

American Airlines Group Inc.
Form DEF 14A
April 30, 2018
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

Filed by a Party other than the Registrant

Check the appropriate box:

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.

(3) Filing Party:

(4) Date Filed:

Table of Contents

Table of Contents

April 30, 2018

To Our Stockholders:

On behalf of the Board of Directors of American Airlines Group Inc., we invite you to attend the 2018 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 13, 2018, at 9:00 a.m. local time. The attached Notice of 2018 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. Thank you for your continued support.

Sincerely,

W. Douglas Parker
Chairman of the Board of Directors and
Chief Executive Officer

The accompanying Proxy Statement is dated April 30, 2018, and is first being released to stockholders of American Airlines Group Inc. on or about April 30, 2018.

Table of Contents

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

DATE AND TIME: MEETING AGENDA

Wednesday, June 13, 2018

9:00 a.m., local time

PLACE:

Latham & Watkins LLP

885 Third Avenue

New York, New York
10022

RECORD DATE:

April 16, 2018

1 A proposal to elect 12 directors to serve until the 2019 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, 2018

3 A proposal to consider and approve, on a non-binding, advisory basis, executive compensation as disclosed in the attached Proxy Statement

4 A proposal to amend our Restated Certificate of Incorporation to enable stockholders who hold at least 20% of our outstanding common stock to call special meetings

5

A shareholder proposal to enable stockholders who hold at least 10% of our outstanding common stock to call special meetings

- 6 Such other business as properly may come before the 2018 Annual Meeting of Stockholders or any adjournments or postponements of the Annual Meeting

VOTE IN ADVANCE OF THE MEETING

Vote your shares at www.proxyvote.com.

Call toll-free number 1-800-690-6903

Sign, date and return the enclosed proxy card or voting instruction form.

For additional details on Internet and telephone voting and attendance at the meeting, please see page 2 of the Proxy Statement.

Important notice regarding the availability of proxy materials for the Annual Meeting:

Our Proxy Statement and 2017 Annual Report on Form 10-K are available at www.proxyvote.com.

You 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.asfinancial.com) 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.

**VOTE IN PERSON AT
THE MEETING**

See page 1 Requirements to Attend Annual Meeting for details on admission requirements to attend the Annual Meeting.

By Order of the Board of Directors of
American Airlines Group Inc.,

Caroline B. Ray
Corporate Secretary

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

PROXY STATEMENT SUMMARY

This summary contains highlights about our Company and the upcoming 2018 Annual Meeting of Stockholders (the Annual Meeting). 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 for the year ended December 31, 2017 that accompanies this proxy statement before voting.

2018 Annual Meeting of Stockholders

Date and Time:

Wednesday,
June 13, 2018 at
9:00 a.m., local time

Location:

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

Record Date:

April 16, 2018

Proxy Mail Date:

On or about
April 30, 2018.

Voting Matters and Board Recommendations

Matter	Board Recommendation	Page
1. Election of Directors	FOR each Director Nominee	5
2. Ratification of Public Accounting Firm	FOR	15
3. A proposal to consider and approve, on non-binding, advisory basis, executive compensation as disclosed in the attached Proxy Statement	FOR	17
4. A proposal to amend our Restated Certificate of Incorporation (Charter Amendment) to enable stockholders who hold at least 20% of our outstanding common stock to call special meetings	FOR	19
5. A shareholder proposal to enable stockholders who hold at least 10% of our outstanding common stock to call special meetings	AGAINST	21

2017 In Review

2017 was a great year for American Airlines thanks to the work of our over 120,000 full-time equivalent team members.

We are focused on four long-term strategic objectives to guide our thinking and decisions and keep the entire team focused on managing American for the long-term. They are: Create a World-Class Customer Experience, Make Culture a Competitive Advantage, Ensure Long-Term Financial Strength and Think Forward, Lead Forward.

Create a World-Class Customer Experience

We are delivering value to all customers, especially premium customers, as well as driving operational excellence and strengthening our network by growing where we have a competitive advantage. During 2017:

We recorded our best on-time departure and arrival performance since 2003, and our best baggage handling performance since DOT began reporting in 1994.

We expanded the airline's global footprint by launching Los Angeles-to-Beijing service, and announced service from Philadelphia to Prague, Czech Republic, and Budapest, Hungary; Dallas-Fort Worth to Reykjavik-Keflavik, Iceland; and Chicago-O'Hare to Venice, Italy, which will start this summer.

