

American Airlines, Inc.
Adoption and Surrogacy Program
Effective January 1, 2024

American Airlines, Inc.

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Introduction

The American Airlines, Inc. Adoption and Surrogacy Assistance Program (the “Program”) is a program designed to assist certain eligible U.S.-based employees of American Airlines, Inc. (the “Company”) who choose to build their families through adoption and/or surrogacy.¹ The Program will offer reimbursement up to the limits described below for adoptions/surrogacies by eligible employees occurring on or after January 1, 2024. Eligible Employees may submit adoption/surrogacy expenses incurred on or before January 1, 2024 for reimbursement as long as the adoption or surrogacy was Legally Finalized on or after January 1, 2024.

To help you make the most of these benefits, be sure to review this Program document which describes the key provisions of the Program, effective January 1, 2024. To submit requests for reimbursement, please refer to Appendix A and Appendix B of this document.

Eligibility

An Employee of the Company will be eligible for the Program (“Eligible Employee”) if such individual meets all of the following requirements as of date the adoption or surrogacy is Legally Finalized:

- 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 the adoption or surrogacy is Legally Finalized;
- The employee is active or on a Company-approved leave of absence (except for an educational leave of absence);
- The adoption or surrogacy is Legally Finalized on or after January 1, 2024; and
- The employee intends to become the legal parent of the child adopted or of the child born through a U.S.-based surrogate.

¹ Prior to January 1, 2024, the Company sponsored an Adoption Assistance Program that reimbursed up to \$4,000 of eligible adoption-related expenses per adoption with a maximum reimbursement of \$8,000. This program was offered to Mainline team members with at least one year of continuous service with the Company immediately preceding the date on which the adoption was finalized.

An adoption is “Legally Finalized” when the employee: (1) has been granted permanent legal custody of the child in the U.S. according to the current U.S. laws governing adoptions; and (2) can provide a notarized adoption decree or notarized court order and for foreign adoptions, a U.S. Passport or U.S. Visa. A surrogacy is “Legally Finalized” when the employee: (1) has been granted permanent legal custody of the child; and (2) can provide a copy of either the certified birth certificate or a notarized court order acknowledging parentage of the employee as the child’s permanent legal parent.

Maximum Benefit

The maximum benefit that an Eligible Employee can receive under the Program for Adoption Expenses and Surrogacy Expenses together is \$30,000 for the duration of the Eligible Employee’s employment with the Company. Any reimbursements an Eligible Employee received under the Company’s prior Adoption Assistance Program will count toward this limit. The Company will also provide two positive-space round trip tickets on American Airlines flights to an Eligible Employee and another family member (who is D2- or D2P-eligible), if needed, to pick up the child if the child does not reside in the Eligible Employee’s nearby community. The Company will also provide a one-way ticket to bring the child home.

Adoption Benefit

The Program reimburses Eligible Employees for Adoption Expenses.

Adoption Expenses means expenses directly related to and for the principal purpose of the legal adoption of a Qualified Adoptee and include:

- Reasonable and necessary adoption fees (including home-study fees), fees charged to identify children for adoption, agency and placement fees, and consultant/specialist fees;
- Court costs;
- Attorneys’ fees;
- Necessary travel expenses relating directly to the adoption, including the amount spent for lodging and meals while away from home;
- Visa and passport fees for the Qualified Adoptee; and
- Immigration, immunization, and translation fees associated with the adoption occurrence.

Adoption Expenses do not include expenses:

- Incurred in connection with an adoption that is not legal under state or federal law;
- In connection with a surrogate parenting arrangement or an embryo adoption;
- Paid as compensation to the birth mother of the Qualified Adoptee;
- Paid as voluntary donations or contributions to the adoption agency;
- Paid using funds from any federal, state, or local program for surrogacy or adoption;
- For personal items, such as rent, utilities, food, clothing, toys, furniture, etc.;
- For loss of income, including but not limited to, loss of income due to pregnancy complications for the birth mother;

- For childcare; and
- Reimbursed under another employer program.

Qualified Adoptee means a child who: (1) is under the age of 18 or incapable of self-care due to a mental or physical disability at the time the adoption is Legally Finalized; and (2) is not the child of an Eligible Employee's spouse or domestic partner. Qualified Adoptee includes an Eligible Employee's nephew, niece, cousin, brother, sister, or grandchild.

