

American Airlines, Inc.
**Post-Pregnancy Maternity Short-Term
Disability Plan**

Effective January 1, 2018

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Introduction

The American Airlines, Inc. Post-Pregnancy Maternity Short-Term Disability Plan (“Plan”) is a short-term disability plan designed to provide income protection to certain eligible U.S.-based employees of American Airlines, Inc. (the “Company”) who are unable to work due to their medical recovery from pregnancy and/or delivery immediately after the date they deliver. The Plan will offer coverage for the deliveries by eligible employees occurring on or after January 1, 2017.

To help you make the most of these benefits, be sure to review this Plan document which describes the key provisions of the Plan, effective January 1, 2017.

Important Note for Union Employees: The effective date of the Plan for all employees represented by collective bargaining representatives is January 1, 2017 provided the represented employees’ unions agree to the represented employees participation in the Plan on or before February 17, 2017. If any union agrees to their represented employees’ participation in the Plan on a later date, the Plan will be effective on such later date for that group of represented employees.

Eligibility

Employees of the Company will be eligible for the Plan if they meet all of the following requirements as of date they deliver:

- The employee is a U.S.-based full-time or part-time employee of the Company;
- The employee has accrued 12 months of continuous service with the Company in the 12 month period immediately preceding the date of delivery;
- The employee is active or on a Company-approved leave of absence (except for an educational leave of absence); and
- The employee delivers on or after January 1, 2017.

Any individual who meets the definition of “Ineligible Employees” shall not be considered eligible for or enrolled in the Plan.

Administration

Metropolitan Life Insurance Company (“MetLife”) is the third-party administrator and claims administrator of the Plan. For any questions regarding the Plan, call MetLife at (888) 533-6287.

Maternity Disability Benefits

For any eligible employee who meets the definition of disabled, the Plan is designed to provide payments equal to 100% of your “adjusted monthly salary” for the time you are disabled, up to 10 consecutive weeks immediately following the date of delivery (“Maternity Disability Benefits”). You are not required to utilize or exhaust any of your available sick or vacation time prior to commencing benefits under this Plan.

- For regular, full-time or part-time employees, “adjusted monthly salary” is defined as your annual base salary or annualized hourly pay, plus skill and license premiums and market differentials, determined as of the date of the delivery. It does not include profit sharing, bonus, overtime or incentive pay.

Your Maternity Disability Benefits will be offset or adjusted to reflect income from certain other sources (refer to the “[Income From Other Sources](#)” section).

There are no lifetime or annual maximums on the total amount of benefits that may be paid or the number of deliveries that qualify for coverage under the Plan.

Income From Other Sources

While you are disabled under the Plan and eligible for Maternity Disability Benefits, in no event will the total amount you collect from the Plan and the sources listed below exceed 100% of your pre-disability earnings.

A. State & Federal Disability Benefits, Workers’ Compensation and State Paid Family Leave

The Plan will reduce your Maternity Disability Benefit by the amount of the following “other income”:

- Disability benefits paid or payable pursuant to any state law;
- Paid family leave benefits paid pursuant to New York law;
- Workers’ Compensation; and
- Social Security disability benefits.

If you are based in California, Hawaii, New Jersey, New York, Rhode Island, or Puerto Rico, you may be eligible for state disability benefits (and, in New York, paid family leave benefits as well). Please be advised that any disability benefits you receive or are eligible to receive because you work in one of the states referenced above will reduce the Maternity Disability Benefits payable to you under this Plan. In the event that you work in a state that provides state disability benefits and you choose not to apply for

such state disability benefits, the Maternity Disability Benefits payable to you under this Plan will be reduced as though you had applied for such benefits. In addition, any New York paid family leave benefits you receive during the same period in which you are eligible for the Maternity Disability Benefits under this Plan will reduce the Maternity Disability Benefits payable to you under this Plan. (A similar reduction applies in the case of any other mandatory state disability benefit or federal benefit implemented after the effective date of this Plan and which you receive or are eligible to receive.) MetLife will estimate the benefit amount you receive for state disability benefits to avoid overpayment.

