, to bid back into positions that would allow them to continue receiving the applicable license premiums.

Accordingly, the parties have agreed to the following:

A. Specialty Shops

1. The Company has designated the following Marquette base maintenance support shops as “specialty shops” for purpose of this letter:
 - a. Composite Shop
 - b. Machine Shop
 - c. Flight Controls Shop
2. Given the nature of the work performed in the above-referenced “specialty shops,” employees who are working in such shops on, or who bid to and are awarded positions in such shops after, the effective date of this agreement, shall be entitled to the applicable license premium(s) under Article 4 B.1.
3. In the event the Company wishes to add to the list of “specialty shops” in paragraph A.1. above, it will meet and confer with the TWU regarding the need for such designation and/or the need for a transition plan for the initial staffing for such shops.

B. Transition To No License Premiums

1. Except as set forth in paragraphs A.1. and A.2. above, the following employees will not be entitled to pay for license premiums, for work performed in the base maintenance support shops after the effective date of this agreement:
 - a. Any Aircraft Maintenance Technician who is hired into a Repairman position in the base maintenance support shops after the effective date of this agreement;

- b. Any Aircraft Maintenance Technician who transfers into a Repairman position in one of the base maintenance support shops after the effective date of this agreement.
2. Current licensed AMTs who are working in any of the base maintenance support shops on the effective date of this agreement will continue to receive their applicable license premiums for a period of up to twenty-four (24) months after the effective date of this agreement, at which point they will lose such premiums for all hours worked in the base maintenance support shops.
3. A Licensed Repairman will receive all applicable license premiums that he would receive as an AMT under Article 4.B.1. for hours worked outside the base maintenance support shops.
4. During the 24-month period following the effective date of this Agreement, the following will apply:
 - a. The Company will continue to conduct the normal bidding process for the maintenance base (including at least two total rebids per year), during which those AMTs working in the base maintenance support shops will have the opportunity to use their seniority to bid positions in the specialty shop or on the floor.
 - b. Any new vacancies on the floor will be offered on a seniority basis to all base maintenance support shop employees with A&P licenses. If the vacancy

is not filled by a base maintenance support shop employee willing to accept the position, the Company will assign it to the junior-most licensed (A&P) AMT.

Please indicate your agreement to these terms by signing below.

Sincerely,
Cathy McCann
Vice President, Human
Resources
American Eagle Airlines, Inc

Agreed to:
Mr. Jose Galarza
AE System Coordinator
Transport Workers Union

LETTER Y – 1113 AMENDMENT PROCESS

LETTER OF AGREEMENT
between
AMERICAN EAGLE AIRLINES
and the
AMT and Related Employees
in the service of
AMERICAN EAGLE AIRLINES
as represented by the
Transport Workers Union of America—AFL-CIO

AMENDMENT PROCESS

TIMELINE

| | |
|--------------------------------------------|---------------------------------------------------|
| April, 2016 | Send notices/ Board selection |
| June July August } | Negotiations |
| August 31 | Reach agreement or submit to interest arbitration |
| <u>30-60 days</u> days after submission | Interest arbitration hearing |
| 60 days after hearing | Draft award, final following |

AMENDMENT PROCESS

The following procedure will be followed in the event that either party desires to make alterations to specific provisions of the Collective Bargaining Agreement (“CBA”) between the Transport Workers Union of America, AFL-CIO (“TWU”) and American Eagle Airlines (“Company”).

- A. Notice, Initial Meetings and Negotiations
1. No earlier than April 1, 2016 but no later than April 30, 2016, either party may serve written notice specifying which provisions of the CBA the party proposes will be deleted, added or amended, as provided for in this Letter of Agreement. Negotiations will commence no later than June 1, 2016 and continue for a period not to exceed ninety (90) days. Ratification of any tentative agreement will be governed by the TWU Constitution and Bylaws.

