

AMERICAN AIRLINES GROUP INC. CORPORATE GOVERNANCE GUIDELINES

As adopted by the Board of Directors on December 9, 2013

As set forth in the Amended and Restated Certificate of Incorporation (the “Certificate”) of American Airlines Group Inc. (the “Company”) and the Amended and Restated Bylaws of the Company (the “Bylaws”), the property, affairs and business of the Company are managed by or under the direction of the Board of Directors (the “Board”) of the Company, and except as otherwise expressly provided by law, the Certificate or the Bylaws, or otherwise reserved for decision by the Company’s stockholders, all of the powers of the Company are vested in the Board. The purpose of these Corporate Governance Guidelines (the “Guidelines”) is to set forth general principles and policies by which the Board will manage its affairs. These Guidelines will be reviewed periodically by the Corporate Governance and Nominating Committee and posted on the Company’s website.

A. Role of the Board of Directors

1. Responsibility to Stockholders

The primary responsibility of the Board is to oversee the affairs of the Company for the benefit of all stockholders, in accordance with the corporate laws of the State of Delaware.

2. Major Decisions

Except for those matters reserved for decision by the Company’s stockholders, the Board is the ultimate decision-making body of the Company. It elects the Company’s Chief Executive Officer, who is charged with the conduct of the Company’s business; acts as his or her advisor; and monitors his or her performance. It is the general policy of the Board that all decisions that could have a material effect on the Company or its stockholders be considered by the Board or the appropriate committee thereof, as applicable.

B. Composition of the Board of Directors

1. Qualifications

The Board seeks to be composed of individuals who have the highest personal and professional integrity, who have demonstrated exceptional ability and judgment and who are effective, in connection with the other members of the Board, in providing the diversity of skills, expertise and perspectives appropriate for the business and operations of the Company and serving the long-term interests of the stockholders.

2. Independence

It is the policy of the Board that at least a majority of the members of the Board (each, a “Director”) shall be independent. An “independent” Director is one who:

- (i) is not an executive officer or employee of the Company or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director;
- (ii) is not, and has not at any time during the past three years been, employed by the Company;
- (iii) has not accepted, and does not have 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 or Board 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;
- (iv) 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;
- (v) 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;
- (vi) 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;
- (vii) 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
- (viii) satisfies any additional requirements for independence promulgated from time to time by The NASDAQ Stock Market ("NASDAQ").

For the purposes of these independence standards, a reference to the "Company" includes any parent or consolidated subsidiary of the Company.

"Family Member" means a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home.

In addition, to the extent applicable with respect to membership on specific committees, the Board shall have a sufficient number of members who satisfy any additional requirements for “independence” promulgated from time to time by NASDAQ and the Securities and Exchange Commission (the “SEC”). Consideration should also be given to 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 by the Company 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 on these matters.

3. Size

The Company’s Bylaws currently provide that the number of Directors shall be not less than one nor more than 15. The number of Directors is determined from time to time by the Board based on its current composition and requirements, except as otherwise set forth in the Certificate or the Bylaws. It is the policy of the Board that the number of Directors not exceed a number that can function efficiently and effectively as a body.

4. Management Directors

The Chief Executive Officer of the Company should be the only member of the senior management team to serve as a Director.

5. Chairman; Lead Independent Director

Except as otherwise set forth in the Certificate or the Bylaws, the Board shall periodically designate from among its members a Chairman of the Board. Both independent and non-independent Directors, including the Chief Executive Officer, are eligible for appointment as the Chairman. Except as otherwise set forth in the Certificate or the Bylaws, the Board will also periodically designate one of the independent Directors to serve as Lead Independent Director.

6. Change of Position

It is the policy of the Board that an employee Director shall offer to resign from the Board concurrently with the termination of his or her employment with the Company for any reason, and that a non-employee Director should offer to resign from the Board concurrently with any change in his or her primary job responsibility or position held at the time the Director was most recently elected to the Board. However, the Board may invite any such Director to remain on the Board when the Board determines, following a review by the Corporate Governance and Nominating Committee, that continued access to such Director’s knowledge and experience is in the best interests of the Company and its stockholders.

7. Outside Directorships

Non-employee Directors are encouraged to limit the number of other boards on which they serve, taking into account the time required for board attendance, participation and effectiveness on these boards. Non-employee Directors should advise the Chairman, the Chief Executive Officer and the Lead Independent Director in advance of accepting an invitation to serve on another board. Directors who also serve as chief executive officers of public companies should not serve on more than two boards of public companies other than the Company's Board, and other Directors should not serve on more than five other public company boards.