Important Note About New York Paid Family Leave: If you qualify, New York paid family leave benefits replace a portion of your income when you are on leave to care for a family member, including bonding with a newborn child, and such leave may be taken at any time within the first 12 months following a child's birth. This Plan, the Maternity Short-Term Disability Plan, replaces your income when you are on leave for medical recovery from childbirth and must be taken immediately after childbirth. Therefore, to maximize your benefits, if you use this Plan's benefits immediately after giving birth, you should exhaust New York state paid family leave benefits for child bonding and benefits under this Plan before you claim New York state disability benefits.

In the event that you work in a state that provides state disability benefits and you are not eligible for such state disability benefits, provide MetLife with a written notice from the state regarding your claim denial or ineligibility to obtain full Maternity Disability Benefits under this Plan.

B. Other Company-Sponsored Short-Term Disability Plans

If you are eligible for another short-term disability plan through the Company, such other short-term disability plan will reduce benefits payable under those plans by the amount of Maternity Disability Benefits paid to you under this Plan.

C. Paid Sick and Paid Vacation

You are not required to utilize or exhaust any of your available sick or vacation time prior to commencing Maternity Disability Benefits under this Plan; however, you may not receive, at the same time, Maternity Disability Benefits under this Plan and sick pay or vacation pay from the Company.

Cost of Coverage

Maternity Disability Benefits payable to you under the Plan are Company-provided, at no cost to you. Maternity Disability Benefits under the Plan are self-insured by the Company. This means there is not an insurance company that collects premiums and pays benefits. Instead, the Company pays benefits from its general assets. No contributions are set aside by the Company, and there is no trust to fund this coverage. For these reasons, the Plan is considered a “payroll practice” of the Company under regulations published by the DOL and is exempt from the Employee Retirement Income Security Act of 1974 (“ERISA”).

Benefits are Optional

Participation in the Plan is optional. You are not required to apply for or receive Maternity Disability Benefits. Further, you may apply for Maternity Disability Benefits attributable to all or just a portion of the [coverage period](#) (defined below).

Coverage Period

The Plan provides for up to ten (10) consecutive weeks of Maternity Disability Benefits immediately following the date of delivery (“coverage period”). The coverage period begins immediately following the date of delivery and runs in a single block of time for up to ten (10) weeks. In other words, the weeks of coverage available to you may not be used intermittently following delivery.

The maximum potential coverage period following any pregnancy and delivery is limited to ten (10) weeks. Multiple deliveries resulting from a single pregnancy do not increase the coverage period available under the Plan. Further, if for any reason, you do not utilize all of the weeks available to you in the coverage period immediately following your delivery, the unused weeks are forfeited and not available for intermittent use at a later time or during the occurrence of subsequent disability.

If you decide to use paid sick or paid vacation time during the coverage period, this will reduce the amount of Maternity Disability Benefits available to you under this Plan. For example, if you wish to use two (2) weeks of paid sick leave immediately following the date of delivery, you would then be eligible to apply for up to eight (8) weeks of Maternity Disability Benefits under this Plan.

Application for Maternity Disability Benefits

Once you meet the eligibility requirements, you are automatically enrolled in the Plan. However, at the time specified below, you must apply to receive Maternity Disability Benefits under the Plan.

You may apply for Maternity Disability Benefits as early as 60 days in advance of your due date or anticipated delivery date, but no later than six (6) months following the date of your delivery. Any application for Maternity Disability Benefits submitted later than six (6) months following the date of delivery will be deemed invalid and not eligible for benefits under the Plan.

The following is a summary of how you apply for Maternity Disability Benefits under the Plan:

STEP 1: Call MetLife at (888) 533-6287 up to 60 days prior to your due date or anticipated delivery date to start the application process, or as soon as possible after this date, but no later than six (6) months following your date of delivery. MetLife will need certain information from you during this initial call, including your contact information and the contact information for your qualified medical practitioner.