We operate the youngest fleet among our peers and invested \$4.1 billion in new aircraft, including our first Boeing 737 MAX. By the end of 2018 we expect to induct a total of 20 new MAX aircraft, which are replacing older, less fuel efficient aircraft.

We introduced new streaming-capable satellite-based internet access on narrowbody aircraft, starting with the 737 MAX and expanding soon to most of our domestic mainline fleet.

We introduced Basic Economy to compete with ultra low-cost carriers. This product is now offered nationwide and to leisure markets in Mexico and most of the Caribbean. We expect to expand it to some trans-Atlantic routes this spring.

We expanded Premium Economy, which offers a wider seat, more legroom, an amenity kit, and enhanced meal choices on international flights. As

Table of Contents

of March 14, 69 widebody aircraft offer this product. We expect to offer Premium Economy on most of our widebody fleet by mid-2019.

We launched new products to meet customer demand, including the expansion of American's best-in-class lounges by opening Flagship First Dining, a new exclusive experience for customers in Flagship First on international and A321XLR transcontinental flights. American now offers Flagship First Dining in Miami, Los Angeles, and New York- JFK. American is the only U.S. airline that offers international first class.

Make Culture a Competitive Advantage

American is creating an environment that cares for frontline team members, develops innovative, inspiring, and caring leaders, and equips our team with the tools to support our customers.

We awarded each team member with two complimentary round-trip tickets across American's global network to commemorate being named Air Transport World's 2017 Airline of the Year.

After hurricanes hit the Caribbean and Florida, American Airlines team members worked together to help the people of San Juan, Puerto Rico and other affected parts of the region. American and our team members delivered more than 2.5 million pounds of relief supplies, raised almost \$2 million for the American Red Cross and contributed \$788,000 to the Family Fund to provide emergency assistance to team members.

We invested more than \$300 million in facilities and equipment including renovations to team member spaces, mobile devices for pilots and flight attendants, and the One Campus One Team initiative at our global support center in Fort Worth.

We kept team member pay competitive through initiatives such as a mid-contract salary increase for pilots and flight attendants and continued step increases, as well as a mid-contract pay increase for mechanics and fleet service workers. In early 2018 we also shared benefits of the recent Tax Cuts and Jobs Act through \$1,000 payments to all non-officer team members.

We introduced best-in-industry maternity and adoption benefits.

We conducted our first team member engagement survey in over a decade, and we will continue to act on the results so that American continues to improve as a workplace.

We provided customer service skills training to 35,000 team members through Elevate the Everyday Experience training.

We rolled out our Leadership Model during 2017, which defines the attributes and expectations for leaders at American. Training was initiated to build skills that include improved listening and coaching to help our team lead differently. In 2017, 4,000 leaders participated in leadership training designed to help them support our

frontline team members. Higher level leaders underwent additional training to further listening and coaching skills during 2017, and this same training will roll out more broadly in 2018. We also began development of implicit bias training for leaders and our frontline team during 2017. All of this training supports our imperative to make culture a competitive advantage for American Airlines by building leaders who support the frontline team.

Ensure Long-Term Financial Strength

To ensure our long-term competitiveness in the global aviation industry, we are focused on capturing the efficiencies created by the merger, delivering on American's earnings potential, and creating value for our stockholders. In the four full years since the merger closed, the company's cumulative pre-tax earnings were \$15.2 billion, or \$19.4 billion excluding net special items.

We reported a 2017 pre-tax profit of \$3.1 billion, or \$3.8 billion excluding net special items.

We returned \$1.7 billion to shareholders in 2017, including the repurchase of 33.9 million shares and dividend payments of \$198 million.

Since mid-2014 we have returned \$11.4 billion to shareholders, reducing our share count by 37 percent to 475.5 million shares at the end of 2017.

See Annex A for a reconciliation of pre-tax profit excluding net special items, a non-GAAP measure.

Think Forward, Lead Forward

We are committed to re-establishing American as an industry leader by creating an action-oriented culture that moves quickly to bring products to market, embraces technological change and quickly seizes upon new opportunities for our network and our product.

We acquired 2.7% of the outstanding shares of China Southern Airlines, the largest airline in China.

We extended our trans-Atlantic Joint Business Agreement with our airline partners.