8. Selection of New Directors and Nomination for Reelection of Incumbent Directors; Policy Statement on Majority Voting

The Board nominates Directors for election at each meeting of stockholders at which Directors are elected and selects Directors to fill vacancies that occur between such meetings. The Board has delegated to the Corporate Governance and Nominating Committee, in consultation with the Chairman and the Chief Executive Officer, the primary responsibility for identifying, evaluating, reviewing and recommending qualified Director candidates to the entire Board. The Corporate Governance and Nominating Committee also has the primary responsibility for evaluating, reviewing and recommending the incumbent Directors for nomination for reelection to the Board.

In furtherance of the principles regarding majority election of Directors set forth in Article III, Section 3 of the Bylaws, the Board expects each incumbent Director (each, a "Subject Director") who is nominated for reelection to the Board to resign from the Board if he or she fails to receive the required number of votes for reelection as set forth in the Bylaws under circumstances in which the Board or a duly authorized committee of the Board determines to accept such tendered resignation, as described below.

In the event one or more incumbent Directors fails to receive the affirmative vote of a majority of the votes cast at an Election Meeting (as defined in the Bylaws) at which there was no Contested Election (as defined in the Bylaws), either (i) the Corporate Governance and Nominating Committee or (ii) if one or more of the members of the Corporate Governance and Nominating Committee is a Subject Director or the Board determines that any decision to be made with respect to a Subject Director should be made by a committee of the Board other than the Corporate Governance and Nominating Committee, a committee consisting solely of independent directors (as determined in accordance with any stock exchange rules and regulations applicable to the Company and any additional criteria set forth in these Corporate Governance Guidelines or the Company's Corporate Governance and Nominating Committee Charter, as applicable) who are not Subject Directors, unless all Directors are Subject Directors, in which case the committee shall consist of the Lead Independent Director (the committee described in clause (i) or (ii) of this sentence, the "Committee") will make a determination as to whether to accept or reject any tendered resignation of a

Subject Director or whether other action should be taken (including whether to request that a Subject Director resign from the Board if such Subject Director has not tendered his or her resignation). The Committee may consider any factors it considers relevant, including (i) the reasons that it believes were the basis for a majority of the votes cast at the meeting being voted “against” the Subject Director’s election, (ii) whether the underlying cause or causes of the “against” votes are curable, (iii) the factors, if any, set forth in these Guidelines, the Company’s Corporate Governance and Nominating Committee Charter or other policies that are to be considered by the Corporate Governance and Nominating Committee in evaluating potential candidates for the Board as such criteria relate to such Subject Director, (iv) the length of service of such Subject Director, (v) such Subject Director’s contributions to the Company, (vi) whether acceptance of any resignation would lead to a “change of control” of the Company as determined pursuant to any financing or other material agreement of the Company or any of its subsidiaries, and (vii) whether acceptance of any resignation would lead to a default under any material agreement to which the Company or any of its subsidiaries is a party or otherwise bound, or to the Company’s failure to comply with any applicable rule or regulation (including stock exchange listing standards). A Subject Director shall not participate in any deliberations or decisions of the Committee regarding whether to accept his or her resignation, unless all Directors are Subject Directors, in which case the Lead Independent Director shall participate.

The Committee will act with respect to any Subject Director within 90 days after the date of the certification of the election results for the Election Meeting and shall notify the Subject Director of its decision. Notwithstanding the foregoing, the Committee may determine to extend such 90-day period by an additional 90 days if it determines that such an extension is in the best interests of the Company and its stockholders. The Company shall publicly disclose the decision(s) of the Committee in a Current Report on Form 8-K filed with the SEC.

If a Subject Director’s tendered resignation is not accepted by the Committee or such Subject Director does not otherwise submit his or her resignation to the Board of Directors, such Director shall continue to serve until his or her successor is duly elected, or his or her earlier resignation or removal. If a Subject Director’s resignation is accepted by the Committee, or if a nominee for Director is not elected and the nominee is not an incumbent Director, then the Board, in its sole discretion, may fill any resulting vacancy or decrease the size of the Board pursuant to the Bylaws.

