

***TWU and IAM JOINT AGREEMENT FOR THE
FORMATION OF THE AIRLINE MECHANIC AND RELATED
EMPLOYEE ASSOCIATION - TWU / IAM
("Association Agreement")***

1. The name of this Joint Labor Organization is Airline Mechanic and Related Employee Association TWU/IAM (hereinafter "Association"). This agreement between the Transport Workers Union of America ("TWU") and the International Association of Machinists and Aerospace Workers("IAM") is hereinafter referred to as the "Association Agreement." The TWU and the IAM are also jointly referred to herein as the "Labor Partners" or individually referred to as a "Labor Partner."

2. The Association will exist for purposes of representing for collective bargaining all employees in the single carrier Craft or Class of Mechanic and Related Employees (the "Employees") resulting from the transaction between American Airlines and US Airways (the new American Airlines, its successors or assigns is or are hereinafter referred to as the "Carrier") and improving the rates of pay, benefits and other terms and conditions of these Carrier Employees. As of the date of this Association Agreement, the IAM is the bargaining representative for employees in the Craft or Class of Mechanic and Related Employees at US Airways, and TWU is the bargaining representative for employees in the Craft or Class of Mechanic and Related Employees at American Airlines.

3. The Association hereby designates the TWU and/or its affiliates to handle representation for contract administration and for other representation purposes that may be authorized by the Association for those Employees in the Craft or Class of Mechanic and Related Employees at the Carrier who are employed by the Carrier at stations, bases or facilities listed on Appendix B hereto as a "TWU Locations".

4. The Association hereby designates the IAM and/or its affiliates to handle representation for contract administration and for other representation purposes that may be authorized by the Association for those Employees in the Craft or Class of Mechanic and Related Employees at the Carrier who are employed by the Carrier, at stations, bases or facilities as listed on Appendix B hereto as a "IAM Locations".

5. a. The representation designations of TWU and IAM in Paragraphs 3 and 4 of this Agreement and in Appendix B approximate the relative ratio as of the date of this Association Agreement of the number of employees in the Craft or Class of Mechanic and Related Employees at US Airways that are represented by IAM to the number of employees in the Craft or Class of Mechanic and Related Employees at American Airlines represented by TWU (the "Ratio"). The Labor Partners shall each obtain from American Airlines and US Airways a precise count of the number of active Employees each represents at American Airlines and US Airways as of the last pay period prior to the date of this Association Agreement. The numbers provided by American Airlines and US Airways shall constitute the precise Ratio.

Whenever significant increases or decreases in employment of Mechanics and Related Employees at the new American Airlines have a major impact on the relative size of the number of Employees TWU and IAM represents (under paragraphs 3 and 4 above) in comparison to the Ratio, the Chairperson and Vice Chairperson of the Association shall meet to determine whether the designations of stations, bases or facilities in Appendix B should be adjusted (or some other adjustment should be made) in order to maintain a representation proportion closer to the Ratio.

b. In the event that the Carrier opens or acquires a new station, base or facility, or re-opens a previously closed American Airlines or US Airways station, base or facility, the determination of whether TWU or IAM should handle for the Association the representation at such station, base or facility shall be made by the Association Chairperson and Vice Chairperson or their designees. In making such representation determination, the Chairperson and Vice Chairperson shall consider in the following order of priority: (1) maintaining a representation proportion between TWU and IAM approximate to the Ratio, (2) the relative size of any prior TWU and IAM representation at the new or re-opened station, base or facility, (3) the efficient service of Employees, including by consideration of the geographic location of the new or re-opened station, base or facility in relation to other Carrier stations, bases or facilities and whether those station, base or facility are represented by TWU or IAM, and (4) any other factors that the Association Chairperson and Vice Chairperson may consider relevant.

c. Should the Labor Partners not reach a resolution regarding any issue or dispute

involving the last sentence of paragraph 5.a. above or paragraph 5.b., this issue or dispute may be submitted by either Labor Partner for resolution under the second sentence of paragraph 9 below (without first submitting the issue or dispute to the International Presidents of TWU and IAM, or to their designated representatives).

6. TWU and IAM shall each designate an equal number of representatives, to serve on the Representation Committee of the Association, which will meet as often as the Committee may decide, but at least four times each year, to discuss issues concerning the representation of the Craft or Class of Mechanic and Related Employees of the Carrier, including but not limited to proposals that either the TWU or IAM may make, regarding rates of pay, rules, or working conditions, and other concerns that may arise for Employees represented by the Association. The Committee will make and formulate policy by consensus, and will subject issues to a Committee vote only upon the recommendation of both the Chairperson and Vice Chairperson of the Association. Policy resolutions recommended by the Committee must be approved by both the Chairperson and Vice-Chairperson of the Committee. Both TWU and IAM pledge that they will cooperate with each other and the Committee in accordance with the Association Constitution and this Agreement so that both Labor Partners are able to properly represent the Craft or Class of Mechanic and Related Employees of the Carrier.

