UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant ☒ Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material under § 240.14a-12

AMERICAN AIRLINES GROUP INC.
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Notice of 2020 annual meeting of stockholders and proxy statement

American Airlines Group Inc.

April 28, 2020

To Our Stockholders:

On behalf of the Board of Directors of American Airlines Group Inc., we invite you to attend the 2020 Annual Meeting of Stockholders to be held on Wednesday, June 10, 2020, at 9:00 a.m. Central Time. Like last year, this year's Annual Meeting will be a virtual meeting of stockholders, conducted via live audio webcast. The virtual format provides the opportunity for participation by a broader group of our stockholders and enables stockholders to participate fully, and equally, from any location around the world, at no cost. You can attend the Annual Meeting via the Internet at *www.virtualshareholdermeeting.com/aal2020* by using the 16-digit control number which appears on your Notice Regarding the Availability of Proxy Materials, your proxy card (printed in the box and marked by the arrow), and the instructions that accompanied your proxy materials. You will have the ability to submit questions in advance of and real-time during the Annual Meeting via the meeting website.

The attached Notice of 2020 Annual Meeting of Stockholders and Proxy Statement describes the formal business to be transacted and detailed procedures for attending, submitting questions and voting at the virtual meeting. Like last year, we have produced an interactive proxy statement that will provide our stockholders with better capability to navigate through the document, making key information easier to find and evaluate. The interactive proxy statement is accessible at *www.proxydocs.com/AAL* prior to the Annual Meeting and at *www.virtualshareholdermeeting.com/aal2020* during the Annual Meeting.

It is important that your shares be represented at the Annual Meeting and, regardless of whether you plan to attend, we request that you vote in advance on the matters to be presented at the Annual Meeting as described in these proxy materials.

Thank you for your continued support.

Sincerely,

W. Douglas Parker
Chairman of the Board of Directors and
Chief Executive Officer

The accompanying Proxy Statement is dated April 28, 2020, and is first being released to stockholders of American Airlines Group Inc. on or about April 28, 2020.

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NOTICE OF 2020 ANNUAL MEETING OF STOCKHOLDERS

DATE AND TIME:
Wednesday, June 10, 2020
9:00 a.m. Central Time

VIRTUAL MEETING ACCESS:
www.virtualshareholdermeeting.com/aal2020

RECORD DATE:
April 14, 2020

MEETING AGENDA

1	A proposal to elect 10 directors to serve until the 2021 Annual Meeting of Stockholders and until their respective successors have been duly elected and qualified
2	A proposal to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2020
3	A proposal to consider and approve, on a non-binding, advisory basis, executive compensation as disclosed in the attached Proxy Statement
4	A stockholder proposal to provide a report on political contributions and expenditures
5	Such other business as properly may come before the 2020 Annual Meeting of Stockholders or any adjournments or postponements of the Annual Meeting

For instructions on voting in advance of and during the virtual meeting, please see page (i) of the Proxy Statement.

Important notice regarding the availability of proxy materials for the Annual Meeting:

Our Proxy Statement and 2019 Annual Report on Form 10-K are available at *www.proxydocs.com/AAL* prior to the Annual Meeting and at *www.virtualshareholdermeeting.com/aal2020* during the Annual Meeting.

You can help us reduce costs and the impact on the environment by electing to receive and access future copies of our proxy statements, annual reports and other stockholder materials electronically by email. If your shares are registered directly in your name with our stock registrar and transfer agent, American Stock Transfer & Trust Company, LLC, you can make this election by going to its website (*www.astfinancial.com*) or by following the instructions provided when voting over the Internet. If you hold your shares in a brokerage account or otherwise through a third party in "street name," please refer to the information provided by your broker, bank or other nominee for instructions on how to elect to receive and view future annual meeting materials electronically.

By Order of the Board of Directors of American Airlines Group Inc.,

Caroline B. Ray

Caroline B. Ray
Corporate Secretary

PLEASE READ THE ACCOMPANYING PROXY STATEMENT CAREFULLY.

REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE MEETING, YOUR VOTE IS IMPORTANT AND WE ENCOURAGE YOU TO VOTE PROMPTLY.

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PROXY STATEMENT SUMMARY

This summary contains highlights about our Company and the upcoming 2020 Annual Meeting of Stockholders (the "Annual Meeting"). This summary does not contain all of the information that you should consider in advance of the meeting and we encourage you to read the entire proxy statement and the Annual Report on Form 10-K for the year ended December 31, 2019 that accompanies this Proxy Statement before voting.

2020 Annual Meeting of Stockholders

Date and Time: Wednesday, June 10, 2020 at 9:00 a.m., Central Time	**Virtual Meeting Access:** *www.virtualshareholdermeeting.com/aal2020*
Record Date: April 14, 2020	**Proxy Mail Date:** On or about April 28, 2020.

Vote in Advance of the Meeting	Vote During the Meeting
Over the internet at *www.proxyvote.com* ; or **By telephone at 1-800-690-6903; or** **By mail — sign, date and return the proxy card or voting instruction form mailed to you.**	**Over the internet at *www.virtualshareholdermeeting.com/aal2020* during the Annual Meeting.** **See page 1 —"Virtual Stockholder Meeting"** for details on how to access the live audio webcast and vote during the Annual Meeting.

Submitting questions prior to and at the virtual Annual Meeting.

An online pre-meeting forum will be available at *www.proxyvote.com* approximately two weeks prior to the day of the Annual Meeting. By accessing this online forum, our stockholders will be able to submit questions in writing in advance of the Annual Meeting. Stockholders may also submit questions in writing during the Annual Meeting on *www.virtualshareholdermeeting.com/aal2020* . Stockholders will need their unique control number which appears on their Notice Regarding the Availability of Proxy Materials, the proxy card (printed in the box and marked by the arrow) and the instructions that accompanied the proxy materials.

As part of the Annual Meeting, and as time permits, we will hold a live Q&A session, during which we intend to answer questions submitted before or during the meeting in accordance with the Annual Meeting's Rules of Conduct which are pertinent to the Company and the meeting matters. Answers to any such questions that are not addressed during the meeting will be published following the meeting on the Company's website at *www.aa.com* under the links "Investor Relations"—"Annual Shareholders Meeting"—"2020 Annual Meeting of Stockholders Q&A". Questions and answers will be grouped by topic and substantially similar questions will be grouped and answered once. In order to promote fairness, efficient use of the Company's resources and to ensure all stockholders are responded to, we will respond to up to three questions from a single stockholder. The Annual Meeting's Rules of Conduct will be posted on *www.proxyvote.com* approximately two weeks prior to the Annual Meeting .

Stockholder Engagement and Governance Highlights

We welcome and value communication with our stockholders. We engage in proactive dialogue with our largest stockholders year-round to gain an understanding of their perspectives on a wide range of matters, which we regularly share with the Board of Directors of the Company (the "Board"). Stockholders may communicate directly with our Board as set forth under "Communications with the Board of Directors and Non-Management Directors" on page 34. The following corporate governance and Board practices ensure accountability and enhance effectiveness in the boardroom:

Our Governance Best Practices

- ✓ Annual Board elections
- ✓ Majority voting standard
- ✓ All of our director nominees are independent other than our Chief Executive Officer
- ✓ Robust Lead Independent Director role with responsibilities that conform to leading governance practices
- ✓ Routine review of Board leadership structure
- ✓ Regular executive sessions held without management present
- ✓ Stockholder right to call special meetings of stockholders
- ✓ Stockholder right to proxy access
- ✓ Regular Board, committee and director evaluations
- ✓ Annual review of Board and committee composition
- ✓ All members of the Audit Committee are designated financial experts
- ✓ Diverse Board
- ✓ Significant stock ownership requirements for directors and executive officers
- ✓ Comprehensive risk management with Board and committee oversight
- ✓ Commitment to corporate social responsibility

Voting Matters and Board Recommendations

Matter	Board Recommendation	Page
1. Election of directors	**FOR** each Director Nominee	**6**
2. Ratification of public accounting firm	**FOR**	**15**
3. A proposal to consider and approve, on a non-binding, advisory basis, executive compensation as disclosed in the attached Proxy Statement	**FOR**	**17**
4. A stockholder proposal to provide a report on political contributions and expenditures	**AGAINST**	**21**

2020 Director Nominees (Proposal 1)

Our director nominees have demonstrated their commitment to diligently executing their fiduciary duties on behalf of our stockholders, and we recommend that our stockholders elect each of the nominees shown in the chart below at the Annual Meeting.

Name	Age	Director Since	Principal Occupation	Independent	AC	CC	CGNC	FC
James F. Albaugh	69	2013	Advisor and consultant to financial services and investment firms; former President and Chief Executive Officer of The Boeing Company's Commercial Airplanes business unit	✓		M	M	
Jeffrey D. Benjamin	58	2013	Senior advisor to Cyrus Capital Partners, L.P.	✓		M		M
John T. Cahill Lead Independent Director	62	2013	Vice Chairman of The Kraft Heinz Company; former Chairman and Chief Executive Officer of Kraft Foods Group, Inc. and of The Pepsi Bottling Group, Inc.	✓	M		M	
Michael J. Embler	56	2013	Private investor; former Chief Investment Officer of Franklin Mutual Advisers, LLC	✓	M			C
Matthew J. Hart	68	2013	Former President and Chief Operating Officer of Hilton Hotels Corporation; former Chief Financial Officer of Hilton Hotels	✓	C			
Susan D. Kronick	68	2015	Operating Partner at Marvin Traub Associates; former Vice-Chairman of Macy's, Inc.	✓		M		M
Martin H. Nesbitt	57	2015	Co-Chief Executive Officer of The Vistria Group, LLC; former President and Chief Executive Officer of PRG Parking Management	✓	M			M
Denise M. O'Leary	61	2013	Private venture capital investor; former General Partner at Menlo Ventures	✓		C	M	
W. Douglas Parker Chairman	58	2013	Chairman and Chief Executive Officer of American Airlines Group Inc. and American Airlines, Inc.	Ñ				
Ray M. Robinson	72	2005	Chairman of Citizens Trust Bank; former President of the Southern Region at AT&T	✓			C	

AC = Audit Committee
CC = Compensation Committee
CGNC = Corporate Governance and Nominating Committee
FC = Finance Committee
M = Member
C = Chairman

Ratification of Appointment of KPMG LLP (Proposal 2)

The Board has directed that KPMG's appointment for the fiscal year ending December 31, 2020 be submitted to our stockholders for ratification at the Annual Meeting. KPMG is well qualified to act as our independent registered public accounting firm and has a deep understanding of our operations and accounting practices. The Audit Committee considered the qualifications, performance, and independence of KPMG, the quality of its discussions with KPMG, and the fees charged by KPMG for the level and quality of services provided during 2019, and determined that the reappointment of KPMG is in the best interest of the Company and its stockholders.

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Approval of Executive Compensation (Proposal 3)

Our CEO and other executive officers have demonstrated their commitment to fair pay and pay for performance. Our executives' compensation is heavily weighted towards variable cash and long-term equity incentives, linking our executives' pay opportunity to the execution of Company strategies and enhancing the interests of our stockholders. We are committed to effective compensation governance, as demonstrated by the following compensation policies and practices:

What We Do	What We Do NOT Do
✓ **Independent Compensation Consultant** that is directly engaged by the Compensation Committee to advise on executive and director compensation matters.	× **No Severance or Change in Control Agreements** . None of our executive officers has a severance or change in control agreement.
✓ **At-Will Employment** . None of our executive officers has an employment agreement.	× **No Excessive Perquisites** . Perquisites and other personal benefits are not a significant portion of any executive officer's compensation and are in line with industry standards.
✓ **100% of Chief Executive Officer Compensation is At-Risk** to maximize alignment with stockholder interests.	× **No Guaranteed Bonuses** . Our executive officers' bonuses are 100% performance-based and at risk.
✓ **Stock Ownership Guidelines** that align our executive officers' long-term interests with those of our stockholders.	× **No Payouts of Dividends** accrued on unvested awards unless and until the award's vesting conditions are satisfied.
✓ **Tally Sheet Review** . We conduct a comprehensive overview of total compensation targets and potential payouts.	× **No Active Executive Retirement Plans** . We do not maintain any active executive-only or supplemental retirement plans.
✓ **Annual Compensation Risk Assessment** to identify any elements of our compensation program design or oversight processes that carry elevated levels of adverse risk.	× **No Hedging of our Stock or Pledging** our stock as collateral for loans.
✓ **Clawback Policy** for all cash and equity incentive compensation paid to our executive officers.	× **No Excise Tax Gross-Ups** to cover excise taxes in connection with a change in control.

Stockholder Proposal to Provide a Report on Political Contributions and Expenditures (Proposal 4)

This proxy season, the Company received a stockholder proposal for consideration at the Annual Meeting requesting that the Company provide a report disclosing the Company's political contributions and expenditures. The Board has considered this proposal and concluded that its adoption is unnecessary in light of the Company's existing disclosures regarding political contributions and not in the best interests of our stockholders.

We are committed to complying with our values, our internal policies and all applicable laws when engaging in any type of lobbying or political activity. While we support and practice transparency and accountability in political spending, our Board believes that the disclosures recommended by the proposal are unnecessary in light of:

- our internal policies regarding political contributions, including our Policies on Public Policy Advocacy and Political Contributions, which is available on our website and explains why and how we engage in the political, legislative and regulatory process, our policies with regard to political contributions by the Company, participation in trade associations and voluntary participation by our team members in the political process; and
- the existing disclosure on our website regarding participation in the U.S. political process and the current public availability of much of the information requested by the proposal, including the regular reports we file with the U.S. House of Representatives and the U.S. Senate, which are publicly available and disclose the details of our lobbying activities and political contributions from our political action committee ("PAC") to federal candidates, leadership PACs and political party committees.

In addition, our Board is concerned that further disclosure above and beyond our existing disclosure could place us at a competitive disadvantage by revealing strategies and priorities designed to protect the economic future of the Company, its stockholders and team members.

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At our 2019 annual meeting, stockholders rejected this very same proposal from the same proponent, with 77% of stockholders voting against the proposal. The overwhelming defeat of this proposal was an indication to the Board that stockholders support our current policies governing corporate political spending and disclosure. There have been no developments since that vote that would cause the Board to reconsider adopting this proposal.

For these reasons, the Board urges stockholders to vote AGAINST this proposal.

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THE MEETING

Purpose, Date and Time

We are furnishing this Proxy Statement to our stockholders in connection with the solicitation by the Board of proxies to be voted at the Annual Meeting and any adjournments or postponements of that meeting. The Annual Meeting will be held in a virtual format via live audio webcast on Wednesday, June 10, 2020, at 9:00 a.m., Central Time, for the purposes described in the accompanying Notice of Annual Meeting. Stockholders can attend the meeting via the Internet at *www.virtualshareholdermeeting.com/aal2020* by using the 16-digit control number which appears on the Notice Regarding the Availability of Proxy Materials, the proxy card (printed in the box and marked by the arrow), and the instructions that accompanied your proxy materials.

The approximate date we are first sending the Notice of Annual Meeting and accompanying proxy materials to stockholders, or sending a Notice Regarding the Availability of Proxy Materials and posting the proxy materials at *www.proxydocs.com/AAL* , is April 28, 2020.

When used in this Proxy Statement, the terms “we,” “us,” “our” and “the Company” refer to American Airlines Group Inc. and its consolidated subsidiaries. “AAG” refers to American Airlines Group Inc. and “American” refers to AAG’s wholly-owned subsidiary American Airlines, Inc.

Record Date; Stockholders Entitled to Vote

Stockholders of record at the close of business on April 14, 2020 (the “record date”) are entitled to receive notice of and to vote at the Annual Meeting. On the record date, there were 422,894,208 shares of our common stock, $0.01 par value per share (“Common Stock”), outstanding and eligible to be voted at the Annual Meeting. Each share of Common Stock entitles its owner to one vote on each matter submitted to the stockholders. As of the record date, approximately five million of the issued and outstanding shares of Common Stock were held in the Disputed Claims Reserve established in accordance with AMR Corporation’s fourth amended joint plan of reorganization. Pursuant to the plan, the shares held in the Disputed Claims Reserve will be voted by the disbursing agent holding these shares in the same proportion as the other outstanding shares of Common Stock are voted.

A list of the names of stockholders entitled to vote at the Annual Meeting will be available to stockholders for ten days prior to the Annual Meeting for any purpose germane to the Annual Meeting. Please contact our Corporate Secretary at *caroline.ray@aa.com* if you wish to examine the list prior to the Annual Meeting. The stockholder list will also be available during the virtual Annual Meeting for examination by any stockholder at *www.virtualshareholdermeeting.com/aal2020* .

Your vote is very important. You are encouraged to vote as soon as possible.

Virtual Stockholder Meeting

The virtual meeting format enables stockholders to participate fully, and equally, from any location around the world, at little to no cost. We designed the format of our Annual Meeting to ensure that our stockholders who attend our Annual Meeting will be afforded the same rights and opportunities to participate as they would at an in-person meeting and to enhance stockholder access, participation and communication through online tools. Our directors will also attend the meeting.

Access to the Audio Webcast of the Annual Meeting . The live audio webcast of the Annual Meeting will begin promptly at 9:00 a.m. Central Time. Online access to the audio webcast will open approximately thirty minutes prior to the start of the Annual Meeting to allow time for you to log in and test the computer audio system. We encourage our stockholders to access the meeting prior to the start time.

Log in Instructions. To attend the virtual Annual Meeting, log in at *www.virtualshareholdermeeting.com/aal2020* . Stockholders will need their unique 16-digit control number which appears on the Notice Regarding the Availability of Proxy Materials, the proxy card (printed in the box and marked by the arrow), and the instructions that accompanied the proxy materials. In the event that you do not have a control number, please contact your broker, bank or other nominee as soon as possible and no later than Wednesday, June 3, 2020, so that you can be provided with a control number and gain access to the meeting.

Submitting questions prior to and at the virtual Annual Meeting . An online pre-meeting forum will be available to our stockholders at *www.proxyvote.com* approximately two weeks prior to the Annual Meeting. By accessing this online forum, our stockholders will be able to submit questions in writing in advance of the Annual Meeting. Stockholders may also submit questions in writing during the Annual Meeting on *www.virtualshareholdermeeting.com/aal2020* . Stockholders will need their unique control number which appears on their Notice Regarding the Availability of Proxy Materials, the proxy card (printed in the box and marked by the arrow), and the instructions that accompanied the proxy materials.

As part of the Annual Meeting, and as time permits, we will hold a live Q&A session, during which we intend to answer questions submitted before or during the meeting in accordance with the Annual Meeting's Rules of Conduct which are pertinent to the Company and the meeting matters. Answers to any such questions that are not addressed during the meeting will be published following the meeting on the Company's website at *www.aa.com* under the links "Investor Relations"—"Annual Shareholders Meeting"—"2020 Annual Meeting of Stockholders Q&A." Questions and answers will be grouped by topic and substantially similar questions will be grouped and answered once. In order to promote fairness, efficient use of the Company's resources and to ensure all stockholders are responded to, we will respond to up to three questions from a single stockholder.

The Annual Meeting's Rules of Conduct will be posted on *www.proxyvote.com* approximately two weeks prior to the Annual Meeting .

Technical Assistance	Availability of Live Webcast; Replay
Beginning 30 minutes prior to the start of and during the virtual Annual Meeting, we will have our support team ready to assist stockholders with any technical difficulties they may have accessing or hearing the virtual meeting. If you encounter any difficulties accessing the virtual meeting during the check-in process or meeting time, you should call our support team at: 1-855-449-0991 (U.S. Domestic Toll Free) 1-720-378-5962 (International)	The live audio webcast will be available to not only our stockholders, but also our team members and other constituents at *www.virtualshareholdermeeting.com/aal2020* . A replay of the meeting will be made publicly available for two weeks after the meeting at the same website.

Quorum

The presence, in person or by proxy, of a majority of the outstanding shares of Common Stock as of the record date is necessary to constitute a quorum at the Annual Meeting. Shares are considered present "in person" if voted by the holder of those shares or by proxy during the Annual Meeting.

Vote Required to Approve Each Proposal

With respect to Proposal 1 (Election of Directors), each director must be elected by the affirmative vote of a majority of the votes cast with respect to such director by the shares present in person or represented by proxy and entitled to vote for the election of directors. A majority of the votes cast means that the number of votes cast "FOR" a nominee exceeds the number of votes cast "AGAINST" that nominee. Brokers do not have discretionary authority to vote on this proposal. Abstentions and broker non-votes (as defined below under "How to Vote Your Shares") are not considered votes cast "FOR" or "AGAINST" a nominee's election and will have no effect in determining whether a nominee has received a majority of the votes cast. In this election, an incumbent director nominee who does not receive the required number of votes for reelection is expected to tender his or her resignation to the Board in accordance with a policy adopted by the Board. Within approximately 90 days after certification of the election results of the stockholder vote, our Corporate Governance and Nominating Committee (or such other committee as directed by the Board) will make a determination as to whether to accept or reject the tendered resignation. Following such determination, we will publicly disclose the decision regarding any tendered resignation in a Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC").

Approval of Proposal 2 (Ratification of Appointment of Independent Registered Public Accounting Firm), Proposal 3 (Advisory Vote to Approve Executive Compensation) and Proposal 4 (Stockholder Proposal) will require the affirmative vote of the holders of a majority of the shares represented, in person or by proxy, and entitled to vote on the matter at the

Annual Meeting, provided a quorum is present. Abstentions are considered in determining the number of votes required to obtain the necessary majority vote for the proposal and will have the same legal effect as voting against each proposal.

How to Vote Your Shares

If you are a stockholder of record, you may vote your shares:

- over the Internet at *www.proxyvote.com* prior to the day of the virtual Annual Meeting and at *www.virtualshareholdermeeting.com/aal2020* during the virtual Annual Meeting; or
- by telephone using the toll-free number 1-800-690-6903 prior to the day of the virtual Annual Meeting; or
- by filling out, signing and dating your proxy card and mailing it in the prepaid envelope.

You will need to follow the instructions when using any of these methods to make sure your shares will be voted at the Annual Meeting. We encourage you to vote in advance by telephone, over the Internet or by mail by completing your proxy card, even if you plan to attend the virtual Annual Meeting.

If your shares are held in “street name” through a broker, bank or other nominee, you may instruct your broker, bank or other nominee to vote your shares by following the instructions that the broker, bank or other nominee provides to you with the proxy materials. If you do not provide the broker, bank or other nominee with specific voting instructions, the broker, bank or other nominee that holds your shares generally may vote on “routine” proposals but cannot vote on “non-discretionary” (non-routine) proposals. We believe that Proposal 2 is routine and that Proposals 1, 3, and 4 are non-discretionary.

Most brokers offer the ability for stockholders to submit voting instructions over the internet, by telephone or by mail by completing a voting instruction card after you have read these proxy materials. If you hold shares through a broker, bank or other nominee and wish to vote your shares at the Annual Meeting, you will need your unique control number which appears on the instructions that accompanied the proxy materials. In any case, voting in advance over the internet, by telephone or by mail will not prevent you from voting in person at the virtual Annual Meeting.

If the broker, bank or other nominee that holds your shares in “street name” returns a proxy card without voting on a non-discretionary proposal because it did not receive voting instructions from you on that proposal, this is referred to as a “broker non-vote.” “Broker non-votes” are considered in determining whether a quorum exists at the Annual Meeting. Broker non-votes will have no effect on the outcome of Proposals 1, 3 and 4. Because brokers have discretionary authority to vote on Proposal 2, broker non-votes are not expected on Proposal 2.

Revoking or Changing Your Vote

Stockholders may revoke or change their votes by the following methods (your last instruction received by us will be counted):

- giving notice of revocation to our Corporate Secretary, at American Airlines Group Inc., 1 Skyview Drive, Fort Worth, Texas 76155 (by mail or overnight delivery);
- executing and delivering to our Corporate Secretary, at the address noted above, a proxy card relating to the same shares bearing a later date;
- voting over the Internet or by telephone prior to the time the voting facilities close; or
- logging onto and voting at the virtual Annual Meeting.

If you decide to revoke or change your vote other than by voting at the Annual Meeting, we must receive the notice of revocation or new vote by 11:59 p.m., Eastern Time, on Tuesday, June 9, 2020, the day prior to the date of the Annual Meeting.

If your shares are held in “street name,” you must contact your broker, bank or other nominee to revoke or change your vote. The revocation or change must be made by the broker, bank or other nominee before the Annual Meeting.

Authority of Proxies

All proper votes received by us by 11:59 p.m. Eastern Time, on Tuesday, June 9, 2020, and not revoked will be voted at the Annual Meeting in accordance with the directions noted. In the absence of instructions, shares represented by a signed and dated proxy card will be voted “FOR” the election of all director nominees, “FOR” the ratification of the appointment of the independent registered public accounting firm, "FOR" the approval, on a non-binding, advisory basis, of executive compensation as disclosed in this Proxy Statement, and "AGAINST" the stockholder proposal to provide a report on political contributions and expenditures.

If any other matters properly come before the Annual Meeting, the persons named as proxies on the proxy card will vote upon those matters according to their judgment. The Board knows of no other items of business that will be presented for consideration at the Annual Meeting other than those described in this Proxy Statement.

Solicitation of Votes

In addition to soliciting votes through the mail, we may solicit votes through our directors, officers and employees in person and by e-mail, telephone or facsimile. We may also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares held of record by them. We will pay all expenses incurred in connection with the solicitation of proxies. In addition, we have retained MacKenzie Partners, Inc. to assist in the solicitation for an anticipated fee of $25,000, plus expenses.

Inspector of Election

All votes at the Annual Meeting will be counted by Broadridge Financial Solutions, Inc., our inspector of election. The inspector of election will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

Important Notice Regarding the Internet Availability of Proxy Materials for the Annual Meeting

The Notice of Annual Meeting, this Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 are available at *www.proxydocs.com/AAL* prior to the Annual Meeting and at *www.virtualshareholdermeeting.com/aal2020* during the Annual Meeting.

Electronic Delivery of Proxy Materials

In order to eliminate the mailing of a paper notice and to speed your ability to access the proxy materials (including our Annual Report on Form 10-K for the year ended December 31, 2019), we encourage you to sign up for electronic delivery of the Notice Regarding the Availability of Proxy Materials using the instructions described below. Stockholders can help us reduce costs and the impact on the environment by electing to receive and access future copies of our proxy statements, annual reports and other stockholder materials electronically by email. If your shares are registered directly in your name with our stock registrar and transfer agent, American Stock Transfer & Trust Company, LLC ("AST"), you can make this election by going to AST's website (*www.astfinancial.com*) and (1) clicking Client Login, then Shareholders & Investors, then Manage My Accounts, then select the type of Account—US Shareholder or Non US Shareholder, then Login to Transact; (2) entering the information required to gain access to your account; and (3) clicking Receive Company Mailing via E-Mail. You may also make this election by following the instructions provided when voting over the Internet. If you hold your shares in a brokerage account or otherwise through a third party in "street name," please refer to the information provided by your broker, bank or other nominee for instructions on how to elect to receive and view future annual meeting materials electronically.