9. New Director Orientation and Incumbent Director Education

The Board and the Company have a complete orientation process for new Directors that includes background material, meetings with senior management and visits to the Company’s facilities. Additionally, the Board and the Company have a process for the review and communication to incumbent Directors of important corporate governance issues and trends in corporate governance practices that could potentially impact the Company and/or the functioning of the Board and its committees.

10. Director Compensation

Employee Directors receive no additional compensation for their Board service. The Company's policy with respect to the compensation of non-employee Directors is to set the form and amount of such compensation at a level and in a manner that is competitive with other major airlines and other selected public companies of comparable size. The Company uses stock-based compensation as a component of non-employee Director compensation to strengthen the non-employee Directors' commitment to the future of the Company and to further align their interests with those of the Company's stockholders. The Corporate Governance and Nominating Committee periodically reviews the compensation paid to non-employee Directors for their service on the Board and its committees and recommends any changes considered appropriate to the Board for its approval.

11. Director Equity Ownership

The Board shall establish from time to time stock ownership goals for non-employee Directors to strengthen their commitment to the future of the Company and further align their interests with those of the Company's stockholders.

12. Retirement Age

The Board has adopted a mandatory retirement age for all non-employee Directors so that no non-employee Director will be nominated to stand for reelection to the Board after attaining age 75.

C. Board and Committee Functions

1. Corporate Governance Guidelines

The Board has adopted these Guidelines to express its policies with respect to Board organization and processes. The Corporate Governance and Nominating Committee is responsible for periodically reviewing and assessing the adequacy and application of these Guidelines and recommending any changes it deems appropriate to the Board.

2. Frequency of Meetings

The Board meets regularly on previously determined dates, and conducts special meetings on the call of the Chairman, the Chief Executive Officer or by the Chairman at the written request of two or more Directors. Subject to the provisions of its charter, each committee determines the frequency of meetings of that committee.

The Secretary will provide a schedule of regular Board meetings for each calendar year for consideration by the Board on or before November 1 of the prior year.

3. Director Attendance

Each Director is expected to attend all meetings of the Board and of each committee of which the Director is a member and the Company's annual meeting of stockholders, except where unusual circumstances arise. The Board recognizes that occasionally meetings may need to be scheduled on short notice and that conflicts may arise from time to time that will prevent a Director from attending a meeting. However, each Director is expected to make every reasonable effort to keep such absences to a minimum. Management will be available to review with any Director who misses a meeting any issues discussed at that meeting.

4. Briefing Materials

The agenda, together with written or electronic materials (when possible) on matters to be presented for consideration, for each Board and committee meeting is normally provided to Directors at least five days in advance of the meeting, or within such other time as will allow Directors to prepare for the discussion of the materials at the meeting. In some cases, however, due either to the sensitive nature of an item under consideration or the press of time, information may not be provided in advance of the meeting or may be provided less than five days in advance of the meeting. The Chief Executive Officer or his designee will provide the Directors with any additional necessary information. Members of the Board or any committee should review any such materials provided to them in advance of the applicable meeting.

5. Participation of Management, Advisors and Guests

The Board expects that certain members of senior management will be invited regularly to attend portions of Board and committee meetings. Should the Chief Executive Officer or any Director want additional advisors or guests to attend Board meetings on a regular basis or for a particular meeting, it is expected that this suggestion will be made to the Board for its approval. The Board meets in executive session to consider matters of a confidential nature that may not be appropriate to discuss in the presence of non-Directors. The Chairman, or the Chief Executive Officer (if no Chairman is appointed), subject to the direction of the Board, determines which, if any, non-Directors should attend such executive sessions. The Chairman of each committee, subject to the direction of the particular committee, determines which, if any, members of senior management, advisors or other non-committee members attend each committee meeting.

6. Access to Management, Outside Counsel and External Resources

Members of the Board have complete access to the Company's management and outside counsel and any external resources, including retaining legal, financial or other advisors, as the Board deems necessary or appropriate to fulfill its responsibilities, including for the purpose of receiving reports with respect to the Company's operations and business strategies and monitoring related risks. Members of the Board should use judgment in contacting management so that the

business and operations of the Company and the ability of the managers to discharge their duties are not disrupted.

7. Committees

The Board has established an Audit Committee, a Corporate Governance and Nominating Committee and a Compensation Committee as standing committees of the Board. The Board also establishes such other standing and special purpose committees as the Board deems necessary or appropriate from time to time to assist the Board in overseeing the affairs of the Company. Each committee has written delegations of responsibilities and authority, which are reviewed periodically by the entire Board.

