

American Airlines Group Inc.
Form DEF 14A
April 29, 2016
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant
Check the appropriate box:

Filed by a Party other than the Registrant

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

.. Definitive Additional Materials

.. Soliciting Material under § 240.14a-12

AMERICAN AIRLINES GROUP INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(4) Date Filed:

Table of Contents

NOTICE OF ANNUAL MEETING

AND

PROXY STATEMENT

Table of Contents

NOTICE OF ANNUAL MEETING

AND

PROXY STATEMENT

April 29, 2016

To Our Stockholders:

On behalf of the Board of Directors of American Airlines Group Inc., we invite you to attend the 2016 Annual Meeting of Stockholders to be held at the offices of Latham & Watkins LLP, located at 885 Third Avenue, New York, New York 10022, on Wednesday, June 8, 2016 at 9:00 a.m. local time.

The attached Notice of 2016 Annual Meeting of Stockholders and Proxy Statement describes the formal business to be transacted and procedures for voting at the meeting.

It is important that your shares be represented at the Annual Meeting and, whether or not you plan to attend the Annual Meeting in person, we request that you vote in advance on the matters to be presented at the meeting. If you are a stockholder of record, you can do this by telephone or over the Internet as directed by the instructions provided in the proxy materials or, if you received our proxy materials by mail, by completing, dating, signing and returning the enclosed proxy card. If your shares are held in street name by a broker, banker or other nominee, we request that you direct your broker, bank or other nominee how to vote your shares by returning a voting instruction form in accordance with the instructions provided by your broker, bank or other nominee. Of course, voting in advance does not prevent you from attending the Annual Meeting and voting your shares in person. If you choose to attend the Annual Meeting in person, you may revoke your proxy and cast your vote at the meeting. However, if you are a street name holder and want to vote in person at the Annual Meeting, you will need to obtain proof of ownership as of April 11, 2016 and a proxy to vote the shares from your broker, bank or other nominee.

If you plan to attend the Annual Meeting, are a stockholder of record and received our proxy materials electronically, you will need to bring evidence of your share ownership to the meeting. If you plan to attend the Annual Meeting, are a stockholder of record and received our proxy materials by mail, please mark your proxy card in the space provided for that purpose. An admission ticket is included with the proxy card for each such stockholder of record. If you are a stockholder planning to attend the Annual Meeting and you hold your shares in a brokerage account or otherwise through a third party in street name, please ask the broker, bank or other nominee that holds your shares to provide you with evidence of your share ownership. Please be sure to bring evidence of your share ownership or the admission ticket to the meeting.

Stockholders can help us reduce costs and the impact on the environment by electing to receive and access future copies of our proxy statements, annual reports and other stockholder materials electronically. If your shares are registered directly in your name with our stock registrar and transfer agent, American Stock Transfer & Trust Company, LLC, you can make this election by going to its website (www.amstock.com) and (1) clicking Shareholders, then Account Access and General Information, then Account Access; (2) entering the information required to gain access to your account, and (3) clicking Receive Company Mailing via E-Mail, or by following the instructions provided when voting over the Internet. If you hold your shares in a brokerage account or otherwise through a third party in street name, please refer to the information provided by your broker, bank or other nominee for instructions on how to elect to receive and view future annual meeting materials electronically.

Sincerely,

W. Douglas Parker
Chief Executive Officer

The accompanying Proxy Statement is dated April 29, 2016, and is first being released to stockholders of American Airlines Group Inc. on or about April 29, 2016.

Table of Contents

AMERICAN AIRLINES GROUP INC.

4333 AMON CARTER BLVD.

FORT WORTH, TEXAS 76155

NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON WEDNESDAY, JUNE 8, 2016

April 29, 2016

NOTICE IS HEREBY GIVEN that the 2016 Annual Meeting of Stockholders (the Annual Meeting) of American Airlines Group Inc. (AAG), a Delaware corporation, will be held at the offices of Latham & Watkins LLP, located at 885 Third Avenue, New York, New York 10022, on Wednesday, June 8, 2016, at 9:00 a.m., local time, for the purposes of considering and acting upon:

1. a proposal to elect 13 directors to serve until the 2017 annual meeting of stockholders and until their respective successors have been duly elected and qualified;
2. a proposal to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016;
3. a proposal to consider and approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in the attached Proxy Statement;
4. three stockholder proposals, if properly presented; and
5. such other business as properly may come before the Annual Meeting or any adjournments or postponements of the Annual Meeting.

Our Board of Directors (the Board of Directors) is not aware of any other business to be presented to a vote of the stockholders at the Annual Meeting.

The attached Proxy Statement provides more information about the matters to be considered and acted upon at the Annual Meeting. The Board of Directors has fixed the close of business on April 11, 2016 as the record date for determining the stockholders entitled to receive notice of, and to vote at, the Annual Meeting or any adjournments or postponements of the Annual Meeting. A list of the names of stockholders entitled to vote at the Annual Meeting will be available for ten days prior to the Annual Meeting for any purpose germane to the Annual Meeting between the hours of 9:00 a.m. and 5:00 p.m., local time, at our headquarters, 4333 Amon Carter Boulevard, Fort Worth, Texas 76155. The stockholder list will also be available at the Annual Meeting for examination by any stockholder present at the Annual Meeting.

It is important that your shares be voted at the Annual Meeting. Whether or not you plan to attend the Annual Meeting in person, we request that you vote in advance by telephone or over the Internet as directed by the instructions provided in the proxy materials or, if you received the proxy materials by mail, by completing, dating, signing and returning the enclosed proxy card or voting instruction form. If your shares are held in street name by a broker, bank or other nominee, we request that you direct your broker, bank or other nominee how to vote your shares by returning

a voting instruction form in accordance with the instructions provided by your broker, bank or other nominee. In any case, voting in advance by phone, Internet or mail or through your broker, bank or other nominee will not prevent you from voting in person at the Annual Meeting. However, if you are a street name holder and want to vote in person at the Annual Meeting, you will need to obtain proof of ownership as of April 11, 2016 and a proxy to vote the shares from your broker, bank or other nominee.

By Order of the Board of Directors of

American Airlines Group Inc.,

Caroline B. Ray
Corporate Secretary

Fort Worth, Texas

April 29, 2016

Important notice regarding the Internet availability of proxy materials for the Annual Meeting to be held on June 8, 2016: This Notice of Annual Meeting, the accompanying Proxy Statement, and our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, are available at www.proxyvote.com.

PLEASE READ THE ACCOMPANYING PROXY STATEMENT CAREFULLY. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, YOUR VOTE IS IMPORTANT AND WE ENCOURAGE YOU TO VOTE BY SUBMITTING A PROXY OR VOTING INSTRUCTIONS PROMPTLY.

Table of Contents

TABLE OF CONTENTS

	Page
<u>PROXY STATEMENT SUMMARY</u>	1
<u>THE MEETING</u>	4
<u>Purpose, Place, Date and Time</u>	4
<u>Record Date; Stockholders Entitled to Vote</u>	4
<u>Requirements to Attend Annual Meeting</u>	4
<u>Quorum</u>	5
<u>Vote Required for Proposal 1: Election of Directors</u>	5
<u>Vote Required for Proposal 2: Ratification of Appointment of Independent Registered Public Accounting Firm</u>	5
<u>Vote Required for Proposal 3: Advisory Vote to Approve the Compensation of our Named Executive Officers</u>	6
<u>Vote Required for Proposals 4, 5 and 6: Stockholder Proposals</u>	6
<u>Voting of Proxies</u>	6
<u>Revocation of Proxies</u>	7
<u>Solicitation of Proxies</u>	7
<u>Inspector of Election</u>	8
<u>Electronic Delivery of Proxy Materials</u>	8
<u>Householding of Proxy Materials</u>	8
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	9
<u>Election of Directors</u>	9
<u>Directors and Director Nominees</u>	10
<u>PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	17
<u>Ratification of Independent Registered Public Accounting Firm</u>	17
<u>Independent Registered Public Accounting Firm Fees</u>	18
<u>Policy on Audit Committee Pre-Approval</u>	19
<u>PROPOSAL 3 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION</u>	20
<u>Advisory Vote to Approve Executive Compensation</u>	20
<u>PROPOSAL 4 STOCKHOLDER PROPOSAL</u>	22
<u>Stockholder Proposal to Provide Report on Lobbying Activities and Expenditures</u>	22
<u>The Board of Directors Statement in Opposition</u>	23
<u>PROPOSAL 5 STOCKHOLDER PROPOSAL</u>	25
<u>Stockholder Proposal to Adopt Policy to Require an Independent Board Chairman on a Prospective Basis</u>	25
<u>The Board of Directors Statement in Opposition</u>	26
<u>PROPOSAL 6 STOCKHOLDER PROPOSAL</u>	29
<u>Stockholder Proposal to Provide Report on Political Contributions and Expenditures</u>	29
<u>The Board of Directors Statement in Opposition</u>	30
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	32
<u>GOVERNANCE</u>	35
<u>Corporate Governance Guidelines</u>	35
<u>Director Independence</u>	35

<u>Board Meetings</u>	36
<u>Committees</u>	37
<u>Board Leadership and Structure</u>	42
<u>Board Self-Evaluation</u>	42
<u>Codes of Ethics</u>	42
<u>Board Role in Risk Oversight</u>	43
<u>Risk Assessment with Respect to Compensation Practices</u>	44

Table of Contents

	Page
<u>Annual Meeting Attendance</u>	45
<u>Director Continuing Education</u>	45
<u>Communications with the Board of Directors and Non-Management Directors</u>	45
<u>DIRECTOR COMPENSATION</u>	46
<u>Director Compensation</u>	47
<u>Legacy Director Compensation Programs</u>	48
<u>Stock Ownership Guidelines</u>	49
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	50
<u>Certain Relationships and Related Party Transactions</u>	50
<u>Policies and Procedures For Review and Approval of Related Person Transactions</u>	50
<u>REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS</u>	51
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	52
<u>Overview</u>	52
<u>Executive Summary</u>	52
<u>2015 Compensation Objectives and Programs</u>	55
<u>Stockholder Approval of 2015 Executive Compensation</u>	56
<u>Role of Compensation Committee in Compensation Decisions</u>	56
<u>Executive Compensation Mix with an Emphasis on Performance-Based Pay</u>	57
<u>Base Salary</u>	57
<u>Annual Cash Incentive Program</u>	58
<u>Long-Term Incentive Programs</u>	59
<u>Change in Control Benefits</u>	62
<u>Other Benefits and Perquisites</u>	63
<u>Continuing Focus on Leading Practices</u>	64
<u>COMPENSATION COMMITTEE REPORT</u>	66
<u>EXECUTIVE OFFICERS</u>	67
<u>EXECUTIVE COMPENSATION</u>	69
<u>Summary Compensation Table</u>	69
<u>Grants of Plan-Based Awards in 2015</u>	71
<u>Outstanding Equity Awards at 2015 Fiscal Year-End</u>	72
<u>Options Exercised and Stock Vested</u>	74
<u>Pension Benefits and Nonqualified Deferred Compensation</u>	75
<u>Employment and Other Executive Agreements</u>	76
<u>Employment Agreement with W. Douglas Parker</u>	76
<u>Potential Payments Upon Termination or Change in Control</u>	76
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	93
<u>Equity Compensation Plan Information</u>	93
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	94
<u>OTHER MATTERS</u>	95
<u>Stockholder Proposals</u>	95
<u>Annual Report and Available Information</u>	95
ANNEXES	
Annex A <u>Reconciliation of Certain GAAP to Non-GAAP Financial Information</u>	A-1

Table of Contents

AMERICAN AIRLINES GROUP INC.
PROXY STATEMENT
2016 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD JUNE 8, 2016

PROXY STATEMENT SUMMARY

This summary contains highlights about our Company and the upcoming 2016 Annual Meeting of Stockholders. This summary does not contain all of the information that you should consider in advance of the meeting and we encourage you to read the entire proxy statement and the Annual Report on Form 10-K that accompanies this proxy statement before voting.

2016 Annual Meeting of Stockholders

Date and Time: Wednesday, June 8, 2016 at 9:00 a.m., local time

Location: Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022

Record Date: April 11, 2016

Mail Date: We intend to mail the Notice Regarding the Availability of Proxy Materials, or the proxy statement and proxy card, as applicable, to our stockholders on or about April 29, 2016.

Voting Matters and Board Recommendations

Matter	Our Board Vote Recommendation
Election of 13 Nominees to the Board of Directors (page 9)	FOR each Director Nominee
Ratification of Appointment of Independent Registered Public Accounting Firm (page 17)	FOR
Advisory Vote to Approve Executive Compensation (page 20)	FOR
Stockholder Proposal to Provide Report on Lobbying Activities and Expenditures (page 22)	AGAINST
Stockholder Proposal to Adopt Policy to Require an Independent Board Chairman on a Prospective Basis (page 25)	AGAINST

2015 Performance Highlights

In 2014, the first year following the merger with US Airways Group, excluding net special charges, our net profit was a record \$4.2 billion, or \$5.70 per diluted share. In 2015, we exceeded that by 50% with a net profit, excluding special credits of a record \$6.3 billion, or \$9.12 per diluted share.*

For 2015, we realized GAAP net profit of \$7.6 billion, compared to 2014 GAAP net profit of \$2.9 billion, an increase of 164%.

We have made significant progress towards completing our integration, including adopting a single reservations system; opening our new operations center in Fort Worth; reaching ratified contracts for pilots, flight attendants, customer service and reservation agents, and dispatchers and operations specialists; receiving a single operating certificate from the Federal Aviation Administration, allowing us to be regulated as one airline; expanding digital bag tracking technology; and bringing the number of airports with co-located operations to 140.

In 2015, we continued our fleet renewal program by investing more than \$5.3 billion in new aircraft, providing the Company with the youngest and most modern fleet of the four largest U.S. airlines.

* See Annex A for a reconciliation of GAAP to non-GAAP financial information.

Table of Contents

In 2015, we paid total cash dividends of \$278 million (\$0.10 per share per quarter) and returned \$3.6 billion to our stockholders through stock repurchases. We repurchased a total of 85.1 million shares in 2015 and since the program began in July 2014, we have returned \$6.1 billion to our stockholders by repurchasing over 147.9 million shares (through March 31, 2016).

In March 2015, we were added to the S&P 500 Index. The last time AMR was included in the S&P 500 was 2003.

Executive Compensation Highlights

Our executives' 2015 total compensation package was heavily weighted towards variable cash and long-term equity incentives.

