

## QUESTIONS & ANSWERS

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### **1. Why is American distributing shares of common stock?**

In recognition of the changes made during restructuring, in particular the changes to retirement benefits and scope, American included in its Plan of Reorganization that, in total, eligible employees will receive new American common stock equal to 23.6 percent of the shares distributed to holders of unsecured claims.

### **2. Where does the 23.6 percent come from?**

Under the Plan of Reorganization, there will be a new entity, American Airlines Group (AAG), which will issue common stock to its various stakeholders. Of the AAG common stock, 28 percent will be distributed to existing shareholders of US Airways group. The remaining 72 percent of the common stock of AAG will be distributed among the various stakeholders of AMR Corporation.

Under the Plan of Reorganization, American's Employee Groups are entitled to receive 23.6 percent of all of the common stock being distributed to the Unsecured Creditors and American's Employee Groups

### **3. When will I receive my shares?**

Eligible employees, along with other creditors, will receive their shares over the first 120 days after the merger closes, subject to the Disputed Claims Reserve (see question No.13 for more information on the Disputed Claims Reserve). The first portion will be distributed as we emerge from restructuring and close our merger with US Airways, and the remainder will be distributed throughout the 120 days after the close of the merger.

There is a possibility there could be small distributions on Days 30, 60 and 90, but any such distributions are, for the most part, dependent on fluctuations in the stock price, and for various reasons, are less likely than a Day 120 distribution.

It is not possible to say how many shares will ultimately be distributed until the process is complete because the number will vary depending on the fluctuation in the stock price over the 120-day period. However, by Day 120, employees will have received 23.6 percent of the total shares distributed to creditors and employees.

### **4. How can I confirm the number of shares that were issued to me?**

Your shares will be issued to your Computershare account. You may access your account by logging onto [retireonline.com](http://retireonline.com). You may access full step-by-step instructions on the Equity Hub.

### **5. Do I need to take any action on Day 1 to receive my shares?**

No. Your shares will be issued to your Computershare account without any action being required on your part.

### **6. What if I didn't receive all of the shares I was expecting?**

As a reminder, eligible employees, along with other creditors, will receive their shares over the first 120 days after the merger closes. The first portion will be distributed as we emerge from restructuring and close our merger with US Airways, and the remainder will be distributed

throughout the 120 days after the close of the merger. The Day 120 distribution will ensure employees have received 23.6 percent of the total shares distributed to creditors and employees.

Each employee's individual allocation of shares will be based on the eligibility requirements and allocation methodology established for their employee group. The first portion of your shares, net of shares withheld to pay your taxes, will be distributed into your Computershare account as we emerge from restructuring.

**7. Why didn't I receive any shares?**

There are a few reasons why you may not have received shares. One reason relates to your eligibility. We encourage you to review the eligibility requirements for your workgroup by either checking with your union, or, for non-union employees, reviewing your eligibility requirements as outlined in question No. 17 below.

For union employees who believe they are eligible but did not receive shares, we urge you to check with your union. For non-union employees who believe your payroll data, eligibility determination or the number of shares you are allotted is incorrect, you may request a review of your equity calculation. Your request for a review must be made within 30 days of the initial distribution date and must be accompanied by the correct paperwork – all of which are available on Jetnet's Equity Hub.

**8. What is common stock?**

Common stock, or shares, is considered ownership in a company.

**9. How is this common stock distribution different from the 2003 stock option distribution?**

In 2003, you received stock options that had a strike price of \$5 and a 10-year term.

Unlike the 2003 stock options, the shares you are receiving as part of the restructuring do not expire and are yours to hold or sell as you wish.

Also, you receive the full value of these shares, which is different from a stock option where you only receive the value in excess of a set strike price. For example, the options that were distributed in 2003 had a strike price of \$5, so if you sold your shares at \$8, your gross proceeds would have been \$3 per share.

In this case, if you sell your shares at \$8, your gross proceeds would be \$8 per share.

**10. What will the ticker symbol be for the new American's stock?**

Every publicly traded company has a unique ticker symbol to identify its stock on the NASDAQ Global Select Market (NASDAQ) or the New York Stock Exchange (NYSE). Before we entered Chapter 11, AMR Corporation's ticker symbol was "AMR" and those shares are now trading on the OTCQB marketplace under the ticker symbol "AAMRQ." US Airways' current ticker symbol is "LCC" and the ticker symbol for the new American, after we close the merger, will be listed on NASDAQ as "AAL." The equity you receive will be AAL shares.