8. Committee Membership

The composition of each committee is determined by the Board. The Corporate Governance and Nominating Committee, after consultation with the Chairman and the Chief Executive Officer, and after considering the wishes of the individual Directors, recommends to the entire Board annually the chairmanship and membership of each committee. Consideration is given to rotating committee members and chairmanships at least every five years.

9. Independence: Audit, Corporate Governance and Nominating, Compensation Committees; Chairmanships

The Audit, Corporate Governance and Nominating, and Compensation Committees are composed solely of Directors who qualify as independent within the meaning of these Guidelines, including (to the extent applicable with respect to membership on a particular committee) any requirement for “independence” promulgated from time to time by NASDAQ or the SEC. All committees are chaired by independent Directors, within the meaning of these Guidelines.

10. Reports to the Board

All material activities of the committees are reported to the Board. Any other reports from the committees to the Board are made on an as needed basis, within the discretion of the committee Chairmen.

11. Meetings of Independent Directors

The independent Directors meet in executive session on a regular basis, at which meetings only independent Directors are present. The agenda for meetings of the independent Directors shall be established, and such meetings shall be coordinated and chaired, by the Lead Independent Director, or if there is no Lead Independent Director, the independent Chairman of the Board. Significant issues discussed at any such executive sessions are discussed with the Chief Executive Officer as deemed appropriate by the Lead Independent Director.

12. Conflicts of Interest

The business or family relationships of a Director may on occasion give rise to that Director having a material personal interest in a particular matter raised before the Board or a committee. The Board or committee, as the case may be, after consulting with counsel, determines on a case-by-case basis whether any such conflict or potential conflict of interest exists. The Board and each committee will take appropriate steps to identify any such potential conflicts and to assure that all Directors voting on a matter are disinterested with respect to that matter. In addition, all conflicts or potential conflicts are subject to applicable provisions of the Company's ethics code or codes.

D. Board and Chief Executive Officer Evaluations

1. Criteria for Board Evaluation

The Corporate Governance and Nominating Committee conducts a periodic assessment of the performance of the Board, including Board committees, seeking input from senior management, the full Board and others, and provides the results to the full Board for discussion. The assessment includes evaluation of the Board's and each committee's contribution as a whole, specific areas of focus to be determined by the Corporate Governance and Nominating Committee after consultation with the Board and/or management, and overall Board and committee composition and makeup. The Corporate Governance and Nominating Committee also annually considers and assesses the independence of Directors, including whether a majority of the Board continues to be independent within the meaning prescribed by these Guidelines, NASDAQ and the SEC.

2. Evaluation of the Chief Executive Officer

The Board annually reviews and evaluates the performance of the Chief Executive Officer through such process as the Board deems appropriate from time to time, acting either directly or through the Compensation Committee.

E. Succession Planning

The Compensation Committee, in consultation with the Chairman and the Chief Executive Officer, has the primary responsibility for the development and periodic review of a succession plan.

F. Miscellaneous

1. Board Interaction with Investors, the Press, etc.

The Board believes that the Chief Executive Officer and other members of senior management, as designated by the Chief Executive Officer, should speak for the Company. In no event should any Director communicate any confidential or market-sensitive information to any person or constituency outside the Board. Directors should refer any external inquiries to the Chief Executive Officer for handling.

Employees, stockholders or other interested third parties who wish to contact the Board, a standing committee of the Board, or a Director may write to the following address:

American Airlines Group Inc.
The Board of Directors
P.O. Box 619616, MD 5675
Dallas/Fort Worth International Airport, Texas 75261-9616

Our Vice President and Deputy General Counsel, or someone acting on his/her behalf, will review these written communications with the Directors, a standing committee, and/or an officer of the Company, in each case depending on the facts and circumstances outlined in the communication. Any communication from a stockholder relating to Director nominations or a stockholder proposal for business to be considered at the Company's annual meeting of stockholders or included in the Company's proxy statement will be sent to the Chair of the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee will also periodically review with senior management the nature of the communications and the Company's responses to them. These procedures will be posted on the Investor Relations section of the Company's website.

2. Charitable Contributions

All significant charitable or other contributions to tax exempt organizations for which an independent Director serves as an executive officer or director or with which an independent Director otherwise has a material relationship will be reviewed in light of the purposes and values of the Company and will be subject to the approval of the Corporate Governance and Nominating Committee, which will consider the impact of any such contributions on the applicable Director's independence.