7. In accordance with the Railway Labor Act, each existing collective bargaining agreement of the individual Labor Partners (reached with American Airlines or US

Airways) and/or the applicable "status quo" conditions will remain in effect. The Association as Employee representative will endeavor to negotiate a single, combined Collective Bargaining Agreement with the goal of improving the rates of pay, benefits and other terms and conditions of the Employee members of the Mechanic and Related Craft or Class at the Carrier.

8. The representational duties allocated to the TWU and IAM for the Carrier Employees will be in accordance with Appendix B and paragraph 5 of this Association Agreement. In the event the Carrier acquires, by acquisition, merger or other transaction, another air carrier employing Mechanic and Related Employees, and the Association represents those other carrier employees (including following a single carrier determination), the handling of representational responsibility of such employees will be assigned between TWU and the IAM according to paragraph 5.b. of this Association Agreement. A Mechanic and Related Employee who is transferred, displaced, or otherwise relocated to a station, base or facility whose employees are represented by the Association shall be required to be or become a member of and/or financially support the Labor Partner that handles the representation at that station, base or facility.

9. All disputes between TWU and IAM growing out of or involving the interpretation, application or enforcement of the Association Constitution, including this Agreement, shall be submitted to the International Presidents of TWU and IAM, or to their designated representatives. If the dispute cannot be resolved by the

International Presidents or their designated representatives, it may be submitted by either Labor Partner for final and binding resolution to an Impartial Umpire either selected by the parties, or, if they are unable to agree upon a neutral, selected from a list of seven names of available neutral arbitrators provided by the American Arbitration Association or other agreed upon neutral organization with each side making alternate strikes, with the moving party striking first, until one name is left or the parties agree on a neutral.

10. Any amendment to this Agreement shall occur in accordance with Article I, Section 7 of the Association Constitution.

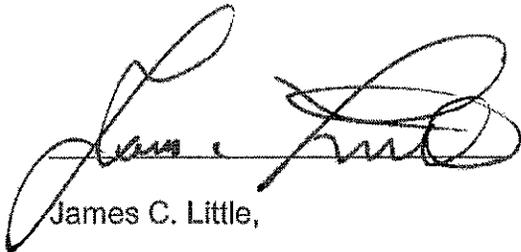
11. At an appropriate time mutually agreed to by the International Presidents of TWU and IAM after the closing of the merger transaction between American Airlines and US Airways, the Association shall file an application with the National Mediation Board for investigation of a single carrier representation dispute among the Carrier's Employees, and for certification of the Association as the representative of the Employees and extinguishment of the Labor Partners' pre-merger certifications at American Airlines and US Airways.

12. By signing below, TWU and IAM each indicates that it has authority under its applicable governing documents to enter into this Association Agreement, the Association Constitution (Appendix A hereto and part of this Association

Agreement), and Appendix B (hereto and part of this Association Agreement).

Executed this 9th day of May, 2013.

TRANSPORT WORKERS UNION
OF AMERICA



James C. Little,

International President

INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS



R. Thomas Buffenbarger,

International President

APPENDIX A
CONSTITUTION
OF AIRLINE MECHANIC AND RELATED EMPLOYEE
ASSOCIATION TWU / IAM

ARTICLE I

Section 1. NAME

This Organization shall be known as the "Airline Mechanic and Related Employee Association - TWU / IAM" and shall be referred to herein as the "Association".

Section 2. LOCATION

The Association shall be headquartered in Washington, DC.

Section 3. DURATION

The duration of the Association shall be coextensive with the representation of the Mechanic and Related Employees (the "Employees") of the new American Airlines, its successors or assigns (the "Carrier"), or until dissolved by agreement of TWU and IAM.

Section 4. OBJECTIVES OF THE ASSOCIATION

The Association has been formed to represent the Employees pursuant to the provisions of the Railway Labor Act, this Constitution, and the TWU and IAM Joint Agreement for the Formation of the Airline Mechanic and Related Employee

Association – TWU/IAM, dated May 9, 2013 (the “Association Agreement”), with TWU and IAM (the “Labor Partners”; each, the “Labor Partner”) acting as representation agents for the Association, as provided herein (see *also* paragraph 8 of the Association Agreement). The Association is vested with all powers and authority necessary to carry out its objectives.