Effective May 1, 2015, at the request of Mr. Parker, our Chairman and Chief Executive Officer, the Compensation Committee determined to provide 100% of his direct compensation in the form of equity incentives, including in lieu of base salary and annual cash incentive compensation, underscoring our commitment to paying for performance and further aligning his interests with that of our stockholders.

Mr. Parker's 2015 total target direct compensation following these adjustments was approximately 37% below his peers at Delta Air Lines, Inc. and United Continental Holdings, Inc. (using 2014 proxy compensation data reported in 2015 for Delta and United).

At Mr. Parker's request, our Compensation Committee agreed in April 2016 to eliminate his employment agreement and our obligations under the agreement such that Mr. Parker is no longer contractually entitled to receive a set level of compensation and benefits and is no longer protected by the change in control and severance provisions of the employment agreement.

Our annual cash incentive program is based on pre-established pre-tax income targets (excluding special items), subject to the Compensation Committee's discretion to increase an award by up to 50% or down to zero based on individual performance. We believe that pre-tax income is an effective way to capture both cost management and revenue performance. For 2015, the short-term incentive target payment for participants in the annual cash incentive program was only payable if we earned at least \$5.0 billion in pre-tax profit excluding special items in 2015 double the pre-tax profit target level under our 2014 program and further subject to the Compensation Committee's discretion to adjust awards based on individual performance.

Our 2015 equity incentive program for our named executive officers incorporated both performance- and time-vesting components, each weighted 50% by value, in order to further align management and stockholder interests. The performance-vesting component consisted of restricted stock units that will be earned, if at all, not earlier than the third anniversary of the grant date based on our relative three-year pre-tax income margin excluding special items as compared to that of a pre-defined group of airlines. Relative pre-tax income margin maintains a focus on profitability and operating efficiency while our integration work continues. We believe it is an effective measure of relative financial performance in our industry.

We have adopted compensation policies that are consistent with good governance standards, including a clawback policy that applies to all executive officers and covers all compensation under the cash incentive programs and all equity awards, stock ownership guidelines that further align our executive officers' long-term interests with those of our stockholders and policies that significantly limit perquisites and other personal benefits.

We prohibit our executive officers and directors from hedging the economic risk of security ownership and from pledging Company securities to secure margin or other loans.

Corporate Governance Highlights

12 of our 13 director nominees (all directors except our Chief Executive Officer (CEO)), and all members of the Audit, Compensation, Corporate Governance and Nominating and Finance Committees meet the criteria for independence under The NASDAQ Stock Market listing standards and the requirements of the Securities and Exchange Commission.

John T. Cahill has been appointed as our lead independent director. His duties as lead independent

Table of Contents

director include: serving as Chairman for regular Board meetings in the absence of the Chairman; with the Chairman, establishing agendas for regular meetings of the Board; and establishing agendas for, and coordinating and chairing, meetings of the independent directors. We have active participation by all directors, including the 12 independent director nominees. We believe that the current structure of our Board best positions us to benefit from the respective strengths of all of our directors, including our CEO and lead independent director.

Our directors are elected annually. Each director who fails to receive the affirmative vote of a majority of votes cast in an uncontested election is expected to tender his or her resignation for consideration by the Board.

Our Corporate Governance and Nominating Committee annually reviews our Board and Committee composition, which helps ensure we have the right balance between continuity and fresh perspectives. We have added two new directors to our Board in the last year.

Our Board is diverse in many ways, with differing geographic, business and racial backgrounds. Our Board currently includes two African American, one Hispanic, and two female directors.

Our Corporate Governance and Nominating Committee oversees an annual performance evaluation of the Board, each committee and the directors. We have and will continue to invite shareholders and analysts to engage with our Board.

We have adopted proxy access for director nominations allowing eligible stockholders to nominate directors and include those nominations in our proxy materials. As set forth in our Bylaws, stockholders with an ownership threshold of 3% who have held their shares for at least three years may submit nominees consisting of up to 20% of the total number of directors then serving (subject to a minimum of two). Up to 20 stockholders may group together to reach the 3% ownership threshold.

We have significant stock ownership requirements for our directors and for senior vice presidents and above.

The Board oversees an enterprise-wide approach to risk management, designed to support the achievement of organizational objectives, including strategic objectives; to improve long-term organizational performance; and to enhance stockholder value.

Table of Contents

THE MEETING

Purpose, Place, Date and Time

We are furnishing this Proxy Statement to our stockholders in connection with the solicitation by the Board of Directors of proxies to be voted at the 2016 annual meeting of stockholders (the Annual Meeting) and any adjournments or postponements of that meeting. The Annual Meeting will be held at the offices of Latham & Watkins LLP, located at 885 Third Avenue, New York, New York 10022, on Wednesday, June 8, 2016 at 9:00 a.m., local time, for the purposes described in the accompanying Notice of Annual Meeting.

The approximate date on which we are first sending the Notice of Annual Meeting and accompanying proxy materials to stockholders, or sending a Notice Regarding the Availability of Proxy Materials and posting the proxy materials at www.proxyvote.com, is April 29, 2016.

When used in this Proxy Statement, the terms we, us, our and the Company refer to American Airlines Group Inc. and its consolidated subsidiaries. AAG refers to American Airlines Group Inc., American refers to AAG's wholly-owned subsidiary American Airlines, Inc., US Airways Group refers to US Airways Group, Inc., a former wholly-owned subsidiary of AAG which merged with and into AAG on December 30, 2015, and US Airways refers to US Airways, Inc., a former wholly-owned subsidiary of US Airways Group which merged with and into American on December 30, 2015. The Merger refers to the merger of AMR Merger Sub, Inc., a wholly-owned subsidiary of AMR Corporation, with and into US Airways Group on December 9, 2013. AMR Corporation was renamed AAG upon the closing of the Merger; references to AMR in this Proxy Statement mean AAG prior to the closing of the Merger.

Record Date; Stockholders Entitled to Vote

Stockholders of record at the close of business on April 11, 2016 (the record date) are entitled to receive notice of and to vote at the Annual Meeting. On the record date, there were 583,306,192 shares of our common stock, \$0.01 par value per share (Common Stock), outstanding and eligible to be voted at the Annual Meeting. Each share of Common Stock entitles its owner to one vote on each matter submitted to the stockholders. As of the record date, approximately 25.2 million of the issued and outstanding shares of Common Stock were held in the Disputed Claims Reserve established in accordance with Section 7.3 of AMR's fourth amended joint plan of reorganization (as amended, the Bankruptcy Plan). Pursuant to Section 7.3(c) of the Bankruptcy Plan, the shares held in the Disputed Claims Reserve will be deemed voted by the disbursing agent holding these shares proportionally in the same manner as the other outstanding shares of Common Stock are voted.

Your vote is very important. You are encouraged to vote as soon as possible.

Requirements to Attend Annual Meeting

Stockholders who attend the Annual Meeting must check in at the registration desk in the lobby of the offices of Latham & Watkins LLP, located at 885 Third Avenue, New York, New York 10022. At check-in, you must provide:

an admission ticket or other proof of ownership of our stock as of April 11, 2016 that is acceptable to us, and valid government-issued picture identification.

You can find your admission ticket on your proxy card or with your voting instruction form. A copy of a statement from your broker showing your stock ownership is an acceptable form of proof of ownership. A driver's license or passport is an acceptable form of government-issued picture identification. If you fail to provide the required admission ticket or proof of ownership and valid government-issued picture identification, you will not be admitted to the Annual Meeting.

Table of Contents**Quorum**

The presence, in person or by proxy, of a majority of the outstanding shares of Common Stock is necessary to constitute a quorum at the Annual Meeting. If your shares are held by a broker, bank or other nominee in street name and you do not provide the broker, bank or other nominee with specific voting instructions, the broker, bank or other nominee that holds your shares generally may vote on routine proposals but cannot vote on non-discretionary (non-routine) proposals. We believe that Proposal 2 is routine and that Proposals 1, 3, 4, 5 and 6 are non-discretionary. If the broker, bank or other nominee that holds your shares in street name returns a proxy card without voting on a non-discretionary proposal because it did not receive voting instructions from you on that proposal, this is referred to as a broker non-vote. Broker non-votes are considered in determining whether a quorum exists at the Annual Meeting. The effect of broker non-votes on the outcome of each proposal to be voted on at the Annual Meeting is explained below.

**Vote Required for Proposal 1:
Election of Directors**

Our Amended and Restated Bylaws (the Bylaws) provide for a majority voting standard for the election of directors in uncontested elections, which are generally defined as elections in which the number of nominees does not exceed the number of directors to be elected at the meeting. Under the majority voting standard, in uncontested elections of directors, such as this election, each director must be elected by the affirmative vote of a majority of the votes cast with respect to such director by the shares present in person or represented by proxy and entitled to vote for the election of directors. A majority of the votes cast means that the number of votes cast for a nominee exceeds the number of votes cast against that nominee. Brokers do not have discretionary authority to vote on this proposal. Abstentions and broker non-votes are not considered votes cast for or against a nominee's election and will have no effect in determining whether a nominee has received a majority of the votes cast. In this election, an incumbent director nominee who does not receive the required number of votes for reelection is expected to tender his resignation to the Board of Directors in accordance with the policy adopted by the Board of Directors. Within approximately 90 days after certification of the election results of the stockholder vote, our Corporate Governance and Nominating Committee (or other committee as directed by the Board of Directors) will make a determination as to whether to accept or reject the tendered resignation. Following such determination, we will publicly disclose the decision regarding any tendered resignation in a current report on Form 8-K filed with the Securities and Exchange Commission (the SEC).

In the vote to elect 13 directors to serve until the 2017 annual meeting of stockholders and until their respective successors have been duly elected and qualified, stockholders may, with respect to each nominee:

vote for the election of the nominee;
vote against the election of the nominee; or

abstain from voting on the election.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE NOMINEES

**Vote Required for Proposal 2:
Ratification of Appointment of
Independent Registered Public
Accounting Firm**

The proposal to ratify the appointment of KPMG LLP (KPMG) as our independent registered public accounting firm for the fiscal year ending December 31, 2016 will require the affirmative vote of the holders of a majority of the shares represented, in person or by proxy, and entitled to vote on the matter at the Annual Meeting, provided a quorum is present. Abstentions are considered in determining the number of votes required to obtain the necessary majority vote for the proposal and will have the same legal effect as voting against the proposal. Brokers have discretionary authority to vote on this proposal. Broker non-votes will have no effect on the outcome of this proposal.

Table of Contents

In the vote to ratify the appointment of KPMG as our independent registered public accounting firm, stockholders may:

vote for the ratification;
vote against the ratification; or
abstain from voting on the ratification.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

**Vote Required for Proposal 3:
Advisory Vote to Approve the
Compensation of our Named
Executive Officers**

The proposal to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the SEC will require an affirmative vote from the holders of a majority of the shares represented, in person or by proxy, and entitled to vote on the matter at the Annual Meeting, provided a quorum is present. Abstentions are considered in determining the number of votes required to obtain the necessary majority vote for the proposal and will have the same legal effect as voting against the proposal. Brokers do not have discretionary authority to vote on this proposal. Broker non-votes will have no effect on the outcome of this proposal. Because your vote is advisory, it will not be binding on the Board of Directors or the Company. However, the Board of Directors will review the voting results and take them into consideration when making future decisions about executive compensation.

In the vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement, stockholders may:

vote for the proposal;
vote against the proposal; or
abstain from voting on the proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.

**Vote Required for Proposals 4, 5
and 6: Stockholder Proposals**

Each stockholder proposal will require an affirmative vote from the holders of a majority of the shares represented, in person or by proxy, and entitled to vote on the matter at the Annual Meeting, provided a quorum is present. Abstentions are considered in determining the number of votes required to obtain the necessary

majority vote for the proposal and will have the same legal effect as voting against the proposal. Brokers do not have discretionary authority to vote on the proposal. Broker non-votes will have no effect on the outcome of the proposal.

In the vote for each stockholder proposal, stockholders may:

vote for the proposal;
vote against the proposal; or
abstain from voting on the proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST EACH STOCKHOLDER PROPOSAL.

Voting of Proxies

A proxy is a legal designation of another person to vote your shares on your behalf. If you are a stockholder of record, you may submit a proxy for your shares by using the toll-free number or the website provided on your proxy card. You also may submit a proxy in writing by simply filling out, signing and dating your proxy card and mailing it in the prepaid envelope included with the proxy materials. If you submit a proxy by

Table of Contents

telephone or over the Internet, please do not return your proxy card by mail. You will need to follow the instructions when you submit a proxy using any of these methods to make sure your shares will be voted at the Annual Meeting. You also may vote by submitting a ballot in person if you attend the Annual Meeting. However, we encourage you to submit a proxy by mail by completing your proxy card, by telephone, or over the Internet, even if you plan to attend the Annual Meeting.

If you hold shares through a broker, bank, or other nominee, you may instruct your broker, bank, or other nominee to vote your shares by following the instructions that the broker, bank, or other nominee provides to you with the proxy materials. Most brokers offer the ability for stockholders to submit voting instructions by mail by completing a voting instruction card, by telephone, and over the Internet. If you hold shares through a broker, bank, or other nominee and wish to vote your shares at the Annual Meeting, you must obtain a legal proxy from your broker, bank, or other nominee and present it to the inspector of election with your ballot when you vote at the Annual Meeting.

All properly executed proxies received by us by 11:59 p.m. Eastern Time, on Tuesday, June 7, 2016, and not revoked will be voted at the Annual Meeting in accordance with the directions noted in each proxy. In the absence of such instructions, shares represented by a signed and dated proxy card will be voted **FOR** the election of all director nominees, **FOR** the ratification of the appointment of the independent registered public accounting firm, **FOR** the approval, on a non-binding, advisory basis, of the compensation of our named executive officers as disclosed in this Proxy Statement, and **AGAINST** each stockholder proposal.

If any other matters properly come before the Annual Meeting, the persons named as proxies will vote upon those matters according to their judgment. The Board of Directors knows of no other items of business that will be presented for consideration at the Annual Meeting other than those described in this Proxy Statement.

Revocation of Proxies

Any stockholder delivering a proxy has the power to revoke it at any time before it is voted by:

giving notice of revocation to our Corporate Secretary, at American Airlines Group Inc., 4333 Amon Carter Blvd., MD 5675, Fort Worth, Texas 76155 (by mail or overnight delivery);
executing and delivering to our Corporate Secretary a proxy card relating to the same shares bearing a later date;

submitting a new proxy prior to the time at which the Internet and telephone voting facilities close; or voting in person at the Annual Meeting.

If you revoke your proxy other than by voting in person at the Annual Meeting, we must receive the notice of revocation or new proxy by 11:59 p.m. Eastern Time, on Tuesday, June 7, 2016, the date prior to the date of the Annual Meeting.