We committed more than \$1.6 billion to improve LAX Terminals 4 and 5, setting the stage for American to receive additional gates, strengthen our Pacific gateway and be the pre-eminent airline for Los Angeles.

Table of Contents

We have agreed on a new lease that will redevelop ORD over the next 10 to 15 years, giving us further room to grow our ORD operation. We built a five-gate expansion at ORD Terminal 3, giving American a new advantage at this key competitive hub.

Our Commitment to Sustainability

With our industry leading fleet renewal program, we continue to aggressively retire older aircraft and replace them with new, more fuel-efficient aircraft. By year-end 2017, we had introduced 496 new aircraft into the fleet since our merger, and retired 469 older aircraft, giving us the youngest fleet amongst the largest airlines. New aircraft entering American's fleet, like the Boeing 737 MAX, improve per seat fuel efficiency by up to 40% and thus dramatically reduce emissions over similarly sized older aircraft.

For 2017, American achieved a 2.5% improvement in fuel efficiency and it is now 5.4% more efficient than it was in 2014. Over the last 3 years American emitted approximately 4.9 million metric tons of CO2 less than it would have if its fuel efficiency had remained at its 2014 level.

We received, for the 16th consecutive year, the highest possible ranking by the Human Rights Campaign in the 2017 Corporate Equality Index.

Our team members participated in more than 21,000 volunteer events in their communities, contributing more than 155,000 hours of volunteer time in the communities where they live and where we provide service. In addition, as part of the Company's Flights for 50 awards program, our team members donated more than 20 million frequent flier miles to nonprofit organizations in their communities.

Stockholder Engagement and Governance

We welcome and value communication with our stockholders. The following corporate governance and Board practices ensure accountability and enhance effectiveness in the boardroom:

Our Governance Best Practices

Annual Board elections

Annual Board, committee and director evaluations

Majority voting standard

Annual review of Board and committee composition

11 of 12 director nominees are independent	All members of the Audit Committee are designated financial experts
Robust Lead Independent Director role with responsibilities that conform to leading governance practices	Diverse Board
Routine review of Board leadership structure	Significant stock ownership requirements for directors and senior vice presidents and above
Regular executive sessions held without management present	Comprehensive risk management with Board and committee oversight
Stockholder right to proxy access	Commitment to corporate social responsibility

Executive Compensation How We Link Pay and Performance

Our CEO and other executive officers have demonstrated their commitment to fair pay and pay for performance by initiating the following exceptional actions with respect to their compensation.

Since 2015, at Mr. Parker's request, we provide 100% of his direct compensation in the form of equity incentives in lieu of base salary and annual cash incentive compensation. That has helped to advance our commitment to paying for performance and aligning Mr. Parker's interests with that of our stockholders. More than half of these equity incentives will be earned not earlier than the third anniversary of the grant date based on our relative pre-tax income margin and total stockholder return (TSR) performance.

At his request, Mr. Parker's target direct compensation has been historically set at below the average for his peers at Delta and United.

Also at his request, in 2016, our Compensation Committee agreed to eliminate Mr. Parker's employment agreement so that he 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 that employment agreement.

Table of Contents

In 2017, at their request, all of our executive officers who were party to change in control and severance benefit agreements voluntarily terminated their agreements. As a result, none of our executive officers is now contractually entitled to cash severance or continued health benefits upon any termination, nor are we contractually obligated to provide a gross-up to cover any excise taxes incurred by any named executive officer under Section 4999 of the Internal Revenue Code.

Our executives' compensation is heavily weighted towards variable cash and long-term equity incentives, linking our executives' pay opportunity to the execution of Company strategies and enhancing the interests of our stockholders.

Our annual cash incentive program is based on pre-established pre-tax income targets (excluding special items). A pre-tax income measure maintains a focus on profitability and operating efficiency and is an effective measure of financial performance in our industry. In 2017, we achieved an adjusted pre-tax income of approximately \$4.2 billion, which corresponded to achievement at 79.1% of the target level under the 2017 cash incentive program. Based on the funding level, each participating executive officer received a bonus at 79.1% of target.

Our 2017 equity incentive program for our named executive officers incorporates both performance- and time-vesting components, with the performance-vesting component weighted at least 50% by value. The performance-vesting component consists of restricted stock units that will be earned 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 and our three-year relative TSR.