This year, we intend both to mail our proxy materials to certain stockholders and to use the "Notice and Access" method of providing proxy materials to certain stockholders. Under the Notice and Access method, if you have not opted to receive an e-mail notification, you will receive by mail a simple "Notice Regarding the Availability of Proxy Materials," which will direct you to a website where you may access proxy materials online. You will also be told how to request proxy materials (at no charge) via mail or e-mail, as you prefer.

Householding of Proxy Materials

The SEC has adopted rules that permit companies and intermediaries (*e.g.* , brokers) to satisfy the delivery requirements for proxy statements and annual reports, or Notices Regarding the Availability of Proxy Materials, with respect to two or more stockholders sharing the same address by delivering a single proxy statement and annual report, or Notice Regarding the Availability of Proxy Materials, addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies. In accordance with these rules, only one proxy statement and annual report, or Notice Regarding the Availability of Proxy Materials, will be delivered to multiple stockholders sharing an address unless we have received contrary instructions from one or more of the stockholders. Stockholders who currently receive multiple copies of the proxy statement and annual report, or Notice Regarding the Availability of Proxy Materials, at their address and would like to request “householding” of their communications should contact their broker if they are beneficial owners or direct their request to our Corporate Secretary at the contact information below if they are registered holders.

If, at any time, you no longer wish to participate in “householding” and would prefer to receive a separate proxy statement and annual report, or Notice Regarding the Availability of Proxy Materials, please notify your broker, if you are a beneficial owner or, if you are a registered holder, direct your written request to Broadridge Financial Solutions, Inc., Householding Department, 51 Mercedes Way, Edgewood, New York 11717 or call Broadridge at 1-866-540-7095.

If requested, we will also promptly deliver, upon oral or written request, a separate copy of the proxy statement and annual report, or Notice Regarding the Availability of Proxy Materials to any shareholder residing at an address to which only one copy was mailed.

PROPOSAL 1—ELECTION OF DIRECTORS

Election of Directors

Upon the recommendation of the Corporate Governance and Nominating Committee, the Board has nominated the 10 director candidates listed below under the section “Director Nominees.” Each nominee is currently a director of the Company.

The authorized number of directors is currently set at 10, and the Board currently consists of 10 members. If elected as a director at the Annual Meeting, each of the nominees will serve a one-year term expiring at the 2021 annual meeting of stockholders and until his or her successor has been duly elected and qualified.

Each of the nominees has consented to serve as a director, if elected.

The Board unanimously recommends that the stockholders vote “FOR” the proposal to elect the directors of the Company listed below under the section “Director Nominees” for a one-year term expiring at the 2021 annual meeting of stockholders and until his or her successors have been duly elected and qualified.

Director Nominees

Information regarding our director nominees, including their qualifications and principal occupations, as well as the key experience and qualifications that led the Board to conclude each nominee should serve as a director, is provided below. The categories of key skills are:

Senior Leadership | Airline/Travel/Transportation | Financial/Accounting | Investment | International/Global
Legal/Regulatory | Marketing/Consumer Products | Media/Communications | Board | Real estate/Facilities

There are no family relationships among the directors and our executive officers.

Independent

Director Since:
2013

Committees:
Compensation; Corporate Governance and Nominating

Key Skills:

Jim Albaugh

Select Business Experience:

- Senior Advisor to Industrial Development Funding, a global asset management firm (2018-Present)
- Senior Advisor to Perella Weinberg Partners, a global advisory and asset management firm (2016-2018)
- Senior Advisor to The Blackstone Group L.P., a private equity and financial services firm (2012-2016)
- President and Chief Executive Officer of The Boeing Company's ("Boeing") Commercial Airplanes business unit (2009-2012)
- President and Chief Executive Officer of Boeing's Integrated Defense Systems business (2002-2009)
- Joined Boeing in 1975 and held various other executive positions prior to 2002, including President and Chief Executive of Space and Communications and President of Space Transportation and former member of Boeing's Executive Council for over ten years.

Current Public Company Directorships

- Arconic Inc., a specialty metals company servicing the aerospace, auto and building sectors (2017-Present)

Past Public Company Directorships

- Goldman Sachs Acquisition Holdings, a special purpose acquisition company (2018-2020)
- Harris Corporation, a technology company, defense contractor and information technology services provider (2016-2019)
- B/E Aerospace, Inc. (2014-2017)
- TRW Automotive Holdings Corp. (2006-2015)

Other Leadership Experience and Service:
Member of the boards of directors of the following private entities: Aloft Aeroarchitects (formerly PATS Aerospace), and Belcan Corporation; Chairman of the National Aeronautic Association; past President of the American Institute of Aeronautics and Astronautics; past Chairman of the Aerospace Industries Association; elected member of the International Academy of Aeronautics; elected member of the National Academy of Engineering; member of the board of trustees of Willamette University and the Columbia University School of Engineering.

Key Experience/Director Qualifications:
Executive leadership experience in the airplane and airline industry, including experience in the investment industry, and with complex systems, contracts and governmental oversight, as well as accounting and financial literacy and global public company board and corporate governance experience.

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Independent

Director Since:
2013

Committees:
Compensation; Finance

Key Skills and Experience:

Jeff Benjamin

Select Business Experience:

- Senior Advisor to Cyrus Capital Partners, L.P., a registered investment advisor (2008-Present)
- Consultant to Apollo Management, L.P. (“Apollo Management”), a private investment fund (2008-2017)

Current Public Company Directorships

- A-Mark Precious Metals, Inc., a full-service precious metals trading company (2014-Present)
- Hexion Holdings Corporation, the indirect parent of Hexion Inc., an adhesive and coatings company (2019-Present)

Past Public Company Directorships

- Chemtura Corporation (2010-2017)
- Caesars Entertainment Corp. (2008-2017)
- Exco Resources, Inc. (2005-2016)
- Spectrum Group International, Inc. (2009-2014)

Other Leadership Experience and Service:
Member of the boards of directors of the following private entities: ImOn Communications LLC, Involta LLC, Higher Learning Technologies Corporation, NRG Media, LLC, Rackspace Hosting Inc. and Shutterfly Inc.

Key Experience/Director Qualifications:
Executive leadership experience in the investment industry, accounting and financial literacy, corporate governance and marketing expertise, success as an investor and extensive experience serving on the boards of directors of global public and private companies.

Lead Independent Director

Director Since:
2013

Committees:
Audit; Corporate Governance and Nominating

Key Skills and Experience:

John Cahill

Select Business Experience:

- Vice Chairman of The Kraft Heinz Company (“Kraft Heinz”), a food and beverage company (2015-Present)
- Chairman and Chief Executive Officer of Kraft Foods Group, Inc. (“Kraft Foods Group”), until its merger with H.J. Heinz Company (2014-2015)
- Non-Executive Chairman of Kraft Foods Group (March 2014-December 2014)
- Executive Chairman of Kraft Foods Group (2012-2014)
- Executive Chairman, North American Grocery of Kraft Foods, Inc., the former parent of Kraft Foods Group (January 2012-December 2012)

Current Public Company Directorships

- Kraft Heinz (2015-Present)
- Colgate-Palmolive Company, a consumer products company (2005-Present)

Past Public Company Directorships

- Kraft Foods Group (2012-2015)
- Legg Mason, Inc. (2009-2014)
- The Pepsi Bottling Group, Inc. (1999-2007)
- Frontier Holdings, Inc. (1984-1985)

Other Leadership Experience and Service:
Former Industrial Partner at Ripplewood Holdings LLC; spent nine years with The Pepsi Bottling Group, Inc., culminating in the position of Chairman and Chief Executive Officer; and worked at PepsiCo, Inc. for nine years in a variety of leadership positions.

Key Experience/Director Qualifications:
Leadership and operations experience in executive leadership roles at global public companies, as well as airline experience, investment, accounting and financial expertise, experience in consumer products industries and public company board and corporate governance experience.

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Independent

Director Since:
2013

Committees:
Audit; Finance

Key Skills and Experience:

Mike Embler

Select Business Experience:

- Chief Investment Officer of Franklin Mutual Advisers, LLC ("Franklin Mutual Advisers"), an asset management company (2005-2009)
- Head of Franklin Mutual Advisers' Distressed Investment Group (2001-2005)

Current Public Company Directorships

- Taubman Centers, Inc., a shopping mall REIT (2018-Present)
- NMI Holdings, Inc., a mortgage insurance provider (2012-Present)

Past Public Company Directorships

- CIT Group Inc. (2009-2016)
- Dynegy Inc. (2011-2012)
- AboveNet Inc. (2003-2012)
- Kindred Healthcare Inc. (2001-2008)

Other Leadership Experience and Service:
Worked at Nomura Holding America Inc. for almost a decade in positions of increasing responsibility culminating in the position of Managing Director; and member of the board of trustees of The Mohonk Preserve.

Key Experience/Director Qualifications:
Experience in finance, asset management and restructurings, capital markets and capital management, experience as a senior executive, perspective as an institutional investor, success as an investor and service as a director of global public and private companies.

Independent

Director Since:
2013

Committees:
Audit

Key Skills and Experience:

Matt Hart

Select Business Experience:

- President and Chief Operating Officer of Hilton Hotels Corporation ("Hilton"), a hotel developer and operator, until its acquisition by a private equity firm (2004-2007)
- Executive Vice President and Chief Financial Officer of Hilton (1996-2004)

Current Public Company Directorships

- American Homes 4 Rent, a real estate investment trust (2012-Present)
- Air Lease Corporation, an aircraft leasing company (2010-Present)

Past Public Company Directorships

- B. Riley Financial, Inc. (2009-2015)
- US Airways Group, Inc. (2006-2013)
- Kilroy Realty Corporation (1997-2008)
- America West Holdings Corporation (2004-2005)

Other Leadership Experience and Service:
Former Senior Vice President and Treasurer of The Walt Disney Company; former Executive Vice President and Chief Financial Officer of Host Marriott Corp.; and member of the board of directors of Heal the Bay.

Key Experience/Director Qualifications:
Financial expertise, risk management experience, extensive experience as a senior operating and finance executive for large global public companies, including companies in the consumer travel industry, investment and mergers and acquisitions experience, service as a public company director and airline experience.

Independent

Director Since:
2015

Committees:
Compensation; Finance

Key Skills and Experience:

Sue Kronick

Select Business Experience:

- Operating Partner at Marvin Traub Associates, a New York based retail consulting firm (2012-Present)
- Vice Chairman of Macy's, Inc. ("Macy's"), owner of Macy's and Bloomingdales retail department stores (2003-2010)
- Group President, Regional Department Stores of Macy's (2001-2003)
- Chairman and Chief Executive Officer of Burdines/Macy's Florida (1997-2001)

Current Public Company Directorships

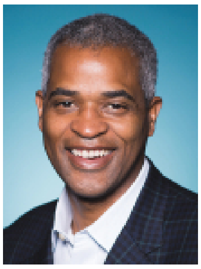
- Hyatt Hotels Corporation, a hospitality company (2009-Present)

Past Public Company Directorships

- The Pepsi Bottling Group, Inc. (1999-2010)

Other Leadership Experience and Service:
Member of the board of directors of the John S. and James L. Knight Foundation and the Miami City Ballet.

Key Experience/Director Qualifications:
Financial, marketing and operational expertise, as well as experience serving as a global public company director and building industry leading brands as a result of the various executive management positions held with Macy's.



Independent

Director Since:
2015

Committees:
Audit; Finance

Key Skills and Experience:

Marty Nesbitt

Select Business Experience:

- Co-Chief Executive Officer of The Vistria Group, LLC, a private-equity investment firm (2013-Present)
- President and Chief Executive Officer of PRG Parking Management (known as The Parking Spot), an owner and operator of off-airport parking facilities (1996-2012)

Current Public Company Directorships

- Center Point Energy Corp, a public utility company (2018-Present)
- Jones Lang LaSalle Incorporated, a public commercial real estate company (2011-Present)

Past Public Company Directorships

- Pebblebrook Hotel Trust (2009-2010)
- Norfolk Southern Corporation (2013-2018)

Other Leadership Experience and Service:
Former member of the board of directors of PRG Parking Management (known as The Parking Spot); former officer of the Pritzker Realty Group, L.P.; former Vice President and Investment Manager at LaSalle Partners, one of the predecessor corporations of Jones Lang LaSalle Incorporated; Trustee of Chicago's Museum of Contemporary Art; and Chairman of the Barack Obama Foundation.

Key Experience/Director Qualifications:
Executive leadership, operational, financial and investment experience, as well as global public company board experience.

Independent

Director Since:
2013

Committees:
Compensation; Corporate Governance and Nominating

Key Skills and Experience:

Denise O'Leary

Select Business Experience:

- Private venture capital investor (1997-Present)
- Partner (1987-1996) and associate (1983-1987) at Menlo Ventures, a venture capital firm

Current Public Company Directorships

- Medtronic plc, a medical technology company (2000-Present)

Past Public Company Directorships

- Calpine Corporation (2009-2018)
- US Airways Group, Inc. (2005-2013)
- Chiron Corporation (2002-2006)
- America West Holdings Corporation (1998-2005)

Other Leadership Experience and Service:
Member of the board of trustees of the University of Denver; member of the Smithsonian National Board; and former member of the boards of directors of the following private entities: Galvanize, Inc., the Bonfils-Stanton Foundation, Lucile Packard Children's Hospital, Stanford Hospital & Clinics, the Denver Foundation, the Corporation for Supportive Housing, Connect for Health Colorado and the University of Colorado Hospital Authority.

Key Experience/Director Qualifications:
Executive leadership experience in the investment industry, financial expertise, experience in the oversight of risk management, human resources expertise, extensive service as a global public company director, success as an investor and airline industry expertise.

Chairman

Director Since:
2013

Key Skills and Experience:

Doug Parker

Select Business Experience:

- Chairman of the board of directors of AAG (2014-Present)
- Chief Executive Officer of AAG and American (2013-Present)
- Chairman of the board of directors of and Chief Executive Officer of US Airways Group, Inc. and US Airways, Inc. (2005-2013)

Current Public Company Directorships

- AAG (2013-Present)

Past Public Company Directorships

- US Airways Group, Inc. (2005-2013)
- Pinnacle West Capital Corporation (2007-2012)
- America West Holdings Corporation (1999-2005)

Other Leadership Experience and Service:
Former Chairman of the board of directors of and Chief Executive Officer of America West and America West Airlines ("AWA"); Chairman of Airlines for America; former Senior Vice President and Chief Financial Officer of AWA; member of the board of advisors for the Cox School of Business at Southern Methodist University; and member of the Vanderbilt University Board of Trust.

Key Experience/Director Qualifications:
Financial, airline, marketing, human resources and labor relations experience, as well as 30 years of experience in the airline industry, nearly 20 years of experience as an airline Chairman and Chief Executive Officer, mergers and acquisitions experience and experience as a global public company director.

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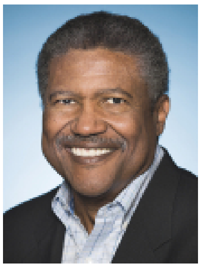


Independent

Director Since:
2005

Committees:
Corporate Governance and Nominating

Key Skills and Experience:

Ray Robinson

Select Business Experience:

- Non-executive Chairman of the board of directors of Aaron's, Inc. ("Aaron's"), a lease-to-own retailer (2014-Present)
- Director and non-executive Chairman of Citizens Trust Bank, a privately-held African American-owned bank, and its affiliated holding company (2003-present)
- Held several executive positions at AT&T from 1968-2003, including President of the Southern Region, its largest region, President and Chief Executive Officer of AT&T Tridom, Vice President of Operations for AT&T Business Customer Care, Vice President of AT&T Outbound Services and Vice President of AT&T Public Relations

Current Public Company Directorships

- Fortress Transportation and Infrastructure, a public company that invests in transportation infrastructure and equipment (2015-Present)
- Aaron's, Inc. (2002-Present)
- Acuity Brands, Inc., a public lighting solutions company (2001-Present)

Past Public Company Directorships

- Avnet, Inc. (2000-2017)
- Citizens Bancshares Corporation (deregistered as a public company in 2017)
- RailAmerica Inc. (2009-2011)

Other Leadership Experience and Service:
Member of the board of directors of the Georgia Aquarium; Vice Chairman of the East Lake Community Foundation; and member of the board of trustees of the University of Denver.

Key Experience/Director Qualifications:
Extensive technology, banking, communications, strategic and executive leadership and marketing experience, as well as experience serving as a public company director.

BOARD COMPOSITION

How We Build a Board that is Right for American Airlines

Each of the 10 current nominees for director recommended for election at the Annual Meeting is a current member of the Board. The effectiveness of the Board and the recruitment of directors are overseen by the Corporate Governance and Nominating Committee. In evaluating candidates for director, the committee considers the qualifications described below. Based on its evaluation of each of the current nominees' qualifications and his or her prior performance as a director, the committee determined to recommend each nominee for election. The committee received no nominations from stockholders for the Annual Meeting.

Consistent with its charter, the Corporate Governance and Nominating Committee proposes for nomination existing directors and new candidates who have the highest personal and professional integrity, have demonstrated exceptional intelligence and judgment, have proven leadership skills, as well as the requisite skills necessary to advance our long term strategic plan, are committed to our success and have the ability to work effectively with the Company's Chief Executive Officer and other members of the Board. Also, a nominee must possess skills, experience and expertise appropriate to best serve the long-term financial interests of our stockholders and our other stakeholders.

The Corporate Governance Guidelines (the "Governance Guidelines") specify that it is the objective of the Board that it be composed of individuals who have, among other things, a diversity of skills, expertise and perspective appropriate for the business and operation of the Company. The Board currently includes a group of individuals who have demonstrated success and leadership in a variety of fields and endeavors, with a broad diversity of experience, opinions, perspectives, professions, skills, expertise, education, geographic representation and backgrounds. The Corporate Governance and Nominating Committee and the Board believe that the Board is, and should continue to be, comprised of persons who can contribute experience in public company board service and corporate governance and areas such as strategic planning, leadership of large, complex organizations, international and global operations, the airline, travel and transportation industry, finance, accounting, and investment, risk management, legal and regulatory, customer service, marketing and consumer products, media and communications, labor relations and human resources (including leadership assessment and diversity), real estate and facilities, safety, information technology, climate change, sustainability and community service. The Corporate Governance and Nominating Committee does not assign specific weight to particular criteria and no particular criterion is necessarily applicable to all prospective nominees.

The Governance Guidelines also require that any directors who also serve as chief executive officers of public companies should not serve on more than two boards of public companies other than the Company's Board, and other directors should not serve on more than four boards of public companies, other than the Company's Board.

The Corporate Governance and Nominating Committee periodically evaluates the performance of the Board, its committees and the directors in an effort to facilitate the continuous improvement of the Board, as well as to assess the specific qualifications, experiences and perspectives of future director candidates that would be most valuable and have the most impact on our success.

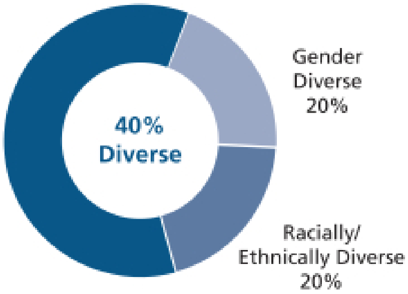
In accordance with applicable listing standards of the NASDAQ Stock Market ("NASDAQ"), the Board confirms that at least a majority of the Board is independent in accordance with the NASDAQ definition of independence and that the members of the Board, as a group, maintain the requisite qualifications under applicable NASDAQ listing standards for service on the Audit, Compensation, and Corporate Governance and Nominating Committees.

Board Diversity and Tenure

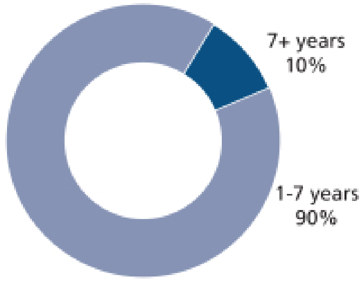
The Corporate Governance and Nominating Committee recognizes the benefits of diversity in the boardroom, including better reflecting our diverse customer and employee base and the healthy debate that stems from different viewpoints that may result from diverse backgrounds. Accordingly, our Board is diverse in many ways, with differing geographic, business, gender and racial backgrounds. Forty percent of our Board nominees are diverse based on gender or ethnicity.

Nine out of our 10 Board nominees have served on our Board for less than seven years and two have been on our Board for less than five years. We believe this attains the right balance between new directors who bring new ideas and insights and longer-serving directors with deep institutional knowledge of our Board and company.

Diversity



Tenure



Stockholder Recommendations or Nominations of Director Candidates

The Board welcomes recommendations from its stockholders for director candidates that they believe meet the standards describe above under "How We Build a Board that is Right for American Airlines." We encourage stockholders with any such director candidate recommendations to contact us directly prior to going through the formal director nomination procedures described below. The Corporate Governance and Nominating Committee has a policy of considering candidates who are recommended by stockholders for membership to the Board in the same manner as candidates recommended by members of the Board.

Under our Bylaws, any stockholder wishing to nominate a director should submit in writing the candidate's name, biographical information, business qualifications and other information required by the Bylaws, to Ray M. Robinson, Chair of the Corporate Governance and Nominating Committee, American Airlines Group Inc., 1 Skyview Drive, Fort Worth, Texas 76155. All submissions must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director, if elected, and must otherwise be in compliance with our Bylaws. The Bylaws require that written nominations be received by the Company no sooner than 120 days and no later than 90 days prior to the first anniversary of the preceding year's annual meeting of stockholders. For the 2021 annual meeting of stockholders, notice must be delivered no sooner than February 10, 2021 and no later than March 12, 2021. All qualified submissions will be reviewed by the Corporate Governance and Nominating Committee at the next appropriate meeting.

In addition, our Bylaws permit certain of our stockholders who have beneficially owned 3% or more of our outstanding common stock continuously for at least three years to submit nominations to be included in the Company's proxy materials for up to 20% of the total number of directors then serving. Notice of proxy access director nominations for the 2021 annual meeting of stockholders must be delivered to our Corporate Secretary at our principal executive offices no earlier than November 29, 2020 and no later than the close of business on December 29, 2020. The notice must set forth the information required by our Bylaws with respect to each proxy access director nomination that eligible stockholder or stockholders intend to present at the 2021 annual meeting of stockholders and must otherwise be in compliance with our Bylaws.

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PROPOSAL 2—RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ratification of Independent Registered Public Accounting Firm

Our Audit Committee is directly responsible for the appointment, compensation, retention and oversight of our independent registered public accounting firm. Our Audit Committee annually reviews the independent registered public accounting firm's qualifications, performance, fees and independence. Following its review, our Audit Committee has selected KPMG LLP ("KPMG") to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2020, and our Board has directed that KPMG's appointment be submitted to our stockholders for ratification at the Annual Meeting.

KPMG has served as our independent registered public accounting firm since 2014. The Audit Committee believes it is important for the independent registered public accounting firm to maintain its objectivity and independence. In accordance with SEC rules and KPMG policies, the firm's lead engagement partner rotates every five years. The Audit Committee and its Chair are directly involved in the selection of KPMG's new lead engagement partner. Furthermore, in order to assure continuing auditor independence, the Audit Committee periodically considers whether there should be a regular rotation of the independent registered public accounting firm.

The Board has directed that KPMG's appointment for the fiscal year ending December 31, 2020 be submitted to our stockholders for ratification at the Annual Meeting. The Audit Committee and the Board believe that the continued retention of KPMG to serve as the Company's independent external auditor is in the best interests of the Company and its stockholders. If the stockholders do not ratify the appointment of KPMG, the Audit Committee will reconsider the appointment.

A representative of KPMG is expected to be present at the Annual Meeting. The representative will have an opportunity to make a statement if he or she desires to do so, and the representative is also expected to be available to respond to appropriate questions from stockholders.

The Audit Committee and the Board unanimously recommend that the stockholders vote "FOR" the proposal to ratify the appointment of KPMG as our independent registered public accounting firm for the fiscal year ending December 31, 2020.

Independent Registered Public Accounting Firm Fees

The following table presents fees billed for professional services rendered by KPMG, AAG's principal accountant for the audit of the financial statements of AAG and its subsidiaries as of and for the fiscal years ended December 31, 2019 and 2018, as well as fees billed in this period for other services rendered by KPMG.

	Fiscal Year 2019 ($)	Fiscal Year 2018 ($)
Audit Fees	4,120,000	4,010,000
Audit-Related Fees	1,155,000	1,147,000
Tax Fees	160,000	479,000
All Other Fees	–	–
Total	**5,435,000**	**5,636,000**

"Audit Fees" are for professional services rendered for the audits of the annual financial statements included in our Annual Report on Form 10-K (including fees for the audits of internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002, as amended) and quarterly reviews of the financial statements included in our quarterly reports on Form 10-Q.

"Audit-Related Fees" are for services rendered in connection with securities offerings and other SEC filings, significant auditing work on transactions and consultations concerning financial accounting and reporting standards and attest services.

"Tax Fees" primarily include fees for professional services rendered in connection with tax compliance services.

There were no fees that fall into the classification of "All Other Fees" for the fiscal years ended December 31, 2019 and 2018.

Policy on Audit Committee Pre-Approval

The Audit Committee is responsible for appointing, setting compensation for and overseeing the work of the independent registered public accounting firm. The Audit Committee pre-approves all audit and permissible non-audit services provided by our independent registered public accounting firm, including audit services, audit-related services, tax services and other services. The Audit Committee has delegated pre-approval authority to its Chair. Under this delegation, the Chair must report any pre-approval decision he or she makes to the Audit Committee at its next meeting following such approval.

PROPOSAL 3—ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION (SAY-ON-PAY)

Section 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), allows our stockholders to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the SEC, commonly known as a "say-on-pay" vote. The Board has adopted a policy providing for an annual say-on-pay advisory vote. Unless the Board modifies its policy on the frequency of future say-on-pay advisory votes, we will bring these proposals to our stockholders annually and the next say-on-pay advisory vote will be held at the 2021 annual meeting of stockholders.

Our Compensation Committee and the Board believe that our compensation practices align our executive compensation structure with stockholders' interests and current market practices. Our compensation strategy is designed to provide a total compensation package that will attract and retain high-caliber executives and align their objectives, incentives and contributions with corporate objectives and stockholder interests, as well as to be flexible and complementary to meet our compensation objectives. At the 2019 annual meeting of stockholders, our stockholders overwhelmingly approved the compensation of our named executive officers (with an approval representing over 95% of the shares represented in person or by proxy at the meeting and entitled to vote).