- Your qualified medical practitioner substantiates your pregnancy and delivery (qualified medical practitioners are legally licensed physicians and practitioners who are performing services within the scope of their licenses, including medical doctors (M.D.), nurse practitioners, and physician's assistants).

STEP 2: Tell your qualified medical practitioner's office that they will be contacted by MetLife and asked to provide medical information, including information on your delivery. You may need to sign a form authorizing your medical practitioner to release this information.

MetLife will process your application for Maternity Disability Benefits once it receives your phone call. MetLife may request additional information to complete the application process.

Your application for Maternity Disability Benefits is considered a claim, and will be processed and determined under the time frames and requirements set out in the [Claim Determinations](#) section. You will be notified of the decision regarding your claim. Notification and/or payment is made directly to you.

Note that while there is a broad window of time to apply for benefits, the coverage period begins on the date of delivery and extends for up to ten (10) consecutive weeks from that date. Benefits are not payable before the date of delivery.

When Maternity Disability Benefits Begin & Payment

If your application for Maternity Disability Benefits is approved, Maternity Disability Benefits will begin to accrue on the delivery date. Note that approval of maternity leave or other medical leave of absence does not constitute approval for Maternity Disability Benefits under this Plan.

You will receive your Maternity Disability Benefit payments directly from MetLife. To the extent administratively feasible, the first weekly Maternity Disability Benefit payment will be paid one (1) week after the date you notify MetLife of your delivery. You will receive subsequent payments weekly thereafter, up to a maximum of ten (10) weeks, so long as you remain disabled. Payment will be based on the number of days you are disabled during each week. For any partial week of disability, payment will be made at the daily rate of the weekly benefit payable.

A claim for Maternity Disability Benefits submitted between the end of the ten (10) week coverage period and six (6) months following the delivery date will, if approved, result in a single lump sum payment equal to the total amount that would have been paid over the course of the qualifying week(s) of coverage. Further, for any such claim, benefits will be based on your adjusted monthly salary determined as of the date of your delivery and no interest will be paid.

Substantiation of Continuing Disability

Medical necessity will determine the length of Maternity Disability Benefits payments you will receive. Therefore, medical substantiation is required to certify an ongoing disability after a certain period of time following your delivery. For example, to qualify for Maternity Disability Benefits during the entire ten (10) week coverage period, medical substantiation by your qualified medical practitioner will be required at six (6) weeks following a vaginal delivery and at eight (8) weeks following a cesarean delivery. MetLife will notify you by what date such medical substantiation will be required following your delivery.

Request for Information and Administrative Procedures

The Company and/or MetLife may require an employee to provide certain information to administer the Plan and, for an employee receiving Maternity Disability Benefits, may require certain additional information or evidence of a continuing disability.

It is important to note that you must follow the Plan's administrative procedures – including the application process and substantiation of continuing disability – in order to receive Maternity Disability Benefits.

Determination of Disability

The determination of whether you are disabled will be made by MetLife. MetLife will rely on objective medical evidence in making this determination. Objective medical evidence includes the medical substantiation submitted by your qualified medical practitioner as well as any other information that may be required to make a determination.

When Benefits End

If you are receiving Maternity Disability Benefits under the Plan due to an approved disability, your Maternity Disability Benefit payments will end on the earliest of:

- The date you are no longer disabled;
- The last day of the coverage period for which benefits are payable (up to ten (10) weeks);
- The date of your termination of employment;
- The date of your retirement;
- The date you fail to comply with the terms and conditions of the Plan, including the failure to provide medical substantiation or any other required information, or the date that you submit false information; or
- The date of your death.

Taxes and Your Maternity Disability Benefit

As noted above, Maternity Disability Benefits payable to you under the Plan are Company-provided, at no cost to you. As such, they are subject to taxes.