Adoption Expense Reimbursement Process

Eligible Employees must submit a reimbursement request form within six months of a Legally Finalized adoption along with all supporting receipts and documentation for approval. Once approved, the Company will pay the reimbursement to the Eligible Employee through payroll in the manner in which the Eligible Employee usually receives pay.

Eligible Employees must submit the following required documentation:

- Copy of the signed agency adoption agreement;
- A notarized copy of the adoption decree or a notarized court order;
- For a foreign adoption, the Eligible Employee must also submit proof that the Qualified Adoptee legally resides with the Eligible Employee in the U.S., such as a U.S. passport, U.S. visa, or U.S. birth certificate;
- Copies of itemized bills on the letterhead of the company that provided services along with itemized receipts and proof of payment, such as cancelled checks or bank statements, showing payment has been made for all Adoption Expenses being submitted for reimbursement.

Surrogacy Benefit

The Program reimburses Surrogacy Expenses that an Eligible Employee must pay under the terms of a legally valid surrogacy contract. The surrogate must be based in the United States. Surrogacy Expenses include:

- Surrogacy agency fees associated with the costs of locating and interviewing a surrogate;
- Surrogacy agency administrative fees for managing the surrogacy;
- Legal fees incurred by an Eligible Employee for review and negotiation of the surrogacy contract. An itemized bill from legal counsel is required;
- Legal fees incurred by an Eligible Employee in connection with acquiring legal parentage rights, including expenses associated with obtaining a pre-birth order or adoption if needed. An itemized bill from legal counsel is required if this fee is not included in the surrogacy contract;
- Medical and hospital expenses incurred by the surrogate if these expenses are charged to the Eligible Employee under the surrogacy contract.

The Surrogacy Expenses do not include:

- Expenses that are paid directly to a surrogate;

- Expenses associated with a surrogacy contract outside the United States;
- Expenses incurred if the Employee, his or her spouse/domestic partner, or his or her child acts as the surrogate;
- Expenses that are not incurred pursuant to a surrogacy contract that is valid under state law;
- Medical expenses for services provided to third parties, such as egg and sperm donors;
- Medical expenses related to embryo donors;
- Expenses associated with embryo donation;
- Medical expenses of the newborn child;
- Short-term disability or short-term disability insurance expenses by the surrogate or the surrogacy agency or wage replacement expenses, even if these expenses are charged to an Eligible Employee under the surrogacy contract;
- Voluntary donations or contributions to the surrogacy agency;
- Loss of income, including but not limited to, loss of income due to complications of pregnancy, such as bed rest for the surrogate;
- Expenses reimbursed under another employer program; and
- Childcare expenses.

The Company retains the right to deny benefits under the Surrogacy Program for any expense that it deems to have been incurred in an illegal arrangement or that may result in tax liability to the Company.

Surrogacy Reimbursement Process

Eligible Employees must submit a reimbursement request form within six months of a Legally Finalized surrogacy along with all supporting receipts and documentation for approval. Once approved, the Company will pay the reimbursement to the Eligible Employee through payroll in the manner in which the Eligible Employee usually receives pay.

Eligible Employees must submit the following required documentation:

- Copy of a signed surrogacy agreement; and
- Copy of a certified birth certificate or a notarized court order identifying the Eligible Employee as the child's permanent legal parent.

Reimbursements/Contributions

Reimbursements under the Program are payable only to Eligible Employees.

Employees are not required or permitted to contribute to the Program. All benefits are to be paid by the Company from its general assets. This means that no contributions are set aside by the Company to pay the Program's benefits, and there is no trust to fund this coverage.

Reimbursements under the Program are not included in eligible earnings for disability benefits, pension, 401(k), or profit-sharing purposes.

Taxation of Benefits

The Company will report reimbursements under the Program as taxable income to the Eligible Employee, and these reimbursements will be subject to federal (and state, if applicable) income and employment tax withholding. Employees should contact a tax advisor about reporting requirements and tax consequences resulting from any benefits paid under the Program.