Highlights of our compensation program and our pay-for-performance results include:

A Commitment to Fair Pay and Pay-for-Performance with a substantial portion of each executive officer's compensation being "at risk" and aligned with stockholder interests, as shown by the following:

- At his request, Mr. Parker's target direct compensation has been historically set at and remains below the average for his peers at Delta and United.
- 100% of Mr. Parker's direct compensation for 2019 was provided in the form of equity incentives, the majority of which vest based upon the achievement of performance objectives, underscoring our commitment to paying for performance and further aligning his interests with that of our stockholders.
- For 2019, on average, 86.8% of the total target compensation of our other named executive officers was variable, at risk and tied directly to measurable performance. Consistent with this focus, the largest portion of our 2019 executive compensation was in the form of performance-based annual cash incentives tied to pre-established adjusted pre-tax income targets and long-term equity incentives tied to our stock price performance or our relative three-year pre-tax income margins and relative total stockholder return ("TSR").
- As of April 1, 2020, in response to the COVID-19 pandemic, at their requests, the base salaries of our named executive officers (other than our CEO who has not received a base salary since 2015) were reduced by 50% (55% in the case of our President) effective through June 30, 2020.

Only ~67% of Target Bonus Earned . Our 2019 short-term incentive plan ("STIP") for the named executive officers was based on pre-established adjusted pre-tax income targets. For 2019, adjusted pre-tax income excluded special items, profit sharing and annual incentive programs and related payroll taxes and 401(k) company contributions and included an adjustment to account for a confidential settlement with Boeing related to financial damages incurred in 2019 due to the grounding of the Boeing 737 MAX aircraft. Based on our 2019 adjusted pre-tax income of $3.7 billion, our named executive officers (other than Mr. Parker, whose compensation was provided 100% in the form of equity incentives) were awarded only 66.8% of their 2019 target bonuses under our 2019 STIP.

Performance-Vesting Restricted Stock Units ("RSUs") Tracking Below Target. Our equity incentive program for our named executive officers incorporates both performance- and time-vesting components, with the performance-vesting component weighted 54% (for Mr. Parker) and 50% (for the other named executive officers) by value. The performance-vesting component consists of RSUs that will be earned not earlier than the third anniversary of the grant date based on our relative three-year pre-tax income margin excluding special items as compared to that of a pre-defined group of airlines and our three-year relative TSR. Each named executive officer held three outstanding awards with performance-vesting components as of the end of 2019.

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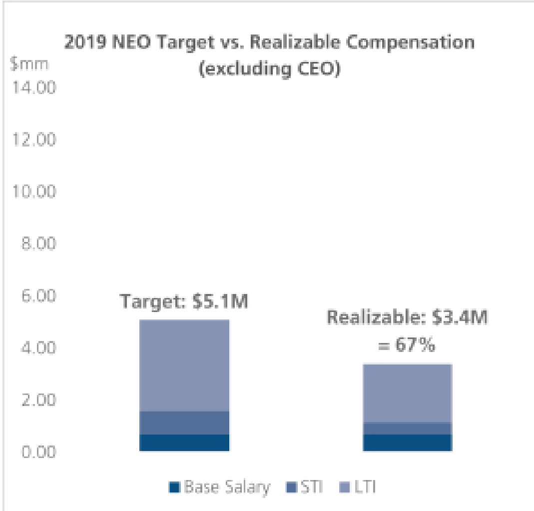
Performance-Vesting RSU Pay Outcomes as of 12/31/19	
2017 Grant (vested in April 2020)	Tracking at Below Target (56.3%)
2018 Grant (vesting in 2021)	Tracking at Below Target (53.3%)
2019 Grant (vesting in 2022)	Tracking at Below Target (52.2%)

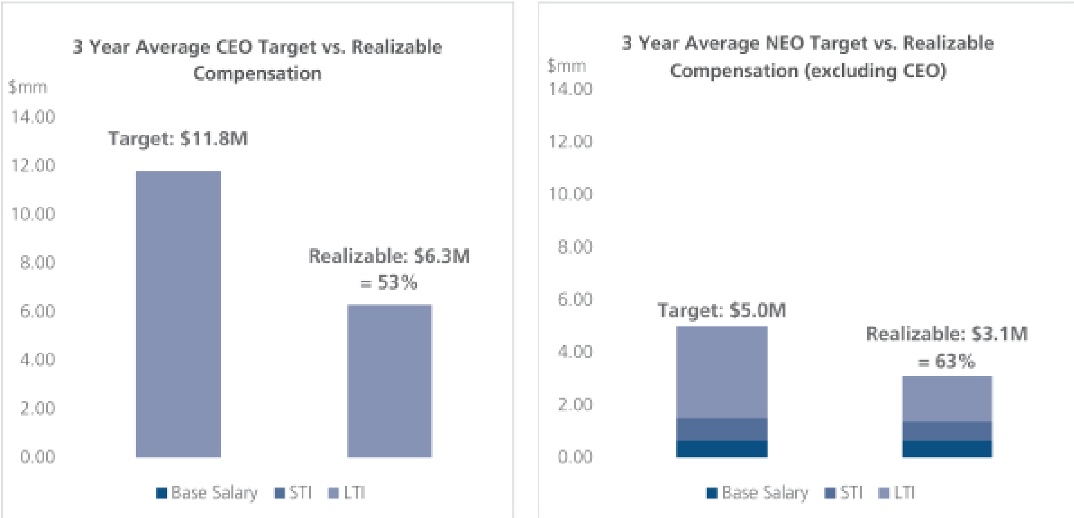
Realizable Compensation Significantly Below Target Compensation. As shown in tables below, as of December 31, 2019, our named executive officers' 2019 and three-year average realizable compensation was significantly below their target compensation.

2019 Realizable Compensation



Target compensation includes base salary, target annual short-term incentive and the grant date fair value of long-term incentives. Realizable compensation includes base salary earned, annual short-term incentive earned for 2019, the value of time-vesting RSUs granted in 2019 based on our closing stock price as of December 31, 2019, and the value of performance-vesting RSUs granted in 2019 based on the performance and closing stock price as of December 31, 2019.

Three-year Average Realizable Compensation



Target compensation includes base salary, target annual short-term incentive and the grant date fair value of long-term incentives for the applicable year. Realizable compensation includes base salary earned and annual short-term incentives earned for each applicable year and values equity awards granted during 2017-2019 as follows: with respect to RSUs that had vested by December 31, 2019 based on the closing stock price on the applicable vesting date, with respect to time-vesting RSUs that were unvested as of December 31, 2019 based on the closing stock price as of December 31, 2019, and with respect to performance-vesting RSUs that were unvested as of December 31, 2019 based on the performance and closing stock price as of December 31, 2019.

No Employment, Change in Control or Severance Agreements. None of our executive officers is party to any employment or severance agreement providing change in control or severance benefits. These were eliminated at our executive officers' request.

A Continued Commitment to Good Compensation Governance Practices , where compensation packages for our executive officers are (i) established by our Compensation Committee that consists solely of independent directors, (ii) consistent with market practice, and (iii) reasonable in light of our corporate and each individual executive's performance.

Clawback Provisions for all incentive compensation paid to our executive officers and **stock ownership guidelines** that further align their long-term interests with those of our stockholders, as well as good disclosure practices.

Mitigating Compensation Risk by, among other things, providing a compensation package that focuses on both short- and long-term goals and requiring a substantial stock ownership commitment, encouraging our executives to focus on the Company's success both during the immediate fiscal year and for the future.

For more information about our compensation practices and philosophy, see the section entitled "Compensation Discussion and Analysis" beginning on page 46.

We are asking our stockholders to indicate their support for our named executive officer compensation as described in this Proxy Statement pursuant to the compensation disclosure rules of the SEC. This vote gives stockholders the opportunity to express their views on the named executive officers' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our executive officers and our philosophy, policies and practices described in this Proxy Statement. Accordingly, we are asking our stockholders to vote "FOR" the following resolution at the Annual Meeting:

> "RESOLVED, that AAG's stockholders approve, on a non-binding, advisory basis, the compensation of AAG's named executive officers, as disclosed pursuant to the compensation disclosure rules of the SEC in the Compensation Discussion and Analysis section, the compensation tables, narrative discussion and any related material disclosed in this Proxy Statement for the Annual Meeting."

The say-on-pay vote is advisory, and therefore not binding on us, our Compensation Committee or the Board. However, the Board and Compensation Committee value the opinions of our stockholders and will consider the outcome of this advisory vote when making future decisions about executive compensation.

The Board unanimously recommends that the stockholders vote "FOR" the approval of executive compensation.

PROPOSAL 4—STOCKHOLDER PROPOSAL TO PROVIDE A REPORT ON POLITICAL CONTRIBUTIONS AND EXPENDITURES

A stockholder has informed the Company that he intends to present the proposal set forth below at our Annual Meeting. The name and address of the stockholder and the number of the Company's securities that the stockholder own will be provided to stockholders promptly upon request. If the stockholder (or his "qualified representative") is present at the Annual Meeting and properly submits the proposal for a vote, then the stockholder proposal will be voted upon at the Annual Meeting. In accordance with federal securities laws, the stockholder proposal is presented below as submitted by the stockholder and is quoted verbatim. The Company disclaims all responsibility for the content of the proposal and the supporting statement, including other sources referenced in the supporting statement.

For the reasons stated in the Board's Statement in Opposition, which follows the stockholder proposal, the Board unanimously recommends that you vote "AGAINST" the stockholder proposal.

Stockholder Proposal

Proposal 4—Political Spending Disclosure

Shareholders request that American Airlines provide a report, updated semiannually, disclosing the Company's:

1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:
   a. The identity of the recipient as well as the amount paid to each; and
   b. The title(s) of the person(s) in the Company responsible for decision making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company's website within 12 months from the date of the annual meeting. This proposal does not encompass lobbying spending.

Supporting Statement

As a long-term shareholder of American Airlines, I support transparency and accountability in corporate electoral spending. This includes any activities considered intervention in a political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations, and independent expenditures or electioneering communications on behalf of federal, state or local candidates.

Disclosure is in the best interest of the Company and its shareholders. The Supreme Court recognized this in its 2010 Citizens United decision, which said, "[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages."

Relying on publicly available data does not provide a complete picture of the Company's electoral spending. For example, the Company's payments to trade associations used for election-related activities are undisclosed and unknown. This proposal asks the Company to disclose all of its electoral spending, including payments to trade associations and other tax-exempt organizations, which may be used for political purposes. This would bring our Company in line with a growing number of leading companies, including Intuit, MasterCard, and Visa, which present this information on their websites.

The Board of Directors and its shareholders need comprehensive disclosure to be able to fully evaluate the use of corporate assets in elections. This proposal topic received two majority votes in 2019. This included Cognizant Technology Solutions (53%) and Macy's (53%).

Plus 11 votes were in the 40% range. This included Kohl's (49%), NextEra Energy (48%), Allstate (46%), Chemed (46%), Western Union (44%), Fiserv (43%), Alaska Air (43%), Roper Technologies (43%), Netflix (41%), Centene (41%) and Nucor (40%).

Source:

A Banner Proxy Season for Political Disclosure and Accountability

Posted by Bruce Freed, Dan Carroll, and Karl Sandstrom, Center for Political Accountability *at Harvard Law School Forum on Corporate Governance and Financial Regulation* on July 22, 2019

Please vote for this important governance reform:

Political Disclosure Shareholder Resolution—Proposal 4

The Board's Statement in Opposition

The Board has considered this proposal and concluded that its adoption is unnecessary in light of the Company's existing disclosure regarding political contributions and not in the best interests of our stockholders. Accordingly, the Board unanimously recommends a vote **AGAINST** this proposal for the following reasons.

We are committed to complying with our values, our internal policies and all applicable laws when engaging in any type of lobbying or political activity. While we support and practice transparency and accountability in political spending, our Board believes that the disclosures recommended by the proposal are unnecessary in light of our internal policies regarding political contributions, the existing disclosure on our website regarding participation in the U.S. political process and the current public availability of much of the information requested by the proposal, and the potential concerns relating to enhanced disclosures. Our Board is also concerned that further disclosure above and beyond its existing disclosure could place us at a competitive disadvantage by revealing strategies and priorities designed to protect the economic future of the Company, its stockholders and team members.

We have policies in place to effectively oversee decisions regarding public policy advocacy and political contributions.

In April 2017, we published the Company's Policies on Public Policy Advocacy and Political Contributions, which is available on our website at *www.aa.com* under the links "Investor Relations"—"Corporate Governance." This policy explains why and how we engage in the political, legislative and regulatory process. It also explains our policies with regard to political contributions by the Company, participation in trade associations and voluntary participation by our team members in the political process.

Additionally, the Political Contributions Policy provides that our Executive Vice President, Corporate Affairs will oversee our participation in the U.S. political process and its compliance with federal, state and local laws governing our political activities and any contributions (including payments to trade associations and other nonprofits engaged in public advocacy). We also annually review our political activities, including our trade association memberships and any corporate contributions, with the Corporate Governance and Nominating Committee of the Board, which has oversight over our political contribution policies.

We participate in the U.S. political and public policy process and disclose such participation on our website.

The Board believes it is in the best interests of our stockholders for the Company to actively participate in the political and public policy process. As a global airline, we are affected by numerous laws, regulations and policies which govern various aspects of our business in the United States and around the world. As a result, we actively review and discuss existing and upcoming public policy changes and regulatory initiatives. We also take part in industry dialogue and advocacy efforts related to those issues of high importance to the Company's success and the concerns of our stakeholders. We strive to adhere to our Global Corporate Responsibility Statement and we constructively and ethically promote legislative and regulatory actions that further our business objectives and support the best interests of our Company, stockholders and team members.

In 1985, we formed a PAC to provide an opportunity for team members to make political contributions on a bipartisan basis to qualified candidates for political office who reflect our views on relevant issues impacting our Company. In full accordance with law, the political contributions made by the PAC are funded entirely with voluntary contributions from our team members, and no corporate funds are used.

Like many major corporations, we belong to a number of industry associations. This involvement allows us to gain insight into core issues for the airline industry and the business community and to advocate jointly for government policies that support an efficient, healthy and competitive industry and business environment. Such memberships also allow us to benefit from the opportunity to share technical expertise and operational knowledge that leads to better safety, customer service and overall efficiency.

We already provide substantial disclosure regarding the Company's political contributions.

Political contributions of all types are subject to extensive governmental regulation and public disclosure requirements, and we are fully committed to complying with all applicable federal and state campaign finance laws. In accordance with federal law, we do not use corporate funds to make direct contributions to candidates for federal political office. All political contributions comply with applicable laws, and we disclose our contributions publicly as required by law. We file regular reports with the U.S. House of Representatives and the U.S. Senate that disclose the details of our lobbying activities as well as any political contributions from our PAC to federal candidates, leadership PACs and political party committees. These reports are publicly available on websites hosted by the U.S. House of Representatives and the U.S. Senate.

The activities of the PAC are also subject to comprehensive regulation by the federal government, including detailed disclosure requirements. The PAC files monthly reports of receipts and disbursements with the Federal Election Commission, and these reports are publicly available at *http://fec.gov* . In addition, the PAC is subject to public reporting requirements in those states where it makes contributions. Accordingly, we believe that ample public information exists regarding our political contributions to alleviate the concerns cited in the proposal.

Our stockholders overwhelmingly rejected this very same proposal at the 2019 annual meeting.

At our 2019 annual meeting, stockholders rejected this very same proposal from the same proponent, with 77% of stockholders voting against the proposal. The overwhelming defeat of this proposal was an indication to the Board that stockholders support our current policies governing corporate political spending and disclosure. There have been no developments since that vote that would cause the Board to reconsider adopting this proposal.

For these reasons, the Board unanimously urges stockholders to vote "AGAINST" the proposal regarding the provision of a report detailing the Company's political contributions and expenditures.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table provides information regarding the beneficial ownership of our Common Stock as of April 14, 2020, by (1) each of our directors and nominees for director, (2) each of the individuals named in the section entitled "Executive Compensation—Summary Compensation Table" on page 61 and (3) all of our directors and executive officers as a group, based in each case on information furnished to us by these persons. We believe that each of the named individuals and each director and executive officer included in the group has sole voting and investment power with regard to the shares shown, except that certain individuals may share voting and investment power with their spouses and except as otherwise noted.

	AAG Common Stock Beneficially Owned (1)	
Name of Beneficial Owner and Relationship to Company	**Amount and Nature of Beneficial Ownership**	**Percent of Class**
Doug Parker Chairman and Chief Executive Officer	1,811,449(2)	*
Robert Isom President	595,759(3)	*
Derek Kerr Executive Vice President and Chief Financial Officer	427,776(4)	*
Steve Johnson Executive Vice President—Corporate Affairs	534,657(5)	*
Maya Leibman Executive Vice President and Chief Information Officer	162,496(6)	*
Jim Albaugh Director	36,091(7)	*
Jeff Benjamin Director	76,969(8)	*
John Cahill Director	151,969(9)	*
Mike Embler Director	34,969(10)	*
Matt Hart Director	41,575(11)	*
Sue Kronick Director	17,734(12)	*
Marty Nesbitt Director	17,734(13)	*
Denise O'Leary Director	93,023(14)	*
Ray Robinson Director	29,754(15)	*
All directors and executive officers as a group (15 persons)	4,343,053(16)	*

* Represents less than 1% of the outstanding shares of our Common Stock.

(1) Beneficial ownership as reported in the table has been determined in accordance with SEC rules and regulations and includes RSUs that vest within 60 days of April 14, 2020. Pursuant to SEC rules and regulations, all shares not currently outstanding that are subject to RSUs that vest within 60 days of April 14, 2020 are deemed to be outstanding for the purpose of computing "Percent of Class" held by the holder of the class but are not deemed to be outstanding for the purpose of computing the "Percent of Class" held by any other stockholder.

(2) Includes 1,680,185 shares held directly and 131,264 shares underlying unvested RSUs that vest within 60 days of April 14, 2020. Excludes 710,702 unvested RSUs that will not vest within 60 days of April 14, 2020.

(3) Includes 542,122 shares held directly and 53,637 shares underlying unvested RSUs that vest within 60 days of April 14, 2020. Excludes 340,334 unvested RSUs that will not vest within 60 days of April 14, 2020.

(4) Includes 399,327 shares held directly and 28,449 shares underlying unvested RSUs that vest within 60 days of April 14, 2020. Excludes 180,510 unvested RSUs that will not vest within 60 days of April 14, 2020.

(5) Includes 506,208 shares held directly and 28,449 shares underlying unvested RSUs that vest within 60 days of April 14, 2020. Excludes 180,510 unvested RSUs that will not vest within 60 days of April 14, 2020.

(6) Includes 133,209 shares held directly, 838 shares held indirectly for the benefit of Ms. Leibman's spouse and 28,449 shares underlying unvested RSUs that vest within 60 days of April 14, 2020. Excludes 180,510 unvested RSUs that will not vest within 60 days of April 14, 2020.

(7) Includes 31,268 shares held directly and 4,823 shares underlying unvested RSUs that vest within 60 days of April 14, 2020.

(8) Includes 22,146 shares held directly, 50,000 shares held indirectly for the benefit of the Jeffrey Benjamin 2009 Family Trust and 4,823 shares underlying unvested RSUs that vest within 60 days of April 14, 2020.

(9) Includes 97,146 shares held indirectly for the benefit of the John Tobin Cahill AAL 2020 GRAT, 50,000 shares held indirectly for the benefit of the John Tobin Cahill Revocable Trust and 4,823 shares underlying unvested RSUs that vest within 60 days of April 14, 2020.

(10) Includes 30,146 shares held directly and 4,823 shares underlying unvested RSUs that vest within 60 days of April 14, 2020.

(11) Includes 36,752 shares held directly and 4,823 shares underlying unvested RSUs that vest within 60 days of April 14, 2020.

(12) Includes 12,911 shares held directly and 4,823 shares underlying unvested RSUs that vest within 60 days of April 14, 2020.

(13) Includes 12,911 shares held directly and 4,823 shares underlying unvested RSUs that vest within 60 days of April 14, 2020.

(14) Includes 88,200 shares held directly and 4,823 shares underlying unvested RSUs that vest within 60 days of April 14, 2020.

(15) Includes 24,931 shares held directly and 4,823 shares underlying unvested RSUs that vest within 60 days of April 14, 2020.

(16) Includes 3,802,965 shares held directly, 838 shares held indirectly for the benefit of an officer's spouse, 50,000 shares held indirectly for the benefit of the Jeffrey Benjamin 2009 Family Trust, 97,146 shares held indirectly for the benefit of the John Tobin Cahill AAL 2020 GRAT, 50,000 shares held indirectly for the benefit of the John Tobin Cahill Revocable Trust and 342,104 shares underlying unvested RSUs that vest within 60 days of April 14, 2020, held by our executive officers and directors as a group. Excludes 1,773,076 shares underlying unvested RSUs that will not vest within 60 days of April 14, 2020.

The following table sets forth information regarding the beneficial ownership of our Common Stock as of April 14, 2020 for each person known to us to be the beneficial owner of more than 5% of our outstanding Common Stock.

	Common Stock Beneficially Owned	
Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership**	**Percent of Class**
PRIMECAP Management Company 177 E. Colorado Blvd., 11th Floor Pasadena, CA 91105	68,459,946(a)	16.2%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	43,524,836(b)	10.3%
Warren E. Buffett and Berkshire Hathaway Inc. 3555 Farnam Street Omaha, NE 68131	42,500,000(c)	10.0%
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	23,228,119(d)	5.5%

(a) The amount shown and the following information are derived solely from the Schedule 13G/A filed by PRIMECAP Management Company on February 12, 2020. PRIMECAP Management Company has sole dispositive power with respect to all of such shares, sole voting power with respect to 66,841,931 of such shares and shared voting power with respect to no shares.

(b) The amount shown and the following information are derived solely from the Schedule 13G/A filed by The Vanguard Group on April 9, 2020. The Vanguard Group has shared voting power with respect to 503,634 of such shares, sole voting power with respect to no shares, sole dispositive power with respect to 42,115,156 of such shares and shared dispositive power with respect to 1,409,680 of such shares.

(c) The amount shown and the following information are derived solely from the Schedule 13G/A filed on February 14, 2020 by Warren E. Buffett, Berkshire Hathaway Inc. and certain other reporting persons. In the Schedule 13G/A, Mr. Buffett reports that he has shared power to vote or direct to vote and shared power to dispose of or direct the disposition of all shares. Berkshire Hathaway Inc. reports that it has shared power to vote or direct to vote and shared power to dispose of or direct the disposition of all shares.

(d) The amount shown and the following information are derived solely from the Schedule 13G/A filed by BlackRock, Inc. on February 5, 2020. BlackRock, Inc. has sole dispositive power with respect to all of such shares, sole voting power with respect to 20,870,052 of such shares and shared voting power with respect to no shares.

INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Governance Overview

Maintaining leading governance practices is and has been a long-standing priority, and we regularly assess and refine our corporate governance policies and procedures to take into account evolving best practices.

Our Board has adopted the Governance Guidelines to facilitate our mission and to establish general principles and policies by which the Board manages its affairs. The Governance Guidelines are reviewed periodically by the Corporate Governance and Nominating Committee and are posted on our website at *www.aa.com* under the links “Investor Relations”—“Corporate Governance.”

Board Leadership and Structure

Pursuant to our Bylaws, the Board is responsible for filling the positions of Chairman and Chief Executive Officer, and the independent members of the Board elect the Lead Independent Director, with the persons they deem qualified, as well as for removing and replacing such persons as and when the Board may deem necessary or appropriate. The Board periodically reviews AAG’s leadership structure and may modify the structure as it deems appropriate, given the specific circumstances then facing the Company.

The Board is currently led by Mr. Parker, our Chairman and Chief Executive Officer, and Mr. Cahill, our Lead Independent Director. We believe that our current leadership structure strikes an appropriate balance between effective and efficient Company leadership and oversight by independent directors.

The Board believes that having Mr. Parker serve as both Chairman and Chief Executive Officer is the most effective leadership structure for the Company at this time. Mr. Parker has over 30 years of experience in the airline industry, nearly 20 years of experience as an airline Chairman and Chief Executive Officer, mergers and acquisitions experience and prior service as a director of other large public companies. This experience makes him uniquely well positioned to lead AAG’s business, operations and strategy.

The combination of the Chief Executive Officer and Chairman roles allows consistent communication and coordination throughout the Company, assures effective and efficient implementation of corporate strategy and is important in unifying our team members behind a single vision. The combination of the Chief Executive Officer and Chairman roles is balanced by our strong Lead Independent Director position, by the independence of all of our other directors, each of whom has significant experience in leadership roles at public companies and other large, complex organizations and by the four principal committees of the Board, each of which consists solely of independent directors.

Lead Independent Director Responsibilities

The Board recognizes the importance of strong independent Board leadership. All of our directors are independent under the standards provided in the Governance Guidelines and under applicable NASDAQ listing standards, except for Mr. Parker, our Chairman and Chief Executive Officer. Additionally, the independent directors of the Board periodically elect a Lead Independent Director when the Chairman is not independent. The Board believes that the Lead Independent Director provides the Company and the Board with the same independent leadership, oversight and benefits that would be provided by an independent Chairman. As a result of our stockholder engagement, in 2017 we amended our Bylaws to allow for the selection of the Lead Independent Director by only the independent directors of the Board, and codified our existing practices regarding the authority and role of the Lead Independent Director to enhance transparency and ensure that the appropriate balance of authority, already characteristic of our governance practices, is memorialized in our governing documents.

The independent directors of the Board have elected Mr. Cahill to serve as the Board’s Lead Independent Director. Mr. Cahill has been a member and the Lead Independent Director of the Board since December 2013. He also serves as a member of our Audit Committee and Corporate Governance and Nominating Committee. Mr. Cahill’s extensive leadership and operations experience in executive leadership roles at global public companies, including as Vice Chairman of Kraft Heinz, Chairman and Chief Executive Officer of Kraft Foods Group and Chairman and Chief Executive Officer of The Pepsi Bottling Group, Inc., his accounting and financial expertise and public company board and corporate governance experience, make him qualified to serve as Lead Independent Director of our Board.

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The Lead Independent Director's duties include the following significant responsibilities:

- ✓ Presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors
- ✓ Serves as liaison between the Chairman and the independent directors
- ✓ Ensures that the Board has proper input into the types and forms of information sent to the Board
- ✓ Establishes Board meeting agendas, with the Chairman
- ✓ Ensures that the Board has proper input into meeting agendas and schedules to assure that there is sufficient time for discussion of all agenda items
- ✓ Has the authority to call meetings of the independent directors
- ✓ Consults and communicates directly with major stockholders, as requested by such stockholders
- ✓ Acts as a sounding board and advisor to the Chairman and CEO
- ✓ Guides the CEO succession planning process in conjunction with the other independent directors

Director Independence

The Governance Guidelines contain standards for determining director independence that meet or exceed the applicable rules of the SEC and NASDAQ listing standards. The Governance Guidelines define an "independent" director as one who:

- is not an executive officer or employee of the Company or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director;
- is not, and has not at any time during the past three years been, employed by the Company;
- has not accepted, and does not have any spouse, parent, child or sibling, whether by blood, marriage or adoption, any person residing in such individual's home, or any relative supported financially (each, a "Family Member") who has accepted, any compensation from the Company in excess of $120,000 during any period of 12 consecutive months within the three years preceding the determination of independence, other than (A) compensation for Board or committee service, (B) compensation paid to a Family Member who is an employee (other than an executive officer) of the Company, or (C) benefits under a tax-qualified retirement plan or non-discretionary compensation;
- is not a Family Member of an individual who is, or at any time during the past three years was, employed by the Company as an executive officer;
- is not, and does not have a Family Member who is, a partner in, or a controlling stockholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or $200,000, whichever is more, other than (A) payments arising solely from investments in the Company's securities and (B) payments under non-discretionary charitable contribution matching programs;
- is not, and does not have a Family Member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the Company served on the compensation committee of such other entity;
- is not, and does not have a Family Member who is, a current partner of the Company's outside auditor, and was not, and does not have a Family Member who was, a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years; and
- satisfies any additional requirements for independence promulgated from time to time by NASDAQ.

