

Charter of the Compensation Committee
of the Board of Directors of
AMR Corporation

A. Purpose and Organization.

1. The Board of Directors (sometimes referred to as the “Board”) of AMR Corporation (the “Company”) has established the Compensation Committee (the “Committee”) as a standing committee of the Board.
2. The purpose of the Committee is to discharge the Board’s responsibilities relating to the compensation of executives and to provide the Committee’s report to be included in the Company’s proxy statement.
3. The Board will appoint the members of the Committee on an annual basis and may, at any time, fill a vacancy on the Committee. There will be a minimum of three members of the Committee. By a vote of a majority of the Board, a Committee member may be removed. A quorum of the Committee will consist of at least 50% of the members of the Committee. Each member of the Committee will be a member of the Board. Likewise, each member of the Committee will meet the independence requirements as may be established from time to time by the Board of Directors, the New York Stock Exchange, the Securities and Exchange Commission and such other regulatory agencies as may, from time to time, have authority over the activities of the Committee. No member of the Committee may be an employee of the Company.
4. The Board will appoint a Chairman of the Committee annually. If the Chairman of the Committee is absent from a meeting, the Committee may, by majority vote of those members present, designate one of its members to serve as acting Chairman for the meeting.
5. The Chairman of the Committee will determine the time and place of each Committee meeting. It is anticipated that the Committee will meet at least three times per year. Meetings of the Committee may be conducted by telephone conference. The Committee may also act by a unanimous written consent of its members without a meeting.
6. The Chairman of the Committee will establish an agenda for each Committee meeting. The agenda and materials relating thereto will be sent to the other Committee members in advance of each meeting. The Corporate Secretary of the Company will be responsible for recording the minutes of each meeting (unless circumstances dictate that the Corporate Secretary should be excused from the meeting) and will circulate the minutes to all members of the Committee. The minutes will be approved at the next subsequent meeting of the Committee.

7. The Chairman of the Committee will make periodic reports to the Board of Directors as to the activities of the Committee.
8. The Committee will review annually this Charter. Any changes to this Charter will be first referred to the Nominating / Corporate Governance Committee for review. Thereafter, the Board of Directors will approve any proposed changes to this Charter. Once each year the Committee will conduct an evaluation of its performance and report its conclusions and any recommendations to the Board.

B. Responsibilities.

The following will be the principle responsibilities of the Committee. It is understood that these matters are set forth as a guide and may be varied from time to time as appropriate under the circumstances.

1. Ensure that the executive compensation structure for the Company and its subsidiaries: is in compliance with all accounting, legal and regulatory requirements; utilizes appropriate performance criteria and measurement periods; attracts and retains employees of the highest caliber; and aligns the interests of the Company's officers and key employees with those of its stockholders.
2. For each officer of the Company and/or American Airlines, Inc. ("American")(including newly elected officers), the Committee will approve a compensation structure that will generally include: the officer's annual base salary; annual incentive compensation target; long-term incentive opportunity awards (whether in stock or cash); and perquisites.
3. In the performance of Items B.1 and B.2, above, the Committee will evaluate annually the total compensation levels for, and the distributions to, the officers of the Company and American. In performing this evaluation the Committee will retain an independent compensation consultant and such other advisors, as it deems necessary and appropriate.
4. Establish appropriate performance criteria for performance based compensation plans (including by way of example, the approval of annual incentive compensation plans and long term incentive plans) and determine (in conjunction with the General Auditor of American and the Company's independent auditors) whether the performance criteria for a particular plan have been achieved at the end of its measurement period.
5. Approve employment agreements, consulting agreements, severance agreements, retirement agreements and benefits and change-in-control agreements that involve the officers of the Company or American.

6. Administer, oversee and modify as appropriate, compensation plans approved by the Committee, the Board and/or the shareholders, including the approval of any exceptions to such plans
7. Produce an annual report on executive compensation for inclusion in the Company's proxy statement.
8. Determine the compensation of the CEO based upon his performance. The Chair of the Committee will confer with the Chair of the Nominating / Corporate Governance Committee to gather information re: the evaluation of the CEO by that Committee.
9. To make recommendations to the Board with respect to the implementation of equity-based plans.

C. Access to Records and Employees/Consultants/Other items.

1. In the performance of its responsibilities the Committee will have complete access to the records of the Company. The Committee will make requests for documentation through the office of the Corporate Secretary. The Committee may at any time meet with any employee of the Company, outside counsel to the Company, the Company's independent auditors or such other advisors to the Company as the Committee determines. The Committee will arrange for such meetings with employees, outside counsel, the independent auditors or other advisors through the office of the Corporate Secretary.
2. In addition to paragraph B.3, the Committee may engage outside counsel and consultants, as it deems necessary and appropriate to implement its responsibilities under this Charter. It likewise has the authority to establish the fees and other terms relating to the retention of such outside counsel and consultants. The Board will cause the Company to allocate sufficient funds to the Committee for the payment of the fees and expenses associated with such outside counsel and consultants.

D. Delegation.

The Committee may delegate its responsibilities under this Charter to a subcommittee comprised of one or more members of the Committee. The creation of such a subcommittee, as well as its purpose, will be reported to the Board of Directors. The Committee will also carry out such other duties that may be delegated to it by the Board.