

**American Airlines Group Inc.**

**2019 Annual Meeting of Stockholders Q&A**

**A number of questions were submitted by our stockholders before and during the 2019 Annual Meeting. Responses to appropriate questions that were submitted in accordance with the Annual Meeting's Rules of Conduct and were not addressed at the Annual Meeting have been provided below. As noted in the Company's proxy statement, questions and answers have been grouped by topic and substantially similar questions have been be grouped and answered once.**

1. Will the Company commit to publish in the financial statements its board of directors and senior officers demographic information to include age, race, and gender?
  - A. Background information regarding each of our Board members and senior officers, including their photographs, is provided in the Company's proxy statement on pages 7-14 and pages 53-54.  
<https://www.proxydocs.com/branding/965250/2019/ps/6/>  
<https://www.proxydocs.com/branding/965250/2019/ps/52/>
2. What steps is the Company taking to become carbon neutral in the next 2 years?
  - A. Since the merger in 2013, we have taken and are continuing to take many significant steps to reduce the Company's carbon footprint, including:
    - We have been leading an unprecedented fleet renewal program that has resulted in our operation of the youngest fleet among U.S. network airlines. Each new aircraft acquired has been significantly more fuel efficient than the aircraft replaced. These efforts, as well as other operational improvements, have helped us to continue reducing the emissions associated with each passenger and each pound of cargo we carry. Over the past four years, the Company emitted almost 6.4 million metric tons of CO<sub>2</sub>e less than it would have if its fuel efficiency had remained at the 2014 level.
    - We have been using renewable energy in several of our North Texas facilities since 2015. As of October 2017, 100 percent of electricity purchased at our headquarters campus and DFW terminals and facilities is from renewable sources.
    - At the end of 2018, the Environmental Protection Agency announced that we are ranked 46th on its list of the largest Fortune 500 company green power users.
    - When we build a new facility, or upgrade existing facilities, we strive to use environmentally friendly construction practices, including seeking Leadership in Energy and Environmental Design (LEED) standard certification. The buildings at our new headquarters in Fort Worth, Texas and our Washington office all meet or are expected to meet at least the LEED Gold standard.

Additional information regarding the steps the Company is taking is provided in the Company's 2018 Corporate Responsibility Report on pages 31 and 32.

[http://s21.q4cdn.com/616071541/files/doc\\_downloads/crr/CRR-Report-2018.pdf](http://s21.q4cdn.com/616071541/files/doc_downloads/crr/CRR-Report-2018.pdf)

3. We received several questions regarding the release of additional shares from the Disputed Claims Reserve established by the Bankruptcy Court in 2013.
  - A. As with prior releases from the Disputed Claims Reserve, future releases will require the approval of the Bankruptcy Court and thus the timing or amount cannot be forecast. More generally, information regarding the Disputed Claims Reserve has been and will continue to be provided on the Investor Relations section of aa.com. In particular, please see Question 16 of the FAQ's at <https://americanairlines.gcs-web.com/faqs>
4. Do you think that in order to encourage voting, shareholders should be provided with brief information about the people and questions that are being voted? What is the logic for not publicly or internally disclosing such information?
  - A. Information regarding each of the voting matters is provided in the Company's annual proxy statement that is provided to all stockholders significantly in advance of the annual meeting. For 2019, the proxy statement was made publicly available on April 29, 2019 in anticipation of the annual meeting held on June 12, 2019. Please see pages (ii)-(iv) and pages 6-21 of the proxy statement for the information provided.  
<https://www.proxydocs.com/branding/965250/2019/ps/VIII/>  
<https://www.proxydocs.com/branding/965250/2019/ps/6/>
5. We received several questions regarding executive and manager level bonuses and executive and Board level travel benefits.

Information regarding the Company's annual cash incentive program is provided in the proxy statement on pages 45-46. Information regarding executive and Board-level travel benefits is provided in the proxy statement on pages 37 and 49, respectively.