The Compensation Committee adopted the three-year relative TSR modifier for the performance-vesting component of the restricted stock units as a new measure under our equity incentive program in 2017. Adjusting performance achievement positively or negatively based on relative TSR demonstrates our commitment to generating returns for our stockholders and further aligns management with stockholder interests.

What We Do

What We Do NOT Do

Stock Ownership Guidelines that align our executive officers' long-term interests with those of our stockholders.

No Severance or Change in Control Agreements. None of our executive officers has a severance or change in control agreement.

Independent Compensation Consultant that is directly engaged by the Compensation Committee to advise on executive and director compensation matters.

No Excessive Perquisites. Perquisites and other personal benefits are not a significant portion of any executive officer's compensation. We do not provide company cars, personal club memberships, home

Annual Compensation Risk Assessment to identify any elements of our compensation program design or oversight processes that carry elevated levels of adverse risk.

Equity Award Grant Policy that establishes objective, standardized criteria for the timing of equity awards granted to our team members.

Tally Sheet Review. We conduct a comprehensive overview of total compensation targets and potential payouts.

Clawback Policy for all cash and equity incentive compensation paid to our executive officers.

At-Will Employment. None of our executive officers has an employment agreement.

security protection, private jet travel for personal use or protection on home sale loss in a relocation.

No Guaranteed Bonuses. Our executive officers bonuses are 100% performance-based and at risk.

No Payouts of Dividends accrued on unvested awards unless and until the award's vesting conditions are satisfied.

No Active Executive Retirement Plans. We do not maintain any active executive-only or supplemental retirement plans.

No Hedging of our Stock or Pledging our stock as collateral for loans.

No Excise Tax Gross-Ups to cover excise taxes in connection with a change in control.

Table of Contents

What are Proposals 4 and 5 and how does the Board recommend stockholders vote?

As set forth in Proposal 4, the Board of Directors has approved the Charter Amendment to permit stockholders who hold, in the aggregate, at least 20% of the voting power of the outstanding shares of the Company to call a special meeting of stockholders. While the Board of Directors recognizes that providing a stockholder right to call special meetings is consistent with corporate governance best practices, the Board of Directors also believes that special meetings of stockholders should be extraordinary events that are held only when strategic concerns or other similar considerations require that the matters to be addressed not be delayed until the next annual meeting. The Board of Directors believes that an ownership threshold of at least 20% is appropriate based on the Company's current size and stockholder composition, as it would provide the Company's stockholders with a meaningful right to request a special meeting, while mitigating the risk that corporate resources are wasted to serve the narrow self-interests of a few minority stockholders.

This proxy season, the Company received a stockholder proposal for consideration at the Annual Meeting requesting that the Company take the steps necessary to

permit stockholders who hold at least 10% of the voting power of the outstanding shares of the Company to call a special meeting of stockholders. The stockholder's proposal is set forth in Proposal 5. The Corporate Governance and Nominating Committee and the Board of Directors carefully considered the stockholder proposal and determined that, while a 10% ownership threshold to call a special meeting of stockholders would not be in the best interest of our stockholders, establishing an ownership threshold of at least 20%, along with appropriate procedural requirements, would achieve a reasonable balance between enhancing stockholder rights and adequately protecting the long-term interests of the Company and its stockholders.

We are recommending that our stockholders approve the Charter Amendment, as set forth in Proposal 4, in order to allow stockholders who hold, in the aggregate, at least 20% of the voting power of the outstanding shares of the Company to call a special meeting of stockholders. We are recommending that our stockholders vote against the stockholder proposal in Proposal 5 because a lower 10% ownership threshold will unduly risk giving a stockholder or small group of stockholders a disproportionate amount of influence over the Company's affairs.

For these reasons, the Board of Directors unanimously urges stockholders to vote FOR Proposal 4, the amendment to our Certificate of Incorporation to enable stockholders who hold at least 20% of our outstanding common stock to call special meetings, and AGAINST Proposal 5, the proposal to permit stockholders who hold at least 10% of the voting power of the outstanding shares of the Company to call a special meeting of stockholders.