FICA will be withheld from the Maternity Disability Benefit payments you receive directly from MetLife. In addition, federal and state income taxes will be withheld from the Maternity Disability Benefit payments. You must submit a Form W-4 to MetLife prior to the commencement of your Maternity Disability Benefit payments to specify your marital status and number of exemptions for purposes of federal and state income tax withholding. If you do not submit a Form W-4 to MetLife prior to the commencement of your Maternity Disability Benefit Payments, federal and state income tax withholding will be calculated based on the tables for an unmarried individual claiming one (1) exemption. Although state income tax withholding will be based on the information you provide on Form W-4 (or, if you do not submit a Form W-4, based on the tables for an unmarried individual claiming one exemption), you may request that an additional amount of state income tax be withheld. To do so, you must submit a written request for such additional withholding (separate from the Form W-4) to MetLife prior to the commencement of your Maternity Disability Benefit Payments.

Overpayments

Errors or omissions do not deprive an eligible employee of the right to receive the full and correct benefit under the Plan. Likewise, errors or omissions do not entitle an employee to receive more than the correct benefit under the Plan, and an employee who receives an overpayment of Maternity Disability Benefits by mistake must repay the overpayment if requested to do so. The Company reserves the right to correct any mistake in any reasonable manner, including but not limited to, stopping or reducing any future disability benefits payable to you and requesting immediate refund of the overpayment from you.

If the overpayment results from the Company or MetLife making a payment to you that should have been made under another plan, the Company or MetLife may recover such overpayment from one or more of the following:

- any other insurance company;
- any other organization; or
- any person to or for whom payment was made.

The failure to enforce any provision of the Plan does not affect the Company's right thereafter to enforce such provision, nor does such failure affect its right to enforce any other Plan provision.

Claim Determinations

The claim filing procedures shall be determined by the Company and/or the third party claims administrator.

Any claim relating to Maternity Disability Benefits under the Plan shall be submitted by calling MetLife at (888) 533-6287. The claim must be filed within six (6) months of your delivery date in order to be eligible for Maternity Disability Benefits.

MetLife will process your claim for Maternity Disability Benefits, and may request additional information to complete the claims process. A decision will be made in no more than forty-five (45) days after the date both of these events have occurred (1) you have delivered, and (2) you have properly submitted your claim by phone.

If MetLife determines that you are not entitled to receive all or part of the claimed Maternity Disability Benefit, you will receive a written notification of the determination and the specific reasons for the denial.

Appealing a Claim That Has Been Denied

Once your application for Maternity Disability Benefits has been denied, you may submit an initial appeal of such denial with MetLife. This appeal must be submitted in writing within 90 days of the denial. A decision will be made 90 days after you have submitted your appeal to MetLife. The time for decision may be extended for up to two (2) additional 30-day periods, provided that, prior to any extension period, you are notified in writing that an extension is necessary, and you are given the date by which a decision will be rendered. If your claim is extended due to failure to submit information necessary to decide your claim, the time for decision may be tolled from the date on which the notification of the extension is sent to you until the date your response is received. If your claim is approved, the decision will contain information sufficient to reasonably inform you of that decision.

Any adverse benefit determination will be in writing and will include:

- Specific reasons for the decision;
- Specific reference to the Plan provisions on which the decision is based;
- A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary; and
- A description of the review procedures and time limits applicable to such procedures.

If your appeal is denied and you would like to submit a second level appeal, you must send a written appeal to the Company within 180 days of the denial at the following address:

American Airlines, Inc.
Attn: Post-Pregnancy Maternity Short-Term Disability Plan Administrator
P.O. Box 619616
MD 5134-HDQ1
DFW Airport, TX 75261-9616

Or, if by express delivery service:

American Airlines, Inc.
Attn: Post-Pregnancy Maternity Short-Term Disability Plan Administrator
4333 Amon Carter Boulevard
MD 5134-HDQ1
Fort Worth, TX 76155

Your appeal should include any comments, documents, records or any other information you would like considered.

You will have the right to request copies, free of charge, of all documents, records or other information relevant to your claim. Your appeal will be reviewed, without regard to your initial determination, by someone other than the party who decided your initial claim. The Company (or its authorized delegate) will make a determination on your appeal within 90 days of the receipt of your appeal request. The time for decision may be extended for up to two (2) additional 30-day periods if it is determined that the circumstances require an extension of time. You will be notified prior to the end of the 90-day period if an extension is required. If you are asked to provide additional information, you will have 90 days from the date you are notified to provide the information, and the time to make a determination will be suspended until you provide the requested information (or the deadline to provide the information, if earlier).