Section 5. ASSETS, DEBTS AND EXPENSES

(a) The Association shall not own any assets or retain funds. The charge and collection of any dues or agency fee shall be as provided herein. The Association is empowered to negotiate with the Carrier lawful union security provisions pursuant to Section 2, Eleventh of the Railway Labor Act, which will require each represented employee, as a condition of continued employment, to become a member of and/or financially support the Labor Partners at the employee's new American Airlines workplace location designated in Appendix B and/or as provided in paragraphs 3, 4, 5 and 8 of the Association Agreement, consistent with the law.

(b) Costs and expenses jointly designated by the TWU and IAM as “Joint TWU/IAM Expenses” of the Association will be borne equally by the TWU and IAM. All other expenses and costs initiated by a single Labor Partner shall be borne by that Labor Partner.

Section 6. INCORPORATION OF ASSOCIATION AGREEMENT

This Association was formed by the Association Agreement which is hereby adopted

and incorporated herein as a part of this Constitution.

Section 7. AMENDMENTS

This Constitution, including the Association Agreement, may be amended by agreement of the International Presidents of the TWU and IAM or, if they are unable to resolve a dispute over an amendment, by the dispute resolution procedure established in Section 9 of the Association Agreement, except that Article I, Section 3 of this Constitution shall not be amendable under the dispute resolution procedure. An impartial umpire under Section 9 of the Association Agreement may not amend this Constitution or the Association Agreement unless he first determines that the amendment is necessary to carry out the appropriate representation functions of the Association and will order an amendment only to the extent necessary to carry out such Association representation functions.

ARTICLE II

MEMBERSHIP AND OFFICERS

Section 1. MEMBERSHIP

The Association shall consist of the International Presidents of the TWU and IAM and their "designees."

Section 2. DESIGNEES

The International Presidents may designate one or more individuals to act for them as members of the Association (the "designee" or "designees") and any individual or

individuals so designated shall possess all powers and authority given by this Constitution and by the Association Agreement to the International Presidents.

Section 3. OFFICERS

(a) ASSOCIATION DIRECTOR - The Chief Executive Officer of the Association shall be the Association Director. This position shall alternate between the TWU International President and the IAM International President every two years for regular two-year terms, beginning with the IAM International President commencing with the filing by the Association of an application with the National Mediation Board for investigation of a single carrier representation dispute among the Carrier's Employees. In all years in which the TWU International President (or designee(s)) or IAM International President (designee(s)) is not the Association Director, he or she will be the Association Vice-Director. The Association Director shall be responsible for scheduling and presiding over the Representation Committee meetings called for by Section 6 of the Association Agreement, and for calling and presiding over any meeting of the Association Officers as the Association Director deems necessary. The Association Director shall also be a member of and act as the Chairperson of the Representation Committee established by Section 6 of the Association Agreement.

(b) VICE DIRECTOR - The Vice Director position shall alternate between the TWU International President and the IAM International President every two years for regular two-year terms, beginning with the TWU International President

commencing with the filing by the Association of an application with the National Mediation Board for investigation of a single carrier representation dispute among the Carrier's Employees. The Vice Director shall perform the duties of the Association Director during the absence of that Officer (where the Director states he will be absent) or following the removal, resignation, death or incapacity of that Officer until a replacement is sworn in (as the new applicable International President) or is designated as the Association Director by the applicable International President. The Vice Director shall have the right to call for a meeting of the Association Officers and shall be a member of, and the Vice Chairperson of, the Representation Committee established by Section 6 of the Association Agreement.

(c) The Director and Vice Director will make every reasonable effort to reach decisions by consensus prior to resolving issues under Paragraph 9 of the Agreement.

ARTICLE III

ASSOCIATION SYSTEM BOARD OF ADJUSTMENT

Section 1. CO-CHAIRS OF THE ASSOCIATION BOARD OF ADJUSTMENT

(a) The Association Director and Association Vice Director, or their designees, shall serve as equal Union Co-Chairpersons of any Boards of Adjustment established, pursuant to 45 U.S.C. 184 of the Railway Labor Act, as amended, between the

Association and the Carrier.

- (b) For all disputes brought before a Board of Adjustment that primarily involve or relate to Employees whose representation is handled by the TWU, pursuant to Section 3 or 8 of the Association Agreement, the TWU-Appointed Director or Vice Director, or his designee, shall serve as the Union Chairperson of the Board of Adjustment hearing that dispute.

- (c) For all disputes brought before a Board of Adjustment that primarily involve or relate to Employees whose representation is handled by the IAM, pursuant to Section 4 or 8 of the Association Agreement, the IAM-Appointed Association Director or Vice Director, or his or her designee, shall serve as the Union Chairperson of the Board of Adjustment hearing that dispute.