The Governance Guidelines also provide that the Board will consider all other relevant facts and circumstances, including issues that may arise as a result of any director compensation (whether direct or indirect), any charitable contributions we make to organizations with which a director is affiliated and any consulting arrangement between the Company and a director. The Corporate Governance and Nominating Committee reports annually to the full Board on these matters.

Pursuant to the Governance Guidelines, the Corporate Governance and Nominating Committee and the Board undertake an annual review of director independence. Based on the Corporate Governance and Nominating Committee's review in April 2020, the Board affirmatively determined that all of our directors are independent under the standards provided in the

Governance Guidelines and under applicable NASDAQ listing standards, except for Mr. Parker, our Chairman and Chief Executive Officer, who is an employee. The Board had also previously determined that Messrs. Richard C. Kraemer and Alberto Ibargüen, who served on our Board through June 2019, were independent directors.

The following types and categories of transactions, relationships and arrangements were considered by our Board in making its independence determinations in 2020. Excluded were ordinary course air transportation by corporations or other organizations where the director's interest solely arises from such person's position as a director or advisor to such other corporation or organization. All of the reviewed transactions and arrangements were entered into in the ordinary course of business and none of the business transactions, donations or grants involved an amount that exceeded the greater of 5% of the recipient entity's revenues or $200,000.

- Each of Mses. Kronick and O'Leary and Messrs. Albaugh and Hart serves as a member on the board of directors or an advisory board of companies or entities that engage, or whose affiliates engage, in ordinary course commercial transactions with AAG involving goods or services other than air transportation or to which AAG had made a donation or grant.
- Each of Messrs. Albaugh and Benjamin serves as senior advisors to Industrial Development Funding and Cyrus Capital Partners, respectively, each of which may have investments in us and/or companies with which we do business in the ordinary course. Neither of Messrs. Albaugh and Benjamin is a partner in or executive officer of such company, nor is he deemed to beneficially own the securities held by such company.

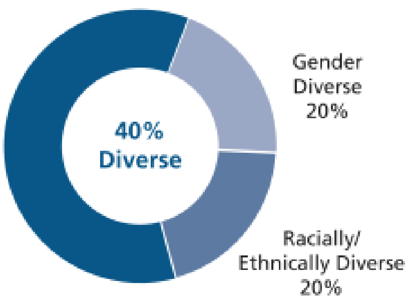
The Board has concluded that these transactions and arrangements do not impair the directors' exercise of independent judgment in carrying out their responsibilities as directors.

Board Diversity and Tenure

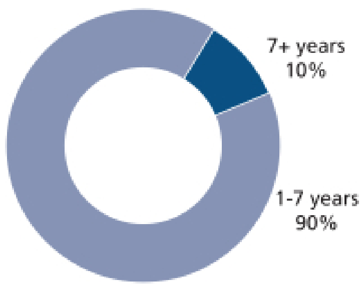
Our Board believes that diversity is an important aspect of an effective board. The Corporate Governance and Nominating Committee seeks to recommend individuals to the Board with, among other things, a diversity of skills, experience, expertise and perspective appropriate for the business and operation of the Company. We recognize the benefits of racial and gender diversity in the boardroom, including better reflecting our diverse customer and employee base and the healthy debate that stems from different viewpoints that may result from diverse backgrounds. Accordingly, our Board is diverse in many ways, with differing geographic, business and racial backgrounds. Forty percent of our Board nominees are diverse based on gender or ethnicity.

We believe that fresh perspectives and new ideas are critical to a forward-looking and strategic Board. At the same time, given the extremely complex nature of our business, it is equally important to benefit from the valuable experience and institutional knowledge that longer-serving directors bring to the boardroom. In November 2015, we added two new directors to our Board, Ms. Kronick and Mr. Nesbitt. Our remaining directors, other than Mr. Robinson, joined our Board in December 2013 at the effective date of the merger with US Airways. The Board strongly believes that the current mix of directors provides the Company with an appropriate balance of knowledge, experience and capability, allowing us to leverage deep company experience and knowledge in addition to new viewpoints and innovative ideas among newer directors. Nine out of our 10 Board nominees have served on our Board for less than seven years and two have been on our Board for less than five years.

Diversity



Tenure



Board Self-Evaluation

Our Governance Guidelines and Corporate Governance and Nominating Committee charter provide that the Corporate Governance and Nominating Committee must conduct a periodic assessment of the performance of the Board, including the committees, and provide the results to the full Board for discussion. The purpose of the review is to increase the effectiveness of the Board as a whole and of each of the committees. The assessment includes an evaluation of the Board and each committee's contribution as a whole, of specific areas in which the Board, the applicable committee and/or management believe better contributions could be made and of the overall make-up and composition of the Board and its committees.

Board Meetings

The Board conducts its business through meetings of the full Board and committees of the Board. The Board regularly meets in executive session with only independent directors of the Board present. During 2019, the Board held eight meetings, four of which were in-person meetings that included executive sessions comprised of only independent directors. In 2019, each incumbent director attended at least 75% of the aggregate number of meetings of the Board and of the committees on which he or she served.

Committees

The Board currently has four standing, principal committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Finance Committee. The primary responsibilities, membership and meeting information for the committees of our Board during 2019 are summarized below. A copy of the charter of the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee is available on our website at *www.aa.com* under the links "Investor Relations"—"Corporate Governance."

Audit Committee

Members in 2019:
Matt Hart (Chair)
John Cahill
Mike Embler
Marty Nesbitt
Alberto Ibargüen (through June 12, 2019)

Meetings in 2019: 5

The Board has determined that each member is independent under SEC and NASDAQ rules and the Governance Guidelines. Each member is a "financial expert" under applicable SEC rules and has the financial management expertise required by NASDAQ listing standards.

Primary Responsibilities

- Oversee the Company's internal accounting function; report to the Board with respect to other auditing and accounting matters
- Appoint or replace the independent auditor; oversee the work of the independent auditor for the purpose of preparing or issuing an audit report or related work, including determining the scope of annual audits and fees to be paid
- Oversee the Company's risk management policies that relate to the financial control environment, financial reporting and disclosure controls
- Establish and maintain procedures for compliance with significant applicable legal, ethical and regulatory requirements and for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters
- Review and approve all significant conflicts of interest and related party transactions in accordance with Company policies
- Review cyber-security, data privacy and other risks relevant to the Company's computerized information system controls and security
- Pre-approve audit and permitted non-audit services provided by the independent auditor

Compensation Committee

Members in 2019:
Denise O'Leary (Chair)
Jim Albaugh
Jeff Benjamin
Sue Kronick (effective June 12, 2019)
Alberto Ibargüen (through June 12, 2019)
Richard Kraemer (through June 12, 2019)

Meetings in 2019: 5

The Board has determined that each member is independent under NASDAQ rules and the Governance Guidelines and is a "non-employee director" as defined by Rule 16b-3 under the Exchange Act.

Primary Responsibilities

- Review and approve the Company's overall compensation strategy and policies, including performance goals for executive officers
- Review the relationship between the Company's compensation strategy and risk management policies; together with the Board, oversee succession planning
- Evaluate the performance of the Company's Chief Executive Officer and approve his compensation and other terms of employment
- Evaluate the performance of and determine the compensation and other terms of employment of the other executive officers and other members of senior management
- Administer the Company's incentive and stock plans, including establishing guidelines, interpreting plan documents, selecting participants, approving grants and awards and making all other decisions regarding the operation of such plans
- Review the Company's workforce diversity and inclusion
- Retain outside advisors; directly retains and oversees its independent compensation consultant

Corporate Governance and Nominating Committee

Members in 2019:
Ray Robinson (Chair)
Jim Albaugh
John Cahill
Denise O'Leary
Sue Kronick (through June 12, 2019)

Meetings in 2019: 3

The Board has determined that each member is independent under NASDAQ rules and the Governance Guidelines.

Primary Responsibilities

- Oversee all aspects of the Company's corporate governance functions, including the procedures for compliance with significant applicable legal, ethical and regulatory requirements that impact corporate governance
- Conduct an annual review of director independence and the performance of the Board, including the committees
- Identify individuals qualified to become members of the Board and recommend director nominees
- Periodically review and evaluate, with the Company's management, the Company's governance-related risks and risk management practices
- Review and assess the Governance Guidelines, which among other things, sets forth the responsibilities and authority of our Lead Independent Director, and recommend any changes deemed appropriate to the Board
- Oversee the Company's lobbying activities, major advocacy priorities, principal trade association memberships and political contributions, if any, and periodically review reports on the Company's corporate political contributions and the processes and guidelines of the PAC
- Oversee the Company's environmental and social sustainability efforts
- Review the compensation of the non-employee members of the Board and make recommendations regarding changes to the full Board

Finance Committee

Members in 2019:	Primary Responsibilities
Mike Embler (Chair) Jeff Benjamin Sue Kronick Marty Nesbitt **Meetings in 2019: 5** The Board has determined that each member is independent under NASDAQ rules and the Governance Guidelines.	• Oversee the Company's financial affairs and capital spending • Recommend to the Board financial policies and courses of action that will effectively accommodate the Company's goals and operating strategies • Supervise the Company's dividend and share repurchase programs • Review, approve and/or recommend to the Board our annual budget and financing plans and other matters related to the Company's financial and strategic planning • Oversee the Company's financial risk management practices

Compensation Committee Process for Executive Compensation

The Compensation Committee charter gives the Compensation Committee the authority and responsibility to review and approve our overall compensation strategy and policies, including performance goals for executive officers. The Compensation Committee is responsible for reviewing and approving the compensation and other terms of employment of the Chief Executive Officer and for evaluating his performance. The Compensation Committee also evaluates, after receiving input from the Chief Executive Officer, the compensation and other terms of employment of the other executive officers, including in the case of internal promotions and new hires of executive officers. The Compensation Committee administers our incentive compensation, stock, bonus and other similar plans and programs; approves awards under those plans; reviews and, based upon the recommendation of the Chief Executive Officer, approves the adoption of, amendment to, or termination of executive compensation and benefit plans; and determines the general design and terms of, and may delegate authority to executive officers to administer, significant non-executive compensation and benefits plans. The Compensation Committee has delegated to an Equity Incentive Committee, consisting of the Chief Executive Officer, the authority to make equity grants to employees who are not executive officers within guidelines established by the Board or the Compensation Committee.

The Compensation Committee generally receives information from the Chief Executive Officer, the Executive Vice President—People and Global Engagement, the Senior Vice President—People and compensation consultants engaged by the Compensation Committee in connection with its determinations regarding executive compensation. The Compensation Committee has sole authority to retain and terminate any outside advisors, such as compensation consultants and legal counsel.

The Compensation Committee retained Willis Towers Watson as its independent compensation consultant until July 2019, when it retained Korn Ferry as its independent compensation consultant on a going forward basis.

During the first half of 2019, Willis Towers Watson assisted the Compensation Committee in determining our executive compensation and reviewing and analyzing proposed compensation programs for our executive officers and directors. The total expense for the executive and director compensation advising services provided to us by Willis Towers Watson during 2019 was approximately $19,281.

Also during 2019, specialized teams at Willis Towers Watson provided actuarial valuation and consulting services relating to retirement plans, health and welfare plans, individual marketplace benefits delivery and administration, talent, data services, workers compensation and contractual liability and risk services relating to aviation/property and casualty, for aggregate fees of approximately $5.3 million. The Willis Towers Watson personnel who performed actuarial valuation and consulting services for us operated separately and independently of the Willis Towers Watson personnel who performed executive compensation-related services for us. While the decision to engage Willis Towers Watson for such other services was made by management, the Compensation Committee assessed whether the services provided by Willis Towers Watson raised any conflicts of interest pursuant to applicable SEC and NASDAQ rules and concluded that no such conflicts of interest existed.

Beginning in July 2019, Korn Ferry assisted the Compensation Committee in determining our executive compensation and reviewing and analyzing proposed compensation programs for our executive officers. After review and consultation with Korn Ferry, the Compensation Committee determined that Korn Ferry is independent and there is no conflict of interest resulting from retaining Korn Ferry pursuant to applicable SEC and NASDAQ rules.

Board Role in Risk Oversight

The Board is responsible for the oversight of the Company's ongoing assessment and management of material risks impacting our business. The Board oversees the Company's enterprise-wide approach to risk management, which is designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational performance and to enhance stockholder value. A fundamental part of risk management is not only understanding the risks we face and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate. Management is responsible for establishing our business strategy, identifying and assessing the related risks and establishing appropriate risk management practices. The Board, either directly or through one or more of its committees, reviews our business strategy and management's assessment of the related risk and discusses with management the appropriate level of risk. The Board relies on each Board committee to oversee management of specific risks related to that committee's function. The Corporate Governance and Nominating Committee periodically reviews the Company's governance-related risk management practices, and with management's assistance, the committee has developed and coordinated the Board's current risk oversight program. The Board has not established a separate risk committee because the Board believes that the most significant risks we face are most properly directly overseen by the full Board or, in certain cases, the appropriate standing committee.

The Board oversees and reviews the management of our most significant strategic, financial and operations risks, including risks associated with safety, the day-to-day operation of the airline and the interruption of airline service, revenue production, our information technology systems, business risks related to cyber-security, and labor issues and costs. The management of the coronavirus emergency and our Board's oversight of the management of that risk is a case in point. As we implemented our pandemic contingency plan, management regularly communicated with the Board and our Lead Independent Director. As of the date of this Proxy Statement, we have held three Board meetings devoted primarily to reviewing and discussing the planning for and management of the impact of COVID-19 on our team members, our customers and our business, the execution of our contingency plan and risk mitigation efforts, and decision making around the emergency, our liquidity and federal government support under the Coronavirus Aid, Relief and Economic Security Act.

The Audit Committee oversees our risk management policies that relate to the financial control environment, financial reporting and disclosure controls and our procedures for compliance with significant applicable legal, ethical and regulatory requirements that impact our financial statements. The Audit Committee meets regularly with our internal auditors, independent auditors, Chief Financial Officer, Vice President and Controller, Executive Vice President—Corporate Affairs, Senior Vice President and General Counsel, Chief Ethics and Compliance Officer, Corporate Secretary, Chief Information Officer, Chief Information Security Officer, Chief Privacy Officer and the Company's external advisors. The Audit Committee receives regular risk and internal controls assessment reports from the independent auditors and internal auditors. The Audit Committee also establishes and maintains procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters. The Audit Committee also reviews cyber-security and other risks relevant to the Company's computerized information system controls and security.

The Compensation Committee oversees compensation risk management by participating in the creation of, and approving, compensation structures that create incentives that encourage an appropriate level of risk-taking behavior consistent with our business strategy, as is further described in the section entitled "Risk Assessment with Respect to Compensation Practices" below. The Compensation Committee also works with the Chief Executive Officer, the Executive Vice President—People and Global Engagement and the Senior Vice President—People to oversee risks associated with the retention of our most senior executives.

The Finance Committee oversees financial risk by working with senior management to evaluate elements of credit risk, advising on financial strategy, capital structure and liquidity needs and reviewing our financial risk management policies and practices. Our Chief Executive Officer, President and Chief Financial Officer meet periodically with the Finance Committee to discuss and advise on elements of these risks.

Risk Assessment with Respect to Compensation Practices

Management and the Compensation Committee, with the support of the compensation consultant, have reviewed the compensation policies and practices for our employees as they relate to our risk management and, based upon these reviews, we believe that any risks arising from such policies and practices are not reasonably likely to have a material adverse effect on us in the future.

Our basis for this conclusion includes that our compensation programs are designed to include the following features:

- Formulaic annual and long-term incentive plan awards with maximum pay-out caps or guidelines instead of discretionary pay-out decisions. The STIP's individual modifier component is subject to the Compensation Committee's discretion and can only be implemented by a resolution of the Compensation Committee or within limited bounds approved by the Compensation Committee.
- Equity incentive awards are subject to performance or time-based vesting periods that are intended to incentivize long-term rather than short-term results.
- Our incentive compensation plans include a diverse and blended set of pre-established goals and metrics that focus on a variety of areas across the Company and may include financial, operational, TSR and/or the achievement of individual goals. The STIP includes financial (adjusted pre-tax income—50% weighting) and customer operational goals (on-time departure, on-time turn, controllable completion factor and likelihood to recommend—50% weighting, with each metric equally weighted at 12.5%). In addition, the goals established in our executive compensation programs are not subject to adjustment without Compensation Committee approval.
- Our executive officers are all at-will employees and have modest severance and retirement benefits, which together act to minimize excessive risk-taking behaviors.
- All of our executive officers' equity incentives are subject to staggered service-vesting conditions that incentivize sustained long-term appreciation of our stock price, and at least half of the equity incentives are also subject to performance-vesting conditions tied to financial and TSR metrics that incentivize long-term, industry-leading financial and market-based performance.
- We maintain stock ownership guidelines and a clawback policy for executive officers that further reduce undue risk-taking incentives. Our executive officers have actual stock ownership that is well in excess of the required minimum.
- Actual performance results for incentive programs for employees at the level of director and above are reviewed and verified by a variety of departments (including finance, human resources, operations and legal) and are also reviewed by our internal auditor. These results are reported to the Compensation Committee, the Audit Committee and the Board.
- Our Insider Trading Policy and authorization to trade process monitors employee transactions in Company stock, including transactions from recently separated employees.
- All of our performance-based compensation programs are based on overall corporate performance, rather than the performance of any business unit or group.
- The Company maintains separate bonus programs for two organizations that are based on each organization's respective performance; however, all of the participants are front-line employees, the number of participants and the payments under these programs are small and capped and no executives participate in the programs.
- For a discussion of the principles underlying our compensation policies for our executive officers who are named in the "Executive Compensation—Summary Compensation Table," see the section entitled "Compensation Discussion and Analysis" beginning on page 46.

Annual Meeting Attendance

Our Governance Guidelines provide that each of our directors is expected to attend our Annual Meeting of stockholders, except where unusual circumstances arise. All of the directors who were standing for re-election attended our 2019 annual meeting of stockholders.

Director Continuing Education

Non-employee directors are encouraged to attend seminars, conferences and other director education programs periodically. We reimburse the directors for the costs associated with these seminars and conferences, including related travel expenses. Management also conducts a comprehensive orientation process for new directors. In addition, directors receive continuing education through educational sessions at meetings and mailings between meetings.

Communications with the Board and Non-Management Directors

The Board has approved procedures to facilitate communications between the directors and employees, stockholders and other interested third parties. Pursuant to these procedures, a person who desires to contact the Board, a standing committee of the Board or a director may do so in writing to the following address:

American Airlines Group Inc.
The Board of Directors
P.O. Box 619616, MD 5675
Dallas/Fort Worth International Airport, Texas 75261

We will review the communications with the directors, a standing committee of the Board or an officer, in each case depending on the facts and circumstances outlined in the communication. The Corporate Governance and Nominating Committee also reviews with senior management the nature of the communications and our responses to them. Any communication relating to a stockholder nominee for a position on the Board or a stockholder proposal for business to be considered at any annual meeting of stockholders or included in any proxy statement will be sent to the Chair of the Corporate Governance and Nominating Committee. As provided in our Governance Guidelines, our Lead Independent Director, Mr. Cahill, has been designated as the primary director representative for consultation and direct communication with our stockholders.

Environmental, Social and Governance Issues

At American Airlines, we know that leadership and effective management of environmental, social and governance issues is critical to the long-term success of our Company and our planet. At the Company, Environmental, Social and Governance (“ESG”) encompasses how we govern our business and hold ourselves accountable, invest in and support our team, serve our customers, improve our diversity, equity and inclusion, minimize our environmental impacts, and give back to our communities. It also includes being responsive to our stakeholders and transparent about our performance. If we do all these well, our Company and our team will thrive over the long term.

Governance and Approach

During 2019, we sharpened our focus on ESG issues and redoubled our commitment to reducing our environmental impact. We began by enhancing our leadership of ESG efforts and reconsidering the way ESG issues are managed by us and overseen by our Board. We formally placed responsibility for company-wide ESG efforts in our Corporate Affairs group, with a team that already had responsibility for some of the major building blocks of ESG, including corporate governance, government relations, labor relations and real estate, and experience coordinating company-wide initiatives. We recruited a new managing director for ESG and reorganized our sustainability group under her leadership. Although our Board will continue to oversee our ESG efforts, we assigned primary responsibility for coordination of that oversight to the Corporate Governance and Nominating Committee.

Next, we asked the team to design a new ESG strategy that sets objectives for ESG advances, with a focus on reducing the Company’s carbon footprint and its overall impact on the environment. We also asked that the strategy engage our team members in every part of our ESG efforts. That work progressed and accelerated into the Spring of 2020.

Finally, we charged the team with changing the way we talk about ESG issues internally and improving our disclosure around ESG and sustainability. We believe we made significant progress on the first, and that our 2020 Sustainability Report, which we expect to publish this summer, will give us the chance to demonstrate improvements on the second. In the last few years, there has been an emerging consensus about what represents best-in-class reporting on ESG issues, and consequently, in 2020, our ESG reporting will be informed by the globally-recognized standards of the Task Force on Climate-related Financial Disclosures and the Sustainability Accounting Standards Board. These enhanced disclosures will provide our stakeholders with a clearer picture of how we are managing a wide array of relevant sustainability-related questions.

We also introduced and made progress on a number of specific ESG initiatives.

Climate Change and Sustainability

The global airline industry contributes about two percent of all human-induced carbon dioxide (“CO2”) emissions, and our industry’s share of global emissions is projected to rise as the demand for aviation grows and other industries deploy more environmentally sustainable technologies that will not be available to the airline industry in the near term. We recognize that our industry and our Company must work to reduce our greenhouse gas (“GHG”) emissions over time to do our part to limit global warming to 1.5 degrees Celsius, which is the limit advised by the Intergovernmental Panel on Climate Change.

The airline industry is one of the few sectors that have adopted global emissions reductions goals. Our industry's current commitment is made through the United Nations' Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA"), which aims to achieve carbon-neutral growth in emissions from international aviation. The industry took this a step further by pledging to cap emissions at half of 2005 levels by 2050. While we recognize that these industry-wide goals are an important mid-term step, we also know that they will not address all of our industry's challenges, and that we will have to do more, particularly with regard to domestic emissions.

The vast majority (over 98%) of the Company's CO2 emissions come from jet fuel, and therefore reducing the consumption of petroleum-based jet fuel is a core focus of our climate change strategy. Over the past seven years, we have pursued this objective by undertaking the most extensive fleet replacement initiative in the history of aviation. Since 2013, we have taken delivery of 550 new, more fuel-efficient aircraft—at a cost of $23 billion—including the Boeing 787 Dreamliner and the Airbus 321neo, which were developed with the latest engine and airframe technologies. Over the same period, we retired a similar number of older, less fuel-efficient airplanes; in 2019, we retired the last of our MD-80 aircraft, and we recently announced plans to retire our Boeing 757, Boeing 767, Airbus A330-300 and Embraer E190 fleets.

We have also looked to new technology to help us operate more efficiently. While our flight plans are developed using the best available weather data prior to departure, they cannot adapt to changes that might occur along the flight path. Earlier this year, we began deploying specialized software that uses real-time weather conditions to provide our flight crews with better data about optimal flight altitudes and speeds, which can provide significant fuel and emissions savings, particularly on long-haul flights. We anticipate using this technology on 85% of our mainline aircraft.

Over the longer term, we expect to rely on technologies with greater potential to reduce emissions, including new engine technology and new aircraft, as well as the development of a modern and more efficient air traffic control system in the United States, one that should alleviate congestion and reduce delays that result in additional fuel consumption and associated emissions. To aid in this objective, the Company is partnering with NASA and the FAA to field test new processes that allow the FAA to use congested air space more efficiently by sequencing departures and better predicting aircraft traffic flows. This both reduces ground and flight delays for our customers and helps airlines reduce emissions.

We have committed to purchase nine million gallons of sustainable aviation fuel ("SAF") over three years from Neste, a leading producer of renewable products. This commitment contributes to our goal of sourcing 2.5 million gigajoules of cost-competitive renewable energy by 2025. While the SAF industry is continuing to invest and grow production capacity, there remain significant challenges to the availability of SAF supply in the quantities and at the prices necessary to make a difference in the airline industry's and the Company's emissions. Bringing SAF and other new technologies to scale will require the combined efforts of the private sector and effective policies from governments at all levels. One aim of our initial SAF order from Neste is to help facilitate the next steps in that process.

Also, over the past several years, we have been working to reduce our GHG emissions on these other fronts:

- We have expanded our use of renewable energy to power our administrative, ground and support operations, focusing on our primary facilities in North Texas, where we have our largest airport operation and our Fort Worth campus, which includes our integrated operations center, the majority of our training facilities, a large call center and our principal offices. All of the electricity used on our campus and our Dallas/Fort Worth International Airport terminals and facilities is from renewable sources. We believe that we are the largest airline purchaser of renewable electricity in the U.S.
- Over the past six years, we have built hundreds of thousands of square feet of new, more energy efficient facilities on our campus and at locations around the world. In addition, we have significant facilities projects underway or in design at LaGuardia and JFK airports in New York, Reagan National Airport in Washington, O'Hare International Airport in Chicago, Los Angeles International Airport and at Dallas/Fort Worth International Airport. All of these new facilities will be more energy efficient that the ones they are replacing.
- We have re-imagined our corporate campus with three new office buildings and another under construction, with a focus on environmental impact and sustainability. Those initiatives include the replacement of 21 acres of concrete surfaces with landscaping and the planting of more than 3,000 trees. We are also working towards LEED Gold certification of more than two million square feet of office and crew training hotel facilities.
- We have also strengthened our voluntary reporting of our environmental impact, which resulted in a significant increase in our score from CDP, a nonprofit that manages a widely-used corporate environmental disclosure system.

Our operations impact the environment in many ways, from GHG emissions related to our flights and ground equipment we operate to the disposal of waste related to the maintenance and overhaul of our aircraft. We have a comprehensive set of programs in place to manage those impacts (as well as to ensure compliance with environmental regulations), and we want those programs to be best-in-class. To ensure that our programs meet industry best practices, we're seeking certification from IATA's Environmental Assessment ("IEnvA") program, which assesses airline performance against sustainability standards related to air quality and emissions, noise, fuel consumption, recycling, sustainable procurement and more. IEnvA is based on the core principles of compliance with environmental obligations and a commitment to continual and management improvement. We were the first major U.S. carrier to begin the IEnvA certification process.