If your shares are held in street name, you must contact your broker, bank, or other nominee to revoke your vote. The revocation must be made by the broker, bank, or other nominee before your proxy is voted at the Annual Meeting. If you want to vote at the Annual Meeting, but your shares are held in street name by a broker, bank or other nominee, you will need to obtain proof of ownership as of April 11, 2016 and a proxy to vote the shares from such broker, bank or other nominee.

Solicitation of Proxies

In addition to soliciting proxies through the mail, we may solicit proxies through our directors, officers and employees in person and by e-mail, telephone or facsimile. We may also request brokerage firms, nominees, custodians and fiduciaries to forward

Table of Contents

proxy materials to the beneficial owners of shares held of record by them. We will pay all expenses incurred in connection with the solicitation of proxies. In addition, we have retained MacKenzie Partners, Inc. to assist in the solicitation for an anticipated fee of \$25,000, plus expenses.

Inspector of Election

All votes at the Annual Meeting will be counted by Broadridge Financial Solutions, Inc., our inspector of election. The inspector of election will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

Electronic Delivery of Proxy Materials

Stockholders can help us reduce costs and the impact on the environment by electing to receive and access future copies of our proxy statements, annual reports and other stockholder materials electronically. If your shares are registered directly in your name with our stock registrar and transfer agent, American Stock Transfer & Trust Company, LLC (AST), you can make this election by going to AST's website (www.amstock.com) and (1) clicking Shareholders, then Account Access and General Information, then Account Access; (2) entering the information required to gain access to your account, and (3) clicking Receive Company Mailing via E-Mail, or by following the instructions provided when voting over the Internet. If you hold your shares in a brokerage account or otherwise through a third party in street name, please refer to the information provided by your broker, bank or other nominee for instructions on how to elect to receive and view future annual meeting materials electronically.

This year, we intend both to mail our proxy materials to certain stockholders and to use the Notice and Access method of providing proxy materials to certain stockholders. Under the Notice and Access method, if you have not opted to receive an e-mail notification, you will receive by mail a simple Notice Regarding the Availability of Proxy Materials which will direct you to a website where you may access proxy materials online. You will also be told how to request proxy materials (at no charge) via mail or e-mail, as you prefer. In order to eliminate the mailing of a paper notice and to speed your ability to access the proxy materials (including our Annual Report on Form 10-K for the year ended December 31, 2015), we encourage you to sign up for electronic delivery of the Notice Regarding Availability of Proxy Materials using the instructions described above.

Householding of Proxy Materials

The SEC has adopted rules that permit companies and intermediaries (*e.g.*, brokers) to satisfy the delivery requirements for proxy statements and annual reports, or Notices Regarding the Availability of Proxy Materials, with respect to two or more stockholders sharing the same address by delivering a single proxy statement and annual report, or Notice Regarding the Availability of Proxy Materials, addressed to those stockholders. This process, which is

commonly referred to as householding, potentially means extra convenience for stockholders and cost savings for companies. In accordance with these rules, only one proxy statement and annual report, or Notice Regarding the Availability of Proxy Materials, will be delivered to multiple stockholders sharing an address unless we have received contrary instructions from one or more of the stockholders.

If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement and annual report, or Notice Regarding the Availability of Proxy Materials, please notify your broker, direct your written request to Caroline B. Ray, Corporate Secretary, American Airlines Group Inc., 4333 Amon Carter Blvd., MD 5675, Fort Worth, Texas 76155. Stockholders who currently receive multiple copies of the proxy statement and annual report, or Notice Regarding the Availability of Proxy Materials, at their address and would like to request householding of their communications should contact their broker.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

Election of Directors

Our Board of Directors has 13 members. W. Douglas Parker serves as Chairman of the Board of Directors, and John T. Cahill serves as our Lead Independent Director.

Upon the recommendation of the Corporate Governance and Nominating Committee, the Board of Directors has nominated the 13 director candidates listed below under the section Directors and Director Nominees. Each nominee is currently a director of the Company.

If elected as a director at the Annual Meeting, each of the nominees will serve a one-year term expiring at the 2017 annual meeting of stockholders and until his or her successor has been duly elected and qualified.

Each of the nominees has consented to serve as a director, if elected. If any of the nominees should be unavailable to serve for any reason (which is not anticipated), the Board of Directors may designate a substitute nominee or nominees (in which event the persons named on the proxy card will vote the shares represented by all valid proxies for the election of the substitute nominee or nominees), allow any vacancies to remain open until a suitable candidate or candidates are located or reduce the size of the Board of Directors.

The Board of Directors unanimously recommends that the stockholders vote FOR the proposal to elect the directors of the Company listed below under the section Directors and Director Nominees for a one-year term expiring at the 2017 annual meeting of stockholders and until their successors have been duly elected and qualified.

Table of Contents**Directors and Director Nominees**

Name	Age	Director Since	Principal Occupation	Independent	AC	CC	CGNC	FC
James F. Albaugh	65	2013	Senior Advisor to The Blackstone Group L.P.; former President and Chief Executive Officer of The Boeing Company's Commercial Airplanes	ü		M	M	
Jeffrey D. Benjamin	54	2013	Senior advisor to Cyrus Capital Partners, L.P.	ü		M		M
John T. Cahill	58	2013	Vice Chairman of The Kraft Heinz Company; former Chairman and Chief Executive Officer of Kraft Foods Group, Inc. and of The Pepsi Bottling Group, Inc.	ü	M		M	
<i>Lead Independent Director</i>								
Michael J. Emblar	52	2013	Former Chief Investment Officer of Franklin Mutual Advisers LLC	ü	M			M
Matthew J. Hart	64	2013	Former President and Chief Operating Officer of Hilton Hotels Corporation; former Chief Financial Officer of Hilton Hotels	ü	C			
Alberto Ibarguen	72	2013	President and Chief Executive Officer of the John S. and James L. Knight Foundation; former Chairman of Miami Herald Publishing Co	ü	M	M		
Richard C. Kraemer	72	2013	President of Chartwell Capital, Inc.	ü		C		
Susan D. Kronick	64	2015	Operating Partner at Marvin Traub Associates; former Vice-Chairman of Macy's, Inc.	ü			M	M
Martin H. Nesbitt	53	2015	Co-Chief Executive Officer of The Vistria Group, LLC; former President and Chief Executive Officer of PRG Parking Management	ü	M			M
Denise M. O'Leary	58	2013	Private Venture Capital Investor; former General Partner at Menlo Ventures	ü		M	M	
W. Douglas Parker	54	2013	Chairman and Chief Executive Officer of American Airlines Group Inc. and American Airlines, Inc.	No				
<i>Chairman</i>								
Ray M. Robinson	68	2013	Non-Executive Chairman of Citizens Trust Bank; former President of the Southern Region at AT&T	ü			C	

Richard P. 63 2013 Senior Advisor at TPG Capital, L.P.; former ü C
Schifter Partner at TPG and Arnold & Porter LLP

AC = Audit Committee CC = Compensation Committee CGNC = Corporate Governance and Nominating
Committee FN = Finance Committee

M = Member C = Chairman

The Corporate Governance and Nominating Committee seeks to recommend individuals to the Board of Directors with, among other things, a diversity of skills, expertise and perspective appropriate for the business and operation of the Company. The Committee also recognizes the benefits of racial and gender diversity in the boardroom, including better reflecting our global customer base and the healthy debate that stems from different viewpoints that may result from diverse backgrounds. Accordingly, our Board is diverse in many ways, with differing geographic, business and racial backgrounds. Our board currently includes two African American, one Hispanic, and two female directors.

Additional information regarding our director nominees, including their ages, qualifications and principal occupations (which have continued for at least the past five years unless otherwise noted) is provided below. There are no family relationships among the directors and our executive officers.

Table of Contents

Director Nominees (Committee Service)	Principal Occupation, Business Experience, Other Directorships Held and Age
<p>James F. Albaugh</p> <p>(Compensation and Corporate Governance and Nominating Committees)</p>	<p>Mr. Albaugh has been a member of the Board of Directors since December 2013. He has been a senior advisor to The Blackstone Group L.P. since December 2012. He was President and Chief Executive Officer of The Boeing Company's (Boeing) Commercial Airplanes business unit from September 2009 through October 2012. Prior to holding that position, Mr. Albaugh was President and Chief Executive Officer of Boeing's Integrated Defense Systems business unit from July 2002 to September 2009. He joined Boeing in 1975 and held various other executive positions prior to July 2002, including President and Chief Executive of Space and Communications and President of Space Transportation. Mr. Albaugh was a member of Boeing's Executive Council from 1998 through 2012. Mr. Albaugh is a member of the board of directors of B/E Aerospace, Inc., a manufacturer and distributor of aircraft interiors, fasteners and hardware. He is also Chairman of the National Aeronautic Association; President of the American Institute of Aeronautics and Astronautics; and an elected member of the International Academy of Aeronautics and the National Academy of Engineering. Mr. Albaugh is also a member of the boards of directors of Aloft Aeroarchitects (formerly PATS Aerospace) and the Fred Hutchinson Cancer Research Center; a member of the board of governors of the Wings Club; and a member of the board of trustees of Willamette University. Mr. Albaugh also served on the boards of directors of the Aerospace Industries Association from 2007 to 2012 and of TRW Automotive Holdings Corp. from 2007 to 2015. Age 65.</p> <p>Mr. Albaugh's executive leadership experience in the airplane and airline industry, including his experience with complex systems, contracts and governmental oversight, as well as his accounting and financial literacy and public company board and corporate governance experience, make him qualified to serve as a member of our Board of Directors.</p>
<p>Jeffrey D. Benjamin</p> <p>(Compensation and Finance Committees)</p>	<p>Mr. Benjamin has been a member of the Board of Directors since December 2013. He has been a senior advisor to Cyrus Capital Partners, L.P., a registered investment advisor, since 2008. He also serves as a consultant to Apollo Management, L.P. (Apollo Management), a private investment fund, and from 2002 to 2008, served as senior advisor to Apollo Management. Mr. Benjamin serves on the boards of directors of Caesars Entertainment Corp., a casino-entertainment company, and Chemtura Corporation, a specialty chemical developer and manufacturer. He is also on the board of directors of Exco Resources, Inc., an oil and natural gas company, and Chairman of the Board of A-Mark Precious Metals, Inc., a full-service precious metals trading company and official distributor for many government mints throughout the world. Mr. Benjamin previously served on the board of directors of Spectrum Group International, Inc. from 2009 to 2014. Age 54.</p>

Mr. Benjamin's experience in the investment industry, accounting and financial literacy, corporate governance expertise and extensive experience serving on the boards of directors of public and private companies make him qualified to serve as a member of our Board of Directors.

John T. Cahill

(Lead Independent Director;
Audit and Corporate
Governance and Nominating
Committees)

Mr. Cahill has been a member and the Lead Independent Director of the Board of Directors since December 2013. He has served as Vice Chairman of The Kraft Heinz Company since its formation in July 2015. He previously served as Chairman and Chief Executive Officer of Kraft Foods Group, Inc. (Kraft Foods Group), a food and beverage company, from December 2014 to July 2015, as Non-Executive Chairman of Kraft Foods Group from March 2014 to December 2014 and as Executive Chairman of

Table of Contents

Kraft Foods Group from October 2012 until March 2014. Mr. Cahill joined Kraft Foods, Inc., the former parent of Kraft Foods Group, in January 2012 as Executive Chairman, North American Grocery, and served in that capacity until October 2012. Prior to that, he served as an industrial partner at Ripplewood Holdings LLC, a private equity firm, from 2008 to 2011. Mr. Cahill spent nine years with The Pepsi Bottling Group, Inc., a beverage manufacturing company, most recently as Chairman and Chief Executive Officer from 2003 to 2006 and Executive Chairman until 2007. Mr. Cahill also served as Chief Financial Officer and head of International Operations of The Pepsi Bottling Group, Inc. Mr. Cahill previously spent nine years with PepsiCo, Inc., a food and beverage company, in a variety of leadership positions. In addition to serving on the board of The Kraft Heinz Company, Mr. Cahill also currently serves as a member of the board of directors of Colgate-Palmolive Company, a consumer products company, and he was a member of the board of directors of Legg Mason, Inc., an investment management firm, from 2009 to June 2014. Mr. Cahill has also served on the board of directors of Frontier Holdings, Inc., the parent company of Frontier Airlines, from 1984 to 1985. Age 58.

Mr. Cahill's leadership and operations experience in executive leadership roles at global public companies, as well as his accounting and financial expertise and public company board and corporate governance experience, make him qualified to serve as a member of our Board of Directors.

Michael J. Embler

(Audit and Finance
Committees)

Mr. Embler has been a member of the Board of Directors since December 2013. He served as the Chief Investment Officer of Franklin Mutual Advisers LLC (Franklin Mutual Advisers), an asset management subsidiary of Franklin Resources, Inc., from 2005 to 2009. Mr. Embler joined Franklin Mutual Advisers in 2001 and, prior to becoming Chief Investment Officer, served as head of its Distressed Investment Group. From 1992 until 2001, he worked at Nomura Holding America Inc. (Nomura), an investment bank, in positions of increasing responsibility culminating in the position of Managing Director co-heading Nomura's proprietary distressed debt/special situations group. Mr. Embler currently serves on the board of directors of NMI Holdings, Inc., a mortgage insurance provider. He will continue serving on the board of directors of CIT Group Inc., a regulated bank holding company and lessor, until the company's 2016 annual stockholder's meeting, at which time he will not seek reelection. He also serves on the board of trustees of The Mohonk Preserve, a non-profit institution. Mr. Embler previously served on the boards of directors of Abovenet Inc. from 2003 to 2012, Kindred Healthcare Inc. from 2001 to 2008 and Dynegy Inc. from 2011 to 2012. Age 52.

Mr. Embler's experience in finance, asset management and restructurings, capital markets and capital management, experience as a senior executive, perspective as an institutional investor and service as a director make him qualified to serve as a member of our Board of Directors.