Table of Contents

PROXY STATEMENT

TABLE OF CONTENTS

<u>Proxy Statement Summary</u>	i
<u>The Meeting</u>	1
<u>Purpose, Place, Date and Time</u>	1
<u>Record Date; Stockholders Entitled to Vote</u>	1
<u>Requirements to Attend Annual Meeting</u>	1
<u>Quorum</u>	1
<u>Vote Required to Approve Each Proposal</u>	1
<u>Voting of Proxies</u>	2
<u>Revocation of Proxies</u>	3
<u>Solicitation of Proxies</u>	3
<u>Inspector of Election</u>	3
<u>Notice Regarding Internet Availability of Proxy Materials</u>	3
<u>Electronic Delivery of Proxy Materials</u>	3
<u>Householding of Proxy Materials</u>	4
<u>Proposal 1 Election of Directors</u>	5
<u>Election of Directors</u>	5
<u>Director Nominees</u>	5
<u>Board Diversity</u>	6
<u>Qualifications and Principal Occupations</u>	6
<u>Board Composition</u>	13
<u>How We Build a Board That is Right for American Airlines</u>	13
<u>Stockholder Recommendations or Nominations of Director Candidates</u>	13
<u>Proposal 2 Ratification of Appointment of Independent Registered Public Accounting Firm</u>	15
<u>Ratification of Independent Registered Public Accounting Firm</u>	15
<u>Independent Registered Public Accounting Firm Fees</u>	15
<u>Policy on Audit Committee Pre-Approval</u>	16
<u>Proposal 3 Advisory Vote to Approve Executive Compensation (Say-on-pay)</u>	17
<u>Proposal 4 Approve an Amendment to our Restated Certificate of Incorporation to Enable Stockholders Who Hold at Least 20% of Our Outstanding Common Stock to Call Special Meetings</u>	19

<u>Proposal 5 Shareholder Proposal to Enable Stockholders Who Hold at Least 10% of Our Outstanding Common Stock to Call Special Meetings</u>	21
<u>Stockholder Proposal</u>	21
<u>Board of Directors Statement in Opposition</u>	22
<u>Security Ownership of Certain Beneficial Owners and Management</u>	24
<u>Information About the Board of Directors and Corporate Governance</u>	27
<u>Governance Overview</u>	27
<u>Board Leadership and Structure</u>	27
<u>Director Independence</u>	28
<u>Board Tenure</u>	29
<u>Board Diversity</u>	29
<u>Board Self-Evaluation</u>	29
<u>Board Meetings</u>	29
<u>Committees</u>	30
<u>Board Role in Risk Oversight</u>	33
<u>Risk Assessment with Respect to Compensation Practices</u>	33
<u>Annual Meeting Attendance</u>	34
<u>Director Continuing Education</u>	34
<u>Communications with the Board of Directors and Non-Management Directors</u>	35
<u>Sustainability</u>	36
<u>Sustaining our Business</u>	36
<u>Codes of Ethics</u>	39
<u>Public Policy Advocacy and Political Contributions</u>	39
<u>Director Compensation</u>	40
<u>Director Compensation</u>	41
<u>Legacy Director Compensation Programs</u>	41
<u>Stock Ownership Guidelines</u>	42
<u>Certain Relationships and Related Party Transactions</u>	43
<u>Certain Relationships and Related Party Transactions</u>	43
<u>Policies and Procedures For Review and Approval of Related Person Transactions</u>	43
<u>Report of The Audit Committee of The Board of Directors</u>	44
<u>Compensation Discussion and Analysis</u>	45
<u>Overview</u>	45
<u>Executive Summary</u>	45
<u>2017 Compensation Objectives and Programs</u>	48
<u>Stockholder Approval of 2017 Executive Compensation</u>	49
<u>Determination of Executive Compensation</u>	49
<u>Executive Compensation Mix with an Emphasis on Performance-Based Pay</u>	50
<u>Base Salary</u>	50
<u>Annual Cash Incentive Program</u>	50
<u>Long-Term Incentive Programs</u>	51
<u>Change in Control and Severance Benefits</u>	53
<u>Other Benefits and Perquisites</u>	54
<u>Continuing Focus on Leading Practices</u>	55
<u>Compensation Committee Report</u>	57

<u>Executive Officers</u>	58
<u>Executive Compensation</u>	60
<u>Summary Compensation Table</u>	60
<u>Grants of Plan-Based Awards in 2017</u>	62
<u>Outstanding Equity Awards at 2017 Fiscal Year-End</u>	63
<u>Options Exercised and Stock Vested</u>	64
<u>Pension Benefits</u>	64
<u>Nonqualified Deferred Compensation</u>	65
<u>Potential Payments Upon Termination or Change in Control</u>	66
<u>Estimated Potential Payments</u>	68
<u>CEO Pay Ratio</u>	68
<u>Equity Compensation Plan Information</u>	70
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	71
<u>Other Matters</u>	72
<u>Stockholder Proposals</u>	72
<u>Annual Report and Available Information</u>	72
<u>Annex A</u>	A-1
<u>Reconciliation of Certain GAAP to Non-GAAP Financial Information</u>	A-1
<u>Annex B</u>	B-1
<u>Amendment to Restated Certificate of Incorporation</u>	B-1

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 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 13, 2018, at 9:00 a.m., local time, for the purposes described in the accompanying Notice of Annual Meeting.