We are proud of the gains we have made in reducing our emissions, but we have more work to do to tackle climate change at the scale and urgency that the situation requires. In 2020, we plan to further refine our strategy to address and manage the risks and opportunities associated with climate change, including strengthening our mid- and long-term emissions reduction targets, building those targets into our business plans, and further improving our disclosure and dialogue with our stakeholders.

Team Member and Labor Relations

The Company has over 130,000 team members around the world. Approximately 85% of our employees are represented by various labor unions, the highest percentage of represented workers of any U.S. airline. Our Company respects our team members' rights to free association and collective bargaining, and we strive to work collaboratively with our union partners to negotiate industry-leading contracts. Since 2005, we have completed more than 30 collective bargaining agreements, significantly more than any other airline. Our goal is to offer industry leading total compensation and benefits packages to all our team members, including profit sharing. Since our landmark merger with US Airways in 2013, we have increased the size of our workforce by 23,000 team members and increased the average wages per employee by more than 58% over those six years.

Customer Experience

Our goal is to provide a world class customer experience, delivering tailored services to our customers based on their preferences. We also look for ways to improve our team members' experience so that they are better equipped to care for our customers.

We're reducing stress in the check-in process to get our customers on their way faster. We encourage customers traveling internationally to scan their passports at home using a mobile device, and we're reducing their need to scan travel documents by storing important information in their trip history so that a second scan isn't required on the return trip. We also allow customers to pay for their checked bags online before they get to the airport. And we have updated our in-airport kiosks to help our customers more quickly process transactions, including printing bag tags.

We have expanded the ways we communicate flight status to our customers. We now send day-of-travel flight status notifications further in advance to help our customers plan their travel to the airport; and we provide updated terminal, gate and connecting time information once a customer arrives in their connection city.

To smooth the boarding process, we text "Board Now" notifications to alert customers when the boarding process begins. We have also expanded the use of biometric technology in place of boarding passes for select international departures, provided better seating transparency, and updated upgrade and standby lists to provide more information. And we have improved our seat assignment automation to make every effort to seat minors and parents together.

We were the first U.S. airline to install satellite-based Wi-Fi across our mainline fleet. We offer more free inflight entertainment than any other U.S. airline and were the first to offer free live inflight television globally. And we are adding power to every mainline seat.

We are working to provide more options for our customers when flight schedules are disrupted. We now give customers the ability to rebook their own delayed or cancelled flights on their mobile devices, and we deliver digital meal and hotel vouchers to customers whose flights are disrupted, allowing them to choose a hotel and electronically redeem meal vouchers, also on their mobile devices. And we have improved our ability to keep customers and their checked bags together by expanding the use of baggage reconciliation tools to all of our ramp team members.

Diversity, Equity and Inclusion

The Company's approach to diversity, equity and inclusion ("DEI") is driven by one of our three strategic objectives: to make culture a competitive advantage. In January, we successfully recruited our first Chief Inclusion and Diversity Officer, who will lead our global diversity, equity and inclusion strategies. This includes establishing the Company's Office of Diversity, Equity and Inclusion to ensure we implement best practices across all aspects of the Company's people and business processes.

The Company has taken a number of additional steps to strengthen its DEI practices. These include implementing both computer-based and in-person implicit bias training for all team members, which over 100,000 team members have received to date. We have also created a specialized team to listen to, resolve and learn from customer feedback relating to DEI issues.

To further and more deeply embed DEI into our management performance processes, we are building a new DEI strategic plan and a DEI component of management reviews. The proposed review process will establish DEI goals with leadership and provide the support and skills required for team leaders to achieve them effectively. The strategic plan will call for an enterprise-wide DEI learning and development plan, efforts to strengthen and diversify our leadership pipeline, and enhancements to our employee business resource groups and community partnerships.

We are planning to release a full report on our efforts in these areas in the coming months.

Community Impact

We are committed to making a meaningful and beneficial impact on our community. As a global airline, we look for opportunities to support both U.S.-based and international causes and philanthropic organizations. For example:

- In 2019, team members collectively logged 157,000 volunteer hours and, in recognition of that effort, the Company donated more than 19 million AAdvantage miles to local charities on our team member volunteers' behalf.
- For nearly 25 years, the Company has partnered with UNICEF to collect more than $17 million from our customers in support of the "Change for Good" program, an innovative partnership that helps improve the lives of millions of children around the world. Travelers on select international flights can donate unused U.S. and foreign currencies to help UNICEF provide lifesaving assistance to children in more than 190 countries and territories. In 2019, we raised more than $1.2 million.
- For four years, the Company has partnered with Stand Up to Cancer in support of their innovative research and commitment to turn patients into long-term survivors. In 2019, we launched a first-of-its-kind clinical trial finder, enabling our team members to navigate their journey against all forms of cancer.
- We partner with the Medal of Honor Foundation, an organization recognizing those who have received our country's highest award for valor in combat. We support their mission to educate students on the high ideals behind the medal with a focus on character education. The Company provides air transportation and our highest customer status for each hero and their spouse, enabling them to travel with ease to share their message throughout the nation.
- For 35 years, the Company has supported research for the treatment and cure of cystic fibrosis. Cystic fibrosis is considered an "orphan disease" which implies it "only" impacts 30,000 people in the United States and, as a result, does not receive funding like other more prevalent diseases do. That's why every dollar matters, and to date we have raised more than $40 million for the Cystic Fibrosis Foundation. As a result, significant advances have been made in the development of both gene and drug therapies as treatments for cystic fibrosis patients.
- For nearly 30 years, the Company has partnered with the Make-A-Wish Foundation to help grant more than 8,000 life-changing wishes for children with critical illnesses all over the world.
- Our ongoing partnership with the Gary Sinise Foundation serves active service members, veterans and their families. Through programs like Soaring Valor and Snowball Express, as well as transportation for the Lt. Dan Band to perform concerts across the country, the Company supports the military community and helps make a difference for thousands of service members each year.
- We have partnered with the American Red Cross for 12 years and are recognized as a member of its $1 million annual disaster giving program.

In 2020 and beyond, we will pursue new opportunities to help our communities and continue to seek out partnerships with various charities, aid groups, and other non-governmental organizations ("NGOs"). We specifically will look to partner with environmental NGOs in our ongoing efforts to enhance our environmental sustainability.

ESG Recognition

- For the 18th consecutive year, the Human Rights Campaign honored the Company with the highest possible rating in the prestigious Corporate Equality Index, a national benchmarking tool that rates companies on their policies and practices with regard to lesbian, gay, bisexual and transgender employees.
- The Company was named to Newsweek's 2020 list of America's Most Responsible Companies, ranked in the top 100 in the publication's inaugural ranking and the highest among U.S. airlines included on the list.

- The National Business Group on Health named the Company one of the 50 best U.S. employers for workforce well-being programming and a commitment to making well-being integral to our workforce strategy.
- The Company received the top score of 100 on the Disability Equality Index ® and was named one of the 2019 Disability Equality Index ® Best Places to Work for Disability Inclusion for the fourth consecutive year.
- The Religious Freedom and Business Foundation ranked the Company as fifth in the Fortune 100 for religious inclusion.
- FTSE4Good and ECPI ESG indices included AAG stock in their sustainability-focused funds.

The COVID-19 Pandemic

Even as we publish this Proxy Statement, the COVID-19 pandemic has disrupted our world, our industry and the Company to an extraordinary and unprecedented extent. COVID-19 has upended business as usual across every sector of our society. It also serves as a stark reminder of how interconnected we are and how quickly disruption in one part of the world can spread to all areas, with massive and unanticipated social and economic impacts.

Since the very start of the crisis, our priorities have been the safety of our customers and team members and the continued ability of our Company to serve its purpose, provide livelihoods for our employees, and provide as much air service as possible, notwithstanding the impact of COVID-19 on demand. We are extremely proud of our efforts on all these fronts.

We have worked closely with the Centers for Disease Control and Prevention (the "CDC") and other public health officials to understand the latest developments and how we can best take care of our customers and team members. As of the date of this Proxy Statement:

- We expanded our already comprehensive efforts to clean our aircraft and airports, adding enhanced cleaning procedures on all flights and developing new disinfection protocols for catering equipment and supplies. In March, we began provisioning sanitizing wipes or gels and face masks to crew members. We are expanding this program to also provide face masks to customers as supplies and operational conditions allow.
- To provide more space onboard through May 31, we are limiting the number of customers on each mainline and regional flight. We have also closed airport lounges, while keeping service desks open and available to help our customers.
- We urged our team members to stay home if they felt ill and gave our front-line team members an additional two weeks of paid COVID-related sick leave. At many of our facilities, we are checking team member temperatures at the start of the work day and sending them home with paid leave if they register a temperature above the limit set by the CDC.
- We recognized our obligation to continue serving those who needed to fly, such as the medical professionals trying to get to areas hit hard by COVID-19, just as we needed to give other customers flexibility to change their plans. We waived change fees for customers with existing travel scheduled through September 30, 2020. These customers will be able to use the full value of their fare, without change fees, for travel anytime through December 31, 2021. We have also waived change fees for customers who buy tickets by May 31, 2020 for future travel.
- In the wake of government restrictions on international travel, we added special service from Latin America and the Caribbean to bring U.S. residents home. We have been proud to assist the efforts of the U.S. Department of State. We capped fares on our repatriation flights and put in place a waiver program for customers whose travel was affected.

We have focused on preserving the jobs of our front-line team members despite dramatic reductions in demand for our services, both to continue to provide our employees with income and healthcare benefits during the crisis and so that we are prepared to expand capacity quickly and efficiently when the crisis subsides and lead the economy back to stability and growth. The U.S. needs a vibrant airline industry to return the country to prosperity, and the American Airlines team is prepared to lead.

- We joined with union leaders and other airlines in a joint request to federal government leaders for financial support to stabilize the passenger airline industry and protect its outstanding workforce. Congress and the Administration responded with the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), an economic stabilization package to help U.S. workers and businesses devastated by the drastic economic downturn, support for which we are deeply grateful.

- Pursuant to the Payroll Support Program established under the CARES Act, the United States Department of the Treasury is to provide to the Company payroll support in an amount expected to be approximately $5.81 billion which will exclusively be used for the continuation of payment of employee wages, salaries and benefits and will help avoid the economic calamity of hundreds of thousands of additional unemployed Americans. In addition, pursuant to the loan program established under the CARES Act, the Company has also applied for a secured term
loan in the principal amount of approximately $4.75 billion. The CARES Act will allow the industry to expand service and capacity as quickly as possible when demand begins to return.
- But we are not relying entirely on government assistance to get us through this crisis. We are deploying strict expense-control measures to maintain liquidity and keep our workforce intact. These measures include reducing variable costs in response to capacity reductions, pausing non-essential hiring and non-contractual compensation increases and suspending all non-essential training and other programs. Our leadership team also participated in lowering our expenses by volunteering for significant reductions to their compensation.
- We offered our U.S.-based team members voluntary leave options that preserved a portion of their pay, both to give our team members the flexibility to care for children and other family members and to reduce expenses. Importantly, all of our voluntary leave programs come with continued health care benefits as well as continued Company match to 401(k) and other contractual pension programs.
- In March 2020, the Company began operating our first cargo-only flights since 1984 transporting medical supplies, mail for active U.S. military and other critical equipment. Since then, we have expanded our cargo-only operation to provide more than 6.5 million pounds of capacity to transport critical goods between the U.S. and Europe, Asia and Latin America.

And we are fulfilling our obligation to serve our communities in other ways. In April 2020, in cooperation with our customers, we raised more than $2.8 million to support the COVID-19 relief efforts of the American Red Cross, including securing blood supplies and providing critical relief services. The more than $1 million we and our customers raised in the first 24 hours of the campaign set a fundraising record for Red Cross partners. And we donated more than 100 tons of food to local food banks across the country, through our longstanding partnership with Feeding America. We are continuing to look for ways we can help communities and families in need throughout the crisis.

More information about how the Company is responding to the COVID-19 crisis can be found at *http://news.aa.com/coronavirus/* , but is not incorporated by reference into this Proxy Statement.

In the near term, our focus on supporting those in our care and shepherding our business through this challenge may require us to recalibrate the scale and pace of our ESG and sustainability efforts. Over the long-term, however, we recognize that our work across the universe of ESG issues will make the Company stronger, more resilient and better able to support those in our care in the event of future challenges, and therefore they remain a priority for the Company.

Codes of Ethics

Our employees, including our principal executive officer and principal financial and accounting officer, and our directors are governed by one of two codes of ethics of the Company (collectively, the “Codes of Ethics”). The Codes of Ethics require our employees and directors to conduct Company business in the highest legal and ethical manner. The Codes of Ethics meet the requirements of a “code of ethics” as defined by Item 406 of Regulation S-K and the requirements of a code of business conduct and ethics under applicable NASDAQ listing standards. The full texts of the Codes of Ethics and further details regarding the scope of each of the Codes of Ethics are available on our website at *www.aa.com* under the links “Investor Relations”—“Corporate Governance.” We will also provide a copy of the Codes of Ethics to stockholders, free of charge, upon request to our Corporate Secretary. Any amendments to or waivers from the Codes of Ethics will be posted at this location on our website as required by applicable SEC and NASDAQ rules.

Public Policy Advocacy and Political Contributions

Engagement in the political, legislative and regulatory process is important to the success of the Company. The Company has adopted Policies on Public Policy Advocacy and Political Contributions that set forth the ways by which the Company participates in the political, legislative and regulatory process. The Company does not make direct contributions to candidates for federal political office, and although the Company has historically not made direct contributions to candidates for state and local political office, we have not adopted a policy against such contributions. All political contributions comply with applicable laws, and we disclose our contributions publicly as required by law. The Company’s Policies on Public Policy Advocacy and Political Contributions also set forth the trade and industry associations that we participate in that support our public advocacy efforts. Employees may also voluntarily participate in the political process by joining the Company's non-partisan political action committee, the American Airlines PAC, which is governed by comprehensive federal, state and local regulations that require the filing of monthly reports with the Federal Election Commission among other reporting and disclosure requirements. Compliance and oversight over the Company's political engagements is provided by our Executive Vice President—Corporate Affairs and the Corporate Governance and Nominating Committee of the Board.

For further information, please see our Policies on Public Policy Advocacy and Political Contributions, available on our website at *www.aa.com* under the links "Investor Relations"—"Corporate Governance."

Prohibition on Hedging and Pledging

Our insider trading policy prohibits the members of our Board, our executive officers, managing directors and director-level employees and our other employees with any with regular access to material non-public information, from hedging the economic risk of security ownership. This prohibition includes options trading on any of the stock exchanges or futures exchanges, as well as customized derivative or hedging transactions with third parties, such as zero-cost collars and forward sale contracts. In addition, the members of our Board and such employees are prohibited from pledging Company securities to secure margin or other loans.

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DIRECTOR COMPENSATION

The table below provides information regarding compensation we paid to our non-employee directors in 2019. The compensation elements are described in the narrative following the table. Doug Parker, our Chairman and Chief Executive Officer, is not included in the table because he is an employee and receives no compensation for his service as Chairman or as a member of the Board.

Name	Fees Earned or Paid in Cash ($) (a)	Stock Awards ($) (b)	All Other Compensation ($) (c)	Total ($)
Jim Albaugh	130,000	150,000	22,054	302,054
Jeff Benjamin	130,000	150,000	34,594	314,594
John Cahill	160,000	150,000	46,620	356,620
Mike Embler	150,000	150,000	31,614	331,614
Matt Hart	140,000	150,000	24,056	314,056
Alberto Ibargüen (d)	65,000	-	125,733	190,733
Rich Kraemer (d)	57,500	-	265,849	323,349
Sue Kronick	130,000	150,000	25,188	305,188
Marty Nesbitt	130,000	150,000	58,210	338,210
Denise O'Leary	150,000	150,000	29,954	329,954
Ray Robinson	135,000	150,000	41,156	326,156

(a) The amounts represent the aggregate dollar amount of all fees the directors earned or were paid in 2019 for service as a director, including annual retainer, committee, chair, meeting and lead independent director fees.

(b) The amounts represent the aggregate grant date fair value, as calculated in accordance with ASC Topic 718, of 4,823 RSUs granted to each director on June 12, 2019, which will vest fully on June 10, 2020, subject to the continued service of the director through the vesting date. The grant date fair value, as calculated in accordance with ASC Topic 718, of time-based RSUs is equal to the number of shares underlying the RSUs, multiplied by the closing price of our Common Stock on the date of grant. As of December 31, 2019, each of our non-employee directors (other than Messrs. Ibargüen and Kramer, who did not stand for re-election at our 2019 annual meeting of stockholders) held 4,823 RSUs and no other outstanding equity awards.

(c) The amounts include (i) the value of flight privileges received in 2019, (ii) tax reimbursements that we paid to our directors in 2020 for flight privileges provided to them in 2019, and (iii) the value of lifetime flight privileges available to Messrs. Ibargüen and Kraemer upon their retirement from board service. Amounts also include the portion of the premiums paid by us on behalf of Messrs. Hart and Kraemer and Ms. O'Leary for a life insurance policy under the America West Directors' Charitable Contribution Program, which is described more fully below in the section entitled "Legacy Director Compensation Programs." Flight benefits are valued based on the imputed taxable income to the director, which valuation is greater than the incremental cost to the Company.

Name	Flight Privileges ($)	Tax Gross-Up on Flight Privileges ($)	Lifetime Flight Privileges ($)	Insurance Premiums ($)
Jim Albaugh	11,027	11,027	-	-
Jeff Benjamin	17,297	17,297	-	-
John Cahill	23,310	23,310	-	-
Mike Embler	15,807	15,807	-	-
Matt Hart	5,997	5,997	-	12,062
Alberto Ibargüen	6,893	6,893	111,947 (e)	-
Rich Kraemer	18,030	18,030	217,773 (e)	12,016
Sue Kronick	12,594	12,594	-	-
Marty Nesbitt	29,105	29,105	-	-
Denise O'Leary	12,994	12,994	-	3,966
Ray Robinson	20,578	20,578	-	-

(d) Messrs. Ibargüen and Kraemer reached the mandatory retirement age under the Company's Corporate Governance Guidelines and therefore did not stand for re-election at our 2019 annual meeting of stockholders.

(e) Because Mr. Ibargüen's service on the Board and Mr. Kraemer's combined service on the Board and the board of directors of US Airways Group, in each case, exceeded seven years as of the date of the 2019 annual meeting of stockholders, they were entitled to lifetime flight privileges. The value of the lifetime flight privileges reflects the present value of future travel calculated using a discount rate of 4.3% and RP-2014 Employee Table, without collar or quartile adjustments, decreased by 3.5% at all ages, adjusted to 2012 using Scale MP-2014, and then projected generationally from 2012 with Scale MP-2018, and assumes the annual level of usage is the same as the director's actual usage for 2018 with a valuation based on imputed income and a 1% annual increase in the cost of travel.

Director Compensation

The Corporate Governance and Nominating Committee periodically reviews the overall compensation of our directors in consultation with the Board and with the assistance of our management and, from time to time, the committee's compensation consultant. The committee has authority to retain and terminate any outside advisors, such as compensation consultants and legal counsel, and to determine their compensation.

Annual Retainers and Grants of RSUs. For 2019, the compensation for our non-employee directors included the following cash-based annual retainers:

- an annual retainer of $100,000 for service on the Board;
- an annual retainer of $15,000 for service on each of the Audit, Compensation, Corporate Governance and Nominating, or Finance Committees;
- an annual retainer of $25,000 for service as the Chair of the Audit Committee and an annual retainer of $20,000 for service as the Chair of each of the Compensation, Corporate Governance and Nominating, or Finance Committees; and
- an additional annual retainer of $30,000 for service as our Lead Independent Director.

On the date of the 2019 annual meeting of stockholders, each continuing non-employee director received a number of RSUs equal to $150,000 divided by the closing price of our Common Stock on the date of the annual meeting. The RSUs will vest fully on the earlier of the first anniversary of the date of grant or the date of the next annual meeting of stockholders, subject to the continued service of the non-employee director through the vesting date.

Our non-employee director compensation program for 2019 was unchanged from 2018.

In March 2020, in light of the unprecedented global business environment stemming from the COVID-19 outbreak, our non-employee directors determined to forgo all cash compensation through August 30, 2020.

Other Compensation. As is customary in the airline industry, we provide our directors with flight benefits. During the period of time they serve on the Board, non-employee directors are entitled to complimentary personal air travel for the non-employee director and his or her immediate family members on American and American Eagle, 12 round-trip or 24 one-way passes for complimentary air travel for the non-employee director's family and friends each year, as well as American Airlines Admirals Club ® membership, and AAdvantage ® ConciergeKey SM program status. Non-employee directors receive a tax gross-up for imputed taxable income related to these flight benefits. In addition, these travel benefits (except for the tax gross-up) will be provided (i) for a non-employee director's lifetime if he or she has served for seven or more years or has otherwise vested in such benefits by virtue of the merger with US Airways or service with a predecessor airline or (ii) for five years if he or she has served for less than seven but more than two years. Non-employee directors will also be reimbursed for all reasonable out-of-pocket expenses incurred in connection with attendance at meetings upon submission of receipts.

Some of our current directors are eligible to continue participation under certain legacy programs related to service for predecessor companies, as described below.

Legacy Director Compensation Programs

Following the closing of the merger with US Airways, the America West Directors' Charitable Contribution Program (the "Charitable Contribution Program"), a legacy director compensation program, continues to be in effect. In 1994, America West established the Charitable Contribution Program under which all directors of America West were invited to participate. This program was discontinued for new directors following the merger between America West and US Airways in 2005. Under the Charitable Contribution Program, upon the death of a participant, America West (or its successor) is required to donate $1 million to one or more qualifying charitable organizations chosen by the participant. All participants serving as directors of America West at the time of the merger became vested in the Charitable Contribution Program, and the Charitable Contribution Program may not be terminated with respect to these individuals. During 2019, the directors who were participants in the Charitable Contribution Program were Messrs. Hart, Kraemer and Parker and Ms. O'Leary. The charitable contributions will be substantially funded by life insurance proceeds from policies maintained by us on the lives of the participants. Under the terms of the Charitable Contribution Program, America West was allowed to place joint life insurance on two directors. The life insurance policies currently in place under the Charitable Contribution Program are structured as joint policies on the lives of two directors and the insurance benefits are payable at the death of the last survivor. Individual directors derive no direct financial benefit from the Charitable Contribution Program because all insurance proceeds are to be paid by us, and all tax deductions for the charitable contributions accrue solely to us.

Stock Ownership Guidelines

We adopted stock ownership guidelines for our non-employee directors in January 2014. Non-employee directors are required to hold a number of shares of stock equal to the lesser of either (i) five times the director's annual cash retainer or (ii) 15,000 shares of our Common Stock. Ownership is determined based on the combined value of the following director holdings: (a) shares owned outright or by immediate family members residing in the same household or in a trust for the benefit of the director or an immediate family member; (b) Common Stock, stock units or other stock equivalents obtained through the exercise of SARs/stock options or vesting of equity awards; (c) unvested equity awards granted under any equity and deferral plans; and (d) other stock or stock equivalent awards determined by the Corporate Governance and Nominating Committee. Non-employee directors have five years from the later of: (i) the date the guidelines were adopted and (ii) the date the individual became a director to comply with the stock ownership guidelines. Under the stock ownership guidelines, until a non-employee director has reached the minimum ownership guideline, such director may not sell or otherwise dispose of the shares of Common Stock acquired upon the exercise, vesting or settlement of any equity awards except to the extent such sales do not cumulatively exceed 50% of such shares. Each of our directors with a compliance date before the date of this Proxy Statement owns shares that exceed the minimum stock ownership guidelines.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Certain Relationships and Related Party Transactions

Since January 1, 2019, the Company has not participated in, nor is there currently planned, any transaction or series of similar transactions with any of the Company's directors, nominees, executive officers, holders of more than 5% of Common Stock or any member of such person's immediate family that is required to be reported under Regulation S-K Item 404(a) of the rules of the SEC.

We have entered into indemnity agreements with our executive officers and directors that provide, among other things, that we will indemnify each such officer or director, under the circumstances and to the extent provided for in the indemnity agreements, for expenses, damages, judgments, fines and settlements he or she may be required to pay in actions or proceedings in which he or she is or may be made a party by reason of his or her position as a director, officer or other agent of the Company.

Policies and Procedures for Review and Approval of Related Person Transactions

We believe that business decisions and actions taken by our officers, directors and employees should be based on the best interests of the Company, and must not be motivated by personal considerations or relationships. We attempt to analyze all transactions in which we participate and in which a related person may have a direct or indirect material interest, both due to the potential for a conflict of interest and to determine whether disclosure of the transaction is required under applicable SEC rules and regulations. Related persons include any of our directors or executive officers, certain of our stockholders and immediate family members of any of the above persons. The Audit Committee is responsible for reviewing and approving all significant conflicts of interest and related party transactions in accordance with our Company policies.

A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with the interests of the Company. Our Codes of Ethics requires our employees, including our principal executive officer, principal financial and accounting officer and our directors who may have a potential or apparent conflict of interest to fully disclose all the relevant facts to either the Chair of the Audit Committee or the Chief Ethics and Compliance Officer, as applicable. Once the Chair of the Audit Committee or the Chief Ethics and Compliance Officer receives notice of a conflict of interest, they will report the relevant facts to our internal auditors. The internal auditors will then consult with the Audit Committee and a determination will be made as to whether the activity is permissible. The full texts of our Codes of Ethics are available on our website at *www.aa.com* under the links "Investor Relations"—"Corporate Governance."

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REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee has reviewed and discussed with our management our audited consolidated financial statements for the fiscal year ended December 31, 2019 (the “Audited Financial Statements”).

The Audit Committee has discussed with KPMG, our independent registered public accounting firm, the matters required to be discussed with the Audit Committee under Public Company Accounting Oversight Board Auditing Standard No. 1301.

The Audit Committee has received the written disclosures and the letter from KPMG regarding its independence as required by applicable requirements of the Public Company Accounting Oversight Board regarding KPMG’s communications with the Audit Committee concerning independence, has discussed with KPMG its independence and has considered the compatibility of the non-audit services provided by KPMG with respect to maintenance of that independence.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board, and the Board has approved, that the Audited Financial Statements be included in our Annual Report on Form 10-K for the year ended December 31, 2019, for filing with the SEC.

Respectfully submitted,

Audit Committee
Matt Hart (Chair)
John Cahill
Mike Embler
Marty Nesbitt

This report of the Audit Committee is not deemed to be “soliciting material” or to be “filed” with the SEC or subject to the SEC’s proxy rules or the liabilities of Section 18 of the Exchange Act, and the report shall not be deemed to be incorporated by reference into any prior or subsequent filing by us under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

This section discusses the principles underlying our compensation policies for our "named executive officers," who for 2019 are:

- W. Douglas Parker, our Chairman and Chief Executive Officer;
- Robert D. Isom, our President;
- Derek J. Kerr, our Executive Vice President and Chief Financial Officer;
- Maya Leibman, our Executive Vice President and Chief Information Officer; and
- Stephen L. Johnson, our Executive Vice President—Corporate Affairs.