Matthew J. Hart

(Chair of the Audit Committee)

Mr. Hart has been a member of the Board of Directors since December 2013. He was President and Chief Operating Officer of Hilton Hotels Corporation (Hilton), a hotel developer and operator, from 2004 until the acquisition of Hilton by a private equity firm in 2007. He served as Executive Vice President and Chief Financial Officer of Hilton from 1996 to 2004. Before joining Hilton in 1996, Mr. Hart was Senior Vice President and Treasurer of The Walt Disney Company, a worldwide entertainment company, from 1995 to 1996, and was Executive Vice President and Chief Financial Officer for Host Marriott Corp., a hotel owner, from 1993 to 1995. He serves on the boards of directors of Air Lease Corporation, an aircraft leasing company, American Homes 4 Rent, a real estate investment trust, and Checchi Capital Advisers, LLC, an

Table of Contents

investment services company. He is also a member of the board of directors of Heal the Bay, a non-profit organization. Mr. Hart previously served on the board of directors of B. Riley Financial, Inc. (formerly called Great American Group, Inc.) from 2009 to 2015 and Kilroy Realty Corporation from 1997 to 2008. Mr. Hart also served on the boards of directors of America West Holdings Corporation (America West) and America West Airlines, Inc. (AWA) from 2004 to 2005, and the boards of directors of US Airways Group and US Airways from 2006 until the Merger in December 2013. Age 64.

Mr. Hart's financial expertise, risk management experience, extensive experience as a senior operating and finance executive for large public companies, including companies in the travel industry, mergers and acquisitions experience, service as a public company director and airline experience make him qualified to serve as a member of our Board of Directors.

Alberto Ibargüen

(Audit and Compensation Committees)

Mr. Ibargüen has been a member of the Board of Directors since December 2013. He served on the AMR board of directors from 2008 until the Merger in December 2013. He has served as President and Chief Executive Officer of the John S. and James L. Knight Foundation since July 2005. Prior to that, Mr. Ibargüen served as Chairman of Miami Herald Publishing Co., a Knight Ridder subsidiary, from 1998 to 2005, and as publisher of The Miami Herald and of El Nuevo Herald. He will continue serving on the boards of directors of PepsiCo, Inc., a food and beverage company, until the company's 2016 annual stockholder's meeting, at which time he will not seek reelection. He previously served as a director of NCL Corporation Ltd. and AOL, Inc. and on the advisory committee of the Public Company Accounting Oversight Board. He is also a former Chairman of the board of directors of several major non-profit organizations, including the Public Broadcasting Service (PBS), Newseum in Washington, D.C., and the World Wide Web Foundation. Age 72.

Mr. Ibargüen's media and financial expertise, food and beverage products and philanthropic experience, his executive leadership experience, and his extensive experience serving as a director and member of board committees make him qualified to serve as a member of our Board of Directors.

Richard C. Kraemer

(Chair of the Compensation Committee)

Mr. Kraemer has been a member of the Board of Directors since December 2013. He has been President of Chartwell Capital, Inc., a private investment company, since 2006. Mr. Kraemer also serves as a member of the board of directors of Knight Transportation, Inc., a provider of full truckload transportation and logistics services. Mr. Kraemer served on the board of directors of US Airways Group and US Airways from 2005 until the Merger in December 2013. Mr. Kraemer served as a director of America West and AWA from 1992 to 2007. Age 72.

Mr. Kraemer's financial expertise, corporate governance, human resources and labor relations expertise, experience in developing strategy for and managing a large public company, success as an investor and airline experience make him qualified to serve as a member of our Board of Directors.

Susan D. Kronick

(Corporate Governance and
Nominating and Finance
Committees)

Susan D. Kronick has been a member of the Board of Directors since November 2015. From March 2003 until March 2010, Ms. Kronick served as a Vice-Chair of Macy's, Inc., the operator of Bloomingdale's and Macy's department stores. Prior to that, Ms. Kronick served as Group President, Regional Department Stores of Macy's, Inc. from April 2001 to March 2003 and as Chairman and Chief Executive Officer of Burdines/Macy's Florida from June 1997 to March 2001. Her retail career spanned 37 years at Federated/Macy's, Inc. Since 2012, Ms. Kronick has served as an Operating Partner at Marvin Traub Associates, a New York based, retail business development consulting

Table of Contents

firm. Ms. Kronick has served as a member of the board of directors of Hyatt Hotels Corporation since June 2009. She was previously a member of board of directors for The Pepsi Bottling Group, Inc. from March 1999 to February 2010. Age 64.

Ms. Kronick's marketing and operational expertise, as well as her experience serving as a public company director and experience in building industry leading brands as a result of the various management positions she has held with Macy's, Inc., make her qualified to serve as a member of our Board of Directors.

Martin H. Nesbitt

(Audit and Finance Committees)

Martin H. Nesbitt has been a member of the Board of Directors since November 2015. Mr. Nesbitt has served as Co-Chief Executive Officer of The Vistria Group, LLC, a private-equity investment firm, since January 2013. From 1996 until December 2012, Mr. Nesbitt served as President and Chief Executive Officer of PRG Parking Management (known as The Parking Spot), a Chicago-based owner and operator of off-airport parking facilities. Mr. Nesbitt conceptualized and co-founded The Parking Spot and was responsible for all strategic and operating aspects of the business. Prior to that, he was an officer of the Pritzker Realty Group, L.P., the real estate group for Pritzker family interests and before that he was an Investment Manager at LaSalle Partners, one of the predecessor corporations of Jones Lang LaSalle Incorporated, a commercial real estate company. Mr. Nesbitt currently serves on the board of directors of Jones Lang LaSalle Incorporated, a real estate services firm, and Norfolk Southern Corporation, a rail transportation company. He previously served on the board of directors of the Pebblebrook Hotel Trust, a real estate investment trust. Mr. Nesbitt is a Trustee of Chicago's Museum of Contemporary Art and serves as Chairman of the Barack Obama Foundation. Age 53.

Mr. Nesbitt's executive leadership, operational and financial experience, as well as his public company board experience, make him qualified to serve as a member of our Board of Directors.

Denise M. O'Leary

(Corporate Governance and Nominating, and Compensation Committees)

Ms. O'Leary has been a member of the Board of Directors since December 2013. She has been a private investor in early stage companies since 1996. From 1983 until 1996, she was employed at Menlo Ventures, a venture capital firm, first as an associate and then as a general partner. She serves as a director of Medtronic plc, a medical technology company, and Calpine Corporation, a wholesale power producer. Additionally, she serves on the boards of directors of Connect for Health Colorado, the state health exchange, and is a member of the boards of trustees of the Bonfils-Stanton Foundation and the University of Denver. Ms. O'Leary served as a director of America West and AWA from 1998 to 2005, US Airways Group and US Airways from 2005 until the Merger in December 2013, the Lucile Packard Children's Hospital from 1997 to 2012, Stanford Hospital & Clinics from 1994 to 2012, the Denver Foundation from 2013 to 2015 and the University of Colorado Hospital Authority from 2014 to 2015. Age 58.

Ms. O'Leary's financial expertise, her experience in the oversight of risk management, human resources expertise, extensive service as a public company director, success as an investor and airline industry expertise make her qualified to serve as a member of our Board of Directors.

W. Douglas Parker

(Chairman of the Board of Directors)

Mr. Parker has been Chairman of the Board of Directors since June 2014. He has served as Chief Executive Officer of AAG and American, and a member of the AAG and American boards of directors, since December 2013. Mr. Parker served as Chief Executive Officer of US Airways Group since September 2005 and remained in that role following the closing of the Merger. Mr. Parker also served as Chairman of the board of directors of US Airways Group and US Airways and Chief Executive Officer

of US Airways from September 2005 to December 2013. Mr. Parker served as

Table of Contents

Chairman of the boards of directors and Chief Executive Officer of America West and AWA from 2001 to 2007 and served as a director of America West and AWA from 1999 to 2007. Mr. Parker joined AWA as Senior Vice President and Chief Financial Officer in 1995. From 2007 to 2012, Mr. Parker served on the board of directors of Pinnacle West Capital Corporation, a holding company that, through its subsidiary, provides wholesale and retail electric services primarily in Arizona. Age 54.

Mr. Parker's financial, airline, marketing, human resources and labor relations experience, as well as his 30 years of experience in the airline industry, more than 14 years of experience as an airline Chairman and Chief Executive Officer, mergers and acquisitions experience and experience as a public company director make him qualified to serve as a member of our Board of Directors.

Ray M. Robinson

(Chair of the Corporate Governance and Nominating Committee)

Mr. Robinson has been a member of the Board of Directors since December 2013. He served on the AMR board of directors from 2005 until the Merger in December 2013. Mr. Robinson started his career at AT&T in 1968, and prior to his retirement in 2003, he held several executive positions, including President of the Southern Region, its largest region, President and Chief Executive Officer of AT&T Tridom, Vice President of Operations for AT&T Business Customer Care, Vice President of AT&T Outbound Services and Vice President of AT&T Public Relations. Mr. Robinson is nonexecutive Chairman of the board of directors of Aaron's, Inc., a specialty retailer of consumer electronics, computers, residential furniture, household appliances and accessories, a member of the board of directors of Acuity Brands, Inc., a lighting solutions company, a member of the board of directors of Avnet, Inc., a distributor of electronic components, enterprise computer and storage products, information technology services and embedded subsystems, and a member of the board of directors of Fortress Transportation and Infrastructure, a company that invests in high quality infrastructure and equipment that is essential for the transportation of goods and people globally. Since 2003, Mr. Robinson has also served as a director and non-executive Chairman of Citizens Trust Bank of Atlanta, Georgia, the nation's second largest African American-owned bank and the largest such bank in the Southeastern U.S. He previously served as a director of RailAmerica Inc. from 2009 to 2011. He has been Vice Chairman of the East Lake Community Foundation in Atlanta, Georgia since May 2003 and a member of the board of directors of the Georgia Aquarium since 2005. Age 68.

Mr. Robinson's extensive technology, banking, communications, strategic and executive leadership experience, as well as his experience serving as a public company director make him qualified to serve as a member of our Board of Directors.

Richard P. Schifter

Mr. Schifter has been a member of the Board of Directors since December 2013. He has been a senior advisor at TPG, a private equity firm, since 2013. He was a

(Chair of the Finance
Committee)

partner at TPG from 1994 to 2013. Prior to joining TPG, Mr. Schifter was a partner at the law firm of Arnold & Porter LLP in Washington, D.C., where he specialized in bankruptcy law and corporate restructuring and represented Air Partners in connection with the acquisition of Continental Airlines in 1993. Mr. Schifter joined Arnold & Porter LLP in 1979 and was a partner from 1986 through 1994. Mr. Schifter is a member of the boards of directors of EverBank Financial Corp., a bank holding company, Direct Genera Corporation, a non-standard auto insurance company, and LPL Financial Holdings, Inc., a broker-dealer, custodian for registered investment advisors and consultant to retirement plans. Mr. Schifter also served on the boards of directors of US Airways Group from 2005 to 2006, America West from 1994 to 2005, Ryanair, PLC, from 1996

to 2003, Midwest Airlines, Inc. from 2007 to 2009 and Republic Airways Holdings Inc. from 2009 to 2013. Mr. Schifter is also a member of the board of overseers of the

Table of Contents

University of Pennsylvania Law School and a member of the board of directors of Youth, I.N.C. (Improving Non-Profits for Children). Age 63.

Mr. Schifter's substantial experience with airline management, as well as his financial experience, legal experience and public company board of directors and corporate governance experience make him qualified to serve as a member of our Board of Directors.

Table of Contents

PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ratification of Independent Registered Public Accounting Firm Our Audit Committee has selected KPMG to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2016, and our Board of Directors has directed that KPMG's appointment be submitted to our stockholders for ratification at the Annual Meeting.

Prior to the closing of the Merger and continuing through the completion of audit services for the fiscal year ended December 31, 2013 and the filing of the 2013 Annual Reports on Form 10-K for AAG, American, US Airways Group and US Airways on February 28, 2014, Ernst & Young LLP (E&Y) was engaged as the principal accountant to audit the financial statements of AMR and American, and KPMG was engaged as the principal accountant to audit the financial statements of US Airways Group and US Airways.

Subsequent to the closing of the Merger, our Audit Committee conducted a process to select a single registered accounting firm to conduct the audit of AAG and its subsidiaries, including US Airways Group and US Airways, commencing with the fiscal year ended December 31, 2014. On February 25, 2014, the Audit Committee approved the dismissal of E&Y and the appointment of KPMG to act as the registered accounting firm of AAG and its subsidiaries commencing with the fiscal year ended December 31, 2014. On February 28, 2014, we advised E&Y of our determination that E&Y would be dismissed effective as of the date of E&Y's completion of audit services for the fiscal year ended December 31, 2013 and the filing of the 2013 Annual Report on Form 10-K of AAG and American. Promptly after the Audit Committee made its determination, we engaged KPMG as our new independent registered public accounting firm to perform audit services beginning with the fiscal year ended December 31, 2014.

The reports of E&Y on AAG's and American's financial statements as of and for the year ended December 31, 2013 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles, except for E&Y's report on AAG's financial statements stating that E&Y did not audit the financial statements of US Airways Group as of December 31, 2013 and for the period from December 9, 2013 through December 31, 2013.

During the fiscal year ended December 31, 2013, and the subsequent interim period through February 28, 2014, of AAG and its subsidiaries, there were no: (i) disagreements with E&Y on any matter of accounting principles or practices,

financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of E&Y, would have caused it to make reference to the subject matter of the disagreements in connection with its report; or (ii) reportable events of the kind defined in Item 304(a)(1)(v) of Regulation S-K (Regulation S-K) under the Securities Exchange Act of 1934, as amended (the Exchange Act).

We disclosed the matters above in a Current Report on Form 8-K filed with the SEC on March 3, 2014, as subsequently amended on March 7, 2014. We provided a copy of such reports to E&Y and requested that E&Y furnish a letter addressed to the SEC stating whether it agreed with the statements made by us in such reports, and if not, stating the respects in which it did not agree. We received the requested letters from E&Y and copies of such letters were filed as exhibits to the reports.

During the fiscal year ended December 31, 2013, and the subsequent interim period through February 28, 2014, of AAG and its subsidiaries, AAG and its subsidiaries did not consult KPMG regarding either: (i) the application of accounting principles to a

Table of Contents

specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on AAG and its subsidiaries' financial statements, and neither a written report nor oral advice was provided that KPMG concluded was an important factor considered by AAG and its subsidiaries in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement (as defined in paragraph 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K) or a reportable event (as described in paragraph 304(a)(1)(v) of Regulation S-K).

The Board of Directors has directed that KPMG's appointment for the fiscal year ending December 31, 2016 be submitted to our stockholders for ratification at the Annual Meeting. The Audit Committee considers KPMG to be well qualified. If the stockholders do not ratify the appointment of KPMG, the Audit Committee will reconsider the appointment.

A representative of KPMG is expected to be present at the Annual Meeting. The representative will have an opportunity to make a statement if he or she desires to do so, and the representative is also expected to be available to respond to appropriate questions from stockholders.

The Audit Committee and the Board of Directors unanimously recommend that the stockholders vote FOR the proposal to ratify the appointment of KPMG as our independent registered public accounting firm for the fiscal year ending December 31, 2016.