**11. Do my shares expire?**

No. Your shares do not expire and are yours to hold or sell as and when you wish.

**12. Is there a strike price like stock options?**

No.

**13. What is the Disputed Claims Reserve and how does it impact employee distributions of equity?**

Some disputed claims may not be resolved until after Day 120. If the resolution of these claims results in the distribution of additional equity to creditors, then there may also be an additional

distribution of shares to employees. The final reconciliation of the disputed claims reserve is likely to take several years to complete.

**14. Are my shares included in my Super Saver 401(k) account?**

No. When you access the retireonline.com account website, the cover page will list all accounts at J.P. Morgan as well as your separate stock award account(s) at Computershare.

**15. Do I have to participate in the Super Saver Plan 401(k) to receive my shares?**

No. The Super Saver Plan 401(k) is different from the stock award.

**16. Can I roll the proceeds from any sale of shares into my Super Saver 401(k) account?**

No.

## *Eligibility*

### **17. How was the number of my shares determined?**

Each employee's individual allocation of shares will be based on eligibility requirements and the allocation methodology established for their employee group.

For union-represented groups, the unions determined the eligibility criteria and allocation method and calculated each employee's allocation. If you have questions related to any of these topics, please check with your union.

For Agents, Representatives and Planners, the company determined the eligibility criteria and allocation method and calculated each employee's allocation. For Agents, Representatives and Planners, you are eligible to receive an ARP equity award if you meet the following criteria:

1. As of Nov. 1, 2013, you were an active employee, on a leave with reinstatement rights or on an involuntary furlough with recall rights, and
2. You had eligible earnings as an ARP employee in the August 2010 through July 2012 period.

The ARP equity award will be allocated to employees on the basis of your individual ARP eligible earnings for the two-year period from Aug. 1, 2010, through July 31, 2012.

For Management and Support Staff employees, the company determined the eligibility criteria and allocation method and calculated each employee's allocation. For Management and Support Staff team members, you are eligible to receive a Management/Support Staff equity award if you meet the following criteria:

1. As of Nov. 1, 2013, you were an active employee, on a leave with reinstatement rights, and
2. You had eligible earnings as a Management or Support Staff employee in the August 2010 through July 2012 period, and
3. You will not otherwise receive equity under an incentive compensation plan.

The Management/Support Staff equity award will be allocated to employees on the basis of your individual Management/Support Staff eligible earnings for the two-year period from Aug. 1, 2010, through July 31, 2012.

### **18. For ARP and Management/Support Staff equity awards, what constitutes eligible earnings?**

Eligible earnings include:

- Base pay
- Premium pay
- Overtime pay
- Shift trade (CSW)
- Vacation
- Sick
- Holiday

### **19. Why did the American non-union employee eligibility date change from Aug. 1, 2013, to Nov. 1, 2013?**

When the Aug. 1, 2013, date was established, we were anticipating a close date during August or September. Given the delay in closing our merger and emerging from restructuring created by the Department of Justice lawsuit, we modified the eligibility date to be as close as administratively feasible to the date the merger closes. If the close does not occur in December 2013 or January 2014, we will further evaluate the eligibility date.

**20. I am currently a Level 4 manager and was previously an agent. Does my Management/Support Staff equity award represent eligible earnings for both positions since they both occurred during the look-back period?**

No. The Management/Support Staff equity award only includes eligible earnings as a manager or support staff team member. Similarly, the ARP equity award only includes eligible earnings as an ARP employee.

However, if you moved between the ARP and Management workgroups during the August 2010-July 2012 period, you may be eligible to receive partial equity awards from both the ARP and the Management/Support Staff allocations, based on your August 2010-July 2012 eligible earnings in each employee group.

**21. Are US Airways employees receiving new American stock as well?**

No. The equity distribution is being granted in recognition of the changes made during American's restructuring, in particular the changes to retirement benefits and scope.

**22. Am I eligible for future distributions if I leave the company before 120 days after merger close?**

Yes. If you met your workgroup's eligibility requirements, you will continue to be eligible for the full distribution even if you leave the company before the final distribution.

