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September 24, 2018

TO: AA Locals 501 – 591

RE: TWU Reserve/Equity Fund Distribution Update

Dear Brothers and Sisters:

As a follow up to Friday’s conference call with TWU American Airlines Presidents, below is a summary of the latest developments, with respect to the TWU Reserve/Equity fund distribution:

- First and foremost, the next equity distribution of \$35,900,000 is expected to go out for distribution to eligible members in November. This distribution will follow the same methodology that was used previously, which was established by the Equity Committee.
- The company has notified TWU that it is on track to provide the necessary tax payer information to Computershare for the November distribution. No different than before, the company must provide this information to Computershare, since TWU does not employ our members and TWU does not have the necessary individual tax payer information for each member needed for this type of distribution.
- The distribution of the funds from Computershare will be made by check and mailed to each eligible employee’s last known address on file with the Company.
- Also, the same as last time, a legal determination, in accordance with IRS rules and regulations, has been requested with respect to the withholding of income taxes on the equity distributions to be made in accordance with the following formula:
 1. For active employees and those on leave of absence, or those who have since left the company via retirement, termination or otherwise and are still alive, American Airlines will issue a W2 and withhold applicable taxes;

2. For employees, deceased after 1/1/2018, American Airlines will issue a W2 with and will withhold applicable taxes; and

3. For employees deceased prior to 1/1/2018, Computershare will issue a 1099 form and no taxes will be withheld.

Let's not forget that this equity distribution is not a bonus, nor does this money repay us for the sacrifices we have been forced to endure through bankruptcy or the airline's merger; in order for American to become the world's largest airline.

TWU International will continue to provide any new or additional information and details to you as soon as they 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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