Independent Registered Public Accounting Firm Fees

The following table presents fees billed for professional services rendered by KPMG, AAG's principal accountant for the audit of the financial statements of AAG and its subsidiaries as of and for the fiscal years ended December 31, 2015 and 2014, as well as fees billed in this period for other services rendered by KPMG.

	Fiscal Year 2015 (\$)	Fiscal Year 2014 (\$)
Audit Fees	3,915,000	6,800,000
Audit-Related Fees	543,000	615,000
Tax Fees	712,000	2,121,000
All Other Fees		
Total	\$ 5,170,000	\$ 9,536,000

Audit Fees are for professional services rendered for the audits of the annual financial statements included in our Annual Report on Form 10-K (including fees for the audits of internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002, as amended (**SOX**)), quarterly reviews of the financial statements included in our quarterly reports on Form 10-Q and services rendered in connection with SEC filings.

Audit-Related Fees are for statutory audits, services rendered in connection with securities offerings and other SEC filings, significant auditing work on transactions and consultations concerning financial accounting and reporting standards.

Tax Fees primarily include fees for professional services related to (i) expatriate tax services; (ii) federal, state and international tax compliance; (iii) assistance with tax audits and appeals; and (iv) bankruptcy-related tax services.

There were no fees that fall into the classification of **All Other Fees** for the fiscal years ended December 31, 2015 and 2014.

Table of Contents

**Policy on Audit Committee
Pre-Approval**

The Audit Committee is responsible for appointing, setting compensation for, and overseeing the work of the independent registered public accounting firm. The Audit Committee pre-approves all audit and permissible non-audit services provided by our independent registered public accounting firm, including audit services, audit-related services, tax services, and other services. The Audit Committee has delegated pre-approval authority to its Chair. Under this delegation, the Chair must report any pre-approval decision he makes to the Audit Committee at its next meeting following such approval.

Table of Contents

PROPOSAL 3 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

**Advisory Vote to Approve
Executive Compensation**

Section 14A of the Exchange Act allows our stockholders to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the SEC.

Our Compensation Committee and the Board of Directors believe that our compensation practices align our executive compensation structure with stockholders' interests and current market practices. Our compensation strategy is designed to provide a total compensation package that will attract and retain high-caliber executives and align their contributions with corporate objectives and stockholder interests. Our compensation programs are designed to be flexible and complementary and to collectively meet our compensation objectives. At the 2015 annual meeting of stockholders, our stockholders overwhelmingly approved the compensation of our named executive officers (with an approval representing over 97% of the shares represented in person or by proxy at the meeting and entitled to vote).

Highlights of our compensation program include:

a commitment to pay-for-performance with a substantial portion of each executive officer's compensation being at risk and aligned with stockholder interests;

commencing in May 2015, at his request, 100% of Mr. Parker's direct compensation is in the form of equity incentives, the majority of which vest based upon the achievement of performance objectives, underscoring our commitment to paying for performance and further aligning his interests with that of our stockholders. Mr. Parker no longer receives any base salary and no longer participates in the Company's Short-term Incentive Program;

for 2015, on average, 87% of the total target compensation of our other named executive officers was variable, at risk, and tied directly to measurable performance. Consistent with this focus, the largest portion of our 2015 executive compensation was in the form of performance-based annual cash incentives tied to pre-established pre-tax income targets and long-term equity incentives which reward stock performance and are tied to our relative three-year pre-tax income margins;

mitigate compensation risk by, among other things, providing a compensation package that focuses on both

short and long-term goals, encouraging our executives to focus on the Company's success both during the immediate fiscal year and for the future;

the target direct compensation provided to our named executive officers being competitive with that of the other large network airlines, except for our Chief Executive Officer. At his request, Mr. Parker's 2015 total target direct compensation was set at a level significantly below his peers at Delta Air Lines, Inc. (Delta) and United Continental Holdings, Inc. (United). Mr. Parker's 2016 total target direct compensation continues to remain at a level significantly below his peers at Delta and United (using 2014 proxy compensation data reported in 2015 for Delta and United); a continued commitment to good compensation governance practices whereby compensation packages for our executive officers are established by our Compensation Committee that consists solely of

20

Table of Contents

independent, outside directors, and are consistent with market practice and reasonable in light of our corporate and each individual executive's performance; and
clawback provisions for all incentive compensation paid to our executive officers and stock ownership guidelines that further align their long-term interests with those of our stockholders, as well as good disclosure practices.

For more information about our compensation practices and philosophy, see the section entitled "Compensation Discussion and Analysis" beginning on page 52.

We are asking our stockholders to indicate their support for our named executive officer compensation as described in this Proxy Statement pursuant to the compensation disclosure rules of the SEC. This proposal, commonly known as a "say-on-pay" proposal, gives stockholders the opportunity to express their views on the named executive officers' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our executive officers and our philosophy, policies, and practices described in this Proxy Statement. Accordingly, we are asking our stockholders to vote **FOR** the following resolution at the Annual Meeting:

RESOLVED, that AAG's stockholders approve, on a non-binding, advisory basis, the compensation of AAG's named executive officers, as disclosed pursuant to the compensation disclosure rules of the SEC in the Compensation Discussion and Analysis section, the compensation tables, narrative discussion, and any related material disclosed in this Proxy Statement for the Annual Meeting.

The say-on-pay vote is advisory, and therefore not binding on us, our Compensation Committee, or the Board of Directors. However, the Board of Directors and Compensation Committee value the opinions of our stockholders and will consider the outcome of this advisory vote when making future decisions about executive compensation.

The Board of Directors has adopted a policy providing for an annual say-on-pay advisory vote. Unless the Board of Directors modifies its policy on the frequency of future say-on-pay advisory votes, the next say-on-pay advisory vote will be held at the 2017 annual meeting of stockholders.

The Board of Directors unanimously recommends that the stockholders vote **FOR the approval of the compensation of our named executive officers.**

Table of Contents

We expect certain of our stockholders to present the following proposals (items 4, 5 and 6 on the proxy card and voting instruction form) at the Annual Meeting. The Board of Directors recommends a vote **AGAINST** each of these proposals for the reasons following each proposal.

PROPOSAL 4 STOCKHOLDER PROPOSAL

Stockholder Proposal to Provide Report on Lobbying Activities and Expenditures The Chief Investment Officer of The City of Philadelphia Public Employees Retirement System (the CIO), on behalf of The City of Philadelphia Public Employees Retirement System, Sixteenth Floor Two Penn Center Plaza, Philadelphia, PA 19102, has advised the Company that The City of Philadelphia Public Employees Retirement System is the beneficial owner of 25,500 shares of our common stock and that the CIO intends to propose the following resolution from the floor. The proposed resolution and statements in support thereof are set forth below. The affirmative vote of the holders of a majority of the shares represented, in person or by proxy, and entitled to vote on the matter at the Annual Meeting is necessary for approval of the proposal.

Whereas, we believe in full disclosure of our company s direct and indirect lobbying activities and expenditures to assess whether our company s lobbying is consistent with American Airlines expressed goals and in the best interests of stockholders.

Resolved, the stockholders of American Airlines Group Inc. (American Airlines) request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by American Airlines used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. American Airlines membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management s and the Board s decision making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a grassroots lobbying communication is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. Indirect lobbying is lobbying engaged in by a trade association or other organization of which American Airlines is a member.

Both direct and indirect lobbying and grassroots lobbying communications include efforts at the local, state and federal levels. Neither lobbying nor grassroots lobbying communications include efforts to participate or intervene in any political campaign or to influence the general public or any segment thereof with respect to an election or referendum.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on American Airlines website.

Supporting Statement

As stockholders, we encourage transparency and accountability in American Airlines use of corporate funds to influence legislation and regulation. American Airlines spent

Table of Contents

\$17.8 million in 2013 and 2014 on federal lobbying (opensecrets.org). These figures do not include lobbying expenditures to influence legislation in states, where American Airlines also lobbies but disclosure is uneven or absent. For example, American Airlines had 23 contracts with lobbyists worth a total of from \$85,000 to \$225,000 in Texas for 2014. American Airlines' lobbying on foreign competition and fare disclosure requirements has attracted press attention (*Big 3 Airlines Flexing Their Political Muscle in Washington*, Associated Press, Oct. 15, 2015).

American Airlines serves on the board of Airlines for America and is a member of the Business Roundtable, which together spent \$42 million lobbying in 2013 and 2014. American Airlines does not disclose its memberships in, or payments to, trade associations, or the portions of such amounts used for lobbying. Transparent reporting would reveal whether company assets are being used for objectives contrary to American Airlines' long-term interests. And American Airlines does not disclose membership in or contributions to tax-exempt organizations that write and endorse model legislation, such as the American Legislative Exchange Council (ALEC).

We urge support for this proposal.

The Board of Directors Statement in Opposition The Board of Directors has considered this proposal and concluded that its adoption is unnecessary in light of the Company's existing disclosure regarding lobbying activities and expenditures and not in the best interests of our stockholders. Accordingly, the Board of Directors unanimously recommends a vote **AGAINST** this proposal for the following reasons.

AAG is committed to complying with our values, our internal policies and all applicable laws when engaging in any type of lobbying or political activity. While AAG supports and practices transparency and accountability in political spending, the Board of Directors believes that the disclosures recommended by the proposal are unnecessary in light of our internal policies regarding lobbying activities and expenditures, the existing disclosure on our website regarding participation in the U.S. political process and the current public availability of much of the information requested by the proposal. The Board of Directors is also concerned that further disclosure above and beyond its existing disclosure could place AAG at a competitive disadvantage by revealing strategies and priorities designed to protect the economic future of the Company, its stockholders and employees.

AAG has policies in place to effectively oversee decisions regarding lobbying activities and expenditures.

AAG's Executive Vice President, Corporate Affairs oversees AAG's participation in the U.S. political process and its compliance with federal, state and local laws governing AAG's lobbying activities and contributions (including dues and other payments to trade associations and other nonprofits engaged in public advocacy). In addition, our Board of Directors receives regular updates concerning AAG's policy positions and trade association memberships.

AAG participates in the U.S. political process and discloses such participation on its website.

The Board of Directors believes it is in the best interests of our stockholders for AAG to participate in the political process. As a global airline, we are affected by numerous laws, regulations and policies which govern various aspects of our business. As a result, we actively review and discuss existing and upcoming policy changes and regulatory initiatives. We also take part in industry dialogue and lobbying efforts related to those issues of high importance to our Company's success and the concerns of our

Table of Contents

stakeholders. We strive to adhere to our Global Corporate Responsibility Statement and we constructively promote legislative and regulatory actions that further the business objectives of AAG and the economic future of our stockholders and employees. While the proponent claims that lobbying exposes our Company to risks, we believe that the failure to engage in critical public policy developments that impact our business would represent a far greater risk to the interests of our stockholders, employees, customers and other stakeholders.

Like many major corporations, AAG belongs to a number of industry associations. This involvement allows us to gain insight into core issues for the airline industry as a whole and to advocate jointly for regulations that support an efficient, healthy and competitive industry. Such membership also allows us to benefit from the opportunity to share technical expertise and operational knowledge that leads to better safety, customer service and overall efficiency. We publicly disclose a list of the industry associations with which we have a substantial relationship for public policy purposes on our website, aa.com.

AAG already provides substantial disclosure regarding its lobbying expenditures.

Lobbying activities of all types are subject to extensive governmental regulation and public disclosure requirements, and AAG is fully committed to complying with all applicable U.S. state and federal laws. Pursuant to the federal Lobbying Disclosure Act, AAG files regular, publicly-available reports with the U.S. House of Representatives and the U.S. Senate that disclose the details of our lobbying activities. These reports are readily available on websites hosted by the U.S. House of Representatives and the U.S. Senate. Among other things, these reports disclose AAG's overall lobbying expenses, including grassroots expenses, the specific legislative and regulatory issues that were the subject of AAG's lobbying efforts, the houses of Congress and federal agencies lobbied by AAG and the names of the lobbyists AAG employs. Outside consultants who lobby on AAG's behalf are also required to file comparable public reports describing their lobbying efforts in similar detail. At the state level, AAG or its consultants file similar regular and publicly-available reports with state agencies which disclose AAG's state lobbying activities according to the pertinent state's laws. We believe that these disclosure requirements provide transparency of our lobbying activities to the general public, including our stockholders.

Providing additional disclosure of AAG's lobbying expenditures would not be in the best interests of the Company or its stockholders.

The expanded disclosure requested by this proposal could place AAG at a competitive disadvantage by revealing strategies and priorities designed to protect the economic future of the Company, its stockholders and employees. Because parties with interests adverse to AAG also participate in the political process to their business advantage, any unilateral expanded disclosure could benefit these adverse parties, while harming the interests of AAG and its stockholders.

For these reasons, the Board of Directors unanimously urges stockholders to vote **AGAINST** the proposal regarding the provision of a report detailing the Company's lobbying activities and expenditures.

Table of Contents

PROPOSAL 5 STOCKHOLDER PROPOSAL

Stockholder Proposal to Adopt Policy to Require an Independent Board Chairman on a Prospective Basis

John Chevedden, 2215 Nelson Avenue, No. 205, Redondo Beach, CA 90278, who owns 100 shares of our common stock, has advised the Company that he intends to propose the following resolution from the floor. The proposed resolution and statements in support thereof are set forth below. The affirmative vote of the holders of a majority of the shares represented, in person or by proxy, and entitled to vote on the matter at the Annual Meeting is necessary for approval of the proposal.

Shareholders request our Board of Directors to adopt as policy, and amend our governing documents as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. The Board would have the discretion to phase in this policy for the next CEO transition, implemented so it does not violate any existing agreement. If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair. This proposal requests that all the necessary steps be taken to accomplish the above.

According to Institutional Shareholder Services 53% of the Standard & Poors 1,500 firms separate these 2 positions 2015 Board Practices, April 12, 2015. This proposal topic won 50%-plus support at 5 major U.S. companies in 2013 including 73%-support at Netflix.

It is the responsibility of the Board of Directors to protect shareholders long-term interests by providing independent oversight of management. By setting agendas, priorities and procedures, the Chairman is critical in shaping the work of the Board.

A board of directors is less likely to provide rigorous independent oversight of management if the Chairman is also the CEO, as is the case with our Company. Having a board chairman who is independent of management is a practice that will promote greater management accountability to shareholders and lead to a more objective evaluation of management.

According to the Millstein Center for Corporate Governance and Performance (Yale School of Management), The independent chair curbs conflicts of interest, promotes oversight of risk, manages the relationship between the board and CEO, serves as a conduit for regular communication with shareowners, and is a

logical next step in the development of an independent board.