LETTER Y – AMENDMENT ROUND PROCESS

2. Due to considerations of scheduling, the three (3) neutrals must be selected per B.2. no later than April 30, 2016 on a contingent basis.
3. Three (3) months prior to April 1, 2016, the Company will share any studies, reports or the results of any benchmarking exercises which it conducts in preparation for the Amendment Round. Such information shall include the carriers selected in the benchmarking.
4. Meetings to define and resolve the issues with respect to the Amendment Round will be held at a mutually agreeable site. Such meeting shall continue for a period of not to exceed ninety (90) calendar days commencing with the first day of meetings. The parties will meet in good faith to resolve all issues between them.
5. The Company shall provide the meeting room facilities.
- ~~6.~~ If the parties reach agreement on all items, then those items become effective on January 1, 2017 unless otherwise mutually agreed.
7. If the parties are unable to reach a complete and final agreement on all issues on or before August 31, 2016 the parties will finalize the Amendment Round through the interest arbitration procedure outlined below. All prior agreed-to items in negotiations will become part of the arbitration Final Award without change. Nothing in this paragraph will prevent either party from proposing and/or agreeing to items as a "package."

B. Interest Arbitration Board

1. Board Composition

- a. The Interest Arbitration Board (Board) will be comprised of five (5) members, one (1) selected by the Association, one (1) selected by the Company, ("the parties' representatives") and three (3) neutral members, selected in accordance with the paragraphs below.
- b. Such selection will be made on or before April 30, 2016.

2. Board Selection Process

In order to select the three (3) neutral members, the parties will endeavor to agree on a mutual selection. Barring mutual agreement on the selection, the below procedure will be followed to select the three (3) neutrals.

- a. All neutrals shall be members of the National Academy of Arbitrators.
- b. The Association and the Company shall each select one neutral to sit on the panel. The two (2) arbitrators selected shall then be charged with agreeing on one (1) additional arbitrator to join them on the five (5) member panel as an equal to hear and decide the resolution of the issues submitted before the panel.
- c. The third arbitrator selected shall serve as the Chairperson of the panel and shall perform all of the administrative duties required by the panel.
- d. The arbitrators shall be advised of and adhere to the timelines contained in this Letter of Agreement and the number of hearing days provided for. Each arbitrator's confirmation shall be contingent upon acceptance of the terms and timelines of this Letter of Agreement. Any neutral who must withdraw will be replaced in the manner in which he/she was placed on the panel.
- e. The salary and expenses of the arbitrators, including any cancellation fees in the event a negotiated agreement is reached, and any transcript costs shall be borne by the Company. The Company shall provide the meeting room facilities.

C. Submission of Items to the Board

1. Each party may submit no more than five (5) single, separate and specific proposed changes to the Agreement of interest arbitration. Examples of such changes:
 - a. "pay rates," (but not "compensation"); or
 - b. "weekly overtime" or "daily overtime", (but not "overtime"); or
 - c. "crew chief premium" or "crew chief ratio" or "utilization of leads rather than crew chiefs" (but not "crew chiefs").
2. Such changes may consist of single, separate and specific changes to provisions currently in the CBA and/or new single, separate and specific provisions, provided that the aggregate number of specific provisions submitted by each party may not exceed five (5).
3. If there is any dispute over whether or not an item represents only a single and separate item, the Board will have jurisdiction to decide that dispute prior to the hearing.
4. The parties will submit to the Board the single, separate and specific last offer or positions made by each of the parties on the remaining open issues, identified and

limited as described in paragraphs 1. and 2. above. The Board will be limited in its award to the open issues presented and the award must be within the limits set by the offers or positions of the parties, and must embody and reflect the industry average of the regional carriers as defined in D. below.

5. The award will be subject to provisions of the Duration Section of the CBA.

D. Standard for Award

1. The standard, or “benchmark,” used by the Board in determining resolution of the items submitted to it shall be the two large regional carriers with the most competitive labor costs, with AMT and related populations (the carriers used for the benchmark may vary by title group) similar to American Eagle’s, operating at least 200 aircraft of similar equipment type as the Company, within the seat range of aircraft operated by the Company. No airline that is in bankruptcy, as of November 1, 2015 may be used in this analysis. A bankruptcy filing by an airline after November 1, 2015 shall not be a cause for its exclusion from this analysis. The parties will endeavor to agree on the carriers to be used by the Board. If the parties cannot reach agreement, the decision of defining the two carriers shall be decided by the Board and the decision shall be final.
2. The basis for adjustments to the contract provisions during this Amendment Round will be American Eagle’s AMT and Related labor cost position relative to the average of the total AMT and Related labor costs at the comparative carriers in paragraph 6. above. Included in the study will be the total AMT and Related wages, benefits, work rules and longevity (computed separately for each Title Group).
 - a. This shall be determined by a combination of the appropriate application of such carriers’ contract elements or terms of employment to Eagle’s Schedule of flying and population and the application of Eagle’s pay rates and contract elements to the average of the comparative carrier’s AMT and Related seniority (such analysis will be completed by Title Group).