<https://www.proxydocs.com/branding/965250/2019/ps/44/>  
<https://www.proxydocs.com/branding/965250/2019/ps/36/>  
<https://www.proxydocs.com/branding/965250/2019/ps/48/>
6. What is the Company doing to get paid for the damages due from Boeing?
  - A. Boeing has acknowledged that it has an obligation to make right with its customers, including American, with respect to the grounding of the B737 MAX. We fully expect this matter to be resolved fairly. However, our current priority is to work with the FAA and Boeing to return the aircraft to service while providing the highest level of safety.
7. We received several questions on participation rates in our frequent flyer program and with respect to our Executive Platinum flyers.
  - A. We remain extremely proud of our loyalty program, AAdvantage®, and believe it remains a leader in the industry. Among other things, AAdvantage was named Best Elite Program in the Americas for the seventh consecutive year in that category at the 2018 Freddie Awards, which are annual awards that recognize the world's most outstanding

frequent travel programs. However, for competitive reasons, we do not comment publicly on granular performance metrics, such as participation rates.

8. How many attendees at the Annual Meeting?

- A. We had approximately 50 stockholders attend the meeting, which is significantly more than the number in attendance at historical in-person meetings.

9. Could you speak to your Asia strategy?

- A. Our strategy is to use a combination of our organic growth and a growing set of joint ventures with other airlines to create a far reaching Asia network for our global customer base. To this end, we have a joint venture with Japan Airlines. We also recently received initial approval to form a joint venture with Qantas. These partnerships will enable our continued growth and will enable us to offer a leading network proposition to customers traveling to or from Japan and the South Pacific.

We plan to replicate this model as much as we can. In addition to our joint ventures, we have an equity investment in China Southern. As the aviation landscape in China evolves, we will look to integrate more with China Southern. We also have a codeshare relationship with Cathay Pacific which has been one of our longest standing and most successful codeshare relationships. We use this codeshare to provide access not only to Hong Kong but to cities across South East Asia and the Pacific Islands.

10. Why did you sell our profitable Caribbean routes to JetBlue?

- A. The Company did not sell any routes to JetBlue.

11. What have the passenger reactions been to the removal of in-seat In-Flight Entertainment (IFE)?

- A. In-seat IFE screens remain a part of our entertainment offerings across our widebody fleet for long-haul international travel.

In addition to providing a vast library of free content on our domestic fleet and free live TV, we have invested in Wi-Fi capabilities that are fast enough for every customer on the plane to stream movies and TV shows through their own favorite services like Netflix or Hulu.

We also provide a consistent experience across our domestic mainline fleet of more than 700 aircraft. We have completed installation of fast, satellite-based Wi-Fi and we continue to install power at every seat. With these initiatives, we have seen very positive customer feedback on our entertainment offerings, including through use of their own devices. We have received positive feedback from our customers on the seat-back device holders as well, which allows customers to keep their hands free while they watch their favorite shows.

12. How much does it cost per month to keep a 737 MAX in storage?
- A. We most recently provided an estimate of the financial consequences of the 737MAX grounding in connection with our release of first quarter earnings in April. We are not prepared to update that estimate at this time. Storage costs for the aircraft was not a material element of our estimate. As discussed at the time, the most significant financial consequence is the loss of this capacity during the busy summer travel season.

**The Company received several questions with respect to our fleet:**

13. Is AAL considering the A220?
14. Can the A220 replace the 737 Next Generation on some routes?
15. Can AAL order more Airbus A320 NEOs and cancel 737 MAX orders?
16. Can AAL switch Boeing 737 MAX orders to Boeing wide-body models?
17. Can AAL convert some of its 737 MAX orders to 737 Next Generation versions?
- A. The Company operates large fleets of aircraft provided by each of Airbus and Boeing and has significant contracts to acquire additional aircraft from each manufacturer. As such, we are in frequent contact with both suppliers and our fleet strategy is constantly under review. However, we only update our fleet plan publicly on a quarterly basis unless during a quarter a significant change is made, in which case we issue a press release and/or Form 8-K. An example of such an update was the announcement on June 19, 2019 regarding our agreement to acquire Airbus A321XLR aircraft.

