

**American Airlines Group Inc.  
2020 Annual Meeting of Stockholders Q&A**

*A number of questions were submitted by our stockholders before and during the 2020 Annual Meeting. Responses to appropriate questions that were submitted in accordance with the Annual Meeting's Rules of Conduct and were not addressed during the Annual Meeting are provided below. As noted in the Company's proxy statement, in order to promote fairness, efficient use of the Company's resources, and to ensure all stockholders are responded to, we have responded to up to three questions from each stockholder who submitted questions.*

**The Airbus A330, Boeing 757 and Embraer E190s were recently retired. What are the plans to replace these planes?**

- The Airbus A330-300 flying will be covered by the Boeing 787 and the Boeing 777. The Boeing 757 flying will be replaced by a combination of the Boeing 737 MAX, A321neo and A321XLR, deliveries of which we currently expect to commence in 2023. The E190 flying will be covered by the A319. Even with the recent fleet changes, we retain the flexibility to pursue efficient growth through increased utilization, or further reduce our fleet to match demand, across our system and hubs.

**Can American consider bringing back the MD-80s for some flights once a year? So many of us love the Mad Dogs.**

- The MD-80 was a tremendous aircraft for American for 37 years. Given the current environment and the efficiency of our newer aircraft, we don't intend to bring back the MD-80 at any point in the future.

**What is American's plan to serve Canada after the pandemic? Seasonal focus or maintain service to most cities?**

- We are taking the opportunity to review our entire network. We intend to ensure our network, fleet and the entire airline are rightsized for the new environment. We plan to serve Canada with the same seasonality and markets as before, though capacity may be reduced in line with the rest of the network. We are confident demand for travel will return as the global economy begins to reopen, but we are planning for a gradual recovery.

**What do you expect your European network to look like in 2021? Any of the niche markets expected to return?**

- We are taking the opportunity to review our entire network. We'll ensure our network, fleet and the entire airline are rightsized for the new environment. We are confident demand for travel will return as the global economy begins to reopen, but we are planning for a gradual recovery, especially long-haul international travel, which we expect will take longer to recover than other segments. Regardless, we intend to ensure American is competitive and well-positioned throughout Europe with our network and our alliance partners' networks.

**Has American removed seats from planes to fly cargo? If so how many passenger planes have been repurposed to carry cargo?**

- We have not removed seats from our aircraft to allow for additional cargo space. However, we are using our existing fleet to transport a significant amount of cargo despite the drop-off in passenger demand. We started operating cargo-only flights in March to transport critical goods between the U.S. and Europe, Asia and Latin America.

These are the first cargo-only flights American has operated since 1984. We are currently able to transport millions of pounds of critical goods weekly on our cargo-only flights, and we'll look for future opportunities to expand the service and bring medical supplies and protective gear to areas that are in need. More information on American's cargo-only service can be found here: <http://news.aa.com/news/news-details/2020/American-Airlines-Continues-its-Pioneering-History-with-Expanded-Cargo-Operations-OPS-CGO-05/default.aspx>

**What are the short-term and long-term plans for Envoy Airlines in light of how COVID-19 has impacted the industry and the company?**

- Envoy and the rest of the regional operations remain an important part of American. The recent downturn in demand has been unprecedented, but we are confident people will return to travel – to conduct business, to see family and friends, and to go on vacation. There is pent-up demand for air travel and we expect to see more customers return as more states, businesses, activities and attractions open up. The Company's regional operations will play an important role in serving that demand and feeding traffic into American's hubs.

**Has the looming pilot shortage due to retirements now disappeared?**

- The issue of pilot shortages has alleviated to some degree for the industry.

**What is American's expectation for forward annual net earnings?**

- We aren't able to provide future earnings guidance at this time. Our focus is on improving our liquidity position, reducing costs and rightsizing the airline for the current environment.

**How far ahead do your bookings stretch? Do you foresee a reduction in schedule post-summer months?**

- The Company sells tickets for travel 331 days out. Travel demand and related scheduled capacity traditionally fall post-summer months. Our capacity for the post-summer months in 2020 will be driven by the pace of recovery of demand.