As described more fully below, our executive compensation strategy is designed to provide a total compensation package that will not only attract and retain high-caliber leaders, but also align our leaders' contributions with our corporate objectives, stockholders' interests and the interests of our other stakeholders.

Summary

American's long-term success is guided and measured by three overarching strategic objectives that ensure a healthy, competitive, successful company for the long term: to make culture a competitive advantage, create a world-class customer experience, and build American to thrive forever by thinking forward and ensuring a strong financial foundation. Our executive compensation programs are intended to emphasize pay for performance, focused on these three objectives, and we believe our named executive officers' compensation for 2019, with payouts significantly below target, reflected our performance for 2019.

One Team, One Plan 2020

Our Commitment to Fair Pay and Pay for Performance

Our CEO and other executive officers have demonstrated their commitment to fair pay and pay for performance by initiating the following exceptional actions with respect to their compensation.

- At his request, Mr. Parker's target direct compensation has been historically set at and remains below the average for his peers at Delta and United.
- For 2019, we continued to provide 100% of Mr. Parker's direct compensation in the form of equity incentives in lieu of base salary and annual cash incentive compensation. More than half of the target value of the equity incentives granted in 2019 will be earned, if at all, no earlier than the third anniversary of the grant date based on our relative pre-tax income margin and relative TSR performance. To further align Mr. Parker's compensation with the interest of stockholders and the rest of the executive team, for 2020, Mr. Parker is a participant in the STIP in order to directly align all of our management team toward the achievement of key priorities. However, the Compensation Committee intends to settle Mr. Parker's STIP award in stock.
- In 2016, at Mr. Parker's request, our Compensation Committee agreed to eliminate Mr. Parker's employment agreement such that Mr. Parker is no longer contractually entitled to receive a set level of compensation and benefits and is no longer protected by the change in control and severance provisions of that employment agreement.
- In 2017, at their request, the executive officers who were party to change in control and severance benefit agreements voluntarily terminated their agreements. As a result, none of our executive officers are now contractually entitled to any cash severance or continued health benefits upon any termination, nor are we contractually obligated to provide a gross-up to cover any excise taxes incurred by any executive officer under Section 4999 of the Internal Revenue Code.
- As of April 1, 2020, at their requests in response to the COVID-19 pandemic, Mr. Isom's base salary was reduced by 55% and the base salaries of Ms. Leibman and Messrs. Johnson and Kerr were reduced by 50%, in each case through June 30, 2020.

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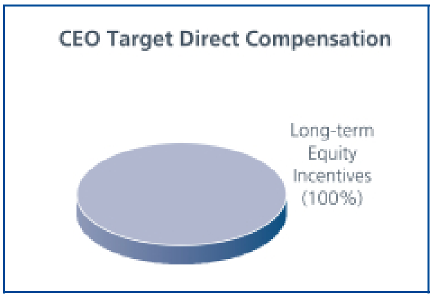
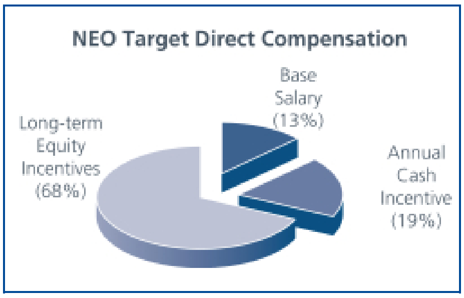
- In April 2020, the Company was awarded payroll support from the federal government under the CARES Act, which was recently enacted to provide emergency assistance to individuals, families and businesses affected by the COVID-19 pandemic and will allow our industry to retain its outstanding workforce. The CARES Act imposes caps on executive compensation as a condition of the award, including a limit applicable to any executive who received total compensation in excess of $3 million in calendar year 2019. Pursuant to the limit, each such executive's total compensation during any 12-month period from March 24, 2020 to March 24, 2022 is capped at an amount equal to the sum of (i) $3 million and (ii) 50% of the total compensation in excess of $3 million received by such executive in calendar year 2019. The limit will apply to each of the Company's executive officers, including the named executive officers, and will be a primary determinant of their compensation over the applicable period. The Company has also applied for a government loan under the CARES Act. If a CARES Act loan is made to the Company, this limit on executive compensation will be extended until the first anniversary of the date on which the loan is no longer outstanding. The Committee is working with management to determine how best to implement compensation programs and policies that comply with the limit.

2019 Compensation Objectives and Programs

The philosophy underlying our overall executive compensation program is to provide an attractive, flexible and market-based total compensation program that is both tied to our performance and aligned with the interests of our stockholders. We intend for our compensation programs to motivate the management team to maximize stockholder value over time without creating unnecessary or excessive risk-taking that would have an adverse effect on stockholder value and potentially detract from our ability to reach long term sustainable levels of income and profitability.

The 2019 executive compensation program continued to emphasize variable compensation in the form of short-term cash incentives and long-term equity incentives. The charts below show the target mix of each element of the 2019 total compensation package for (i) our Chief Executive Officer and (ii) our other named executive officers, illustrating our strong emphasis on variable pay, which can only be earned based on the achievement of certain key performance objectives discussed in the section below.





2019 Compensation Decisions and Outcomes Reflected Our Pay for Performance Philosophy

We design our annual and long-term incentives to include performance metrics that focus on profitability, operating efficiency and investor returns, and our named executive officers' 2019 compensation outcomes reflected our performance on those measures.

Limited Increases to 2019 Target Direct Compensation. We made only limited increases of 2.5% in the target cash compensation and 3% in the target long-term incentive compensation provided to our named executive officers, which was consistent with the overall budgeted increase for the Company's general management population and market practice. Mr. Parker's 2019 total target direct compensation was approximately 16% below the average total direct compensation of his peers at Delta and United (using the most recently publicly available data as of July 2019). The target direct compensation provided to our other named executive officers is competitive with or below that of the other large network airlines. In addition, between 85% and 90% of their 2019 total target compensation was comprised of variable pay. As a result, the compensation ultimately realized by our other named executive officers will be significantly determined by our financial performance and the performance of our stock, and is therefore closely aligned with the interests of our stockholders.

Only ~67% of Target Bonus Earned. Our 2019 STIP was based on pre-established adjusted pre-tax income targets. We believe that pre-tax income is the most effective measure for assessing our executive officers' contributions to our financial performance. For 2019, adjusted pre-tax income excluded special items, profit sharing and annual incentive programs and related payroll taxes and 401(k) company contributions and included an adjustment to account for a confidential settlement with Boeing related to financial damages incurred in 2019 due to the grounding of the Boeing 737 MAX aircraft. Based on our achievement of 2019 adjusted pre-tax income of $3.7 billion, our named executive officers (other than Mr. Parker, whose compensation for 2019 was provided 100% in the form of equity incentives) were awarded only 66.8% of their 2019 target bonuses under the 2019 STIP.

Performance-Vesting RSUs Tracking Below Target. For 2019, we continued the structure of our long-term incentive program, which for our named executive officers incorporates both performance- and time-vesting RSU components, with the performance-vesting component weighted 54% (for Mr. Parker) and 50% (for the other named executive officers) by value to further align management and stockholder interests. The performance-vesting component of the RSUs will be earned not earlier than the third anniversary of the grant date based on our relative three-year pre-tax income margin as compared to that of a pre-defined group of airlines, and the number of shares earned is further adjusted upward or downward by up to 25% based on our three-year TSR relative to that of the same pre-defined group of airlines.

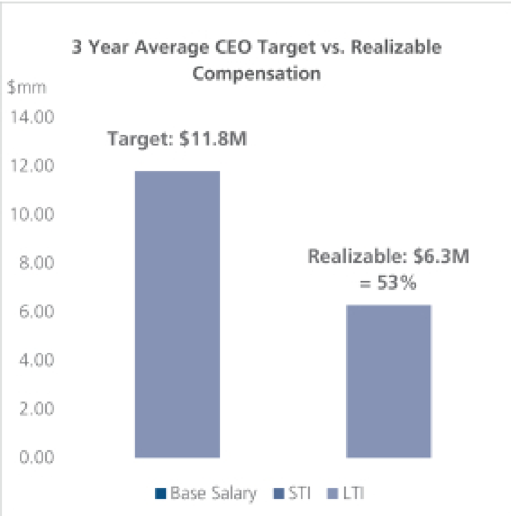
Each named executive officer held three outstanding awards of performance-vesting RSUs as of the end of 2019, each of which were tracking at well below target as of the end of 2019.

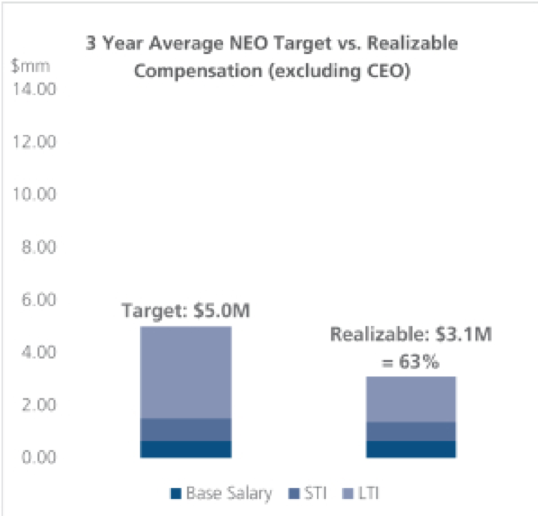
Performance-Vesting RSU Pay Outcomes as of 12/31/19

2017 Grant (vested in April 2020)	**Tracking at Below Target (56.3%)**
2018 Grant (vesting in 2021)	**Tracking at Below Target (53.3%)**
2019 Grant (vesting in 2022)	**Tracking at Below Target (52.2%)**

Realizable Compensation Significantly Less Than Target Compensation. As shown in the tables below, as of December 31, 2019, Mr. Parker's three-year average realizable compensation from 2017-2019 was only 53% of his three-year average target compensation, while his 2019 realizable compensation was only 59% of his 2019 target compensation. The three-year average realizable compensation from 2017-2019 for our other named executive officers was only 63% of their three-year average targeted compensation, while their average 2019 realizable compensation was only 67% of their average 2019 target compensation.

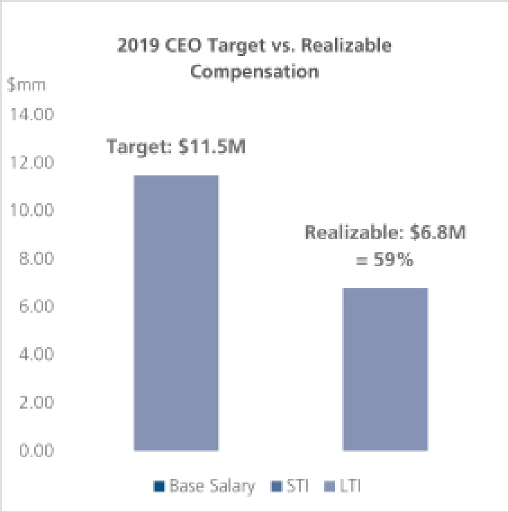
Three-year Average Realizable Compensation

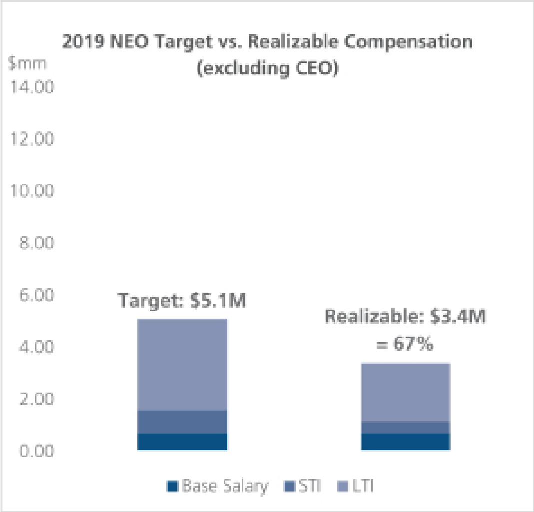




Target compensation includes base salary, target annual short-term incentive and the grant date fair value of long-term incentives for the applicable year. Realizable compensation includes base salary earned and annual short-term incentive earned for each applicable year and values equity awards granted during 2017-2019 as follows: with respect to RSUs that had vested by December 31, 2019 based on the closing stock price on the applicable vesting date, with respect to time-vesting RSUs that were unvested as of December 31, 2019 based on the closing stock price as of December 31, 2019, and with respect to performance-vesting RSUs that were unvested as of December 31, 2019 based on the performance and closing stock price as of December 31, 2019.

2019 Realizable Compensation





Target compensation includes base salary, target annual short-term incentive and the grant date fair value of long-term incentives. Realizable compensation includes base salary earned, annual short-term incentive earned for 2019, the value of time-vesting RSUs granted in 2019 based on our closing stock price as of December 31, 2019, and the value of performance-vesting RSUs granted in 2019 based on the performance and closing stock price as of December 31, 2019.

We Are Committed to Effective Compensation Governance

We are committed to good compensation governance and have adopted compensation policies and practices in furtherance of our commitment, including the following:

What We Do	What We Do NOT Do
✓ **Independent Compensation Consultant** that is directly engaged by the Compensation Committee to advise on executive and director compensation matters.	× **No Severance or Change in Control Agreements** . None of our executive officers has a severance or change in control agreement.
✓ **At-Will Employment** . Our executive officers are all at-will employees and none of our executive officers has an employment agreement.	× **No Excessive Perquisites** . Perquisites and other personal benefits are not a significant portion of any executive officer's compensation and are in line with industry standards.
✓ **100% of Chief Executive Officer Compensation is At-Risk** to maximize alignment with stockholder interests.	× **No Guaranteed Bonuses** . Our executive officers' bonuses are performance-based and 100% at risk.
✓ **Stock Ownership Guidelines** that further align our executive officers' long-term interests with those of our stockholders.	× **No Payouts of Dividends** accrued on unvested awards unless and until the award's vesting conditions are satisfied.
✓ **Tally Sheet Review** . We conduct a comprehensive overview of all compensation, including an overview of total compensation targets and potential payouts.	× **No Active Executive Retirement Plans** . We do not maintain any active executive-only or supplemental retirement plans.
✓ **Annual Compensation Risk Assessment** to identify any elements of our compensation program design or oversight processes that carry elevated levels of adverse risk to the Company.	× **No Hedging or Pledging** . We prohibit our executive officers from engaging in hedging transactions or using our stock as collateral for loans.
✓ **Clawback Policy** for all cash and equity incentive compensation paid to our executive officers.	× **No Excise Tax Gross-Ups** . We do not provide any executive officer with any tax gross-ups to cover excise taxes in connection with a change in control.

Stockholder Approval of 2019 Executive Compensation

At our 2019 annual meeting of stockholders, our stockholders voted, in a non-binding advisory vote, to approve the compensation of our named executive officers (with an approval representing over 95% of the shares represented in person or by proxy at the meeting and entitled to vote). Our Compensation Committee reviewed the result of the stockholders' advisory vote on executive compensation and, in light of the approval by a substantial majority of stockholders, did not implement changes to the executive compensation programs solely as a result of the vote.

Determination of Executive Compensation

Role of the Compensation Committee and Management in Compensation Decisions

The Compensation Committee administers the compensation program for all officers, including the named executive officers. The Compensation Committee is comprised of five independent directors, each of whom is a "non-employee director" under Rule 16b-3 of the Exchange Act. The Compensation Committee's overarching goal is to create executive compensation programs that align management and stockholder interests over the long-term and that allow us to recruit and retain a highly capable management team. The Compensation Committee considers management input on executive compensation programs but relies on its outside consultant for perspective and leading practice guidance. The compensation consultant also provides leading practice data for the airline industry and Fortune 500 companies generally.

Some of the elements we consider when designing compensation policies include attrition, diversity, and executive development needs. Management also will from time to time bring matters to the attention of the Compensation Committee that might require alterations to compensation policies, especially when they have identified specific circumstances that require additional executive talent or unique executive skills that we may not currently have in place. Our Chief Executive Officer also provides input and recommendations based on his direct knowledge of the other named executive officers' individual performance and contributions given the scope of their responsibilities.

Use of Compensation Consultants

For 2019, the Compensation Committee retained Willis Towers Watson as its independent compensation consultant until July 2019, when it retained Korn Ferry as its independent compensation consultant on a going forward basis. The Compensation Committee has sole authority with regard to the decision to retain the compensation consultant and, while the compensation consultant interacts with management from time to time in order to best coordinate with and deliver services to the Compensation Committee, it reports directly to the Compensation Committee with respect to its executive compensation consulting advice. Management also engaged Willis Towers Watson in 2019 to perform other services for the Company that are not part of the executive compensation services provided to the Compensation Committee or the director compensation services provided to the Corporate Governance and Nominating Committee. For a description of these services and fee information, see the section entitled "Information About the Board of Directors and Corporate Governance—Compensation Committee Process for Executive Compensation" beginning on page 31. The Compensation Committee has assessed whether the services provided by Willis Towers Watson and Korn Ferry or any other relationships raised any conflicts of interest pursuant to SEC and NASDAQ rules, and has concluded that no such conflicts of interest exist.

Use of Market Data and Tally Sheets

In order to ensure a competitive design for our executive compensation program, in 2019, our Compensation Committee, with advice and analysis from its compensation consultant, reviewed our program against those of our largest competitors, Delta, United and Southwest, with an emphasis on Delta and United, our closest peers.

For 2019, our annual review of executive compensation also included tally sheets for our executive officers. Each tally provides an overview of total compensation targets as well as estimated upcoming short- and long-term incentive payments. The Compensation Committee used these forward-looking compensation summary sheets to provide a comprehensive picture of each executive officer's estimated future compensation.

Executive Compensation Mix with an Emphasis on Performance-Based Pay

As described above, in 2019, our executive compensation structure included both fixed and performance-based pay. Specifically, our executive compensation structure consisted of three core components which aligned management and stockholder interests:

- a base salary paid in cash;
- an annual incentive program paid in cash based on achievement of profitability targets for 2019; and
- a long-term equity incentive program in the form of RSUs that incorporate both performance- and time-vesting components.

The overarching goal was to emphasize pay for performance (such that compensation is paid only if we meet pre-determined performance targets) and align executive and stockholder interests through equity-based compensation tied to our stock performance. For 2019, our named executive officers' fixed compensation was at or below 15% of target total compensation, reflecting a heavy weighting on variable or performance-based compensation vesting over multiple time periods, with Mr. Parker's direct compensation provided 100% in the form of long-term equity incentives.

Base Salary

Base salaries provide a secure, consistent amount of fixed pay that compensates executives for their scope of responsibility, competence and performance. As in prior years, in 2019 we set the base salaries for our executive officers at levels lower than the base salaries received by their counterparts at our peer airlines, Delta and United. While we aim to establish competitive compensation, our greater focus is on establishing a culture where creating long-term value for our stockholders is always at the forefront of our leadership team's decision-making. We believe that our reduced emphasis on fixed compensation, achieved through lower levels of base salaries combined with higher levels of target variable cash incentives and equity compensation, allows us to retain our management team and recruit from other network airlines and general industry while also emphasizing our pay-for-performance philosophy.

As discussed above, Mr. Parker's direct compensation for 2019 was provided 100% in the form of long-term equity incentives, and he received no base salary. In 2019, our other named executive officers were eligible for a 2.5% salary increase over 2018 levels, consistent with merit increases in the base salaries for the general management employee population, with such increases effective April 22, 2019. The 2018 and 2019 base salaries of our named executive officers are set forth in the table below.

Named Executive Officer	2019 Base Salary ($)	2018 Base Salary ($)
Robert Isom	753,824	736,000
Derek Kerr	653,733	638,000
Maya Leibman	653,733	638,000
Steve Johnson	653,733	638,000

Our named executive officers have not received any base salary increases in 2020. In addition, effective April 2020 through June 30, 2020, in light of the unprecedented global business environment stemming from the COVID-19 outbreak, Mr. Isom reduced his base salary by 55%, and each of our other named executive officers reduced his or her base salary by 50%. Mr. Parker has not received a base salary since 2015.

Annual Cash Incentive Program

The second core component of our overall compensation program is a short-term cash incentive program. For 2019, we implemented an annual cash incentive program pursuant to which payouts were based on achievement against pre-established adjusted pre-tax income targets, and our named executive officers (other than Mr. Parker) participated in the program.

For 2019, the Compensation Committee set challenging adjusted pre-tax income performance objectives (which, under the terms of the STIP, is calculated by excluding special items, profit sharing and annual incentive programs and related payroll taxes and 401(k) company contributions) for the named executive officers, with a target that was significantly above the budgeted adjusted pre-tax income. The Committee set the following threshold, target, and maximum performance levels, as well as the corresponding annual incentive funding levels:

	2019 Adjusted Pre-tax Income ($)(in billions)	Funding Level (% of Target)
		0%
Threshold	3.0	50%
Target	5.0	100%
Maximum	7.0	200%

Any performance falling between threshold, target and maximum levels would result in an adjustment of funding level based on straight-line interpolation. The 2019 target bonus opportunities for the participating named executive officers were set at the same levels as in 2019 as shown in the table below.

Named Executive Officer	2019 Target Payout Level as a Percentage of Base Salary
Robert Isom	175%
Derek Kerr	125%
Maya Leibman	125%
Steve Johnson	125%

For 2019, the adjusted pre-tax income also included an adjustment to account for a confidential settlement with Boeing related to financial damages incurred in 2019 due to the grounding of the Boeing 737 MAX aircraft. Our 2019 adjusted pre-tax income of $3.7 billion resulted in achievement of 66.8% of the target level under the 2019 STIP for the participating named executive officers. The following table shows the 2019 target goal, actual performance and funding level for the 2019 STIP.

Performance Goal	2019 Target Performance Goal ($)(in billions)	Actual Performance ($) (in billions)	Funding Level for NEOs (% of target)
2019 Adjusted Pre-tax Income (a)	5.0	3.7	66.8%

(a) Represents income before income taxes for the year ended December 31, 2019, excluding special items (as detailed on pages 45-47 of AAG's Annual Report on Form 10-K for the year ended December 31, 2019 filed on February 19, 2020) and profit sharing and annual incentive programs and related payroll taxes and 401(k) company contributions, and including an adjustment to account for a confidential settlement with Boeing related to financial damages incurred in 2019 due to the grounding of the Boeing 737 MAX aircraft.

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Based on the funding level as described above, each named executive officer (other than Mr. Parker) received a bonus equal to 66.8% of target under the 2019 STIP, corresponding to the dollar amounts set forth in the table below. Although Mr. Parker did not participate in the 2018 STIP program, at his request, the target value for his 2019 long-term incentive grant was decreased by $700,000 in order to approximate the economic impact of our 2018 performance under the 2018 STIP to his compensation as if he had been a participant in the program.

Named Executive Officer	2019 Bonus Payout ($)
Robert Isom	881,748
Derek Kerr	546,194
Maya Leibman	546,194
Steve Johnson	546,194

Mr. Parker will participate in the STIP for 2020. His STIP target payment will be $1,857,000, and his target annual equity award for 2020 was reduced by an equal amount. However, the Compensation Committee intends to settle the award to Mr. Parker under the STIP in shares of Common Stock. Under the 2020 STIP for our named executive officers, including Mr. Parker, we will retain adjusted pre-tax income as a performance goal but introduce four operational and customer experience goals, which are intended to incentivize our named executive officers to achieve key operational and customer service priorities in addition to delivering financial performance. Under the 2020 STIP, our adjusted pre-tax income will be weighted 50%, and each of the four operational and customer experience goals will be weighted 12.5%.

Long-Term Incentive Programs

The third core component of our overall compensation program is a long-term equity incentive program (the “LTIP”) that focuses our executives on our performance over time and further links the interests of recipients and stockholders. Stock-based awards, coupled with performance- and time-vesting requirements, provide an appropriate incentive to our executives to remain with the Company and meet the long-term goal of maximizing stockholder value. Consistent with our emphasis on pay for performance and our commitment to long-term value creation for our stockholders, our named executive officers’ total target direct compensation is weighted heavily toward long-term equity awards.

The Compensation Committee determines the value of long-term equity awards to be granted to an executive officer based upon the executive’s level of responsibility and job classification level and the results of compensation market analyses.

For 2019, our long-term incentive program included both performance- and time-vesting RSUs, each weighted 50% by value for Ms. Leibman and Messrs. Isom, Johnson and Kerr and approximately 54% performance-vesting and 46% time-vesting RSUs for Mr. Parker. Those awards were made to our named executive officers in February 2019. Two-thirds of the time-vesting RSUs vested in February 2020 and the remaining one-third vest in February 2021, subject to each executive’s continued employment with the Company. The performance-vesting RSUs vest in February 2022 based on the Company’s achievement of relative pre-tax income margin, excluding special charges, over a three-year performance period, with an additional adjustment pursuant to which the number of shares vesting will be increased or decreased by up to 25% based on the Company’s relative TSR ranking. The maximum number of shares that may be issued in respect of each performance-vesting RSU, taking into account the Company’s relative TSR ranking, remains at 200%. Pre-tax income margin is measured over the three-year period from January 1, 2019 to December 31, 2021, relative to the weighted average pre-tax income margin of a peer group comprised of Delta, United, Southwest, JetBlue Airlines, Alaska Airlines and Spirit Airlines. TSR is measured based on the 20-day average stock price prior to February 19, 2019 and the 20-day average stock price ending on February 19, 2022, calculated assuming reinvestment of dividends, and is ranked relative to the same peer group of airlines.

Pre-Tax Income Margin Performance Relative to Peer Group	Payout (as a % of Target)
150% or higher	160%
100%	100%
50%	66 2/3%
Less than 50%	0%

TSR Modifier
1 or 2 ranking = 125%
3, 4 or 5 ranking = 100%
6 or 7 ranking = 75%

In the event that the Company's pre-tax income margin is negative for the performance period, pre-tax income achievement would be capped at 100%, and in the event the Company's TSR is negative for the performance period, the TSR modifier would be capped at 100%. Linear interpolation will be used to determine the payouts for performance attained between 50% and 100% and between 100% and 150% of the peer group weighted average pre-tax income margin.

For our named executive officers, the Compensation Committee determined to award target grant values with a 3% increase over 2018 target grant values, consistent with the standard increase under our LTIP at all levels made in each of the last two years, and consistent with increases made to LTIP target grant values to other members of management who participate in the LTIP and market practice. As noted above, at Mr. Parker's request, the target value for his 2019 LTIP grant was decreased by $700,000 in order to approximate the economic impact of our 2018 performance under the 2018 STIP to his compensation as if he had been a participant in the program. The target grant values for our named executive officers are set forth in the table below, and the number of shares subject to each RSU award was determined by dividing the target grant value by our closing stock price on the date of grant.

Named Executive Officer	2019 Target Grant Value ($)
Doug Parker	11,320,000
Robert Isom	5,304,500
Derek Kerr	2,813,500
Maya Leibman	2,813,500
Steve Johnson	2,813,500

Please see the Grants of Plan-Based Awards table below for a description of the grants awarded to our named executive officers during 2019. For the performance-vesting component of the RSU grants, the values included in the Summary Compensation Table and the Grants of Plan-Based Awards Table reflect the accounting grant date fair value of the grants. These values do not reflect amounts actually realizable by our named executive officers, which will depend on our relative pre-tax income margin and TSR performance over three years.

