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January 20, 2018

Brothers and Sisters:

As a follow up to yesterday's conference call with TWU Presidents, below is a summary of the plan that has now been agreed upon between TWU and American Airlines, with respect to the TWU Reserve/Equity fund distribution.

- The earliest the distribution will be is late May/early June, assuming all goes well with Project Spring. In the event of any impact to the distribution as a result of Project Spring, the Company will advise TWU of a future date
- Computershare will distribute funds in the form of a check and mail to each eligible employee
- TWU to provide the company with the employee list and the amount or percentage of distribution for each eligible employee
- TWU will be responsible for Computershare fees and costs associated with the distribution(s)
- Computershare will withhold applicable taxes and send file to American for tax remittance to the IRS and W2 preparation
- TWU will be responsible for capital gain taxes, if any, for/from the TWU Reserve Equity Fund

"Project Spring" is a merger of the legacy AA and US human resources computer systems.


Having now brought closure to the process of distribution, TWU can now work to finalize the plan of transferring the trust assets into the funds necessary to determine each member's share of the equity.

As a word of caution with regard to capital gains, TWU still does not have the answer on if we will or will not have to pay capital gains and that answer may not be known in advance of the distribution. If TWU does not have the answer on capital gains in advance of the first opportunity for distribution, TWU will be forced to hold the

estimated capital gains tax portion of the funds, until such times the IRS rules on the union's application for capital gains tax relief.

I will continue to provide updates to the American Airlines TWU Presidents, and the membership, as more details become available.

Fraternally,

A handwritten signature in black ink, appearing to read "Gary Peterson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Gary Peterson
TWU International Vice President

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