

## **Before you act**

Before shares are issued, you can decide if you want to hold the shares for investment purposes or sell them. If you're not sure, we recommend you contact a financial planner or tax advisor.

There are a few quick administrative actions that can be taken now which will help you prepare for the planned distribution.

- ✓ Log into your retireonline.com account with J.P. Morgan
  - ✓ Ensure you have completed your W-9 certification if you are exempt from backup withholding
  - ✓ Update your bank account or wire information, if you think you are going to sell your shares
- **Log into your retireonline.com account with J.P. Morgan**
    - You should have a retireonline.com account with [J.P. Morgan](#) if you have a 401(k) with American, have accessed stock options before, or have previously certified your W-9. Your account is accessible by visiting [retireonline.com](#).
      - If you have forgotten your username and/or password, please contact J.P. Morgan at 1-888-285-9438.
    - If you do not have a J.P. Morgan account, you will need to visit [retireonline.com](#), and use your default user information as follows:
      - User name:** social security number
      - Password:** Last four digits of social security number and the MMDDYY of participants' date of birth (####MMDDYY).
        - If you have issues with this step, please contact J.P. Morgan at 1-888-285-9438.
    - Once you're able to successfully log in, we recommend saving this important login information in a secure place that's easy for you to find. You'll need it to view, sell or transfer your shares once they are distributed.
  - **Ensure you have completed your W-9 certification if you are exempt from backup withholding**
    - As a reminder, a W-9 form is a Request for Taxpayer Identification Number and a certification that you are not subject to backup withholding – which is required for federal income taxes on certain types of income (your equity is considered income). Most taxpayers, however, are exempt from backup withholding, which is why a Taxpayer Identification Number, which for most individuals is their social security number, is required as part of the W-9 form.
    - How do you know if you're exempt? You know you are exempt if (a) the IRS has not notified you that you are subject to backup withholding as a result of a failure to report all interest or dividends, or (b) the IRS has notified you that you are no longer subject to backup withholding. In either scenario, the IRS would have notified you.
    - If you are exempt, you should follow the [step-by-step instructions](#) for completing your W-9.
    - Do you prefer visuals? We also have [screenshots of the process](#) to ensure your W-9 certification is a success.
  - **Update your bank account or wire information, if you think you are going to sell your shares and you would prefer to receive your sale proceeds via direct deposit or wire transfer instead of receiving a check in the mail.**

- If you think you are going to sell your shares and you would prefer to receive your sale proceeds via direct deposit or wire transfer instead of receiving a check in the mail, you need to update your direct deposit or wire transfer instructions in your Computershare account.
- 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 15 calendar days prior to selling your shares.
- **To update your bank account or wire information:**
  1. Log into retireonline.com.
    - a. If you've never logged in from your computer, you may be asked to verify your identify.
      - i. Choose the method for receiving your activation code (email, text, phone).
      - ii. NOTE: If not used within 24 hours, the activation code will expire.
    - b. Copy your activation code into the Additional Login Security page.
    - c. NOTE: If you do not have a J.P. Morgan account, you will need to log into [retireonline.com](https://retireonline.com), and use your default user information as follows:
      - i. Username: Social Security Number
      - ii. Password: Last four digits of Social Security Number and the MMDDYY of participants' date of birth (####MMDDYY)
  2. From the **My Accounts** Homepage, select one of the following links:
    - Common Stock
    - Preferred Stock
  3. You will automatically be transferred to the Computershare website.
  4. You may be prompted to accept the terms and conditions.
  5. After you accept, on the **Employee Plan Stock** bar, click **View Account**.
  6. From there, choose **My Details** from the top navigation.
  7. A dropdown menu will appear. You should choose **Banking Details**.
  8. From the Banking Details page, click **amend** next to either **Domestic Banking Instructions** or **International Wire Instructions**.
  9. From the **Update Payment Details** page, under the Select **Payment Method**, choose either **International Wire** or **Electronic payment to my US bank account** and then click **next**.
  10. Follow the steps for entering your account information, clicking **next** after each prompt.
  11. A confirmation page will appear. Click **next** if your information is correct.
  12. A final confirmation will load. You have successfully updated your bank account or wire information.
- If you elect to receive your proceeds by direct deposit or bank wire, you can expect to receive your proceeds on the sale settlement date, which is the third business day following your transaction.
- If no direct deposit or wire transfer authorization is on file when selling your shares, any proceeds will be mailed as a paper check to the permanent address you have on file. You can expect to receive your proceeds via check approximately 14 days after your sale is complete. *To update your permanent address, access [Update My Contact Info](#).*

## You received your shares. Now what?

The great news about these shares is that they do not expire and are yours to do with as you wish. You have a number of options available to you, including holding, selling or transferring. When your shares are distributed, they will be available in your Computershare account. In order to access your Computershare account, you must first log into your retireonline.com account with J.P. Morgan.