**23. Am I still eligible to receive my shares if my employee status changes?**

Employees that were considered eligible as part of their workgroup's allocation will continue to receive their shares even if any of the following employee status changes occur prior to 120 days after the merger closes:

- Furlough
- Injury on Duty (IOD)
- Leave of Absence
- Permanently disabled
- Resignation
- Retirement
- Stand-In-Stead
- Stand-In-Stead followed by Retirement
- Transfer to American Eagle

**24. What happens to my shares if I pass away during or after the 120 period?**

Your shares could then be transferred to your beneficiary on record. More information is available through our Survivor Support Services.

**25. Will employees outside the U.S. also receive equity?**

No. The equity stake being shared with U.S.-based employees is in consideration of the significant changes to their retirement benefits and scope of work provisions made through the restructuring process. Outside the U.S., restructuring changes varied by country and workgroup and are reflective of unique labor laws and market conditions.

*What you can do with your shares: Hold, sell, transfer*

**26. What can I do with my shares?**

These shares are yours to hold or sell as you wish. You have a number of choices available to you, including holding, selling and transferring.

- **Hold your shares in your Computershare account**

Your shares may be held in your Computershare account as long as you wish. With this choice, you need not take any action until you are ready to either sell or transfer your shares. A \$50 annual fee will apply if the Computershare account is kept beyond 30 months after the initial distribution date.

- **Sell your shares for cash**

If you are ready to sell your shares, you may do so through your Computershare account. Complete instructions, including helpful screenshots, are available on the Equity Hub.

For each sale you make, there will be a \$15 fee and an additional charge of \$.03 per share.

Once the sale is complete, proceeds will be distributed to you in one of the following ways: paper check, direct deposit or bank wire. Learn how to arrange for direct bank deposit or bank wires on the Equity Hub.

It's important to note that any gain or loss on the sale of your shares is considered a taxable event.

- **Transfer your shares to a different broker account**

We understand that some employees may prefer to use their personal broker for holding or selling their shares. To transfer shares to a different broker account, you can do so at any time by logging into your retireonline.com account and following the complete instructions. If you decide to transfer your shares from Computershare to your personal broker, there will a \$25 transfer fee.

**27. Should I sell my shares or hold onto them?**

Please consult your financial advisor to determine whether you should sell or hold your shares.

**28. Does selling my shares impact my right to receive future distributions?**

No. You are still eligible to receive future distributions if you sell your shares.

**29. Can I specify a particular price at which I want to sell my shares?**

Yes. You can place a "limit order" that directs Computershare to sell your shares once the stock reaches a certain point.

A limit order indicates the lowest price per share you are willing to accept for the sale. This order can only be executed at the specified per-share price or better.

**30. Will I be charged a transaction fee for every sale I make?**

Yes. You will be charged a \$15 fee per transaction and an additional \$.03 per share.

**31. What is the fee to transfer my shares to another broker account?**

If you decide to transfer your shares to your personal broker, there will be a \$25 transfer fee, payable to Computershare.

**32. How do I pay the transfer fee?**

The transfer fee is payable by credit card and can be completed in your Computershare account.

**33. If I transfer my shares to another broker, how long will that process take?**

A transfer to another broker account can take up to seven business days.

**34. How do I transfer shares to another broker?**

To transfer your shares to a different broker account:

1. Log into retireonline.com.
2. Enter your User ID and your Personal Access Code (PAC).
3. From the **My Accounts** Homepage, select one of the following links:
  - Common Stock
  - Preferred Stock
4. You will automatically be transferred to the Computershare website.
5. You may be prompted to accept the terms and conditions.
6. After you accept, on the **Employee Plan Stock** bar, click **View Account**.
7. From there, choose **Transact** from the top navigation.
8. On the Shares Available for Transfer line, click **Broker Transfer**.
9. You will land on the **Broker Transfer Instructions** page.
  - i. Under **How many shares do you wish to transfer?** You may choose to sell all available shares, specific number of shares or specific share lots.
  - ii. Under **Insert Broker you wish to transfer to**, enter your broker information
  - iii. Click **Next**.
10. You will land on the **Broker Transfer Summary page**.
  - i. A summary of your transfer will appear.
  - ii. **Re-enter your PIN** before clicking the submit button.
  - iii. Click **Submit**.
11. The **Broker Transfer Confirmation** page will load, letting you know your transfer is complete.