For the most recent fleet plan, please see: <https://americanairlines.gcs-web.com/events-and-presentations/presentations>

For the Form 8-K related to the Airbus A321XLR order, please see: <https://www.sec.gov/Archives/edgar/data/6201/000000620119000039/0000006201-19-000039-index.htm>

**A single stockholder who owns less than 100 shares of Company stock submitted dozens of additional questions. We have responded to this individual's appropriate questions that were not addressed at the Annual Meeting below:**

1. Why has AA credit card dropped from number one to much lower rating?
- A. American's co-branded credit card relationships remain among the largest and the most successful in the industry. We set first quarter records for acquisitions and spend on our AAdvantage credit cards, and we expect that to carry forward for the full year. We are excited about the enhanced benefits we provided to our customers in May 2019 on our AAdvantage Aviator Red and Silver cards. The new benefits for the Aviator cards are centered on enhancing the travel experience, including an annual \$99 Companion Certificate, Wi-Fi and Food & Beverage credits plus the option to round up everyday purchases to earn more miles with the new Flight Cents™ program. These improvements, coupled with the 2018 improvements to our Citi / AAdvantage Platinum

Select card and introduction of the no-fee AAdvantage MileUp card, provide an unrivaled portfolio of cards to engage a broad range of customers.

2. We received several questions regarding customer satisfaction with interior configuration of the 737 MAX and whether the Company intends to remodel the interior of the airplane.
  - A. We are always reviewing data and feedback from customers and team members about our products, but we have nothing new to share at this time.
3. We received several questions regarding seat space and food service when traveling in coach, specifically on the 737 MAX.
  - A. Legroom on all of our new aircraft is comparable to coach offerings on other network airlines. We're able to do this because of modern, better-designed seats that maximize personal space. Specifically on the 737 MAX, those aircraft are equipped with the standard Boeing offering for this aircraft type at the time we configured it. All new and retrofitted American aircraft are full of customer-friendly features including the largest overhead bins available for each aircraft type, high-speed Wi-Fi, and free wireless entertainment, and Main Cabin Extra is a great option for people who want a little more space.
4. We received several questions on the funding status of the employee retiree pension plan and what contributions will be made to the plan this year and going forward.
  - A. Information regarding contributions made to our defined benefit pension plans is provided in each of the Company's annual and quarterly reports filed with the Securities and Exchange Commission. Please see page 16 of Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 for information on contributions made during the first three months of 2019. <https://americanairlines.gcs-web.com/static-files/ea47a97b-8f8e-43ad-b099-4d1ffd22dc3f>
5. We received several questions regarding the level of AA's debt at fiscal year-end and in prior years.
  - A. This information is provided in the *Selected Consolidated Financial Data* beginning on page 51 of the Company's 2018 Annual Report on Form 10-K. <https://www.proxydocs.com/branding/965250/2019/ar/50/>  
  
Information regarding prior fiscal years is provided in the Company's prior Annual Reports on Form 10-K.
6. Are any AA executives or BOD purchasing AA shares with their own money? If so how much and who?
  - A. AAL shares held by our senior leadership team and members of our Board as of April 15, 2019 is provided in the Company's proxy statement on pages 22-23. <https://www.proxydocs.com/branding/965250/2019/ps/22/>

In addition, members of the senior leadership team and members of our Board recently purchased shares of AAL for their accounts using their personal funds. The Forms 4

evidencing the confirmation of such purchases can be found in our SEC filings on our website. [https://americanairlines.gcs-web.com/sec-filings?items\\_per\\_page=10&page=1](https://americanairlines.gcs-web.com/sec-filings?items_per_page=10&page=1)