The Compensation Committee has adopted an equity grant policy to standardize the timing, practices and procedures in granting equity awards. The policy provides that equity awards, other than new hire, promotion or special purpose grants, will be granted once per year at the second regularly scheduled meeting of the Compensation Committee or at an Equity Incentive Committee meeting (with respect to awards to non-executive employees) or at a special meeting held for this purpose as close in time to the regularly scheduled meeting as possible.

2017 LTIP Awards

Our named executive officers' 2017 LTIP grants were comprised of both time-vesting and performance-vesting RSUs. The performance-vesting RSUs vested based on the Company's achievement of a pre-tax income margin, excluding special charges, for the three years ending December 31, 2019 relative to the weighted average pre-tax income margin over the same period for a pre-defined group of airlines as increased or decreased by up to 25% based on the Company's relative TSR ranking as compared to the same group of airlines. Based on our achievement of 62.6% pre-tax income margin and TSR ranking of sixth, each relative to this peer group, which was certified by the Compensation Committee, 0.563 shares of common stock were eligible to vest in respect of each RSU. These RSUs vested on April 25, 2020.

2020 LTIP Design

For 2020, our long-term incentive program for our named executive officers introduced a new design and metrics that are intended to better reflect our long-term objectives. The performance-vesting component of the RSUs comprises 50% of each of our named executive officers' annual grants. The metrics assigned to the performance-vesting schedule are spread in equal parts over three areas: our relative TSR using the same peer set as in the 2019 LTIP, absolute free cash flow versus internal goals established by our Board, and relative adjusted pre-tax income margin improvement against a weighted average of the same peer set used for the TSR goal. Each of these performance metrics will be measured over the three-year period ending at the end of fiscal 2022. The remaining 50% of our 2020 LTIP consists of time-vesting RSUs. Those LTIP awards were made in February 2020.

CARES Act Compensation Restrictions

In April 2020, the Company was awarded payroll support from the federal government under the CARES Act, which was recently enacted to provide emergency assistance to individuals, families and businesses affected by the COVID-19 pandemic and will allow our industry to retain its outstanding workforce. The CARES Act imposes caps on executive compensation as a condition of the award, including a limit applicable to any executive who received total compensation in excess of $3 million in calendar year 2019. Pursuant to the limit, each such executive's total compensation during any 12-month period from March 24, 2020 to March 24, 2022 is capped at an amount equal to the sum of (i) $3 million and (ii) 50% of the total compensation in excess of $3 million received by such executive in calendar year 2019. The limit will apply to each of the Company's executive officers, including the named executive officers, and will be a primary determinant of the compensation of those individuals during the applicable period. The Company has also applied for a government loan under the CARES Act. If a CARES Act loan is made to the Company, this limit on executive compensation will be extended until the first anniversary of the date on which the loan is no longer outstanding. The Committee is working with management to determine how best to implement compensation programs and policies that comply with the limit.

Change in Control and Severance Benefits

Change in control and severance benefits are a customary component of executive compensation, which are generally used to reinforce and encourage executives' continued attention and dedication to their assigned duties without the distraction arising from the possibility of a change in control. None of our executive officers has been a party to any individual employment or severance agreement providing change in control or severance benefits. Pursuant to the grant agreements under the Company's 2013 Incentive Award Plan (the "2013 Plan"), our employees, including our named executive officers, are entitled to full acceleration of their RSUs in the event of (i) a termination due to death or disability or (ii) a change in control. Information on the estimated payments and benefits that our named executive officers would have been eligible to receive in the event of a termination or change in control as of December 31, 2019 pursuant to their equity awards, the STIP and other arrangements are set forth in "Potential Payments Upon Termination or Change in Control" beginning on page 67.

Other Benefits and Perquisites

We maintain broad-based employee benefit plans in which all employees, including the named executive officers, participate, such as group life and health insurance plans and a 401(k) plan. These benefits are provided as part of the basic conditions of employment that we offer to other U.S.-based team members.

Other Benefits

We continue to provide certain benefits to our named executive officers that are common in the airline industry. The incremental cost to us of providing these benefits is not material. Following standard airline industry practice, we provide certain flight privileges to our employees. Free flights on our airline are available to all employees, and "positive space" flight privileges are provided to our senior executives, including the named executive officers. We believe that providing such flight privileges is consistent with airline industry practice and that competitive flight privileges are needed for the recruitment and retention of the most senior employees. By providing positive space flight privileges to our executives, we are able to offer a unique and highly-valued benefit at a low cost. This benefit also encourages executives to travel on the airline frequently, and while doing so, meet and listen to employees, solicit feedback from employees and customers, audit aircraft and facility appearance and quality, and monitor operational performance throughout the domestic and international route system. In addition, as in prior years, we cover the income tax liabilities of our senior executives, including the named executive officers related to those flight privileges, which is consistent with industry practice.

The positive space flight privileges provided to our officers, including the named executive officers, include unlimited reserved travel in any class of service for the officer and his or her immediate family, including eligible dependent children, for personal purposes. Officers and their immediate families, including eligible dependent children, also have access to our Admirals Club ® travel lounges at various airports. Officers are also eligible for 12 free round-trip passes or 24 free one-way passes each year for reserved travel for non-eligible family members and friends, and we cover the income tax liability related to these flight privileges. Officers are required to pay any international fees and taxes, if applicable. In addition, each of our named executive officers is entitled to continued receipt of the foregoing flight benefits upon their termination of employment, other than coverage of income tax liability.

We also offer our named executive officers perquisites in the form of financial advisory services and executive physicals. We will reimburse up to $4,500 annually for their personal tax planning, estate planning and retirement planning services from a certified financial planner, certified public accountant, or attorney. We will pay the full cost of their annual physicals and additional diagnostic tests recommended by the provider.

Mr. Parker is a participant in the Charitable Contribution Program, under which US Airways paid annual premiums on a joint life insurance policy. Under the program established by America West Airlines in 1994, a $1 million death benefit will be donated to one or more qualifying charitable organizations chosen by Mr. Parker. For a more detailed description of the charitable contribution program, see the narrative above under the Director Compensation table.

For additional information on any individual benefits provided to the named executive officers on an individual basis, see the section entitled "Executive Compensation—Summary Compensation Table" beginning on page 61.

AMR Legacy Retirement Programs

As a former AMR executive, Ms. Leibman participates in certain retirement plans we assumed from AMR in connection with the merger, including the Retirement Benefit Plan of American Airlines, Inc. for Agent, Management, Specialist, Support Personnel and Officers (the "AMR Retirement Benefit Plan") and the Supplemental Executive Retirement Program for Officers of American Airlines, Inc. (the "AMR Non-Qualified Plan"). All benefits under the AMR Retirement Benefit Plan were frozen for all employees as of October 31, 2012. Effective upon the freeze of benefit accruals under the AMR Retirement Benefit Plan, AMR began making matching contributions under the American Airlines, Inc. 401(k) Plan (the "AA 401(k) Plan") to eligible employees, including Ms. Leibman, up to 5.5% of eligible earnings. Like the AMR Retirement Benefit Plan, as of October 31, 2012, the defined benefits portion of the AMR Non-Qualified Plan was frozen.

For further details regarding AMR's legacy retirement plans, see the sections entitled "Executive Compensation—Pension Benefits" beginning on page 65 and "Executive Compensation—Non-Qualified Deferred Compensation" beginning on page 66 and the accompanying narrative discussion and footnotes that follow those tables.

Continuing Focus on Leading Practices

Stock Ownership Guidelines

We have implemented stock ownership guidelines for our executive officers. Executives are required to hold a number of shares of stock equal to the lesser of either (i) a fixed number of shares or (ii) a number of shares with a total value equal to a designated multiple of their base salary, as provided in the table below. Ownership is determined based on the combined value of the following executive holdings: (a) shares owned outright or by immediate family members residing in the same household or in a trust for the benefit of the executive or an immediate family member; (b) common stock, stock units or other stock equivalents obtained through the exercise of SARs/stock options or vesting of equity awards; (c) unvested equity awards granted under any equity and deferral plans; and (d) other stock or stock equivalent awards determined by the Corporate Governance and Nominating Committee. Executives have five years from the later of the effective time of the merger with US Airways or the time of hire to comply with the ownership guidelines. Under the guidelines, until an executive has reached the minimum ownership guideline, such executive may not sell or otherwise dispose of shares of Common Stock acquired upon the exercise, vesting or settlement of any equity awards granted by us except to the extent such sales do not cumulatively exceed 50% of such shares. Each of our executive officers currently owns shares that substantially exceed the minimum ownership guidelines. The stock ownership guidelines are set forth below.

Stock Ownership Guidelines

Position/Levels	Multiple of Base Salary	Fixed Shares
Chief Executive Officer	$ 4,305,000(a)	116,667
President	3x	54,167
Executive Vice President	3x	47,917

(a) With respect to Mr. Parker, the multiple of base salary was set at a dollar level equal to six times his base salary in effect immediately prior to May 1, 2015, because effective as of such time, Mr. Parker no longer received any base salary.

Clawback Policy

We have adopted a clawback policy that applies to all executive officers and covers all compensation under the cash incentive programs and all equity awards. The policy applies in the event our financial statements are restated as a result of material non-compliance with financial reporting rules and provides the Board with broad discretion as to what actions may be taken based on circumstances leading to the restatement, including recovery of incentive-based compensation received by an executive officer during the three-year period preceding the restatement in excess of what the executive officer would have been paid under the restatement. The Compensation Committee is monitoring regulatory developments with respect to compensation recoupment policies and will recommend to the Board any changes to the current policy that are necessary or appropriate in light of guidance issued by the SEC.

Section 280G/Section 4999 Policy

We do not provide any tax gross-ups to cover excise taxes under Section 4999 in connection with a change in control.

Tax Considerations

Section 162(m) of the Code disallows a tax deduction to public companies for compensation in excess of $1 million paid to “covered employees.” Prior to the Tax Cuts and Jobs Act of 2017, performance-based compensation arrangements could qualify for an exemption from the deduction limit if they satisfied various requirements under Section 162(m) of the Code. As part of the Tax Cuts and Jobs Act of 2017, the ability to rely on this “qualified performance-based compensation” exception was eliminated, and the definition of covered employees was expanded to generally include all named executive officers. Although we maintain compensation plans that were intended to permit the award of deductible compensation as qualified performance-based compensation under Section 162(m) prior to the Tax Cuts and Jobs Act of 2017, subject to the Act’s transition relief rules, we may no longer take a deduction for any compensation paid to our covered employees in excess of $1 million.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis included in this Proxy Statement. Based on this review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and our Annual Report on Form 10-K for the year ended December 31, 2019.

Respectfully submitted,

Compensation Committee
Denise O'Leary (Chair)
Jim Albaugh
Jeff Benjamin
Sue Kronick

This report of the Compensation Committee is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to the SEC's proxy rules or the liabilities of Section 18 of the Exchange Act, and the report shall not be deemed to be incorporated by reference into any prior or subsequent filing by us under the Securities Act or the Exchange Act.

EXECUTIVE OFFICERS

The following table lists AAG's executive officers as of April 28, 2020, including their ages and principal occupations.

Name	Age	Title
W. Douglas Parker	58	Chairman and Chief Executive Officer
Robert D. Isom, Jr.	56	President
Elise R. Eberwein	54	Executive Vice President—People and Global Engagement
Stephen L. Johnson	63	Executive Vice President—Corporate Affairs
Derek J. Kerr	55	Executive Vice President and Chief Financial Officer
Maya Leibman	54	Executive Vice President and Chief Information Officer

Below is certain information as of April 28, 2020, regarding our executive officers other than Doug Parker. For similar information regarding Mr. Parker as of April 28, 2020, see the section entitled "Proposal 1—Election of Directors" beginning on page 6.

Robert Isom

Robert Isom is President for AAG and American, a position he has held since August 2016. He also serves on the board of directors of American, a position he has held since August 2016. From 2013 to 2016, Mr. Isom served as Executive Vice President and Chief Operating Officer for AAG and American, after holding those same positions at US Airways from 2007 to 2013. Prior to joining US Airways, Mr. Isom served as Chief Restructuring Officer for GMAC, LLC. Before that, he was Senior Vice President, Ground Operations and Airport Customer Service, for Northwest Airlines. Mr. Isom also served as Vice President, International, and Vice President, Finance, for Northwest Airlines. Between 1995 and 2000, he was with America West Airlines and held executive roles in revenue management, operations and finance. Mr. Isom started his career at The Procter & Gamble Company.

Elise Eberwein

Elise Eberwein is Executive Vice President—People and Global Engagement for AAG and American, positions she has held since December 2013. Previously, Ms. Eberwein served as Executive Vice President—People, Communications and Public Affairs for US Airways, a role she began in 2009. Ms. Eberwein has nearly 30 years of industry experience and joined America West Airlines in 2003 as Vice President, Corporate Communications, from Frontier Airlines. She began her career as a flight attendant for TWA and held a variety of positions at TWA in operations, marketing and communications.

Steve Johnson

Steve Johnson is Executive Vice President—Corporate Affairs for AAG and American, positions he has held since December 2013. He also serves on the board of directors of American, a position he has held since December 2013 and on the board of directors of WIZZ Air Holdings PLC, a European airline company that trades on the London Stock Exchange. Previously, Mr. Johnson served as Executive Vice President—Corporate and Government Affairs for US Airways, a role he began in 2009. From 2003 to 2009, Mr. Johnson was a partner at Indigo Partners LLC, a private equity firm specializing in acquisitions and strategic investments in the airline, air finance and aerospace industries. Between 1995 and 2003, Mr. Johnson held a variety of positions with America West prior to its merger with US Airways, including Executive Vice President—Corporate. Prior to joining America West Airlines, Mr. Johnson served as Senior Vice President and General Counsel at GPA Group plc. He was also an attorney at Seattle-based law firm Bogle & Gates, where he specialized in corporate and aircraft finance and taxation.

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Derek Kerr

Derek J. Kerr is Executive Vice President and Chief Financial Officer for AAG and American, positions he has held since December 2013. Previously, Mr. Kerr served as Executive Vice President and Chief Financial Officer for US Airways, a role that he began in 2009. Prior to that, he was Senior Vice President and Chief Financial Officer of America West, a role he began in 2002. He joined America West in 1996 as senior director, planning, and was promoted to Vice President, Financial Planning and Analysis, in 1998. In 2002, Mr. Kerr was promoted to Senior Vice President, Finance, adding responsibility for purchasing and fuel administration. Prior to joining America West, Mr. Kerr served in various financial planning and analysis positions with Northwest Airlines. Previously, Mr. Kerr was a flight test coordinator/control engineer with Northrop Corporation's B-2 Division.

Maya Leibman

Maya Leibman is Executive Vice President and Chief Information Officer for AAG and American, positions she has held since November 2015. Previously, she served as Senior Vice President and Chief Information Officer from January 2012 to November 2015. Prior to her role as Chief Information Officer, Ms. Leibman was President of the AAdvantage loyalty program from 2010 to 2012. From 2001 to 2010, Ms. Leibman held several positions in the Information Technology department, culminating in the position of Vice President, Business Operations Systems from 2006 to 2010. Ms. Leibman joined American in 1994 in the Revenue Management department.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table provides compensation earned by our named executive officers in the years ended December 31, 2019, 2018 and 2017.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (b)	Non-Equity Incentive Plan Compensation ($) (c)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($) (d)	All Other Compensation ($) (e)	Total ($)
Doug Parker (a)	2019	-	-	11,508,000	-	-	63,714	11,571,714
Chairman and Chief	2018	-	-	11,939,000	-	-	60,517	11,999,517
Executive Officer	2017	-	-	11,974,000	-	-	201,486	12,175,486
Robert Isom	2019	747,459	-	5,386,000	881,748	-	74,100	7,089,307
President	2018	722,329	-	5,260,000	649,686	-	54,511	6,686,526
	2017	710,769	-	5,263,000	993,235	-	126,877	7,093,881
Derek Kerr	2019	648,214	-	2,857,000	546,194	-	30,944	4,082,352
Executive Vice	2018	626,421	-	2,790,000	402,445	-	31,287	3,850,153
President and Chief	2017	616,396	-	2,792,000	615,264	-	84,806	4,108,466
Financial Officer								
Maya Leibman	2019	648,214	-	2,857,000	546,194	70,742	54,319	4,176,469
Executive Vice	2018	626,421	-	2,790,000	402,445	-	42,402	3,861,268
President and Chief	2017	616,396	-	2,792,000	615,264	41,220	93,933	4,158,813
Information Officer								
Steve Johnson	2019	648,214	-	2,857,000	546,194	-	75,821	4,127,229
Executive Vice	2018	626,421	-	2,790,000	402,445	-	78,878	3,897,744
President Corporate	2017	616,396	-	2,792,000	615,264	-	122,536	4,146,196
Affairs								

(a) On April 20, 2015, the Compensation Committee adjusted the compensation program for Mr. Parker to provide 100% of his direct compensation in the form of equity incentives. For each of the years set forth in the table above, the Company did not pay Mr. Parker a cash base salary, and he was not a participant in the Company's annual cash incentive program. Mr. Parker's annual equity grants for each of the years set forth in the table above have been set at a level intended to, among other things, capture the value of his forgone base salary, target cash incentive opportunity under the Short-term Incentive Program and the value of his 401(k) match.

(b) Amounts in this column represent the aggregate grant date fair value, as calculated in accordance with ASC Topic 718, of RSUs granted by the Company during each of the fiscal years ending December 31, 2019, 2018 and 2017, respectively, to the named executive officers. The grant date fair value, as calculated in accordance with ASC Topic 718, of time-based RSUs is equal to the number of shares underlying the RSUs, multiplied by the closing price of our Common Stock on the date of grant. With respect to the performance-based RSUs, as described in the Compensation Discussion and Analysis—Long-Term Incentive Programs on page 53, the grant date fair value is equal to the number of shares that would be earned assuming achievement of the probable outcome of the relative pre-tax income margin performance condition, multiplied by the fair value per share determined using a Monte Carlo simulation model for the TSR modifier market condition in accordance with applicable accounting rules. The Monte Carlo valuation method simulates a range of possible future stock prices for the Company and each of the peer group companies using certain inputs. Such inputs for the performance-based RSUs granted in each of 2019, 2018 and 2017 consisted of the following:

Year of Grant	Expected Term (1)	Stock Price Volatility (2)							Risk-Free Interest Rate (3)
		American Airlines	Alaska Air Group	Delta Airlines	JetBlue Airways	Southwest Airlines	Spirit Airlines	United Airlines	
2019	3 years	35.88%	29.51%	27.71%	29.44%	27.38%	36.79%	32.97%	2.47%
2018	3 years	34.24%	29.78%	28.88%	32.88%	28.89%	39.18%	35.40%	2.38%
2017	3 years	36.96%	29.74%	31.06%	36.03%	30.55%	39.25%	37.81%	1.48%

(1) Based on the actual term of the awards.

(2) Based on each company's historical stock price volatility over the three years prior to the date of grant to conform to the term of the awards.

(3) Derived from a three-year zero-coupon rate from the Treasury Constant Maturities yield curve as of the grant date.

Based on the foregoing methodology, the valuation of the awards granted during 2019, 2018 and 2017 were 103.08%, 104.27% and 110.52%, respectively, of the closing price of the Company's common stock on the date of grant.

The aggregate maximum fair value of the 2019 performance-based RSUs assuming the highest level of achievement of the performance condition is as follows: Mr. Parker: $10,082,000, Mr. Isom: $4,374,000, Mr. Kerr: $2,320,000, Ms. Leibman: $2,320,000 and Mr. Johnson: $2,320,000.

(c) For 2019, amounts represent payments under the 2019 STIP. For additional information on these payouts, see the section entitled "Compensation Discussion and Analysis—Annual Cash Incentive Program" beginning on page 52.

(d) Amounts shown represent the change in the actuarial present value of the accumulated benefit under the AMR Retirement Benefit Plan and the AMR Non-Qualified Plan during the applicable year. Both of these plans were frozen as of October 2012. Ms. Leibman is the only named executive officer who participates in the AMR Retirement Benefit Plan and the AMR Non-Qualified Plan. For additional information on these plans, see the sections entitled "Compensation Discussion and Analysis—AMR Legacy Retirement Programs" beginning on page 56 and "Pension Benefits" on page 65.

(e) The following table provides the amounts of other compensation, including perquisites, paid to, or on behalf of, named executive officers during 2019 included in the "All Other Compensation" column. Perquisites and other personal benefits are valued on the basis of the aggregate incremental cost to the Company, except that flight benefits are valued based on the imputed taxable income to the executive, which valuation is greater than the incremental cost to the Company. Beginning in 2018, the amounts included in the "All Other Compensation" column no longer capture dividends accrued and paid on RSUs upon vesting as the dividend rights were captured in the grant date fair value of RSU awards granted on and after 2015.

	Doug Parker ($)	Robert Isom ($)	Derek Kerr ($)	Maya Leibman ($)	Steve Johnson ($)
Flight Privileges (1)	30,232	29,629	8,466	19,668	31,955
Life Insurance Premiums (2)	6,240	-	-	-	-
Medical Examinations	4,568	3,849	2,578	-	-
Financial Advisory Services	-	3,000	4,500	4,500	4,500
Gross-Up Payments (3)	22,674	22,222	-	14,751	23,966
401(k) Company Contributions	-	15,400	15,400	15,400	15,400

(1) Amounts represent flight privileges provided for unlimited, top-priority reserved travel in any class of service, for the named executive officer and his or her immediate family, and up to 12 round-trip or 24 one-way passes for non-eligible family members and friends. Amounts for Messrs. Parker, Isom and Johnson and Ms. Leibman represent the actual value of travel utilized by those named executive officers and their respective eligible dependents during 2019. Amount for Mr. Kerr represents the 2019 annuitized value of his lifetime flight benefits. Mr. Kerr previously vested into lifetime travel privileges in connection with the merger of US Airways and America West. The 2019 annuitized value of Mr. Kerr's lifetime flight benefits was calculated using a discount rate of 3.3% and Pri-2012 Employee Table, with white collar adjustments, increased by 3.0% at all ages, and then projected generationally from 2012 with Scale MP-2019, and assumes the annual level of usage is the same as Mr. Kerr's actual usage in 2006, when he vested into lifetime travel privileges, and a 1% annual increase in the cost of travel.

(2) Amount represents the portion of premiums paid by the Company attributable to Mr. Parker for a life insurance policy under the America West Directors' Charitable Contribution Program.

(3) Amount represents tax gross-up payments with respect to flight privileges.

Grants of Plan-Based Awards in 2019

The following table provides information regarding grants of plan-based awards made to our named executive officers during the year ended December 31, 2019.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (a)			Estimated Future Payouts Under Equity Incentive Plan Awards (b)			All Other Stock Awards: Number of Shares of Stock or Units (#) (c)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($) (d)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
Doug Parker		-	-	-							
	2/20/2019				86,169	172,337	344,674				6,301,000
	2/20/2019							146,806			5,207,000
Robert Isom		659,596	1,319,192	2,638,384							
	2/20/2019				37,387	74,774	149,548				2,734,000
	2/20/2019							74,774			2,652,000
Derek Kerr		408,583	817,166	1,634,332							
	2/20/2019				19,830	39,660	79,320				1,450,000
	2/20/2019							39,660			1,407,000
Maya Leibman		408,583	817,166	1,634,332							
	2/20/2019				19,830	39,660	79,320				1,450,000
	2/20/2019							39,660			1,407,000
Steve Johnson		408,583	817,166	1,634,332							
	2/20/2019				19,830	39,660	79,320				1,450,000
	2/20/2019							39,660			1,407,000

(a) Reflects potential payouts under the 2019 STIP. For each participating named executive officer, actual payments for 2019 were 66.84% of his or her target bonus opportunity. See the “Summary Compensation Table” on page 61.

(b) Represents the performance-vesting portion of each named executive officer’s 2019 RSU awards that vest on February 19, 2022, subject to the executive’s continued employment, based on the Company’s achievement of (i) a pre-tax income margin for the three years ending December 31, 2021 relative to the pre-tax income margin over the same period for a pre-defined group of airlines and (ii) compound annual TSR for the three years ending on February 19, 2022 relative to the compound annual TSR over the same period for a pre-defined group of airlines. The number of shares that will be issued with respect to the performance-vesting RSUs varies between 50% and 200% depending on the Company’s relative performance, and no shares will be issued if threshold performance is not achieved.

(c) Represents the time-vesting portion of each named executive officer’s 2019 RSU award that vests, subject to the executive’s continued employment, with respect to two-thirds of the shares on February 19, 2020 and with respect to one-third of the shares on February 19, 2021.

(d) For the time-based vesting portion of each named executive officer’s 2019 RSU award, the grant date fair value is equal to the number of shares underlying the RSUs, multiplied by the closing price of our Common Stock on the date of grant. For the performance-vesting portion of each named executive officer’s 2019 RSU award, the grant date fair value is equal to the number of shares that would be earned assuming achievement of the probable outcome of the relative pre-tax income margin performance condition, multiplied by the fair value per share determined using a Monte Carlo simulation model for the TSR modifier market condition in accordance with applicable accounting rules. For a description of the inputs to the Monte Carlo simulation, see footnote (b) to the Summary Compensation Table above.

Outstanding Equity Awards at 2019 Fiscal Year-End

The following table provides information regarding all outstanding equity awards held by each of our named executive officers as of December 31, 2019.

	Stock Awards			
Name	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($) (f)	Number of Unearned Shares, Units, or Other Rights That Have Not Vested (#)	Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested ($) (f)
Doug Parker	146,806(a)	4,210,396	172,337(c)	4,942,625
	34,598(b)	992,271	121,844(d)	3,494,486
			131,264(e)	3,764,652
Robert Isom	74,774(a)	2,144,518	74,774(c)	2,144,518
	16,596(b)	475,973	49,787(d)	1,427,891
			53,637(e)	1,538,309
Derek Kerr	39,660(a)	1,137,449	39,660(c)	1,137,449
	8,803(b)	252,470	26,407(d)	757,353
			28,449(e)	815,917
Maya Leibman	39,660(a)	1,137,449	39,660(c)	1,137,449
	8,803(b)	252,470	26,407(d)	757,353
			28,449(e)	815,917
Steve Johnson	39,660(a)	1,137,449	39,660(c)	1,137,449
	8,803(b)	252,470	26,407(d)	757,353
			28,449(e)	815,917

(a) Two-thirds of the RSUs vested on February 19, 2020 and, subject to continued employment, one-third will vest on February 19, 2021.

(b) 100% of the RSUs vested on February 20, 2020.