*Website access*

**35. How do I access by Computershare account?**

You may access your Computershare account by logging into your retireonline.com account with J.P. Morgan. From there, you may access information about your shares.

If you already participate in the Super Saver 401(k), use the same Personal Access Code currently used to access your Super Saver 401(k) account.

**36. I do not have a computer, how do I obtain information regarding my shares?**

You can obtain information about your shares by either using J. P. Morgan's Interactive Voice Response system or by contacting a Participant Services Representative at 1-888-843-6630.

**37. What if I don't remember my Personal Access Code or don't have one?**

Please contact J.P. Morgan at 1-888-843-6630.

**38. Who is responsible for the privacy of my Personal Access Code?**

The person to whom the Personal Access Code was assigned is responsible for protecting the privacy of their Personal Access Code number.

**39. What if someone gains access to my Personal Access Code and sells my shares without my permission?**

Your Personal Access Code secures all the information surrounding your stock award. A transaction cannot occur without the use of a Personal Access Code. If a transaction is performed with a valid Personal Access Code, the transaction will not be canceled.

**40. What if my Personal Access Code is lost or stolen?**

If your Personal Access Code is lost or stolen, you should immediately report it to J.P. Morgan at 1-888-843-6630.

**41. How do I access my shares if I do not have a Super Saver 401(k) account?**

You do not need to have a Super Saver 401(k) account in order to access your shares. Just log on to the J.P. Morgan Retirement Plan Services website at retireonline.com even if you do not have a Super Saver 401(k) account. Your stock information will be the only account available for you to view.



## *Proceeds from selling shares*

### **42. When will I receive my proceeds after I sell my shares?**

Settlement of accounts occurs on the third business day following a transaction. If you elect to receive your proceeds by direct deposit or bank wire, you can expect to receive your proceeds on the settlement date, which is the second to third business day following your transaction. If you elect to receive your proceeds by check, you can expect to receive your proceeds seven to 10 business days after the settlement date, so approximately 10-13 days after your sale.

### **43. How will I receive the proceeds from the sale of my shares?**

You may choose to receive your proceeds via bank wire or direct deposit. If neither method is selected, the default is by check via U.S. Mail to your permanent address on file with American.

### **44. Can I direct deposit the proceeds I receive from a sale of my shares?**

You can elect to have cash proceeds from the sale of stock deposited directly into your bank account or transferred by bank wire using an online form on the Computershare site (available via [retireonline.com](http://retireonline.com)). You'll need the following information to successfully complete the form:

- Your American Bank Association (ABA) routing number – This is usually the nine-digit code printed on the lower left corner of most checks.
- Your individual account number – This is usually the second series of numbers printed at the bottom center of most checks.

To allow sufficient time to verify your information and ensure funds are delivered to the correct account, you should submit your bank and account information at least 14 calendar days prior to selling your shares.

### **45. How many days in advance of a sale do I need to ensure my direct deposit information is complete?**

To allow sufficient time to verify your information and ensure funds are delivered to the correct account, you should submit your bank and account information at least 14 calendar days prior to selling your shares.

### **46. What if I don't want my proceeds deposited into my bank account?**

If you prefer to receive proceeds sent to you as a check via U.S. Mail to the permanent address you have on file with American Airlines, no further action is necessary. You can expect to receive your proceeds approximately 10-13 business days after your sale is complete.

### **47. What is the difference between a bank wire and direct deposit?**

With a bank wire, your proceeds (the net amount from your transaction) will be wired to your bank on the settlement date allowing immediate access to your money. With direct deposit, your proceeds will be deposited to your bank two to three business days following the settlement date. No additional fees are incurred using direct deposit.

Remember, if you choose the direct deposit method, you must provide your bank information at least 14 days prior to the date you sell your shares.

## *Payroll Information*

### **48. Do I need to maintain a current permanent address with the company?**

Yes. Maintaining your permanent address will assist in the determination of appropriate tax withholding and the distribution of your Form W-2 at year end.

### **49. How do I update my permanent address information?**

- Active employees may change their permanent address information by logging onto Jetnet at <http://jetnet.aa.com>, under the About Me tab located on the Jetnet Home page.
- Inactive employees may change their permanent address information by contacting Employee Services at 1-800-447-2000.
- Inactive employees with travel privileges may change their permanent address information by logging onto Jetnet at <http://jetnet.aa.com>, under the About Me tab located on the Jetnet Home page.