7. We received several questions on why the Company has not hedged the price of fuel.
  - A. Our current policy is not to enter into transactions to hedge our fuel consumption, although we review that policy from time to time based on market conditions and other factors. Our policy is based on our present view that the costs of acquiring fuel hedges exceeds the financial benefit.
8. We received several questions on the financial impact to the Company of its non-rev pass policy.
  - A. The financial impact to the Company of its non-rev pass policy is immaterial.
9. We received several questions on why the Company chose Philadelphia as its European hub rather than New York.
  - A. Philadelphia is our primary connecting hub for transatlantic for several reasons:
    - we lack sufficient slots for JFK to be a connecting hub;
    - Philadelphia can generate similar revenues as New York despite less local demand, because its geography allows us to connect 95% of the country as efficiently as JFK; and
    - it has lower costs.

Together this means that even though Philadelphia has less nonstop demand to Europe than New York, we can generate the same revenues but with lower costs. It also allows us to keep growing as we are not constrained by slots.

That said, New York is a key gateway to Europe for us. We have optimized it for local demand. To this end, we have moved all flying to the 777 – our biggest plane with the most premium seats. We believe there are more markets we can serve from JFK over time, and although Philadelphia is our primary connecting gateway to Europe, New York will remain a large one too, and our investments reflect that.

10. We received several questions related to our flight attendant uniforms, including legal actions related to the uniforms.
  - A. Safety has been and remains our number one priority and we would never ask our team members to wear an unsafe uniform. We have provided several alternatives for anyone who is concerned with wearing the current uniform, including non-wool uniforms, an off-the shelf option from a different supplier, authorization to purchase replacement garments at retail stores, or the option to wear old uniforms. We are working with individuals who have concerns on a case-by-case basis.

For our new uniform collection set to launch next spring, we are delivering an industry-leading uniform program designed in collaboration with our frontline team members, and that ensures the highest levels of textile safety, comfort, durability and brand integrity. We've taken a number of steps to ensure we deliver on that commitment, including:

- ensuring every garment in American’s new uniform collection holds the STANDARD 100 by OEKO-TEX certification;
- field testing the new uniform with more than 1,100 team members for over six months;
- forming a Frontline Uniform Advisory Team made up of frontline team members to help guide decisions; and
- surveying all team members along the way and making changes based on their feedback.

11. How much is AA spending on the buildings at DFW HDQ total cost?

- A. The Company does not disclose the cost of any particular capital projects. The full cost of the project is included in the Company’s earnings and capital expenditure guidance.

12. We received several questions on how much AA aircraft maintenance is done overseas or outsourced and why?

- A. American continues to be the most “insourced” airline for maintenance in the U.S. by a wide margin, maintaining a large presence performing aircraft, component and engine heavy maintenance. No clear method exists for measuring total maintenance outsourcing across our entire maintenance network, but there is data available on aircraft heavy maintenance and modifications. At a high level, below is the full year 2018 measure comparing man-hours spent in-house at our four base maintenance locations versus those at our MRO suppliers. For 2018, 78% was insourced, 12% was outsourced domestically, and 10% was outsourced internationally.

13. Why didn’t Scott Kirby have a non-compete clause in his contract?

- A. A description of our executive succession planning and Mr. Kirby’s separation is provided in our proxy statement filed with the Securities and Exchange Committee on May 1, 2017.

14. We several questions on the time for employee and contractor contract negotiations and expirations.

- A. Contract amendable dates are provided in the Company’s 2018 Annual Report on Form 10-K on pages 9-10. <https://www.proxydocs.com/branding/965250/2019/ar/8/>

15. We received several questions regarding the term for Board members and the Board’s composition.

- A. All directors are subject to reelection annually. The Board’s composition, including the date each director first joined the board, is provided in the Company’s proxy statement on pages 6-13. <https://www.proxydocs.com/branding/965250/2019/ps/6/>