**Can you disclose what percentage of the forward bookings you are currently receiving are being paid for with vouchers from previously canceled trips? As a follow up to that, people still earned miles during the pandemic using their credit cards and all the other variety of ways to earn miles. What percentage of bookings are award travel? Or if you cannot get that granular can you give a cash versus non cash booking breakout? Thanks for taking the question and for leading the industry through a very challenging period.**

- The Company does not disclose the real-time breakdown of cash vs. non-cash bookings. As noted in the Company's most recent 10-K, approximately 8% of our 2019 total revenue passenger miles flown were from award travel. And as noted in the 8-K filed June 12, 2020, since the first week of May, the Company's net bookings have been consistently positive and have shown continued signs of improvement. Since the middle of May, the Company has observed positive net bookings in each of the seven advanced purchase windows that it regularly monitors. These windows include tickets purchased between 1 to 6 days, 7 to 13 days, 14 to 30 days, 31 to 60 days, 61 to 90 days, 91 to 150 days, and 151 to 331 days prior to departure. The Company believes these trends are an indication of improving passenger demand although at levels significantly below those experienced in the same period in 2019.

**In what form do you expect to receive compensation from Boeing for the grounding of the Boeing 737 MAX?**

- We're pleased to have reached a settlement with Boeing in January to compensate American for financial damages incurred in 2019 due to the grounding of the MAX. We are not able to disclose details of the agreement. We continue to incur financial damages in 2020. Discussions have continued with Boeing for further compensation for these damages.

**Why is American keeping Phoenix open as a second headquarters?**

- American is proud to have a strong corporate and operational presence in the Phoenix region since the merger of American and US Airways. The Company has key support functions based in the Phoenix area, including accounting and customer relations. We are always evaluating our real estate and larger operational and support structure.

**What was the total cost of the American's DFW-area campus?**

- The Company does not disclose capital expenditures on a project by project basis. The full cost of the project is included in the Company's capital expenditure disclosure.

**What is the debt of the DFW-area campus?**

- The Company does not disclose debt on a project by project basis. The full amount of the Company's debt is included in the Company's financial statements.

**Has the flight attendant staircase and other architecture memorabilia from the flight attendant training center been moved to the C.R. Smith Museum?**

- The original Lodge staircase and medallion have been dismantled and are safely preserved in storage. The C.R. Smith Museum expansion project is currently on hold, but our longer-term plan is to feature the staircase at the Museum.

**American has shared its concerns about the Gulf carriers benefiting from significant government subsidies, which allowed them to grow quickly, reinvest in their product and expand their global presence. American is now benefiting from the CARES Act funding. What's the difference now between American and the Gulf carriers if both are receiving government assistance?**

- The assistance provided to American and other U.S. airlines via the CARES Act is to provide much-needed liquidity to U.S. airlines and allow them to retain employees through this downturn. These are extraordinary circumstances and additional support was needed to protect jobs and ensure people can rely on this critically important industry after the crisis ends. The CARES Act funding isn't intended – and isn't being used – to allow airlines to expand, add new routes or invest in new products and services. Additionally, the CARES Act support made available to the Company is fully and transparently disclosed.

**What percent of American's employees are able to mostly work from home?**

- The majority of American's team members work in customer-facing, operational roles. That being the case, a small percentage of American's team is able to work from home. We are encouraging those employees who are able to work from home to do so.

**How many employees have contracted COVID-19?**

- The Company does not disclose this information.

**Primates have been integral to COVID-19 research, yet animal rights advocates are engaged in a campaign to shut off the supply line for research that might cure COVID-19, AIDS and heart disease. Will American relax its policies and start transporting lab animals in the interest of find a COVID-19 cure?**

- This is not something we are considering at this time. We'll continue to engage with regulatory agencies and health officials regarding the pandemic and best practices related to our operations.

**We were pleased to read in the ESG section of your Annual Report that American's board has assigned the primary responsibility for coordination of ESG oversight to the Corporate Governance and Nominating Committee of the Board. Has the charter of the committee been rewritten to include specific oversight functions related to environmental sustainability efforts and goals of the company, and can you give us an overview of what those oversight functions are?**

- The Company is in the process of amending the charter of the Corporate Governance and Nominating Committee to include a number of specific elements related to ESG, including environmental sustainability. Once approved, a copy of the amended charter of the Corporate Governance and Nominating Committee will be made available on our website at [www.aa.com](http://www.aa.com) under the links "Investor Relations"—"Corporate Governance."

**How is the downturn in business impacting American's commitment to building a more environmentally sustainable business, and particularly your commitment to reducing greenhouse gas emissions and combating climate change?**

- The COVID-19 crisis has not diminished the Company's focus on climate change. We know that over the long term we have to reduce our carbon footprint if we are going to limit global warming. Our strategy has three main components: fuel efficiency, fleet renewal, and sustainable aviation fuel. Our focus on fuel efficiency is integral to our work to reduce costs, which means conserving jet fuel across our operations. We are optimizing arrival fuel to reduce excess weight onboard, using only one engine during taxi when we can, and hooking up ground power instead of using the aircraft's less efficient auxiliary power unit. We are also working on a longer list of fuel conservation initiatives. With regard to our fleet, we have taken delivery of 550 more fuel-efficient aircraft over the last seven years, including the Boeing 787 Dreamliner and the Airbus 321neo, which were developed with the latest engine and airframe technologies. And with the reduction in demand from COVID-19, we've retired around 100 of our older, less fuel-efficient aircraft. The average age of our fleet is among the lowest in the industry. And with regard to sustainable aviation fuel (SAF), we recently disclosed in our 2020 proxy that we recently signed a contract to take delivery of nine million gallons of SAF over three years. The market for sustainable jet fuel is small, but we need it to grow if we want to reduce emissions over time, so the purpose of our agreement is to help bolster the market.

**To my knowledge American doesn't have a carbon offset program like most other major airlines. Why?**

- We are working with a third party to build a carbon offset program that will give our customers the ability to offset the emissions from their flights with us.

**Out of curiosity, is this the first virtual annual meeting?**

- The Company held its first virtual annual meeting in 2019.

**What is the attendance at today's meeting?**

- We had approximately 115 stockholders attend the virtual meeting this year. This is substantially more than last year and significantly more than the number who attended in-person meetings in recent years past.

**When was the last in-person board meeting? Has the board transitioned to telephone meetings?**

- American's board of directors meets regularly. Generally the board has in-person meetings quarterly. The most recent in-person meeting was in January. Since the onset of the COVID-19 pandemic, the board has moved to virtual and teleconference meetings.

**Will the board vote to protect the Company's frozen pension plans if there is a bankruptcy as a result the current pandemic?**

- We intend for American to come through this period of uncertainty in a strong competitive position and with its pension plans intact.

**Is the company still planning on buying back stock as it has done in the past?**

- In accordance with the CARES Act, American has suspended its capital return program, including share repurchases and the payment of future dividends. There are provisions included in the CARES Act that prohibit the repurchase of common stock and the payment of common stock dividends until at least Sept. 30, 2021. If American obtains a secured loan under the CARES Act, this restriction will remain in place until one year after the loan has been repaid in full.

**Is American going to declare bankruptcy?**

- Filing for bankruptcy protection is not something the Company is considering at this time. We intend for American to come through this period of uncertainty in a strong competitive position.

**What is the financial impact of the ticket refunds mandated by the U.S Department of Transportation as a result of American canceling flights?**

- During our most recent financial results conference call, we outlined \$1.2 to \$1.3 billion in customer refunds during the second quarter. These payments are built into the daily cash burn numbers provided by the Company.

**Why did management receive a bonus when they didn't make their target goal?**

- Information regarding the Company's compensation policies and practices for the named executive officers is provided in the 2020 proxy statement starting on page 46: <https://www.proxydocs.com/branding/965250/2020/ps/46/>

**What is the spread between Doug Parker's gross compensation and the lowest paid employee at American Airlines?**

- Information regarding the CEO's compensation as compared to the median paid employee, in accordance with SEC rules, is provided in the 2020 proxy statement starting on page 68: <https://www.proxydocs.com/branding/965250/2020/ps/68/>