E. Arbitration Hearing

1. No later than ten (10) days after the submission of the issues dispute for final and binding interest arbitration, the arbitrators shall convene a telephonic prehearing to set the date for the commencement of the hearings. The hearings shall be held at a location mutually agreed to by all five (5) members of the Board. The arbitrators shall establish the order of presentation of evidence and determine any other procedural matter that they believe shall be conducive to a just and orderly resolution of the issues in dispute.

2. Subject to the schedule of the arbitrators and counsel, the Board shall commence the hearing on the dispute as soon as possible, but no earlier than thirty (30) days and no later than sixty (60) after submissions of the issues to be resolved.
3. The Chairperson of the Board shall schedule a total of five (5) full days (preferably consecutive) of hearings. The hearing days shall be allocated equally to permit each party to present its case and cross-examine the other party's case. The Board may extend the hearing as it deems necessary and may afford additional time to the parties, if in the sole judgment of the Board, one party has had less than a full and fair opportunity to submit its evidence relative to the opportunity of the other party.
4. Closing arguments may be oral and given at the conclusion of the hearing upon the agreement of the parties.

F. Arbitration Award and Jurisdiction

1. The Board shall have the jurisdiction to decide all individual items submitted to it within the range of the positions of the parties on each item.
2. The Board shall issue a written, draft award. Such award shall be reviewed by the Board prior to the issuance of the Final Award.
3. The Board shall issue its final, written decision, which shall be binding on all parties, no later than sixty (60) days after the submission of the items.
4. The Board shall retain jurisdiction to resolve any disputes over the interpretation or application of the Final Award. Any such dispute must be submitted to the Board within sixty (60) days after knowledge of the dispute arises. The Board shall decide what procedures shall be applied for the expeditious resolution of such disputes. This provision compels both parties to willingly engage in the dispute resolution process inherent in the retained jurisdiction.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this ____ day of October, 2012.

FOR - AMERICAN EAGLE AIRLINES, INC.

FOR - THE TRANSPORT WORKERS
UNION OF AMERICA—AFL-CIO

Cathy McCann
Vice President, People

Jose Galarza
AE System Coordinator

LETTER Z – 1113 AMT EARLY OUT INCENTIVE

LETTER OF AGREEMENT

between

AMERICAN EAGLE AIRLINES, INC.

and the

AIRCRAFT MAINTENANCE TECHNICIAN & RELATED EMPLOYEES

in the service of

AMERICAN EAGLE AIRLINES, INC.

EXECUTIVE AIRLINES, INC.

as represented by

TRANSPORT WORKERS UNION of AMERICA, AFL-CIO

Early-Out Incentive Package

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between AMERICAN EAGLE AIRLINES, INC. and EXECUTIVE AIRLINES, INC., (both – “Company”) and the TRANSPORT WORKERS UNION of AMERICA, AFL-CIO (“TWU”), on behalf of Title I Aviation Maintenance (“Title I Mechanic”) employees in the service of the Company.

A. Global Incentive Provisions

1. The Company will offer, no later than seven (7) days following the ratification and bankruptcy court approval of the bankruptcy tentative agreement, the Early-Out Incentive Program described in this Letter of Agreement.
2. A Title I Mechanic will have thirty (30) days following the date of the offer, as described in A.1 above, to respond to this offer.
3. A Title I Mechanic who accepts the Early-Out offer will forfeit any recall rights he/she may have, and will no longer be considered an active employee and will waive all seniority credit upon any future rehire. However, a Title I Mechanic will have fifteen (15) days to rescind his/her acceptance after it is made.
4. Eligibility: A Title I Mechanic will be eligible for the Early-Out Incentives so long as he/she is at the top of the pay scale at American Eagle and/or Executive Airlines.

5. The Company may stage the separation dates for operational purposes. If so, Separation dates will be offered for preferencing, and preferences will be awarded in seniority order.