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 Program 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 Program shall be make such claim only with respect to the individual(s) designated to act on behalf of the Company with respect to this Program; no officer, director or employee of the Company shall have liability for such claim or benefit.

When Benefits End

Your benefits under the Program will end on the earliest of:

- The date of your termination of employment, including retirement;
- The date you fail to comply with the terms and conditions of the Program, including the failure to provide any required information, or the date that you submit false information; or
- The date of your death.

Discretionary Authority

The Company retains the sole discretionary authority to interpret the Program, to make eligibility and benefit determinations, and to make factual determinations in connection with the Program. Any determinations of the Company are final and binding.

Any act authorized, permitted, or required to be taken under the Program 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 Program, including the authority to control and manage the operation of the Program. The Company may delegate claim administration tasks to a third party administrator, and any other tasks it deems appropriate.

Reservation of Rights & Non-Incorporation

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

Time Limit on Legal Actions

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

Governing Law; Severability

The Company does not consider the Program to be an employee welfare benefit plan under the Employee Retirement Income Security Act of 1974. The Program is to be construed, administered, and governed by the laws 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 Program 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 Program, and this Program shall be construed and enforced as if the invalid, illegal or unenforceable provision had never been included in the Program.

Assignment

The right to reimbursement under the Program is provided exclusively for the support and benefit of Eligible Employees and cannot be transferred or assigned, in whole or in part, either directly or by operation of law or otherwise. Such benefits shall be free from the claims of all creditors, to the fullest extent permitted by law.

Recovery of Overpayment

Payments are made in accordance with the provisions of the Program. If the Company determines that payment was made for an ineligible expense or that the expense has been previously reimbursed elsewhere, the Company has the right to recover overpayment. Failure to comply with this request will entitle the Company to withhold the amount due from the Eligible Employee's future benefits under the Program or from the Eligible Employee's paycheck. In addition, the Company has the right to engage an outside collection agency to recover overpayments on behalf of the Company if the Company's collection effort is unsuccessful.

Appendix A

Surrogacy Benefit Reimbursement Form

1. _____
First Name Last Name AA ID #

2. Contact Information

Please complete the contact information below and select your preferred contact method.

- _____
Phone Number
- _____
Email Address

3. Child(ren) Information

Child's First Name Child's Last Name Date of Birth

Child's First Name Child's Last Name Date of Birth

4. Surrogacy Contract

I confirm that a legally valid surrogacy contract was executed on (date)_____ and completed on (date)_____ when the child(ren) was born. This form must be submitted no later than 6 months from the child's date of birth in order for expenses to be considered reimbursable.

5. Program Eligibility/Reimbursable Expenses– Eligibility requirements and reimbursable/non-reimbursable expenses are described in the American Airlines, Inc. Adoption and Surrogacy Assistance Program. If you satisfy the eligibility requirements and have incurred reimbursable expenses, please list those below.

Type of Service	Service Provider	Date of Service	Amount
Total:			

The maximum benefit that an Eligible Employee can receive under the Program for Adoption Expenses and Surrogacy Expenses together is \$30,000 for the duration of the Eligible Employee's employment with the Company. Reimbursements are subject to federal (and state/local, if applicable) income and employment tax withholding.

6. Prior Adoption or Surrogacy Benefits – I have received Adoption and/or Surrogacy Reimbursement from the Company before:

Yes___ No___ If yes, provide previous amount(s) and year received_____

7. Certification – By submitting this form, I certify that I have reviewed American Airlines, Inc. Adoption and Surrogacy Assistance Program document and understand its terms, and that all of the following statements are true:

- I satisfy the eligibility criteria;
- all of the expenses for which I am seeking reimbursement are expenses that I must pay under the terms of a legally valid surrogacy contract with respect to the above-referenced child(ren);
- none of the expenses for which I am seeking reimbursement are described as non-reimbursable under the document; and
- in the event I receive reimbursement for a non-reimbursable expense, I agree to reimburse the Company for these amounts, and consent to have the repayment taken from other wage payments I receive from the Company.

8. Submitting the completed form – When submitting your completed Surrogacy Benefit Reimbursement Form, be sure to attach all of the following:

- Surrogacy Benefit Reimbursement Form;
- Detailed receipts for expenses paid and submitted for reimbursement;
- Signed surrogacy agreement; and
- Certified birth certificate or court order verifying legal finalization of surrogacy.

