

PROXY STATEMENT

AMERICAN AIRLINES, INC.

LAGUARDIA FIELD
NEW YORK CITY, NEW YORK

To the Stockholders of
AMERICAN AIRLINES, INC.:

There is set forth below information concerning the enclosed proxy, and concerning the matters to be acted upon under the authority of said proxy.

All stockholders who cannot be present at the annual stockholders' meeting to be held at the statutory office of the corporation, 927 Market Street, Wilmington, Delaware, April 16, 1941, and who wish their stock to be represented and voted at said meeting are requested by the management to execute and return the enclosed form of proxy, which requires no postage.

1. This proxy is revocable by you at any time prior to the voting of the share or shares represented thereby, and the form itself reserves to you the right to attend such meeting and vote your stock in person.

2. This proxy is solicited by and on behalf of the management of the corporation.

3. All of the expenses of making this solicitation have been or are to be borne by American Airlines, Inc., including legal fees in connection with the preparation of the initial proxy statement and the accompanying proxy and notice of the stockholders' meeting, and the cost of printing, assembling, and mailing such notices, proxies, and proxy statements. It is estimated that such expenses, including telephone charges set forth in the next paragraph, will amount to approximately \$2,500.

In addition to the solicitation of proxies through the use of the mails, the management may utilize, without expense to the corporation other than the regular charges for such telephone calls as are made (which it is estimated will not exceed \$150), the services of its officers, directors, and Transfer Agent in soliciting proxies through personal contact or telephone calls. It is not anticipated that any regular or specially engaged employees of the company will be used in connection with such solicitations.

PURPOSES OF THE MEETING

The matters to be acted upon at the annual meeting of the stockholders of the corporation are:

(a) To receive the annual report of the corporation to its stockholders for the year ended December 31, 1940, a copy of which report accompanies the notices of the annual meeting sent to all stockholders.

(b) To elect fifteen directors to serve the corporation as members of its Board of Directors during the ensuing year.

(c) To appoint auditors for the corporation for the year 1941.

(d) To consider and act upon any other business which may properly come before the meeting, or any adjournment or adjournments thereof.

ELECTION OF DIRECTORS

Fifteen directors are to be elected at the forthcoming annual meeting. It is the intention of the management that proxies, unless limited to the contrary, will be voted in favor of the following nominees: C. R. Smith, Silliman Evans, Ralph S. Damon, Amon G. Carter, James Bruce, Harry E. Benedict, David S. Ingalls, Harold T. Ames, Charles A. Rheinstrom, H. K. Rulison, Thomas Stevens Hammond, Walter S. McLucas, Edgar Monsanto Queeny, Hollis R. Thompson, and William Littlewood; all of whom except Messrs. Thompson and Littlewood are now directors of the corporation; or that in the event of contingencies not presently foreseen, said proxies, unless limited to the contrary, will be voted for the election of such different or additional persons to the Board of Directors as will maintain the existing management of the corporation.

The present directors have nominated all of said persons for election to the Board of Directors, and information is hereinafter given as to the securities of this corporation now owned beneficially by the said nominees for the office of director of this corporation.

Messrs. C. R. Smith, Ralph S. Damon, and C. A. Rheinstrom, who are nominees for directors of the corporation, received in the year 1940 the three highest aggregate remunerations paid by the corporation and its subsidiaries directly or indirectly to any director, officer, or employee of the corporation.

The aggregate amount of remuneration received by Mr. C. R. Smith, President of the corporation, during the year 1940 amounted to \$33,500; the aggregate remuneration received by Mr. Ralph S. Damon, Vice President of the corporation, to \$22,500; and the aggregate amount of remuneration received by C. A. Rheinstrom, Vice President of the corporation, to \$18,000. In addition Messrs. Smith, Damon and Rheinstrom exercised, during the fiscal year ending December 31, 1940 options heretofore granted to purchase Common Stock of the corporation at a price of \$12.50 per share. Mr. Smith so purchased 4,500 shares on October 8, 1940 and 466 shares on December 9, 1940; Mr. Damon so purchased 1,750 shares on July 20, 1940; and Mr. Rheinstrom so purchased 1,750 shares on November 7, 1940. The last sale price on the New York Stock Exchange for shares of Common Stock of American Airlines, Inc. was \$58 on July 20, 1940, \$57 $\frac{3}{4}$ on October 8, 1940, \$65 on November 7, 1940, and \$59 on December 9, 1940.

The corporation's subsidiaries, Century Properties Company and Ontario Airways, Limited, paid no salary or compensation in the year 1940 to the officers or directors of the corporation.

The aggregate amount of remuneration paid during the fiscal year ended December 31, 1940 by the corporation and its subsidiaries, directly or indirectly through any affiliate of the corporation, or otherwise, to the directors and officers of the corporation considered as a group, was \$147,956.66. In addition, officers and certain directors of the corporation exercised during the fiscal year ended December 31, 1940, options heretofore granted to purchase in the aggregate 11,966 shares of Common Stock of the corporation at a price of \$12.50 per share.

GENERAL INFORMATION

The foregoing nominees for director of this corporation were as of March 10, 1941 the beneficial owners respectively of the number of shares of the common and preferred stock of this corporation set opposite their respective names:

	No. Shares Preferred	No. Shares Common
C. R. Smith.....	None	6,236
Silliman Evans	None	110
Ralph S. Damon.....	None	950
Amon G. Carter.....	None	4,900
James Bruce	None	100
Harry E. Benedict.....	None	801
David S. Ingalls.....	None	110
Harold T. Ames.....	None	427
Charles A. Rheinstrom.....	None	1,776
H. K. Rulison.....	None	500
Thomas Stevens Hammond.....	None	10
Walter S. McLucas.....	None	110
Edgar Monsanto Queeny.....	None	200
Hollis R. Thompson.....	None	100
William Littlewood	None	1,300

APPOINTMENT OF AUDITORS

In addition to the election of a Board of fifteen directors, there will be brought up for consideration at the annual stockholders' meeting, or any adjournment thereof, the appointment of auditors for the corporation to make the annual audit for the year 1941. It is the intention of the management that proxies, unless limited to the contrary, will be voted in favor of the appointment of Arthur Young & Company as auditors of the corporation for the year 1941.

The management knows of no business to be acted upon at the annual meeting of the stockholders on April 16, 1941, or at any adjournment or adjournments thereof other than that referred to in paragraphs 1, 2 and 3 of the notice of the annual meeting. The Annual Report of the corporation to its stockholders for the year ended December 31, 1940, will be received at the meeting, but no action will be taken thereon. If other business comes up for action at said meeting, the management will vote proxies in regard thereto in so far as the same are not limited to the contrary.

BY ORDER OF THE BOARD OF DIRECTORS,

C. R. SMITH, *President*

H. K. RULISON, *Secretary*

Dated at New York, New York
March 21, 1941.