## Taxes

### **50. Is my share grant taxable?**

Yes, your shares are considered wages for purposes of federal, state and local income taxes and FICA, and are subject to required withholding of taxes.

The proceeds of your share grant will be included as ordinary income on your W-2.

Your effective tax rate will be determined based upon your current tax information on record with American and the applicable tax laws.

A percentage of your shares based on your effective tax rate will be withheld from your grant to satisfy your tax liability.

### **51. At what share price will the taxes on the shares I receive on Day 1 be assessed?**

For the initial Day 1 distribution, your shares will be taxed at the closing price of US Airways' stock the day before we emerge from restructuring and close our merger with US Airways. This price will become the cost basis for your shares if you sell your shares.

### **52. How is the total tax withholding rate applicable to my granted shares calculated?**

Federal income tax will be withheld at the supplemental rate of 25 percent.

FICA includes both Social Security and Medicare Tax. For Social Security tax, 6.2 percent will be withheld on amounts not over the annual wage cap (\$113,700 for 2013 and \$117,000 for 2014) and 1.45 percent for Medicare will be withheld (on all amounts). An additional Medicare Tax of 0.9 percent will be withheld if at the time the shares are issued your total wages are greater than \$200,000 for the calendar year.

State and local income taxes will be withheld; in some states, the withholding may be at a supplemental rate. For information on your applicable state and local tax withholding, please consult your tax advisor or your state or local governments' official website to determine the applicable withholding.

### **53. In which box of my W-2 will the wages from my share grant be included?**

You can expect the value of the shares distributed to you on Day 1 to appear in Box 1 as "Wages", Box 3 as "Social Security wages" (up to the annual wage cap), and Box 5 as "Medicare wages", as well as a special pay statement in ePay recording your earnings and the associated taxes.

### **54. Who do I contact if I have questions regarding my W-2?**

For questions regarding your W-2, please visit [Jetnet's W-2 FAQs](#).

### **55. If I sell my net shares, do I have to pay taxes on the proceeds of my sale?**

The subsequent sale of your net shares is a taxable event that could trigger a gain or loss based on the sales price of the shares. The gain or loss, if any, is based on the difference between the cost basis and the proceeds from the sale of your shares. This transaction is not considered a part of your wages and will not be included in your W-2, but will be a capital gain or loss reported separately in a Form 1099-B. This gain/loss may be short- or long-term based on the amount of time the shares have been held. Please contact your tax advisor to determine the impact of this transaction on your overall tax liability.

### **56. How is the resulting gain or loss from the sale of net shares reported on my tax return?**

For specific instructions regarding your tax filing obligations, please contact your tax advisor.

**57. How are my shares taxed if I pass away?**

If you pass away in the same year that the shares are distributed but prior to distribution, the amount distributed will be subject to Social Security and Medicare tax withholding and reported on Form W-2. The payment will also be reported in Box 3 of Form 1099-MISC, "Miscellaneous Income," for the payment to your estate or beneficiary.

If the distribution occurs in any year following the year of your death, the amounts distributed will not be subject to Social Security or Medicare Taxes. The payment to your estate or beneficiary will only be reported in Box 3 of Form 1099-MISC.

**58. Do I need to complete the W-9 certification before I can view my stock information?**

No, however, it is preferable that you complete the W-9 certification process prior to selling your shares as it could save you from paying an additional 28 percent in backup withholding taxes on the gross proceeds from the sale of shares.

**59. Do I need to complete the W-9 certification before I sell my shares?**

Without the W-9, you will be subject to tax withholding at the rate of 28 percent, also known as backup withholding, with respect to any proceeds received from the sale of your shares. The amount withheld will be remitted to the IRS. You will need to contact your tax professional to obtain advice regarding your ability to claim a refund of any excess tax withholdings.

**60. I don't remember if I have filled out a W-9 form. How do I find out?**

You can confirm whether you have certified your W-9 form by logging into your retireonline.com account and following the W-9 certification instructions.

**61. How many days in advance of selling my shares do I need to certify my W-9?**

You may certify your W-9 any time prior to, including the day of, selling your shares.