- (d) For all disputes brought before a Board of Adjustment that present issues to Employees where the Union Co-Chairpersons determine that the handling of representation for these Employees does not fall within Section 1(b) or (c) above, the Association Director, or his or her designee, shall serve as the Union Chairperson of Board.

Section 2. GRIEVANCES

- (a) All grievances filed on behalf of the Association by the TWU or by TWU represented employees shall be processed up to the Board of Adjustment level by the TWU.

Expenses related to such grievances up to and through the Board of Adjustment level shall be borne by the TWU, subject to subparagraph (c) below.

(b) All grievances filed by on behalf of the Association by the IAM or by IAM represented employees shall be processed up to the Board of Adjustment level by the IAM.

Expenses related to such grievances up to and through the Board of Adjustment level shall be borne by the IAM, subject to subparagraph (c) below.

(c) For all grievances and arbitrations that present issues to Employees where the Union Co-Chairpersons determine that the handling of representation for these Employees does not fall within Section 1(b) or (c) above, the payment of expenses related to such grievances up to and through the Board of Adjustment level shall be considered by the Director and Vice Director, or their designees, and allocated between the TWU and IAM according to their decision.

ARTICLE IV

NEGOTIATING COMMITTEE

Section 1. ESTABLISHMENT OF A NEGOTIATING COMMITTEE

There shall be established a Negotiating Committee of the Association whose purpose is to engage in collective bargaining with the employer of the employees represented by the Association.

Section 2. COMPOSITION AND PROCESS OF THE NEGOTIATING

COMMITTEE

- (a) The Association Director, or his or her designee, shall be the Chairperson and Chief Spokesperson of the Negotiating Committee.
- (b) The Association Vice Director, or his or her designee, shall serve as the Vice Chairperson of the Negotiating Committee, and shall perform the duties of the Chairperson and Chief Spokesperson of the Negotiating Committee in the absence of Association Director.
- (c) Apart from the Chairperson and Vice Chairperson, the Negotiating Committee members shall be comprised of an equal number of appointees of the TWU International President and of the IAM International President. The Committee will make and formulate bargaining positions by consensus through a process mutually agreed to by the TWU and IAM. The Committee will subject issues to a vote of members of the Negotiating Committee only on the recommendation of both the Chairperson and Vice Chairperson or their designees. The Chairperson and Vice Chairperson of the Committee will not participate in this vote. The Chairperson and Vice Chairperson may designate staff, research, legal or other expert advisors to advise the Negotiating Committee.
- (d) No Tentative Agreement will be submitted to the Employee members for a ratification vote without both (1) a majority vote of those voting among the members of the Negotiating Committee, and (2) the approval of both the Chairperson and the Vice Chairperson or their designees.
- (e) Ratification of Agreements shall be by a majority vote of those voting among Employee members of the Association (as good standing members of either TWU

or IAM in accord with their respective Constitutions) in a secret ballot vote conducted in accordance with a process mutually agreed to by the International Presidents of the TWU and IAM.

(f) Strike Authorization votes shall require (1) the approval of both the Chairperson and the Vice Chairperson or their designees, and (2) a vote in favor by two-thirds of those voting among Employee members of the Association (as good standing members of either TWU or IAM in accord with their respective Constitutions) in a secret ballot vote conducted in accordance with a process mutually agreed to by the International Presidents of the TWU and IAM. A strike shall be called off by mutual agreement of the International Presidents of the TWU and IAM.

(g) Any strike payments, subsidies or reimbursements to striking Employees shall be made according to the rules and processes of the Labor Partner representing the facility or location (under paragraphs 3, 4, 5 and 8 of the Association Agreement) on strike.

APPENDIX B

This Appendix describes the allocation of stations, bases or facilities for the purpose of designating Association representation of the Carrier's Employees by the Labor Partners as defined in the Association Agreement and Constitution.

Unless otherwise determined in accordance with the Association Agreement, the Labor Partners listed below shall handle representation, through the Mechanic and Related Employee Association, TWU/IAM, of Employees in accordance with the table of stations, bases and/or facilities set forth below, Paragraphs 3 to 4 of the Association Agreement, and the Association Constitution (Appendix A).

TWU Locations

AFW	AUS	DEN	DFW	DWH
EWR	FLL	LAX	LGA	MIA
ORD	RDU	SAT	SEA	SFO
SJU	SNA	STL	TUL/TULE	ELP
JFK				

IAM Locations

ATL	BOS	CLT	DCA	IAD
LAS	MCO	PHL	PHX	PIT
SAN	TPA			