

June Envoy/TWU Distribution

Q&A for Call Centers

- 1. Why does this distribution include both shares and cash?**
The TWU has decided to distribute shares from of its trust, which includes shares as well as cash that resulted from dividends earned.
- 2. Am I eligible for this distribution? What determines eligibility?**
The eligibility and amount per member for this distribution are determined by the TWU. You'll want to reach out to the TWU for that information at equitydistribution@twu.org.
- 3. How did the TWU determine individual payout amounts?**
You'll want to reach out to the TWU for that information at equitydistribution@twu.org.
- 4. How will I receive this distribution?**
Shares will be distributed into your Computershare accounts, and the cash portion of this distribution will be mailed to you via paper check.
- 5. When will I receive my distribution?**
Assuming you're eligible, shares will be distributed into individual Computershare accounts on June 10 and you can expect to receive your check in the mail from Computershare shortly after they are sent out the week of June 10.
- 6. Where is my check being mailed?**
Your check is being mailed to your permanent address on file with Envoy. Address changes can be made by logging on to Jetnet
- 7. Can I opt for direct deposit instead of a paper check?**
No. All cash distributions will be made by paper check.
- 8. Why didn't I receive shares or a check?**
It is likely that you were not eligible for this distribution. Please check with the TWU to confirm your eligibility at equitydistribution@twu.org.
- 9. I was eligible for the distribution, but didn't receive my check. Can it be reissued?**
Yes, contact Computershare at 1-888-608-2588 (domestic) and 1-781-575-4351 (international). Press "0" or say "representative" three times to be connected with a member of the team who can help you with your question.
- 10. Can I see the number of shares received and the value of my check before I receive it in the mail?** Yes. You'll be able to see the number of shares you received and the check value issued to you on the Computershare website on June 11. Access your Computershare account via the Equity Hub or www.computershare.com/aal.
 - There are forgot userid and forgot password reset prompts on the Computershare login page. If you are still unable to login, you'll have to call Computershare
 - If this is your first time to log in, your global identifier is your social security number and your PIN is the one provided to you by Computershare.
 - If you don't remember your PIN/password, call Computershare so they can reset it for you. They can be reached at 1-888-608-2588 (domestic) and 1-781-575-4351 (international). Press "0" or say "representative" three times to be connected with a member of the team who can help you.

11. Will I see the value of my shares and check in ePays?

Yes, by June 15. You will see two separate pay stubs, one that will show the amount of the share distribution and the related tax withholdings and one that will show the amount of the stock distribution and related tax withholdings.

12. Is this distribution taxable?

Yes, the distribution (both the shares and cash) is considered wages for federal, state and local income taxes and FICA, and are subject to required withholding taxes. The amount will be included as ordinary income on your Form W-2 issued by Envoy.

For the cash distribution, the tax amount will be withheld from the check mailed to you. For the stock distribution, Computershare will sell the amount of shares necessary to cover your tax withholding obligation and deposit the net shares in your account.

13. How is the taxable amount of the share distribution determined?

Your taxable income from the share distribution will be the closing price of AAL stock on June 8 multiplied by the number of shares of stock distributed.

14. How is the tax withholding determined?

Federal income tax will be withheld at the supplemental rate, which for most is 22 percent.

FICA, which includes both Social Security and Medicare tax, will also be withheld at 7.65 percent.

Additionally, state and local income taxes will be withheld. In some states, the withholding may be at a supplemental rate.

15. Why is my Federal Income Tax rate higher than the supplemental rate 22 percent?

The number of shares required to pay your employee tax liability were sold from your distribution. For most employees, the amount of taxes owed divided by the fair market value of the stock does not divide evenly into a whole number of shares. As a consequence, a combination of whole shares and a partial share (less than one full share) are required to meet the tax obligation. Because we cannot issue fractional (partial) shares, we must round the number of shares withheld up in order to meet your tax withholding obligations. For example, if you are allocated 10 shares, and the company needs to withhold 22 percent of the value for federal income tax, that would equate to 2.2 shares. In this case, the company would withhold 3 shares (the next greatest round number) and you would receive 7 shares. The value of the fractional (partial) share that was rounded up is less than the fair market value of one share of stock on the date of issuance. This value is included in your Federal Income Tax withholding and was remitted to the IRS on your behalf by the company.

16. How is the stock and cash distribution taxed for deceased team members?

If a team member passed away in 2018 prior to the distribution, the amount distributed will be subject to tax withholding and reported on Form W-2 issued by American Airlines.

If a team member passed away prior to Jan. 1, 2018, the amounts distributed will not be subject to any withholding taxes. The cash payment will only be reported on Form 1099-MISC for the payment issued by Computershare to the estate or beneficiary of the deceased team member. Please be aware that the estate or beneficiary may be subject to income tax on this distribution.

17. What if the deceased team member's beneficiary is unable to deposit the check in the deceased team member's name?

Contact Computershare at 1-888-608-2588 (domestic) and 1-781-575-4351 (international) as they handle the validation of beneficiaries and check reissuance.

18. Can I transfer these shares to my personal broker?

Yes. You can do so by logging into your Computershare account. Please know that there is a \$25 fee associated with each transfer.