If your appeal is denied in whole or in part, you will receive a written notification of the denial that will include:

- The specific reason(s) for the adverse determination;
- Reference to the specific Plan provisions on which the determination was based; and
- A statement describing your right to request copies, free of charge, of the documents, records or other information relevant to your claim.

Actions of the Employer

Any act authorized, permitted, or required to be taken under the Plan by the Company may be taken by the appropriate officer of the Human Resources Department of the Company.

The Company shall have complete discretion and authority over the Plan, including the authority to control and manage the operation of the Plan. The Company may delegate claim administration tasks to a third party administrator, and any other tasks it deems appropriate.

Reservation of Rights and Non-Incorporation

The Company, or its authorized delegate, shall have the sole authority to modify, amend or terminate this Plan, or any part thereof, at any time for any or no reason. There are no acquired rights arising pursuant to this Plan. In no event shall the terms of this Plan be deemed incorporated into any collective bargaining agreement.

Duty to Furnish Information

The Company and MetLife as well as any other vendor of the Plan, shall furnish to one another any documents, reports, statements, or other information that the other reasonably deems necessary to perform its duties imposed by the Plan or by law. Each employee seeking Maternity Disability Benefits under the Plan must provide the Company and/or MetLife with any documentation or information that it deems necessary and appropriate to the administration of the Plan, including notification of a current mailing address and notification of a change in such mailing address. Any communication addressed to the employee at the last mailing address submitted (or, if no address is submitted, then the last mailing address in the Company's records), will be binding on the employee for all purposes of the Plan.

Time Limit on Legal Actions

A legal action on a claim may only be brought against the Company or MetLife during a certain period. This period begins 60 days after the date proof of disability is filed and ends one (1) year after that date.

Assignment

The Maternity Disability Benefits payable under the Plan are provided exclusively for the support and benefit of the eligible disabled employee and shall not be assigned, and shall be free from the claims of all creditors, to the fullest extent permitted by law.

Severability; Governing Law

This Plan shall be construed in accordance with the law of the State of Texas without regard to its choice of law provisions and to the extent federal law does not supersede and preempt Texas law. If any provision of this Plan shall be held invalid, illegal or unenforceable for any reason, such provision shall be fully severable, but shall not affect the remaining provisions of this Plan, and this Plan shall be construed and enforced as if the invalid, illegal or unenforceable provision had never been included in the Plan.

No Interest

No employee shall receive any interest on any benefits irrespective on when such benefits are paid.

No Commitment as to Employment

Nothing contained in this Plan shall be deemed to give any employee the right to be retained in the service of the Company.

No Individual Liability

Any individual who seeks to claim a right or benefit under this Plan shall be make such claim only with respect to the appropriate claims administrator; no officer, director or employee of the Company shall have liability for such claim or benefit.

Definitions

“Delivery” means vaginal and/or cesarean childbirth that result in live and/or stillborn birth(s), as well as miscarriages at any gestational age.

“Disabled” or **“Disability”** means that you are unable to perform the duties of your job due to the physical and/or mental limitations resulting from pregnancy and/or delivery.

“Ineligible Employees”

The following individuals are not eligible to participate in the Plan:

- A leased employee, as defined in section 414(n) of the Internal Revenue Code. This includes any person (regardless of how such person is characterized, for wage withholding purposes or any other purpose, by the Internal Revenue Service (“IRS”), or any other agency, court, authority, individual or entity) who is classified, in the sole and absolute discretion of the Company as a temporary worker. This term includes any of the following former classifications:
 - Temporary employee.
 - Provisional employee.
 - Associate employee.
- An independent contractor.
- As to non-union employees, those specifically determined by the Company or its delegate, in its sole discretion, as not being eligible to participate in this Plan.