The approximate date 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 30, 2018.

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. (which previous to the merger with US Airways in 2013 was AMR Corporation) and American refers to AAG's wholly-owned subsidiary American Airlines, Inc.

Record Date; Stockholders Entitled to Vote

Stockholders of record at the close of business on April 16, 2018 (the record date) are entitled to receive notice of and to vote at the Annual Meeting. On the record date, there were 467,709,162 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 24.5 million of the issued and outstanding shares of Common Stock were held in the Disputed Claims Reserve established in accordance with AMR Corporation's fourth amended joint plan of reorganization. Pursuant to the plan, the shares held in the Disputed Claims Reserve will be voted by the disbursing agent holding these shares in the same proportion as the other outstanding shares of Common Stock are voted.

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 Blvd., 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.

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 16, 2018 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.

Quorum

The presence, in person or by proxy, of a majority of the outstanding shares of Common Stock as of the record date is necessary to constitute a quorum at the Annual Meeting.

Vote Required to Approve Each Proposal

With respect to Proposal 1 (Election of Directors), 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 (as defined below) are not

Table of Contents

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 or her resignation to the Board of Directors in accordance with a 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).

Approval of Proposal 2 (Ratification of Appointment of Independent Registered Public Accounting Firm), Proposal 3 (Advisory Vote to Approve Executive Compensation), and Proposal 5 (Shareholder Proposal) 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 each proposal. Approval of Proposal 4 (Management Proposal to Approve Charter Amendment) will require the affirmative vote of the holders of at least two-thirds of the voting power of the outstanding shares as of the record date. Abstentions will have the same legal effect as voting against Proposal 4. Brokers do not have discretionary authority and are not entitled to vote on Proposals 3 through 5. Broker non-votes (as defined below) will have no effect on the outcome of Proposals 3 and 5 but will have the same legal effect as a vote against Proposal 4. Because brokers have discretionary authority to vote on Proposal 2, broker non-votes are not expected on Proposal 2.

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. 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 your shares are held in street name 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. 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 provided you follow the instructions set forth below.

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 and 5 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 above. All properly executed proxies received by us by 11:59 p.m., Eastern Time, on Tuesday, June 12, 2018, 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 executive compensation as disclosed in this Proxy Statement, **FOR** the Charter Amendment to enable stockholders who hold at least 20% of our outstanding common stock to call special meetings, and **AGAINST** the shareholder proposal to enable stockholders who hold at least 10% of our outstanding common stock to call special meetings.

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.

Table of Contents

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 12, 2018, 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 16, 2018 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 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.

Important Notice Regarding the Internet Availability of Proxy Materials for the Annual Meeting to be held on June 13, 2018

The Notice of Annual Meeting, this Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 are available at www.proxyvote.com.

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.astfinancial.com) and (1) clicking Client Login, then Shareholders & Investors, then Manage My Accounts, then select the type of Account US Shareholder or Non Shareholder, then Login to Transact; (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, 2017), we encourage you to sign up for electronic delivery of the Notice Regarding Availability of Proxy Materials using the instructions described above.

Table of Contents

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

Upon the recommendation of the Corporate Governance and Nominating Committee, the Board of Directors has nominated the 12 director candidates listed below under the section Director Nominees. Each nominee is currently a director of the Company.

The authorized number of directors is currently set at 13, and the Board currently consists of 13 members. Richard P. Schifter will not stand for re-election at the Annual Meeting. The Board has approved reducing the authorized number of directors to 12 effective as of the Annual Meeting. If elected as a director at the Annual Meeting, each of the nominees will serve a one-year term expiring at the 2019 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.

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 Director Nominees for a one-year term expiring at the 2019 annual meeting of stockholders and until his or her successors have been duly elected and qualified.