B. Early-Out Incentive Package Provisions:

1. Separation Pay: The Title I Mechanic will receive \$23,300 upon separation from the Company.
2. Medical Benefits: A Title I Mechanic who elects to accept the Early-Out offer will be eligible for COBRA at the active employee rate for the first 30 days. Following the first 30 days, COBRA will be available for purchase for an additional 17 months at full COBRA rates.
3. Travel Pass Benefits: The Title I Mechanic will receive 18 months of travel benefits in accordance with the AA Travel Policy. He/she will receive an additional 6 months of travel benefits (total of 24 months) if in the 90 days prior to the date of separation from the Company, he/she had no attendance occurrences. During the first 90 days of boarding priority will be D2 and will convert to D2P for the remaining eligibility period. Retiree Pass Benefits will be in accordance with AMR company policy.

Agreed:

Transport Workers Union /AMT & Related

American Eagle Airlines, Inc

Jose Galarza
AE System Coordinator

Cathy McCann
Vice President, People

January 1, 2013

LETTER AA – PROFIT SHARING PLAN

LETTER OF AGREEMENT
between
AMERICAN EAGLE AIRLINES
and the
AIRCRAFT MAINTENANCE AND RELATED EMPLOYEES
in the service of
AMERICAN EAGLE AIRLINES
as represented by the
TRANSPORT WORKERS UNION of AMERICA, AFL-CIO

PROFIT SHARING PLAN

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor act, as amended, by and between American Eagle Airlines (hereinafter referred to as the “Company”), and the Fleet Service employees in the service of American Eagle Airlines, as represented by the Transport Workers Union of America, AFL-CIO (hereinafter referred to as the “Union”).

WHEREAS the Company and the Union have reached consensual agreement upon a collective bargaining agreement (hereinafter referred to as the “Agreement”);

NOW THEREFORE, the parties agree as follows:

A “first dollar” profit sharing plan for Fleet Service employees will be implemented as described below:

A. DEFINITIONS

1. “Pre-tax earnings” means the Company’s consolidated earnings for the target year before any applicable income

tax expense, excluding any accruals for profit sharing and/or incentive compensation, accounting adjustments, or extraordinary or one-time items as may be determined by the Company's Board of Directors Compensation Committee (consistent with Generally accepted Accounting Principles (GAAP) and applicable regulations, after consultation with the Company's independent auditors.

2. "Profit Sharing Pool" means 100% of the Company's pre-tax earnings for the target year at the applicable percentage.

B. PROFIT SHARING POOL

| Bracket # | American Eagle Profit Margin % | Profit Sharing Pool |
|-----------|--------------------------------|------------------------------------------|
| 1 | 0-2 | 5% of pre-tax profit within the bracket |
| 2 | 2-4 | 10% of pre-tax profit within the bracket |
| 3 | 4-6 | 15% of pre-tax profit within the bracket |
| 4 | 6-8 | 20% of pre-tax profit within the bracket |
| 5 | 8+ | 25% of pre-tax profit within the bracket |

C. DISBURSEMENT

1. The profit sharing payments due to individual Aircraft Maintenance and Related employees shall be computed as follows:
 - a. For the year in which the profit sharing was earned, the applicable profit sharing pool shall be divided by the total W-2 earnings of all eligible employees of the company to arrive at a profit sharing percentage of W-2 figure. This figure will be used to distribute the profit sharing pool based on share of W-2 salary expense.

- b. The profit sharing percentage of W-2 figure, as calculated in 1.a. above shall be multiplied by the individual employee's reported W-2 earnings for the year in which profit sharing is was earned.
- c. To be eligible for profit sharing payments, employees must:
 - i. Have earned W-2 salaries during the year in which profit sharing was earned.
 - ii. Hold current employment status, either active or on leave, with the company as of the date the profit sharing pool distribution calculations are made.

2. Profit Sharing awards are not considered compensation for purposes of determining Company contributions to the 401(k) plan.

D. Aircraft Maintenance and Related employees at American Eagle and Executive Airlines will participate in the Profit Sharing Plan on terms outlined above and in no event may those terms be any less favorable than any other labor group at American Eagle.

E. The effective date of the Profit Sharing Plan, as to TWU represented employees covered by this agreement, will be when it has been ratified by the membership, and the Agreement and this letter or agreement have been approved by the bankruptcy court. TWU represented employees covered by this Agreement shall begin to accrue Profit Sharing earnings on January 01, 2013, to be paid out annually beginning in March 2014.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of January, 2013.

AMERICAN EAGLE AIRLINES, INC

TRANSPORT WORKERS
UNION OF AMERICA

Cathy McCann
Vice President, People

Jose Galarza
AE System Coordinator