An NACD Blue Ribbon Commission on Directors' Professionalism recommended that an independent director should be charged with organizing the board's evaluation of the CEO and provide ongoing feedback; chairing executive sessions of the board; setting the agenda and leading the board in anticipating and responding to crises. A blue-ribbon report from The Conference Board also supported this position.

A number of institutional investors said that a strong, objective board leader can best provide the necessary oversight of management. Thus, the California Public Employees' Retirement System's Global Principles of Accountable Corporate Governance recommends that a company's board should be chaired by an independent director, as does the Council of Institutional Investors.

An independent director serving as chairman can help ensure the functioning of an effective board. Please vote to enhance shareholder value:

Independent Board Chairman Proposal 5

Table of Contents

The Board of Directors in Opposition Statement The Board of Directors has considered this proposal and concluded that its adoption is unnecessary and not in the best interests of our stockholders. Accordingly, the Board of Directors unanimously recommends a vote **AGAINST** this proposal for the following reasons.

The Company's current leadership structure is in the best interests of its stockholders

AAG has always strived to maintain high corporate governance standards. The Board of Directors is currently led by W. Douglas Parker, our Chairman and Chief Executive Officer, and John T. Cahill, our Lead Independent Director. We have carefully considered and approved our current leadership structure, and we firmly believe that this structure is appropriate and in the best interests of the Company and its stockholders.

We believe that our current leadership structure strikes an appropriate balance between effective and efficient Company leadership and oversight by non-management directors. In particular, the combination of the Chief Executive Officer and Chairman roles allows consistent communication and coordination throughout the Company, effective and efficient implementation of corporate strategy, and is important in unifying our employees behind a single vision.

The combination of the Chief Executive Officer and Chairman roles is balanced by our strong Lead Independent Director position, by the independence of all of our other directors, each of whom has significant experience in leadership roles at public companies and other large, complex organizations, and by the four principal committees of the Board of Directors, each of which consists solely of independent directors.

Pursuant to our Bylaws, the Board of Directors is responsible for filling the positions of Chairman, Chief Executive Officer and Lead Independent Director with the persons the Board of Directors deems qualified, and for removing and replacing such persons as and when the Board of Directors deems necessary or appropriate. The Board of Directors periodically reviews AAG's leadership structure and may modify the structure as it deems appropriate, given the specific circumstances then facing the Company.

Currently, the Board of Directors believes that having Mr. Parker serve as both Chairman and Chief Executive Officer is the most effective leadership structure for the Company. Mr. Parker has 30 years of experience in the airline industry, including more than 14 years of experience as the chairman and chief executive

officer of publicly held airlines, including the Company, US Airways Group and AmericaWest. This experience makes him uniquely well positioned to lead AAG's business, operations and strategy.

We believe that adopting a policy that *requires* an independent Chairman would unduly restrict the Board of Directors in determining the leadership structure that is in the best interests of the Company and its stockholders at any particular time. The Board of Directors has deep knowledge of the strategic goals of the Company, the unique opportunities and challenges facing the Company, and the various capabilities of the Company's directors and senior management. Rather than imposing a "one-size fits all" approach to Board leadership, we believe that the Board of Directors is well positioned to determine in the future, as it has done in the past, the most effective leadership structure for the Company and its stockholders.

The Company's current leadership structure was created with significant input from the Company's stockholders.

Our current leadership structure was put in place in connection with the merger of AMR Corporation and US Airways Group in December 2013. The merger was consummated at the same time the Company confirmed its Plan of Reorganization and emerged from

Table of Contents

Chapter 11. It was with the input of our stockholders during the Chapter 11 process that the Company decided to appoint Mr. Parker as our Chairman and Chief Executive Officer, after a transition period during which these roles were separated. This decision was the result of a thoughtful and deliberative process.

The proposal is not necessary to ensure effective oversight of management and accountability to stockholders

We believe that the composition of the Board of Directors, the role of independent committees of the Board of Directors and our corporate governance practices maintain effective oversight of management and ensure accountability to stockholders. For instance, we have a number of key corporate governance measures in place to ensure that our Board of Directors acts independently and to maintain accountability to our stockholders, including the following:

Majority independent Board of Directors. Currently 12 of the 13 members of our Board of Directors are independent, as defined by the NASDAQ listing standards and applicable SEC rules. Only our Chairman, as Chief Executive Officer, is not independent under these standards and rules.

Lead Independent Director. Mr. Cahill has served as Lead Independent Director since 2013, and regularly presides over executive sessions of the Board of Directors without AAG's Chairman and Chief Executive Officer or any other members of management present.

Fully independent Board of Directors committees. All members of our Audit, Compensation, Finance and Corporate Governance and Nominating Committees are independent. This structure ensures that the oversight of key matters, such as the integrity of financial statements, Chief Executive Officer performance, executive compensation, the nomination of directors and the evaluation of the Board of Directors, is entrusted exclusively to independent directors.

Annual director elections. Our entire Board of Directors is elected annually.

Annual Board of Directors and Board of Directors committee assessments. Our Board of Directors, with the assistance of the Corporate Governance and Nominating Committee, evaluates the organization and performance of the Board of Directors, including the committees, each year to ensure that the Board of Directors and its committees are functioning effectively.

Majority director voting. In uncontested elections, our directors must be elected by a majority of the votes cast by

our stockholders, and an incumbent director who fails to receive such a majority is required to tender his or her resignation to the Board of Directors.

Proxy access. The Board of Directors recently amended our Bylaws to allow any stockholder or group of up to 20 stockholders that beneficially owns at least three percent of our outstanding common stock continuously for three years to nominate candidates for election to the Board of Directors.

We believe that adopting a policy to restrict the Board of Directors' discretion in selecting the Chairman would deprive the Board of Directors of the valuable flexibility to exercise its business judgment in selecting the most qualified and appropriate individual to lead the Board of Directors. We further believe that adopting such a policy would not provide any benefit to the Company or its stockholders, particularly given the

Table of Contents

strong Lead Independent Director position held by Mr. Cahill and the fact that all members of our Board of Directors, except for our Chairman and Chief Executive Officer, are independent.

For these reasons, the Board of Directors unanimously urges stockholders to vote AGAINST the proposal regarding the establishment of an independent board chairman.

Table of Contents

PROPOSAL 6 STOCKHOLDER PROPOSAL

Stockholder Proposal to Provide Report on Political Contributions and Expenditures

Representatives of the New York State Comptroller (the Comptroller), on behalf of the New York State Common Retirement Fund, 59 Maiden Lane-30th Floor, New York, NY 10038, have advised the Company that the New York State Common Retirement Fund is the beneficial owner of 1,807,925 shares of our common stock and that the Comptroller intends to propose the following resolution from the floor. The proposed resolution and statements in support thereof are set forth below. The affirmative vote of the holders of a majority of the shares represented, in person or by proxy, and entitled to vote on the matter at the Annual Meeting is necessary for approval of the proposal.

Resolved, that the shareholders of American Airlines (Company) hereby request that the Company provide a report, updated semiannually, disclosing the Company s:

1.Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.

2.Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:

a.The identity of the recipient as well as the amount paid to each; and

b.The title(s) of the person(s) in the Company responsible for decision making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company s website within 12 months from the date of the annual meeting.

Supporting Statement

As long-term shareholders of American Airlines, we support transparency and accountability in corporate spending on political activities. These include any activities considered intervention in any political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations; independent expenditures; or electioneering communications on behalf of federal, state or local candidates.

Disclosure is in the best interest of the Company and its shareholders and critical for compliance with federal ethics laws. Moreover, the Supreme Court's *Citizens United* decision recognized the importance of political spending disclosure for shareholders when it said, "[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages. Gaps in transparency and accountability may expose the company to reputational and business risks that could threaten long-term shareholder value.

American Airlines contributed at least \$1,777,487 in corporate funds since the 2004 election cycle. (CQ: <http://moneyline.cq.com> and National Institute on Money in State Politics: <http://www.followthemoney.org>).

Relying on publicly available data does not provide a complete picture of the Company's political spending. For example, the Company's payments to trade associations used for political activities are undisclosed and unknown. In some cases, even management does not know how trade associations use their company's money

Table of Contents

politically. The proposal asks the Company to disclose all of its political spending, including payments to trade associations and other tax exempt organizations used for political purposes. This would bring our Company in line with a growing number of leading companies, including CSX, UPS and Norfolk Southern that support political disclosure and accountability and present this information on their websites.

The Company's Board and its shareholders need comprehensive disclosure to be able to fully evaluate the political use of corporate assets. We urge your support for this critical governance reform.

The Board of Directors in Opposition Statement The Board of Directors has considered this proposal and concluded that its adoption is unnecessary in light of the Company's existing disclosure regarding political contributions and not in the best interests of our stockholders. Accordingly, the Board of Directors unanimously recommends a vote **AGAINST** this proposal for the following reasons.

AAG is committed to complying with our values, our internal policies and all applicable laws when engaging in any type of lobbying or political activity. While AAG supports and practices transparency and accountability in political spending, the Board of Directors believes that the disclosures recommended by the proposal are unnecessary in light of our internal policies regarding political contributions, the existing disclosure on our website regarding participation in the U.S. political process and the current public availability of much of the information requested by the proposal, and the potential concerns relating to enhanced disclosures. The Board of Directors is also concerned that further disclosure above and beyond its existing disclosure could place AAG at a competitive disadvantage by revealing strategies and priorities designed to protect the economic future of the Company, its stockholders and employees.

AAG has policies in place to effectively oversee decisions regarding political contributions.

AAG's Executive Vice President, Corporate Affairs oversees AAG's participation in the U.S. political process and its compliance with federal, state and local laws governing AAG's political activities and contributions (including dues and other payments to trade associations and other nonprofits engaged in public advocacy). In addition, our Board of Directors receives regular updates concerning AAG's policy positions and trade association memberships.

AAG participates in the U.S. political process and discloses such participation on its website.

The Board of Directors believes it is in the best interests of our stockholders for AAG to participate in the political process. As a global airline, we are affected by numerous laws, regulations and policies which govern various aspects of our business. As a result, we actively review and discuss existing and upcoming policy changes and regulatory initiatives. We also take part in industry dialogue and lobbying efforts related to those issues of high importance to our Company's success and the concerns of our stakeholders. We strive to adhere to our Global Corporate Responsibility Statement and we constructively promote legislative and regulatory actions that further the business objectives of AAG and the economic future of our stockholders and employees.

In 1985, AAG formed a Political Action Committee (PAC) to make political contributions on a bipartisan basis to qualified candidates for political office who reflect our views on issues, such as air traffic modernization, energy, the environment, and tax and regulatory reform. In accordance with law, the political contributions made by the PAC are funded entirely with voluntary contributions from our employees, and no corporate funds are used.

Table of Contents

Like many major corporations, AAG belongs to a number of industry associations. This involvement allows us to gain insight into core issues for the airline industry as a whole and to advocate jointly for regulations that support an efficient, healthy and competitive industry. Such membership also allows us to benefit from the opportunity to share technical expertise and operational knowledge that leads to better safety, customer service and overall efficiency. We publicly disclose a list of the industry associations with which we have a substantial relationship for public policy purposes on our website, aa.com.

AAG already provides substantial disclosure regarding its political contributions.

Political contributions of all types are subject to extensive governmental regulation and public disclosure requirements, and AAG is fully committed to complying with all applicable campaign finance laws. AAG files regular reports with the U.S. House of Representatives and the U.S. Senate that disclose the details of our lobbying activities as well as any political contributions to federal candidates, leadership PACs and political party committees. These reports are publicly available on websites hosted by the U.S. House of Representatives and the U.S. Senate.

The activities of the PAC are also subject to comprehensive regulation by the federal government, including detailed disclosure requirements. The PAC files monthly reports of receipts and disbursements with the Federal Election Commission, and these reports are publicly available at <http://fec.gov>. In addition, the PAC is subject to public reporting requirements in those states where it makes contributions. Accordingly, we believe that ample public information exists regarding AAG's political contributions to alleviate the concerns cited in the proposal.

Providing additional disclosure of AAG's political contributions would not be in the best interests of the Company or its stockholders.

The expanded disclosure requested by this proposal could place AAG at a competitive disadvantage by revealing strategies and priorities designed to protect the economic future of the Company, its stockholders and employees. Because parties with interests adverse to AAG also participate in the political process to their business advantage, any unilateral expanded disclosure could benefit these adverse parties, while harming the interests of AAG and its stockholders.

For these reasons, the Board of Directors unanimously urges stockholders to vote **AGAINST** the proposal regarding the provision of a report detailing the Company's political contributions and expenditures.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table provides information regarding the beneficial ownership of our Common Stock as of April 11, 2016, by (1) each of our directors and nominees for director, (2) each of the individuals named in the section entitled Executive Compensation Summary Compensation Table on page 69 and (3) all of our directors and executive officers as a group, based in each case on information furnished to us by these persons. We believe that each of the named individuals and each director and executive officer included in the group has sole voting and investment power with regard to the shares shown, except that certain individuals may share voting and investment power with their spouses and except as otherwise noted.

Name of Beneficial Owner and Relationship to Company	AAG Common Stock Beneficially Owned (1)	
	Amount and Nature of Beneficial Ownership	Percent of Class
W. Douglas Parker <i>Chairman and Chief Executive Officer</i>	1,055,513(2)	*
J. Scott Kirby <i>President</i>	466,523(3)	*
Robert D. Isom, Jr. <i>Executive Vice President and Chief Operating Officer</i>	378,703(4)	*
Stephen L. Johnson <i>Executive Vice President Corporate Affairs</i>	325,062(5)	*
Derek J. Kerr <i>Executive Vice President and Chief Financial Officer</i>	323,299(6)	*
James F. Albaugh <i>Director</i>	7,124 (7)	*
Jeffrey D. Benjamin <i>Director</i>	11,002 (8)	*
John T. Cahill <i>Director</i>	36,002(9)	*
Michael J. Emblar <i>Director</i>	11,002(10)	*
Matthew J. Hart <i>Director</i>	69,951(11)	*
Alberto Ibarguen <i>Director</i>	37,416(12)	*
Richard C. Kraemer <i>Director</i>	74,360(13)	*
Susan D. Kronick <i>Director</i>	1,767(14)	*
Martin H. Nesbitt <i>Director</i>	1,767(15)	*
Denise M. O Leary <i>Director</i>	84,063(16)	*
Ray M. Robinson <i>Director</i>	30,664(17)	*

Richard P. Schifter <i>Director</i>	11,043(18)	*
All directors and executive officers as a group (21 persons)	3,718,010(19)	*

* Represents less than 1% of the outstanding shares of our Common Stock.