Director Nominees

Name	Director		Principal Occupation	Independent	AC	CC	CGNC	FC
	Age	Since						
James F. Albaugh	67	2013	Advisor and consultant to financial services and investment firms; former President and Chief Executive Officer of The Boeing Company's Commercial Airplanes business unit			M	M	

Jeffrey D. Benjamin	56	2013	Senior advisor to Cyrus Capital Partners, L.P.	M	M
----------------------------	----	------	--	---	---

John T. Cahill Lead Independent Director	60	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.	M	M
--	----	------	--	---	---

Michael J. Embler	54	2013	Private Investor; Former Chief Investment Officer of Franklin Mutual Advisers LLC	M	M
--------------------------	----	------	---	---	---

Matthew J. Hart	66	2013	Former President and Chief Operating Officer of Hilton Hotels Corporation; former Chief Financial Officer of Hilton Hotels	C	
------------------------	----	------	--	---	--

Alberto Ibarguen	74	2013	President and Chief Executive Officer of the John S. and James L. Knight Foundation; former Chairman of Miami Herald Publishing Co	M	M
-------------------------	----	------	--	---	---

Richard C. Kraemer	74	2013	President of Chartwell Capital, Inc.	C	
---------------------------	----	------	--------------------------------------	---	--

Susan D. Kronick	66	2015	Operating Partner at Marvin Traub Associates; former Vice-Chairman of Macy's, Inc.		M M
-------------------------	----	------	--	--	-----

Martin H. Nesbitt	55	2015	Co-Chief Executive Officer of The Vistria Group, LLC; former President and Chief Executive Officer of PRG Parking Management	M	M
--------------------------	----	------	--	---	---

Denise M. O Leary	60	2013	Private Venture Capital Investor; former General Partner at Menlo Ventures	M	M
--------------------------	----	------	--	---	---

W. Douglas Parker Chairman	56	2013	Chairman and Chief Executive Officer of American Airlines Group Inc. and American Airlines, Inc.		
--------------------------------------	----	------	--	--	--

Ray M. Robinson	70	2013	Non-Executive Chairman of Citizens Trust Bank; former President of the Southern Region at AT&T		C
------------------------	----	------	--	--	---

AC = Audit Committee

CC = Compensation Committee

CGNC = Corporate Governance and Nominating Committee

FC = Finance Committee

M = Member

C = Chairman

Table of Contents

Board Diversity

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 perspectives appropriate for the business and operation of the Company. The Corporate Governance and Nominating Committee also recognizes the benefits of racial and gender diversity in the boardroom, including better reflecting our diverse customer and employee base and the healthy debate that stems from different viewpoints that may result from diverse backgrounds. Accordingly, our Board of Directors is diverse in many ways, with differing geographic, business and racial backgrounds. Nearly 40% of our Board of Directors is diverse based on gender or ethnicity.

Qualifications and Principal Occupations

Additional information regarding our director nominees, including their qualifications and principal occupations (which have continued for at least the past five years unless otherwise noted), as well as the key experience and qualifications that led the Board to conclude each nominee should serve as a director, is provided below. There are no family relationships among the directors and our executive officers.

Jim Albaugh

Independent

Select Business Experience:

Director Since:

Senior Advisor to Perella Weinberg Partners, a global advisory and asset management firm (2016-Present)

2013

Senior Advisor to The Blackstone Group L.P., a private equity and financial services firm (2012-2016)

Committees:

President and Chief Executive Officer of The Boeing Company's (Boeing) Commercial Airplanes business unit (2009-2012)

Compensation; Corporate Governance and Nominating

President and Chief Executive Officer of Boeing's Integrated Defense Systems business (2002-2009)

Key Skills:

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

Current Public Company Directorships

Harris Corporation, a technology company, defense contractor and information technology services provider (2016-Present)

Arconic Inc., a specialty metals company servicing the aerospace, auto and building sectors (2017-Present)

Past Public Company Directorships

B/E Aerospace, Inc. (2014-April 2017)

TRW Automotive Holdings Corp. (2006-2015)

Other Leadership Experience and Service:

Member of the boards of directors of the following private entities: Aloft Aeroarchitects (formerly PATS Aerospace), Belcan Corporation; Chairman of the National Aeronautic Association; past President of the American Institute of Aeronautics and Astronautics; past Chairman of the Aerospace Industries Association; elected member of the Interna