(c) Represents RSUs that will vest, subject to continued employment, on February 19, 2022 based on the Company's achievement of (i) a pre-tax income margin for the three years ending December 31, 2021 relative to the pre-tax income margin over the same period for a pre-defined group of airlines and (ii) compound annual TSR for the three years ending on February 18, 2022 relative to the compound annual TSR over the same period for a pre-defined group of airlines. The number of shares that will be issued with respect to the performance-vesting RSUs varies between 50% and 200% depending on the Company's relative performance, and no shares will be issued if threshold performance is not achieved. Because such RSUs were tracking at between threshold and target performance as of December 31, 2019, in accordance with SEC rules, the target number of RSUs is shown.

(d) Represents RSUs that will vest, subject to continued employment, on February 20, 2021 based on the Company's achievement of (i) a pre-tax income margin for the three years ending December 31, 2020 relative to the pre-tax income margin over the same period for a pre-defined group of airlines and (ii) compound annual TSR for the three years ending on February 19, 2021 relative to the compound annual TSR over the same period for a pre-defined group of airlines. The number of shares that will be issued with respect to the performance-vesting RSUs varies between 50% and 200% depending on the Company's relative performance, and no shares will be issued if threshold performance is not achieved. Because such RSUs were tracking at between threshold and target performance as of December 31, 2019, in accordance with SEC rules, the target number of RSUs is shown.

(e) Represents RSUs that vested on April 25, 2020 based on the Company's achievement of (i) a pre-tax income margin for the three years ending December 31, 2019 relative to the pre-tax income margin over the same period for a pre-defined group of airlines and (ii) compound annual TSR for the three years ending on April 24, 2020 relative to the compound annual total stockholder return over the same period for a pre-defined group of airlines. Based on our achievement of 62.6% pre-tax income and TSR rank of sixth relative to the peer group, 0.563 shares of common stock were issuable in respect of each RSU. Because such RSUs were tracking at between threshold and target performance as of December 31, 2019, in accordance with SEC rules, the target number of RSUs is shown.

(f) The market value of RSUs was calculated by multiplying $28.68, the closing price of a share of our Common Stock on December 31, 2019, by the number of unvested RSUs outstanding under the award. The market values of the RSUs are significantly lower as of the date of this Proxy Statement given the decrease in our stock price since December 31, 2019.

Options Exercised and Stock Vested

The following table provides information regarding all exercises of SARs and the vesting of RSUs held by the named executive officers during the year ended December 31, 2019.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($) (a)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($) (b)
Doug Parker	294,748	7,781,347	210,794	7,256,953
Robert Isom	-	-	91,294	3,063,021
Derek Kerr	-	-	49,701	1,711,265
Maya Leibman	-	-	49,701	1,711,265
Steve Johnson	117,287	3,096,377	49,701	1,711,265

(a) Represents the market price at the time of exercise of SARs, net of the exercise price. Messrs. Parker and Johnson exercised the SARs because they were close to expiring but did not sell the underlying shares.

(b) Represents the closing market price of a share of our Common Stock on the date of vesting, multiplied by the number of shares that vested.

Pension Benefits

The following table summarizes the present value of the accumulated pension benefits of Ms. Leibman, the only named executive officer who participated in the AMR Retirement Benefit Plan and the AMR Non-Qualified Plan as of December 31, 2019. On October 31, 2012, in connection with the voluntary cases commenced by AMR under chapter 11 of title 11 of the Code (the “Chapter 11 Cases”), credited service and benefit accruals under both the AMR Retirement Benefit Plan and the defined benefit portion of the AMR Non-Qualified Plan were frozen for all participants (including Ms. Leibman).

	Plan Name	Number of Years of Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
Maya Leibman	AMR Retirement Benefit Plan	5.261	312,386	-
	AMR Non-Qualified Plan	5.261	57,911	-

Discussion Regarding the Pension Benefits Table

AMR Retirement Benefit Plan

The AMR Retirement Benefit Plan is a defined benefit plan that complies with the Employee Retirement Income Security Act of 1974 and qualifies for an exemption from federal income tax under the Code. On January 1, 2002, all participants were given the choice to either continue accruing credited service in the AMR Retirement Benefit Plan or to freeze their AMR Retirement Benefit Plan credited service and begin to earn additional benefits in the Company’s defined contribution plan. Ms. Leibman elected the second option, so her credited service was frozen at January 1, 2002. On October 31, 2012, credited service and benefit accruals were frozen for all plan participants in connection with the Chapter 11 Cases. Effective upon the freeze of benefit accruals, affected employees received a replacement benefit under the AA 401(k) Plan in the form of matching employee contributions up to 5.5% of eligible earnings.

The AMR Retirement Benefit Plan was only available to employees hired prior to January 1, 2002 who had also completed 1,000 hours of service in one year prior to that date. To vest in the plan’s benefits, a participant must also (i) complete at least five years of service, (ii) reach age 65 or (iii) be permanently and totally disabled. Normal retirement age under the plan is 65. However, participants with at least ten years of retirement eligible service may retire at age 60 and receive unreduced benefits. Participants with at least 15 years of retirement eligible service may retire at age 55, but their benefits are reduced 3% for each year that the participant’s age is below age 60. Participants who terminate before age 60 with more than ten but less than 15 years of retirement eligible service may receive reduced retirement benefits starting at age 60. These benefits are reduced 3% for each year that the participant’s age is below age 65. AMR Retirement Benefit Plan benefits are paid as a monthly annuity and the participant may elect the form of annuity payments. Payment options include single life, joint and survivor, guaranteed period or level income. For the level income payment option, the monthly payments are adjusted to coordinate with the receipt of Social Security benefits.

The benefit payable to all participants (including Ms. Leibman) under the AMR Retirement Benefit Plan and the AMR Non-Qualified Plan was determined using one of four formulas, and the formula that provides the participant the greatest benefit is used. For purposes of the table above, we therefore have assumed that Ms. Leibman will receive benefits under the AMR Retirement Benefit Plan and the AMR Non-Qualified Plan pursuant to the "Social Security Offset Formula" where a participant's annual benefit at normal retirement will equal the difference between (i) the product of (a) 2% of the participant's final average compensation times (b) the participant's years of credited service, and (ii) the product of (a) 1.5% of the participant's estimated annual Social Security benefit times (b) the participant's years of credited service, up to a maximum of 33.3 years of service.

AMR Non-Qualified Plan

The AMR Non-Qualified Plan supplemented the AMR Retirement Benefit Plan and the AA 401(k) Plan for participants whose compensation exceeded the maximum recognizable compensation limit allowed under the Code.

The AMR Non-Qualified Plan had two components: (i) a defined benefit component for participants in the AMR Retirement Benefit Plan before it was frozen, and (ii) a defined contribution component for officers who participate in the AA 401(k) Plan. The defined contribution component is discussed below under the "Non-Qualified Deferred Compensation Table" and the accompanying narrative.

As described above, in 2002, Ms. Leibman elected to freeze her AMR Retirement Benefit Plan credited service. As a result of this election, her credited service in the AMR Non-Qualified Plan was also frozen at January 1, 2002. All benefit accruals under the defined benefit portion of the AMR Non-Qualified Plan were frozen for all participants as of October 31, 2012 in connection with the Chapter 11 Cases.

Present Value Calculations

The values of accrued benefits under the AMR Retirement Benefit Plan are determined using the Pri-2012 Nondisabled Annuitant table with white collar adjustments and increased 3% at all ages, and projected generationally using the MP-2019 projection scale. The lump sum amounts payable under the AMR Non-Qualified Plan are calculated using the November 2019 417(e) segment rates and the 2020 417(e) unisex mortality table prescribed by the IRS. Retirement benefits for both plans are then discounted to December 31, 2019 using an interest-only discount rate of 3.3%. The present value is the amount today that, with fixed interest earned over time, is expected to equal the total amount of benefits paid to the employee. The present values for active employees generally assume retirement at age 60, which is the age when unreduced benefits may be available. The present value for terminated employees generally assumes retirement at the earliest age the officer is eligible to retire.

Non-Qualified Deferred Compensation

The following table provides information with respect to the non-qualified deferred compensation earned by Ms. Leibman under the AMR Non-Qualified Plan for 2019. The defined contribution component of the AMR Non-Qualified Plan was frozen to new participants as of December 31, 2014 and frozen to Company matching contributions as of December 31, 2015.

	Executive Contributions in Last Fiscal Year ($)	Company Contributions in Last Fiscal Year ($)	Aggregate Earnings in Last Fiscal Year ($) (a)	Aggregate Withdrawals/ Distributions in Last Fiscal Year ($)	Aggregate Balance at December 31, 2019 ($) (b)
Maya Leibman	-	-	42,283	-	217,720

(a) Represents earnings under the AMR Non-Qualified Plan as a result of the performance of the underlying investments. These amounts do not represent above-market earnings, and thus are not reported in the Summary Compensation Table above.

(b) None of this amount was previously reported as compensation for Ms. Leibman in the Summary Compensation in prior years.

Discussion Regarding Non-Qualified Deferred Compensation Table

The defined contribution component of the AMR Non-Qualified Plan supplemented the AA 401(k) Plan for Ms. Leibman because her compensation exceeded the maximum recognizable compensation limit allowed under the Code. Contributions vested after three years of service, and participants are entitled to a distribution of their accounts upon a separation from the company. Investment options for the AMR Non-Qualified Plan mirror the AA 401(k) Plan investment options available to all participating employees. The defined contribution component of the AMR Non-Qualified Plan was frozen to new participants as of December 31, 2014 and frozen to Company matching contributions as of December 31, 2015.

Potential Payments Upon Termination or Change in Control

This section describes payments that would be made to our named executive officers upon a change in control or following a qualifying termination of employment.

Mr. Parker

In April 2016, at Mr. Parker's request the Compensation Committee approved the termination of the Amended and Restated Employment Agreement with Mr. Parker dated November 28, 2007 and the Company's obligations thereunder, including certain benefits in the event of a change in control or termination. Therefore, Mr. Parker is entitled only to termination and/or change in control benefits payable to him under general plans in which he participates, as well as certain accelerated vesting of RSUs, as described below.

Messrs. Isom, Kerr and Johnson

Upon the closing of the merger with US Airways, we assumed the executive change in control and severance benefits agreements entered into between US Airways and Messrs. Isom, Kerr and Johnson (the "Executive CIC Agreements"). In April 2017, at their request, all of our executive officers who were party to Executive CIC Agreements, including each of Messrs. Isom, Kerr and Johnson, voluntarily terminated their agreements. As a result of the voluntary forfeiture of these agreements, our executive officers, including Messrs. Isom, Kerr and Johnson, are no longer contractually entitled to any cash severance or continued healthcare benefits upon any termination and are entitled only to termination and/or change in control benefits under general plans in which they participate, as described below.

2013 Plan

Pursuant to the terms of grant agreements under the 2013 Plan, all RSUs held by the named executive officers are fully accelerated in the event of either of the following: (i) termination by reason of death or "disability" or (ii) a "change in control" (each, as defined in the applicable plan and award agreements). In addition, the vesting of the RSUs may be accelerated by the Compensation Committee in its discretion upon retirement. In the event of any acceleration of performance-vesting RSUs, such RSUs will vest at the target level of achievement.

In May 2015, at his request, the Compensation Committee approved providing 100% of Mr. Parker's direct compensation in the form of equity incentives. Mr. Parker ceased receiving any base salary and ceased his participation in the Company's STIP in place in 2015, the value of which was captured in Mr. Parker's 2015 target equity incentive compensation. In connection with this adjustment, the Compensation Committee provided that in the event of Mr. Parker's termination of employment other than for misconduct, a portion of his equity incentives will vest to account for the value of Mr. Parker's base salary and cash incentive award that otherwise would have been earned by him through the termination date.

Short-Term Incentive Plan

Under the STIP, if an employee separates from service with us and our affiliates while actively employed due to death or disability prior to the payment of the award, but is otherwise eligible for the award, the employee will be treated as having been actively employed on the date of payment of the award.

Estimated Potential Payments

The estimated amounts of the respective benefits for each of our named executive officers, assuming the triggering event occurred on December 31, 2019, are provided in the table below. The table below reflects the termination and/or change in control benefits payable to each named executive officer under general plans in which he or she participates, as well as certain accelerated vesting of RSUs, as described below.

Executive Benefits and Payments Upon Termination	Change in Control ($)	Death ($)	Disability ($)	Any Other Termination ($)
Doug Parker				
Acceleration of Unvested RSUs (a)	17,404,429	17,404,429	17,404,429	3,632,000(b)
Flight Privileges (c)	-	761,880	871,006	871,006
Total	17,404,429	18,166,309	18,275,435	4,503,006
Robert Isom				
Annual Incentive Award (d)	-	881,748	881,748	-
Acceleration of Unvested RSUs (a)	7,731,210	7,731,210	7,731,210	-
Flight Privileges (c)	-	337,504	448,445	448,445
Total	7,731,210	8,950,462	9,061,403	448,445
Derek Kerr				
Annual Incentive Award (d)	-	546,194	546,194	-
Acceleration of Unvested RSUs (a)	4,100,638	4,100,638	4,100,638	-
Flight Privileges (c)	-	137,237	192,390	192,390
Total	4,100,638	4,784,069	4,839,222	192,390
Maya Leibman				
Annual Incentive Award (d)	-	546,194	546,194	-
Acceleration of Unvested RSUs (a)	4,100,638	4,100,638	4,100,638	-
Flight Privileges (c)	-	310,540	412,509	412,509
Total	4,100,638	4,957,372	5,059,341	412,509
Steve Johnson				
Annual Incentive Award (d)	-	546,194	546,194	-
Acceleration of Unvested RSUs (a)	4,100,638	4,100,638	4,100,638	-
Flight Privileges (c)	-	328,390	444,698	444,698
Total	4,100,638	4,975,222	5,091,530	444,698

(a) Aggregate value of unvested RSUs is calculated at a price of $28.68, the closing price of a share of our Common Stock on December 31, 2019, multiplied by the number of unvested RSUs outstanding under each award. The market values of the RSUs are significantly lower as of the date of this Proxy Statement given the decrease in our stock price since December 31, 2019.

(b) Represents the vesting of the portion of Mr. Parker's RSU awards that accounts for the value of Mr. Parker's base salary and cash incentive award that otherwise would have been earned by him through the termination date.

(c) Based on the terms of the non-revenue travel policy for executive officers currently in effect. Reflects the present value of future travel calculated using a discount rate of 3.3% and Pri-2012 Employee Table, with white collar adjustments, increased by 3.0% at all ages, and then projected generationally from 2012 with Scale MP-2019, and assumes the annual level of usage is the same as the executive's actual usage for 2019 (excluding travel between Phoenix and Dallas/Fort Worth and between Orange County and Dallas/Fort Worth for Mr. Johnson) with a valuation based on imputed income and a 1% annual increase in the cost of travel.

(d) Amount represents the amount of the annual incentive award earned by the named executive officer under the 2019 STIP.

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing information about the relationship of the annual total compensation of our employees and the annual total compensation of Mr. Parker, our CEO. The Company's employment footprint is quite diverse—with some positions requiring initial education and licensing requirements as well as ongoing certification work. Compensation for positions with more rigorous requirements for continued employment and that draw from smaller applicant pools generally utilize higher pay bands than those positions with fewer educational and training requirements and larger applicant pools. For 2019, the median annual total compensation of all team members across American (other than our CEO) was $61,143, while the annual total compensation of our CEO was $11,571,714, as included in the "Summary Compensation Table" above. Based on this information, the ratio of the annual total compensation of our CEO to the median annual total compensation of all employees was estimated to be 189 to 1. This pay ratio is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K.

Determining the Median Employee

The Company chose December 31, 2019 as the date for establishing the employee population used in identifying the median employee and 2019 as the measurement period. We captured all full time, part-time and temporary employees as of that date, including team members employed at our three wholly owned subsidiaries and all international team members, consisting of approximately 145,986 individuals. We identified the median team member using eligible earnings as defined by our profit-sharing program which consists primarily of base wages and excludes items such as cash incentive pay, Company paid employee expenses or allowances, disability, severance, and benefit pay earned during the measurement period for each employee. We annualized earnings for permanent employees who joined in 2019, so these employees were assumed to have worked for the entire year. Because the median employee using this methodology was a partial-year employee during 2019, we selected as our median employee the employee with the closest eligible earnings (which was within $2 of the original median employee's eligible earnings) who we determined had earned 2019 compensation that was representative of the compensation paid to our broader population. Such median employee was a customer service representative in the United States. The annual total compensation of the median employee and the annual total compensation of the CEO were calculated in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K.

Pay Ratio Comparisons

The SEC's rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices. As a result, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

As the world's largest airline, some of our unique characteristics may make comparisons to the pay ratios at other airlines or companies difficult. We employ over 130,000 team members, more than any other U.S. airline; our route network is vast and unique; and we insource more of our flying and services than our U.S. peers. For example, American operates three wholly-owned regional airlines, and approximately 23% of our total workforce is employed by those airlines. Additionally, our pay ratio includes approximately 6,200 international team members, and approximately 20,000 part-time and temporary team members. We offer competitive compensation to our team members. Since our landmark merger with US Airways in 2013, we have hired over 23,000 new team members and increased the average wage per employee by more than 58% over those six years. In 2019, salaries, wages and benefits were our largest expense and represented approximately 34% of our total operating expenses. Approximately 85% of our employees as of December 31, 2019 were represented by various labor unions responsible for negotiating the collective bargaining agreements covering them.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information about our Common Stock that may be issued under all of our existing equity compensation plans as of December 31, 2019, which include the following:

- the 2013 Plan; and
- the U.S. Airways Group Inc. 2011 Incentive Award Plan (the “2011 Plan”).

Plan Category	(i) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(ii) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights ($)	(iii) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (i))
Equity Compensation Plans Approved by Security Holders [(a)]	5,186,766	-	29,462,636
Equity Compensation Plans Not Approved by Security Holders [(b)]	4,000	15.78[(c)]	-[(d)]
Total	5,190,766	15.78	29,462,636

(a) The 2013 Plan was approved by the Bankruptcy Court in connection with AMR’s bankruptcy plan and further approved by the Board on December 9, 2013. Under Delaware law, as part of the reorganization, the 2013 Plan was deemed to be approved by our stockholders. The 2013 Plan replaces and supersedes the 2011 Plan. No additional awards were made under the 2011 Plan or the other US Airways Group, Inc. plans following the effectiveness of the 2013 Plan. The 2013 Plan authorizes the grant of awards for the issuance of 40,000,000 shares plus any shares underlying awards granted under the 2013 Plan, or any US Airways Group, Inc. plan, that are forfeited, terminate or are cash settled (in whole or in part) without a payment being made in the form of shares. In addition, any shares that were available for issuance under the 2011 Plan as of the effective date of the 2013 Plan may be used for awards under the 2013 Plan; provided, that awards using such available shares under the 2011 Plan shall not be made after the date awards or grants could have been made under the 2011 Plan and shall only be made to individuals who were not providing services to AAG prior to the merger with US Airways. Consists of 5,186,766 RSUs.

(b) The 2011 Plan was approved by US Airways Group’s stockholders prior to the merger with US Airways, but has not been approved by our stockholders. As of December 31, 2019, there were 4,000 SARs outstanding under the 2011 Plan.

(c) Represents the weighted average exercise price of the outstanding SARs. The weighted average remaining term of these outstanding SARs is 0.3 years.

(d) No shares are available for future grant under this plan.

OTHER MATTERS

Stockholder Proposals

Rule 14a-8 of the Exchange Act provides that certain stockholder proposals must be included in the proxy statement for an annual meeting of stockholders. For a stockholder proposal to be considered for inclusion in the proxy statement for our 2021 annual meeting of stockholders, our Corporate Secretary must receive the proposal at our principal executive offices no later than December 29, 2020. The proposal must comply with the SEC regulations under Rule 14a-8 of the Exchange Act regarding the inclusion of stockholder proposals in our proxy materials.

Pursuant to the Bylaws, in order for a stockholder to present a proposal at an annual meeting of stockholders, other than proposals to be included in the proxy statement as described above, the stockholder must deliver proper notice to our Corporate Secretary at our principal executive offices not more than 120 days and not less than 90 days prior to the anniversary date of the immediately preceding annual meeting or, if the date of the annual meeting is more than 30 days before or after such anniversary date, not later than the 90th day prior to such annual meeting or, if later, the tenth day following the day on which public disclosure of the date of such annual meeting was first made. For the 2021 annual meeting of stockholders, notice must be delivered no sooner than February 10, 2021 and no later than March 12, 2021. Stockholders are advised to review the Bylaws, which contain additional requirements with respect to advance notice of stockholder proposals. Additional information with regard to director recommendations or nominations for director candidates can be found beginning on page 14 and we encourage stockholders to review the procedures and deadlines relating thereto before taking action.

In addition, our Bylaws permit certain of our stockholders who have beneficially owned 3% or more of our outstanding common stock continuously for at least three years to submit nominations to be included in the Company's proxy materials for up to 20% of the total number of directors then serving. Notice of proxy access director nominations for the 2021 annual meeting of stockholders must be delivered to our Corporate Secretary at our principal executive offices no earlier than November 29, 2020 and no later than the close of business on December 29, 2020. The notice must set forth the information required by our Bylaws with respect to each proxy access director nomination that eligible stockholder or stockholders intend to present at the 2021 annual meeting of stockholders and must otherwise be in compliance with our Bylaws.

Annual Report and Available Information

Our Annual Report on Form 10-K for the year ended December 31, 2019 accompanies this Proxy Statement but does not constitute a part of the proxy soliciting materials. **A copy of our Annual Report on Form 10-K for the year ended December 31, 2019, including financial statements and financial statement schedules but without exhibits, is available to any person whose vote is solicited by this proxy upon written request to Caroline B. Ray, Corporate Secretary, American Airlines Group Inc., 1 Skyview Drive, Fort Worth, Texas 76155.** Copies also may be obtained without charge through the SEC's website at *www.sec.gov* .

Cautionary Statement Regarding Forward-Looking Statements

Certain of the statements contained in this Proxy Statement should be considered forward-looking statements within the meaning of the Securities Act, the Exchange Act, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as "may," "will," "expect," "intend," "anticipate," "believe," "estimate," "plan," "project," "could," "should," "would," "continue," "seek," "target," "guidance," "outlook," "if current trends continue," "optimistic," "forecast" and other similar words. Such statements include, but are not limited to, statements about the Company's plans, objectives, expectations, intentions, estimates and strategies for the future, and other statements that are not historical facts. These forward-looking statements are based on the Company's current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 (especially in Part I, Item 1A. Risk Factors and Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations), and other risks and uncertainties listed from time to time in the Company's other filings with the SEC. There may be other factors of which the Company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. In particular, the consequences of the coronavirus outbreak to economic conditions and the travel industry in general and the financial position and operating results of our Company in particular have been material, are changing rapidly, and cannot be predicted. The Company does not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statement.

American Airlines Group

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AMERICAN AIRLINES GROUP INC.
1 SKYVIEW DR.
FORT WORTH, TX 76155

VOTE BY INTERNET
Before The Meeting - Go to **www.proxyvote.com**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on June 9, 2020. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to **www.virtualshareholdermeeting.com/aal2020**

You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

VOTE BY PHONE - 1-800-690-6903
Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on June 9, 2020. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

D05708-P35296-Z76513 KEEP THIS PORTION FOR YOUR RECORDS

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. DETACH AND RETURN THIS PORTION ONLY

AMERICAN AIRLINES GROUP INC.

The Board of Directors recommends you vote FOR the following proposals, all of which are proposed by American Airlines Group Inc.:

1. A proposal to elect 10 directors to serve until the 2021 Annual Meeting of Stockholders of American Airlines Group Inc. and until their respective successors have been duly elected and qualified.

Nominees are:	**For**	**Against**	**Abstain**
1a. James F. Albaugh	☐	☐	☐
1b. Jeffrey D. Benjamin	☐	☐	☐
1c. John T. Cahill	☐	☐	☐
1d. Michael J. Embler	☐	☐	☐
1e. Matthew J. Hart	☐	☐	☐
1f. Susan D. Kronick	☐	☐	☐
1g. Martin H. Nesbitt	☐	☐	☐
1h. Denise M. O'Leary	☐	☐	☐
1i. W. Douglas Parker	☐	☐	☐
1j. Ray M. Robinson	☐	☐	☐

	For	**Against**	**Abstain**
2. A proposal to ratify the appointment of KPMG LLP as the independent registered public accounting firm of American Airlines Group Inc. for the fiscal year ending December 31, 2020.	☐	☐	☐
3. A proposal to consider and approve, on a non-binding, advisory basis, executive compensation of American Airlines Group Inc. as disclosed in the proxy statement.	☐	☐	☐

The Board of Directors recommends you vote AGAINST the following stockholder proposal:

	For	**Against**	**Abstain**
4. A stockholder proposal to provide a report on political contributions and expenditures.	☐	☐	☐

If any other matters properly come before the 2020 Annual Meeting of Stockholders or any adjournments or postponements thereof, the persons named as proxies will vote upon those matters according to their judgment. The Board of Directors of American Airlines Group Inc. is not aware of any other business to be presented to a vote of the stockholders at the 2020 Annual Meeting of Stockholders.

For address changes and/or comments, please check this box and write them on the back where indicated. ☐

Please indicate if you plan to attend this meeting. ☐ Yes ☐ No

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date

Important Notice Regarding the Availability of Proxy Materials for the 2020 Annual Meeting of Stockholders:
The Notice, Proxy Statement, Form of Proxy and Annual Report are available at *www.proxyvote.com*.

D05709-P35296-Z76513

AMERICAN AIRLINES GROUP INC.
1 SKYVIEW DR.
FORT WORTH, TX 76155
NOTICE OF 2020 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON WEDNESDAY, JUNE 10, 2020

Proxy Solicited by the Board of Directors for the 2020 Annual Meeting of Stockholders to be held on June 10, 2020.

The undersigned hereby appoints W. Douglas Parker and Stephen L. Johnson, and each of them, as proxies, with full power of substitution, to vote all the shares of common stock of American Airlines Group Inc. that the undersigned is entitled to vote at the 2020 Annual Meeting of Stockholders of American Airlines Group Inc., a virtual meeting conducted via live audio webcast on Wednesday, June 10, 2020 at 9:00 a.m. Central Time, and at any adjournment or postponement thereof.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN. IF YOU DO NOT STATE OTHERWISE, YOUR PROXY WILL BE VOTED "FOR" ALL NOMINEES LISTED IN PROPOSAL 1, "FOR" PROPOSALS 2 AND 3, AND "AGAINST" PROPOSAL 4. ANY ADDITIONAL BUSINESS AS MAY PROPERLY COME BEFORE THE 2020 ANNUAL MEETING OF STOCKHOLDERS OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF WILL BE VOTED IN ACCORDANCE WITH THE JUDGMENT OF THE PERSON VOTING THE PROXY. YOU MAY REVOKE THIS PROXY AT ANY TIME PRIOR TO COMMENCEMENT OF VOTING AT THE 2020 ANNUAL MEETING OF STOCKHOLDERS OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF.

If you vote by telephone or the Internet, please DO NOT mail back this proxy card. Proxies submitted by telephone or the Internet must be received by 11:59 p.m. Eastern Time on June 9, 2020.

Address Changes/Comments: ______________________________

____

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

Continued and to be signed on reverse side