(1) Beneficial ownership as reported in the table has been determined in accordance with SEC rules and regulations and includes shares of our Common Stock that may be issued upon the exercise of stock options that are exercisable within

Table of Contents

60 days of April 11, 2016 and restricted stock units (RSUs) that vest within 60 days of April 11, 2016. Pursuant to SEC rules and regulations, all shares not currently outstanding that are subject to stock options exercisable within 60 days of April 11, 2016 and RSUs that vest within 60 days of April 11, 2016 are deemed to be outstanding for the purpose of computing Percent of Class held by the holder of the class but are not deemed to be outstanding for the purpose of computing the Percent of Class held by any other stockholder. Beneficial ownership as reported in the table excludes shares of Common Stock that may be issued upon the exercise of stock appreciation rights (SARs), whether or not they are exercisable within 60 days of April 11, 2016. The number of shares that will be received upon exercise of such SARs is not currently determinable, and therefore is not included in the table above, because each SAR gives the holder the right to receive an amount in excess of the market price of one share of stock at the date of exercise over the exercise price and such amount is not determinable until the date of exercise.

- (2) Includes 927,299 shares held directly and 128,214 shares underlying unvested RSUs that vest within 60 days of April 11, 2016. Excludes 273,042 unvested RSUs that will not vest within 60 days of April 11, 2016. Excludes the following vested SARs: (a) 231,060 SARs at an exercise price of \$7.42; (b) 294,748 SARs at an exercise price of \$7.62; (c) 240,536 SARs at an exercise price of \$8.14; (d) 196,820 SARs at an exercise price of \$8.84; and (e) 90,000 SARs at an exercise price of \$45.01.
- (3) Includes 388,390 shares held directly and 78,133 shares underlying unvested RSUs that vest within 60 days of April 11, 2016. Excludes 156,262 unvested RSUs that will not vest within 60 days of April 11, 2016. Excludes the following vested SARs: (a) 31,500 SARs at an exercise price of \$45.01; and (b) 37,500 SARs at an exercise price of \$46.11.
- (4) Includes 326,615 shares held directly and 52,088 shares underlying unvested RSUs that vest within 60 days of April 11, 2016. Excludes 104,175 unvested RSUs that will not vest within 60 days of April 11, 2016. Excludes the following vested SARs: (a) 117,287 SARs at an exercise price of \$7.62; (b) 70,000 SARs at an exercise price of \$31.14.
- (5) Includes 281,655 shares held directly and 43,407 shares underlying unvested RSUs that vest within 60 days of April 11, 2016. Excludes 86,812 unvested RSUs that will not vest within 60 days of April 11, 2016. Excludes the following vested SARs: 117,287 SARs at an exercise price of \$7.62.
- (6) Includes 279,892 shares held directly and 43,407 shares underlying unvested RSUs that vest within 60 days of April 11, 2016. Excludes 86,812 unvested RSUs that will not vest within 60 days of April 11, 2016. Excludes the following vested SARs: (a) 117,287 SARs at an exercise price of \$7.62; and (b) 95,714 SARs at an exercise price of \$8.14.
- (7) Includes 3,878 shares held directly and 3,246 shares underlying unvested RSUs that vest within 60 days of April 11, 2016.

(8)

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- Includes 7,756 shares held directly and 3,246 shares underlying unvested RSUs that vest within 60 days of April 11, 2016.
- (9) Includes 7,756 shares held directly, 25,000 shares held indirectly for the benefit of the John Tobin Cahill Revocable Trust and 3,246 shares underlying unvested RSUs that vest within 60 days of April 11, 2016.
- (10) Includes 7,756 shares held directly and 3,246 shares underlying unvested RSUs that vest within 60 days of April 11, 2016.
- (11) Includes 56,249 shares held directly, 2,550 shares held indirectly for the benefit of Mr. Hart's children, 7,906 shares underlying stock options and 3,246 shares underlying unvested RSUs that vest within 60 days of April 11, 2016.
- (12) Includes 34,170 shares held directly and 3,246 shares underlying unvested RSUs that vest within 60 days of April 11, 2016.
- (13) Includes 56,864 shares held directly, 6,000 shares held indirectly for the benefit of Chartwell Capital Investments, 8,250 shares underlying stock options and 3,246 shares underlying unvested RSUs that vest within 60 days of April 11, 2016.
- (14) Includes 1,767 shares underlying unvested RSUs that vest within 60 days of April 11, 2016.
- (15) Includes 1,767 shares underlying unvested RSUs that vest within 60 days of April 11, 2016.
- (16) Includes 72,567 shares held directly, 8,250 shares underlying stock options and 3,246 shares underlying unvested RSUs that vest within 60 days of April 11, 2016.
- (17) Includes 27,418 shares held directly and 3,246 shares underlying unvested RSUs that vest within 60 days of April 11, 2016.

Table of Contents

(18) Includes 7,797 shares held directly and 3,246 shares underlying unvested RSUs that vest within 60 days of April 11, 2016.

(19) Includes 3,132,515 shares held directly, 1,038 shares held indirectly for the benefit of an officer's spouse, 25,000 shares held indirectly for the benefit of the John Tobin Cahill Revocable Trust, 2,550 shares held indirectly for the benefit of a director's children, 6,000 shares held indirectly for the benefit of Chartwell Capital Investments, 24,406 shares underlying stock options and 526,501 shares underlying unvested RSUs that vest within 60 days of April 11, 2016, held by our executive officers and directors as a group. Excludes 1,009,431 shares underlying unvested RSUs that will not vest within 60 days of April 11, 2016, and excludes 1,740,517 vested SARs.

The following table sets forth information regarding the beneficial ownership of our Common Stock as of April 11, 2016 for each person known to us to be the beneficial owner of more than 5% of our outstanding Common Stock.

Name and Address of Beneficial Owner	Common Stock Beneficially Owned	
	Amount and Nature of Beneficial Ownership	Percent of Class
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	82,356,937(a)	14.1%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	35,475,813(b)	6.1%

(a) The amount shown and the following information are derived solely from the Schedule 13G filed by T. Rowe Price Associates, Inc. on February 12, 2016. T. Rowe Price Associates, Inc. has sole dispositive power with respect to all of such shares and sole voting power with respect to 27,648,216 of such shares.

(b) The amount shown and the following information are derived solely from the Schedule 13G filed by The Vanguard Group on February 10, 2016. The Vanguard Group has sole voting power with respect to 1,038,320 of such shares, shared voting power with respect to 16,600 of such shares, sole dispositive power with respect to 34,411,693 of such shares and shared dispositive power with respect to 1,064,120 of such shares.

Table of Contents

INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Corporate Governance Guidelines Our Board of Directors has adopted the Corporate Governance Guidelines (the Governance Guidelines) to facilitate our mission and to establish general principles and policies by which the Board of Directors will manage its affairs. The Governance Guidelines are reviewed periodically by the Corporate Governance and Nominating Committee and are posted on our website at www.aa.com under the links Investor Relations Corporate Governance.

Director Independence

The Governance Guidelines contain standards for determining director independence that meet or exceed the applicable rules of the SEC and listing standards of the NASDAQ Stock Market (NASDAQ). The Governance Guidelines define an independent director as one who:

is not an executive officer or employee of the Company or any other individual having a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director;

is not, and has not at any time during the past three years been, employed by the Company;

has not accepted, and does not have any spouse, parent, child or sibling, whether by blood, marriage or adoption, any person residing in such individual's home, or any relative supported financially (each, a Family Member) who has accepted, any compensation from the Company in excess of \$120,000 during any period of 12 consecutive months within the three years preceding the determination of independence, other than (A) compensation for Board of Directors or committee service, (B) compensation paid to a Family Member who is an employee (other than an executive officer) of the Company, or (C) benefits under a tax-qualified retirement plan or non-discretionary compensation;

is not a Family Member of an individual who is, or at any time during the past three years was, employed by the Company as an executive officer;

is not, and does not have a Family Member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more,

other than (A) payments arising solely from investments in the Company's securities, and (B) payments under non-discretionary charitable contribution matching programs;

is not, and does not have a Family Member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the Company served on the compensation committee of such other entity;

is not, and does not have a Family Member who is, a current partner of the Company's outside auditor, and was not a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years; and

Table of Contents

satisfies any additional requirements for independence promulgated from time to time by NASDAQ.

The Governance Guidelines also provide that the Board of Directors will consider all other relevant facts and circumstances, including issues that may arise as a result of any director compensation (whether direct or indirect), any charitable contributions we make to organizations with which a director is affiliated, and any consulting arrangement between the Company and a director. The Corporate Governance and Nominating Committee reports annually to the full Board of Directors on these matters.

Pursuant to the Governance Guidelines, the Corporate Governance and Nominating Committee and the Board of Directors undertake an annual review of director independence. Based on the Corporate Governance and Nominating Committee's review in April 2016, the Board of Directors affirmatively determined that all of our directors are independent under the standards provided in the Governance Guidelines and under applicable NASDAQ listing standards, except for Mr. Parker, our Chairman and Chief Executive Officer, who is an employee.

The following types and categories of transactions, relationships and arrangements were considered by our Board of Directors in making its independence determinations:

Each of Ms. Kronick and Mr. Albaugh serves as a member on the board of directors of companies that engage in ordinary course commercial transactions with AAG involving goods or services other than air transportation. Messrs. Albaugh, Benjamin and Schifter serve as senior advisors to The Blackstone Group, Cyrus Capital Partners and TPG, respectively. These funds may have investments in us and/or companies with which we do business in the ordinary course. Messrs. Albaugh, Benjamin and Schifter are not partners in or executive officers of such companies, nor are they deemed to beneficially own the securities held by such companies.

Mr. Cahill is the Vice Chairman of The Kraft Heinz Company since its formation in July 2015 and previously served as Chairman and Chief Executive Officer of Kraft Foods Group, Inc. from December 2014 to July 2015, a food and beverage company that purchases air carrier services from us in the ordinary course of business. The payments from Kraft to AAG were significantly below 1% of AAG's revenues during the applicable years.

The Board of Directors has concluded that these transactions and arrangements do not impair the directors' exercise of independent judgment in carrying out their responsibilities as directors.

Board Meetings

The Board of Directors conducts its business through meetings of the full Board of Directors and committees of the Board of Directors. The Board of Directors regularly meets with only independent directors of the Board of Directors present. During 2015, the Board of Directors held six (6) meetings, five (5) of which were in-person meetings that included executive sessions comprised of only independent directors. In 2015, each incumbent director attended at least 75% of the aggregate number of meetings of the Board of Directors and of the committees on which he or she served.

Table of Contents

Committees

The Board of Directors currently has four standing committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Finance Committee.

Audit Committee

The Audit Committee is currently comprised of Messrs. Hart (Chair), Cahill, Embler, Ibarguen and Nesbitt. In 2015, the Audit Committee met six (6) times. The Audit Committee oversees our internal accounting function and oversees and reports to the Board of Directors with respect to other auditing and accounting matters, including the selection of our independent auditors, the scope of annual audits, fees to be paid to our independent auditors and the performance of our independent auditors. The Audit Committee is also responsible for reviewing and approving all significant conflicts of interest and related party transactions in accordance with our Company policies. A copy of the charter of the Audit Committee is available on our website at www.aa.com under the links Investor Relations Corporate Governance.

The Audit Committee meets applicable NASDAQ composition requirements, including the requirements dealing with financial literacy and financial sophistication. Each Audit Committee member is considered independent under the rules and regulations of the SEC and NASDAQ, and the Governance Guidelines, and has been determined to be financially literate. The Board of Directors has concluded that Messrs. Hart, Cahill, Embler, Ibarguen and Nesbitt qualify as audit committee financial experts under SEC rules and regulations and have the financial management expertise required by NASDAQ listing standards.

Compensation Committee

The Compensation Committee is currently comprised of Ms. O Leary and Messrs. Kraemer (Chair), Albaugh, Benjamin and Ibarguen. The Compensation Committee met eight (8) times in 2015. The Compensation Committee evaluates the performance of our Chief Executive Officer and approves his compensation and other terms of employment. The Compensation Committee also evaluates the compensation and other terms of employment of the other executive officers and other members of senior management, as appropriate. The Compensation Committee also administers the American Airlines Group Inc. 2013 Incentive Award Plan (the AAG 2013 IAP) and other employee benefit plans and may delegate this authority under certain circumstances described below. The Compensation Committee is also responsible for, among other things, oversight of the Company's compensation risk management, succession planning and workforce diversity, and may review compensation-related stockholder

proposals. A copy of the charter of the Compensation Committee is available on our website at www.aa.com under the links Investor Relations Corporate Governance.

Our Board of Directors has determined that all members of the Compensation Committee are independent within the meaning of applicable NASDAQ listing standards and the Governance Guidelines, are non-employee directors as defined by Rule 16b-3 under the Exchange Act, and are outside directors within the meaning of Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended and related regulations (the Code).

Compensation Committee Process for Executive Compensation. The Compensation Committee charter gives the Compensation Committee the authority and responsibility to review and approve our overall compensation strategy and policies, including performance goals for executive officers. The Compensation Committee is responsible for reviewing and approving the compensation and other terms of employment of the

Table of Contents

Chief Executive Officer and for evaluating his performance. The Compensation Committee also evaluates, after receiving input from the Chief Executive Officer, the compensation and other terms of employment of the other executive officers. The Compensation Committee administers our incentive compensation, stock, bonus and other similar plans and programs; approves awards under those plans; reviews and, based upon the recommendation of the Chief Executive Officer, approves the adoption of, amendment to, or termination of executive compensation and benefit plans; and determines the general design and terms of, and may delegate authority to executive officers to administer, significant non-executive compensation and benefits plans. The Compensation Committee may delegate all or a portion of its authority to administer our compensation and benefits plans to a subcommittee, to another committee of the Board of Directors or to one or more executive officers, provided that any such delegation does not include the authority to make stock incentive grants to any executive officer. The Compensation Committee has delegated to an Equity Incentive Committee, consisting of the Chief Executive Officer, the authority to make equity grants to employees who are not executive officers within guidelines established by the Board of Directors or the Compensation Committee.

Each year, the Compensation Committee reviews the annual incentive program results from the prior year, establishes the performance goals for the current year, evaluates our executive officers' individual performance and approves the Compensation Committee's report for our proxy statement. The Compensation Committee has adopted an equity grant policy to standardize the timing, practices and procedures in granting equity awards. The policy provides that equity grants, other than new hire, promotion, or special purpose grants, will be granted once per year at the second regularly scheduled meeting of the Compensation Committee, at a meeting of a subcommittee to which certain authority to grant equity awards has been delegated, or at a special meeting held for this purpose as close in time to the regularly scheduled meeting as possible. Throughout the year, as needed or appropriate, the Compensation Committee considers merit increases in base salaries for executive officers and approves compensation for internal promotions and new hires of executive officers. The Compensation Committee also monitors and evaluates our benefit plans and agreements with executive officers and management employees throughout the year and recommends adjustments as needed.