### **Common stockholders**

- **Hold your shares**

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 your Computershare account is kept open 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. For each sale you make, there will be a \$15 transaction 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 (default method), direct deposit or bank wire.

- If you think you are going to sell your shares and you would prefer to receive your sale proceeds via direct deposit or wire transfer instead of receiving a check in the mail, you need to update your direct deposit or wire transfer instructions in your Computershare account. Learn how to arrange for direct bank deposit or bank wires by visiting the instruction page.

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 15 calendar days prior to selling your shares.

If you elect to receive your proceeds by direct deposit or bank wire, you can expect to receive your proceeds on the sale settlement date, which is the third business day following your transaction.

- If no direct deposit or wire transfer authorization is on file when selling your shares, any proceeds will be mailed as a paper check to the permanent address you have on file. You can expect to receive your proceeds via check approximately 14 days after your sale is complete.
- It's important to note that any gain or loss on the sale of your shares is considered a taxable event.
- **How to sell your shares:**
  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:
    - a)Common Stock
    - b)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. The **Sell Shares, Step 1 Sell Order** page will load.

a) Choose your holding type. You will most likely only have **Common**, unless you received Preferred Stock as part of the claims distribution process.

b) On this page, choose the type of order you'd like to make:

1. **Market Order:** A request to sell shares at the current market price.
2. **Limit Order (Day):** 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. For a Day Order, if the order has not been executed after 1 day, any unsold portion of the sales request will be canceled.
3. **Limit Order (GTC 30 day):** A Good-Till-Cancelled limit order indicates the lowest price per share you are willing to accept for the sale. This order can only be executed at the specific per-share price or better. If the order has been executed after the specific duration, any unsold portion of the sales request will be canceled. You may also choose to cancel the request at any time prior to the execution date.

c) At the bottom of the page, click **yes** if you want to submit your sale request

d) Click **next** to proceed.

9. The **Sell Shares, Step 2 Sell Order Worksheet** page will load.

a) Specify the number of shares you wish to sell.

b) Confirm your order type (you chose this on the previous screen).

c) Choose how you would like to receive your proceeds. NOTE: You must set up your direct deposit information 15 days in advance of your sale. Otherwise, a paper check will be distributed.

d) Click **next** to proceed.

10. The Sell Shares, *Sell Order Estimation* page will load.

a) After you have received, click **next** to proceed.

11. The Sell Shares, *Confirmation* page will load, letting you know your sale is complete.

- **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. You can transfer shares to your broker account at any time by logging into your Computershare account (log into your retireonline.com account with J.P. Morgan to access your Computershare account).

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

To transfer your shares to a different broker account:

1. Log in to 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.

## **Explanation of Equity Distribution Process for American's People**

For those interested, below is an explanation of how the equity distribution process works. Allow us to be completely honest. This may be complicated and a bit head-hurting, and this is only a summary. The details are in our Plan of Reorganization and Disclosure Statement, available at [amrcaseinfo.com](http://amrcaseinfo.com).

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### **First, Some Background:**

- Under the Plan of Reorganization, there will be a new entity, American Airlines Group, which will issue common stock (also referred to as “shares” or “equity”) to its various stakeholders under the stock symbol “AAL.”
- Twenty-eight (28) percent of AAL common stock will be distributed to existing shareholders of US Airways Group, with one share of AAL stock replacing each share of US Airways (LCC) stock.
- The remaining 72 percent of AAL common stock 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 AAL common stock being distributed to the unsecured creditors and American's employee groups (Creditor Body)
  - The breakdown of the 23.6 percent between the American employee groups is as follows:
    - APA: 13.5 percent
    - TWU Workgroups: 4.8 percent
    - APFA: 3.0 percent
    - Agents, Reps and Planners: 1.4 percent
    - Management & Support Staff: 0.9 percent

### **The 120 Day Distribution Process:**

- What makes this whole process complicated is that, under the Plan of Reorganization, the number of AAL shares the unsecured creditors receive is dependent on the AAL share price measured over a 120-day period.
- And, since the American employee groups are to receive 23.6 percent of what the entire Creditor Body receives, the number of shares the American employee groups receive is similarly measured over a 120-day period.
- As a result, the distribution of AAL shares to the Creditor Body, including the American employee groups, will take place over a 120-day period.
- On Day 1 (merger close), there will be an initial distribution of shares to the Creditor Body (including employees).
- In addition, the Creditor Body will have the potential to receive a Day 120<sup>1</sup> distribution depending on how the AAL share price performs (goes up or down) over the entire 120-day period.
- The Day 120 reconciliation/distribution to the American employee groups is to ensure they receive 23.6 percent of all of the shares distributed to the Creditor Body.

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<sup>1</sup> 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. In addition, there could be small distributions post Day 120 depending upon the resolution of the Disputed Claims Reserve. To learn more about the Disputed Claims Reserve and how it could result in post Day 120 distributions to employees, visit the Equity Hub on Jetnet and refer to the Q&A

## What percentage of my total shares will be distributed to me throughout the 120-day process?

The number of shares and thus the percentage of shares to be distributed to the American employee groups will depend upon both the US Airways (“LCC”) share price leading up to the merger close and the new AAL share price at various points in time over the first 120 days after the merger closes. Thus, it is not possible to give a specific answer to this question until Day 120. However, for illustrative purposes only, below is a chart that shows what the distribution to the American employee groups would be at various measurement points based on hypothetical stock prices.

<b>Hypothetical Examples: American Employee Groups’ Final Share Counts</b>						
	Eff. Date	Day 30	Day 60	Day 90	Day 120	Total
<b>Hypothetical Example #1</b>						
<b>Constant</b> Share Price Assumption	\$20	\$20	\$20	\$20	\$20	
American Employee Groups Shares Distributed (in millions)	42.6	-0-	-0-	5.5	42.9	91.0
<b>Percent of Total Employee Shares</b>	46.8%	0%	0%	6.0%	47.2%	100%
<b>Hypothetical Example #2</b>						
<b>Increasing</b> Share Price Assumption	\$20	\$21	\$22	\$23	\$24	
American Employee Groups Shares Distributed (in millions)	42.6	-0-	-0-	1.1	37.3	81.1
<b>Percent of Total Employee Shares</b>	52.5%	0%	0%	1.4%	46.1%	100%
<b>Hypothetical Example #3</b>						
<b>Decreasing</b> Share Price Assumption	\$20	\$19	\$18	\$17	\$16	
American Employee Groups Shares Distributed (in millions)	42.6	-0-	-0-	10.1	49.5	102.2
<b>Percent of Total Employee Shares</b>	41.7%	0%	0%	9.9%	48.4%	100%

These hypothetical examples illustrate that the total number of shares distributed to the American employee groups varies depending on how the new American stock price moves during the 120 days after the merger closes. In each case, the Day 1 (Effective Date) allocation to employees is 42.6 million shares. However, by Day 120, the total number of shares distributed is different.

In the first example, a total of 91 million shares are distributed to employees by Day 120, so the initial allocation of 42.6 million shares on Day 1 represents roughly 46.8 percent of the total, with 6.0 percent distributed on Day 90 and 47.2 percent on Day 120.

In the second example, with the share price increasing over the first 120 days, the total number of shares distributed is lower at 81.1 million, and the 42.6 million shares distributed on Day 1 represent roughly 52.5 percent of the total. And in the third example, with the share price decreasing over time, the total number of shares distributed is higher at 102.2 million, so the 42.6 million shares distributed on Day 1 represents roughly 41.7 percent of the total.

As you can see, the number of shares distributed will vary depending upon the stock price over the 120 period, so it is not possible to know on Day 1 what the final number of shares will be – or what the initial Day 1 distribution of shares represents as a percentage of that total. 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. However, at all measurement points, American’s employee groups will receive 23.6 percent of all shares distributed to the Creditor Body.

## **Taxes and fees**

Just like any distribution of stock and the subsequent sale or transfer of it, there are taxes and fees associated with your shares. Please be sure you fully understand the fees and taxes before you decide to act.

- **Taxes**

- **Standard withholding on distributions**

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

- 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.

- ***What to expect:***

- 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.

- 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.

- If, after reviewing this information, you have questions regarding your pay stub(s) or W-2, please visit [Jetnet's W-2 FAQs](#).

- **Standard withholding on Proceeds of Sales**

- 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.

- **Additional backup withholding**

- In order to avoid paying backup withholding taxes with respect to any proceeds received from the sale of these shares, each employee receiving shares needs to complete an online version of the W-9 form with Computershare.

- Put simply, W-9 form is a Request for Taxpayer Identification Number and a certification that you are not subject to backup withholding – which is required for federal income taxes on certain types of income (your equity is considered income). Most taxpayers, however, are exempt from



backup withholding, which is why a Taxpayer Identification Number, which for most individuals is their social security number, is required as part of the W-9 form.

Not sure whether or not you are subject to backup withholding? Read more in [FAQ](#).

If you are exempt from backup withholding and you don't fill out your online W-9 form prior to the sale of your shares, our stock administrator, Computershare, which is processing your distribution, will be required to withhold at an additional 28 percent federal tax rate from any proceeds received in respect of the sale of shares in your Computershare account.

Visit the W-9 section for more information, including how to successfully certify your W-9 with Computershare.

- **Fees**

Depending on the decisions you make regarding your shares, there may be associated fees.

*Trading fee – \$15 per transaction plus \$.03 per share*

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

*Annual service Fee – \$50 per account per year*

A \$50 annual fee will apply if your Computershare account is kept open beyond 30 months after the initial distribution date.

*Account transfer fee – \$25 per account*

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