You may submit your request in two ways:

1. Visit the Adoption & Surrogacy Reimbursement page on Jetnet and follow the steps to upload your documents via Forms.
2. Using your mobile device, scan the QR code below to upload your documents directly. Please note you will need to log in using your employee ID and password (same as Jetnet) before you can upload your documents.



Upon receipt of receiving your reimbursement request, the Company generally will review and provide a response within 10 business days. Forms that are incomplete or missing required documentation will be placed in a pending status until additional documentation is provided. If documentation is not provided within 30 business days, your reimbursement request will be denied. Approved requests will be paid, less applicable tax withholdings, through the Company's payroll system as soon as administratively possible. Please allow a minimum of 30 business days from the claim approval date for payroll processing.

Appendix B

Adoption Assistance Reimbursement Form

1. _____
First Name Last Name AA ID #

2. Contact Information

Please complete the contact information below and select your preferred contact method.

Phone number

Email address

3. Child(ren) Information

Child's First Name Child's Last Name Date of Birth

Child's First Name Child's Last Name Date of Birth

4. Adoption Agreement

I confirm that an agency adoption agreement was executed on (date) _____, and the adoption was legally finalized through an adoption decree or court order on (date) _____. This form must be submitted no later than 6 months from the date the adoption was legally finalized through an adoption decree or court order.

5. **Program Eligibility/Reimbursable Expenses** – Eligibility requirements and reimbursable/non-reimbursable expenses are described in the American Airlines, Inc. Adoption and Surrogacy Assistance Program. If you satisfy the eligibility requirements and have incurred reimbursable expenses, please list those below.

Type of Service	Service Provider	Date of Service	Amount
Total:			

The maximum benefit that an Eligible Employee can receive under the Program for Adoption Expenses and Surrogacy Expenses together is \$30,000 for the duration of the Eligible Employee's employment with the Company. Reimbursements are subject to federal (and state/local, if applicable) income and employment tax withholding.

6. **Prior Adoption or Surrogacy Benefits** – I have received Adoption and/or Surrogacy Reimbursement from the Company before:

Yes ___ No ___ If yes, provide previous amount(s) and year received: _____.

7. **Certification** – By submitting this form, I certify that I have reviewed the American Airlines, Inc. Adoption and Surrogacy Assistance Program document and understand its terms, and that all of the following statements are true:

- I satisfy the eligibility criteria;
- All of the expenses for which I am seeking reimbursement are expenses that I must pay under the terms of an agency adoption agreement with respect to the above-referenced child(ren) or are related to their adoption;
- None of the expenses for which I am seeking reimbursement are described as non-reimbursable under the document; and
- In the event I receive reimbursement for a non-reimbursable expense, I agree to reimburse the Company for these amounts and consent to have the repayment taken from other wage payments I receive from the Company.

8. **Submitting the completed form** – When submitting your completed Adoption Assistance Reimbursement Form, be sure to attach all of the following:

- Adoption Assistance Reimbursement Form;
- Detailed receipts for expenses paid and submitted for reimbursement;
- Copy of the signed agency adoption agreement;
- Notarized copy of the adoption decree or a notarized court order; and
- For a foreign adoption, you must submit proof that the adopted child legally resides with you in the U.S., such as a U.S. passport, or a U.S. visa.

You may submit your request in two ways:

1. Visit the Adoption & Surrogacy Reimbursement page on Jetnet and follow the steps to upload your documents via Forms.
2. Using your mobile device, scan the QR code below to upload your documents directly. Please note you will need to log in using your employee ID and password (same as Jetnet) before you can upload your documents.



Upon receipt of receiving your reimbursement request, the Company will generally review and provide a response with 10 business days. Forms that are incomplete or missing required documentation will be placed in a “pending” status until additional documentation is provided. If documentation is not provided within 30 business days, your reimbursement request will be denied. Approved requests will be paid, less applicable tax holdings, through the Company’s payroll system as soon as administratively possible. Please allow a minimum of 30 business days from the claim approval date for payroll processing.