The Compensation Committee generally receives information from the Chief Executive Officer, the Executive Vice President People and Communications and compensation consultants engaged by the Compensation Committee in connection with its determinations regarding executive compensation. The Compensation Committee has sole authority to retain and terminate any outside advisors, such as compensation consultants and legal counsel, and to determine executive compensation.

In January 2016, Towers Watson & Co. (Towers Watson) merged with Willis Group Holdings plc (Willis) to form Willis Towers Watson. During 2015, its predecessor entity Towers Watson assisted the Compensation Committee in determining our executive compensation and reviewing and analyzing proposed compensation programs for our executive officers. The total annual expense for the executive compensation advising services provided to us by Willis Towers Watson, including its predecessor entities, Willis and Towers Watson, during 2015 was approximately \$139,250.

Also during 2015, specialized teams at Willis Towers Watson, including its predecessor entities, Willis and Towers Watson, assisted us with general industry compensation benchmarking and provided actuarial valuation and consulting services relating to health, welfare and retirement benefit plans and workers compensation plans as well as

Table of Contents

retirement-related services for Canada, for aggregate fees of approximately US \$3.7 million and CAD \$392,000. The Willis Towers Watson personnel who performed actuarial valuation and consulting services for us operated separately and independently of the Willis Towers Watson personnel who performed executive compensation-related services for us. While the decision to engage Willis Towers Watson for such other services was made by management, the Compensation Committee assessed whether the services provided by Willis Towers Watson raised any conflicts of interest pursuant to applicable SEC and NASDAQ rules and concluded that no such conflicts of interest existed.

Compensation Committee Interlocks and Insider Participation. None of our executive officers or directors serves as a member of the board of directors or compensation committee of any entity that has one or more of its executive officers serving as a member of the Board of Directors or Compensation Committee.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is currently comprised of Messrs. Robinson (Chair), Albaugh and Cahill, and Mses. Kronick and O Leary. The Corporate Governance and Nominating Committee met five (5) times in 2015. The Corporate Governance and Nominating Committee oversees all aspects of our corporate governance functions on behalf of the Board of Directors, including (i) identifying individuals qualified to become members of the Board of Directors; (ii) recommending to the Board of Directors the selection of director nominees; (iii) reviewing and assessing the Governance Guidelines; (iv) taking actions with respect to incumbent directors who fail to receive the required vote for reelection in uncontested elections, including accepting or not accepting previously tendered resignations or requesting that such directors submit resignations; and (v) periodically reviewing and assessing the adequacy and application of the Governance Guidelines, and recommending any changes deemed appropriate to the Board of Directors for its consideration; and (vi) periodically reviewing and evaluating, with the Company's management, the Company's governance-related risks and risk management practices. The Corporate Governance and Nominating Committee's role includes oversight of the procedures for compliance with significant applicable legal, ethical, and regulatory requirements that impact corporate governance. A copy of the Corporate Governance and Nominating Committee charter is available on our website at www.aa.com under the links Investor Relations Corporate Governance.

The Board of Directors has determined that all members of the Corporate Governance and Nominating Committee are independent within the meaning of applicable NASDAQ listing standards and our Governance Guidelines.

Corporate Governance and Nominating Committee Process for Director Compensation. The Corporate Governance and Nominating Committee's charter gives the Corporate Governance and Nominating Committee the authority and responsibility for reviewing the compensation of the non-employee members of the Board of Directors and making recommendations regarding changes to the full Board of Directors. The Corporate Governance and Nominating Committee also periodically reviews the compensation paid to non-employee directors for their service on the Board of Directors and its committees, and recommends any changes to the full Board of Directors for its approval.

The Corporate Governance and Nominating Committee generally receives proposals and information from outside consultants and publications in connection with its review of director compensation. In January 2016, Willis Towers Watson assisted the

Table of Contents

Corporate Governance and Nominating Committee in reviewing director compensation. The Corporate Governance and Nominating Committee has authority to retain and terminate any outside advisors, such as compensation consultants and legal counsel, and to determine their compensation.

Director Nominees. Each of the 13 current nominees for director recommended for election by the stockholders at the Annual Meeting is a current member of the Board of Directors. The effectiveness of the Board of Directors and the recruitment of directors are overseen by the Corporate Governance and Nominating Committee. In evaluating candidates for director, the Corporate Governance and Nominating Committee considers the qualifications described below. Based on the Corporate Governance and Nominating Committee's evaluation of each of the current nominees' qualifications and his or her prior performance as a director, the Corporate Governance and Nominating Committee determined to recommend the 13 directors for election. The Corporate Governance and Nominating Committee received no nominations from stockholders for the Annual Meeting.

Consistent with its charter, the Corporate Governance and Nominating Committee proposes for nomination existing directors and new candidates who have the highest personal and professional integrity, have demonstrated exceptional intelligence and judgment, have proven leadership skills, are committed to our success, and have the ability to work effectively with the Chief Executive Officer and other members of the Board of Directors. Also, a nominee must possess skills, experience, and expertise appropriate to best serve the long-term financial interests of our stockholders.

The Governance Guidelines specify that it is the Board of Directors' objective that it be composed of individuals who have, among other things, a diversity of skills, expertise, and perspective appropriate for the business and operation of the Company. The Board of Directors currently includes a group of individuals who have demonstrated success and leadership in a variety of fields and endeavors, with a broad diversity of experience, opinions, perspectives, professions, skills, expertise, education, geographic representation and backgrounds. The Corporate Governance and Nominating Committee and the Board of Directors believe that the Board of Directors is, and should continue to be, comprised of persons who can contribute experience in public company board service and corporate governance and areas such as strategic planning, leadership of large, complex organizations, operations, mergers and acquisitions, the airplane and airline industry, accounting, financial literacy, finance, banking, investment, asset management and restructuring, capital markets, capital management, risk management, legal analysis, customer service, consumer marketing, communications, labor relations, human resources, leadership assessment and diversity, safety, investing, information technology and community service. The Corporate Governance and Nominating

Committee does not assign specific weight to particular criteria and no particular criterion is necessarily applicable to all prospective nominees.

The Corporate Governance and Nominating Committee also recognizes the benefits of racial and gender diversity in the boardroom, including better reflecting our global customer base and the healthy debate that stems from different viewpoints that may result from diverse backgrounds. Accordingly, our Board is diverse in many ways, with differing geographic, business and racial backgrounds.

The Corporate Governance and Nominating Committee periodically evaluates the performance of the Board of Directors, its committees and the directors in an effort to facilitate the continuous improvement of the Board of Directors, as well as to assess the specific qualifications, experiences and perspectives of future director candidates that would be most valuable and have the most impact on our success.

Table of Contents

In accordance with applicable NASDAQ listing standards, the Board of Directors confirms that at least a majority of the Board of Directors is independent in accordance with the NASDAQ definition of independence and that the members of the Board of Directors, as a group, maintain the requisite qualifications under applicable NASDAQ listing standards for service on the Audit, Compensation, and Corporate Governance and Nominating Committees.

Stockholder Nominations or Recommendations of Director Candidates. Any stockholder wishing to nominate or recommend a director candidate for nomination should submit in writing the candidate's name, biographical information, business qualifications, and other information required by the Bylaws, to Ray M. Robinson, Chair of the Corporate Governance and Nominating Committee, American Airlines Group Inc., 4333 Amon Carter Blvd., MD 5675, Fort Worth, Texas 76155. All submissions must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director, if elected. The Bylaws require that written nominations be received by the Company no sooner than 120 days and no later than 90 days prior to the first anniversary of the preceding year's annual meeting of stockholders. For the 2017 annual meeting of stockholders, notice must be delivered no sooner than February 8, 2017 and no later than March 10, 2017. All qualified submissions will be reviewed by the Corporate Governance and Nominating Committee at the next appropriate meeting. The Corporate Governance and Nominating Committee has a policy of considering candidates who are nominated by stockholders for membership to the Board of Directors in the same manner as candidates recommended by members of the Board of Directors.

In addition, our Bylaws permit certain of our stockholders who have beneficially owned 3% or more of our outstanding common stock continuously for at least three years to submit nominations to be included in the Company's proxy materials for up to 20% of the total number of directors then serving. Notice of proxy access director nominations for the 2017 annual meeting of stockholders must be delivered to our Corporate Secretary at our principal executive offices no earlier than November 30, 2016 and no later than the close of business on December 30, 2016. The notice must set forth the information required by our Bylaws with respect to each proxy access director nomination that eligible stockholder or stockholders intend to present at the 2017 annual meeting of stockholders and must otherwise be in compliance with our Bylaws.

Finance Committee

The Finance Committee is currently comprised of five directors, Messrs. Schifter (Chair), Benjamin, Embler and Nesbitt and Ms. Kronick. The Finance Committee met eleven (11) times in 2015. The Finance Committee assists the

Board of Directors with oversight of our financial affairs and capital allocation and recommends to the Board of Directors financial policies and courses of action, including those relating to operating and capital budgets, that will effectively accommodate our goals and operating strategies while maintaining a sound financial condition. The Finance Committee is also responsible for supervising our share repurchase program and reviewing, approving and/or recommending to the Board of Directors our annual budget and financing plans, financial transactions and commitments, financial risk management policies proposed by senior management, the engagement of financial advisors in connection with material transactions and other matters related to our financial and strategic planning. In performing its function, the Finance Committee may seek the advice of senior management or outside advisors, as deemed appropriate by its Chair.

Table of Contents

Board Leadership and Structure Pursuant to our Bylaws, the Board of Directors is responsible for filling the positions of Chairman, Chief Executive Officer and Lead Independent Director with the persons the Board of Directors deems qualified, and for removing and replacing such persons as and when the Board of Directors deems necessary or appropriate. The Board of Directors periodically reviews AAG's leadership structure and may modify the structure as it deems appropriate, given the specific circumstances then facing the Company.

The Board of Directors is currently led by Mr. Parker, our Chairman and Chief Executive Officer, and Mr. Cahill, our Lead Independent Director. We believe that our current leadership structure strikes an appropriate balance between effective and efficient Company leadership and oversight by non-management directors.

The Board of Directors believes that having Mr. Parker serve as both Chairman and Chief Executive Officer is the most effective leadership structure for the Company. Mr. Parker has 30 years of experience in the airline industry, over 14 years of experience as an airline Chairman and Chief Executive Officer, mergers and acquisitions experience, and prior service as a director of other large public companies. This experience makes him uniquely well positioned to lead AAG's business, operations and strategy.

Mr. Cahill's duties as Lead Independent Director include the following significant responsibilities, in addition to performing such other duties as may be established or delegated to him by the Board of Directors: serving as Chairman for regular Board of Directors meetings in the absence of the Chairman; with the Chairman, establishing agendas for regular meetings of the Board of Directors; establishing agendas for, and coordinating and chairing, meetings of the independent directors; and communicating with the Chief Executive Officer following such meetings as he deems appropriate.

The combination of the Chief Executive Officer and Chairman roles allows consistent communication and coordination throughout the Company, effective and efficient implementation of corporate strategy, and is important in unifying our employees behind a single vision. The combination of the Chief Executive Officer and Chairman roles is balanced by our strong Lead Independent Director position, by the independence of all of our other directors, each of whom has significant experience in leadership roles at public companies and other large, complex organizations, and by the four principal committees of the Board of Directors, each of which consists solely of independent directors.

Board Self-Evaluation

Our Governance Guidelines and Corporate Governance and Nominating Committee charter provide that the Corporate Governance and Nominating

Committee must conduct an annual assessment of the performance of the Board of Directors, including the committees, and provide the results to the full Board of Directors for discussion. The purpose of the review is to increase the effectiveness of the Board of Directors as a whole and of each of the committees. The assessment includes an evaluation of the Board of Directors and each committee's contribution as a whole, of specific areas in which the Board of Directors, the applicable committee, and/or management believe better contributions could be made and of the overall make-up and composition of the Board of Directors and its committees.

Codes of Ethics

Our employees, including our principal executive officer and principal financial and accounting officer, and our directors are governed by one of two codes of ethics of the Company (collectively, the Codes of Ethics). The Codes of Ethics require our employees and directors to conduct Company business in the highest legal and ethical manner. The Codes of Ethics meet the requirements of a code of ethics as defined by Item 406 of Regulation S-K and the requirements of a code of business conduct and

Table of Contents

ethics under applicable NASDAQ listing standards. The full texts of the Codes of Ethics and further details regarding the scope of each of the Codes of Ethics are available on our website at www.aa.com under the links Investor Relations Corporate Governance. We will also provide a copy of the Codes of Ethics to stockholders, free of charge, upon request to our Corporate Secretary. We intend to post amendments to or waivers from the Codes of Ethics as required by applicable SEC and NASDAQ rules at this location on our website.

Board Role in Risk Oversight

The Board of Directors oversees an enterprise-wide approach to risk management, designed to support the achievement of organizational objectives, including strategic objectives; to improve long-term organizational performance; and to enhance stockholder value. A fundamental part of risk management is not only understanding the risks we face and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate. Management is responsible for establishing our business strategy, identifying and assessing the related risks, and establishing appropriate risk management practices. The Board of Directors, either directly or through one or more of its committees, reviews our business strategy and management's assessment of the related risk and discusses with management the appropriate level of risk. The Board of Directors has not established a separate risk committee because the Board of Directors believes that the most significant risks we face are most properly directly overseen by the full Board of Directors or, in certain cases, the appropriate standing committee which consider the risks within their area of responsibility.

For example, our most significant strategic, financial and operations risks are frequently reviewed by the full Board of Directors. The Board of Directors oversees the management of important risks we face, including risks associated with safety, the day-to-day operation of the airline and the interruption of airline service, revenue production, our information technology systems and labor issues and costs.

The Audit Committee oversees our risk management policies that relate to the financial control environment, financial reporting and disclosure controls and our procedures for compliance with significant applicable legal, ethical and regulatory requirements that impact our financial statements. The Audit Committee meets regularly with our internal auditors, independent auditors, Chief Financial Officer, Executive Vice President Corporate Affairs, Senior Vice President, General Counsel and Chief Compliance Officer, Vice President and Controller, Vice President and Deputy General Counsel, and Corporate Secretary and external advisors. The Audit Committee receives regular risk and internal controls assessment reports from the independent auditors and internal auditors. The Audit Committee also establishes and maintains procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the

confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters.