

NOTICE OF ANNUAL MEETING

of the Common Stockholders of

AMERICAN AIRLINES, Inc.

To the Common Stockholders of
AMERICAN AIRLINES, INC.:

Notice is hereby given that the annual meeting of the common stockholders of American Airlines, Inc., a Delaware corporation, will be held at the statutory office of the corporation, Corporation Guarantee and Trust Company, No. 927 Market Street, Wilmington, Delaware, April 19, 1944, at 11:00 o'clock A.M., Eastern War Time, for the following purposes:

- (a) To receive the annual report of the corporation to its stockholders for the year ended December 31, 1943, a copy of which report accompanies this notice of meeting sent to all common stockholders of the corporation. Stockholders will not be asked to take any action with reference to the annual report.
- (b) To elect fifteen directors of the corporation to serve for the ensuing year, or until their successors are elected and qualified.
- (c) To elect independent auditors for the corporation for the year to end December 31, 1944.
- (d) To consider and act upon any other business which may properly come before the meeting, or any adjournment or adjournments thereof.

The close of business, March 24, 1944, has been fixed as the date of record for determining the holders of the common stock of the corporation entitled to receive notice of and to vote at said annual meeting, and only common stockholders of record as of said record date are entitled to receive notice of and to vote at said annual meeting of the common stockholders. The transfer books of the corporation will not be closed.

The proxy forwarded to you herewith is being solicited by the management of the corporation, and at the present time it is intended, in the absence of contrary direction, that each of the persons named in the proxy will vote at the annual meeting for the re-election of the fifteen present members of the Board of Directors whose names are mentioned in the accompanying proxy statement and in favor of the election of Messrs. Arthur Young & Company as independent auditors for the corporation for the year to end December 31, 1944. The management of the corporation knows of no other business to be acted upon at said meeting, but as to any other business properly to come before the meeting, each of the persons named in the proxy will vote in accordance with his discretion.

All common stockholders are urged to attend the meeting in person or by proxy. If you do not expect to attend said meeting and desire to have the common stock registered in your name represented and voted, the management of the corporation requests that you date, fill in, execute and mail said proxy promptly in the stamped envelope provided for that purpose.

By Order of the Board of Directors,

C. W. JACOB, *Secretary,*

AMERICAN AIRLINES, INC.

Dated at New York, N. Y.
March 25, 1944.

PROXY STATEMENT

AMERICAN AIRLINES, Inc.

100 EAST 42nd STREET
NEW YORK 17, N. Y.

To the Common Stockholders of
AMERICAN AIRLINES, INC.:

There is set forth below information concerning the proxy being forwarded to you herewith and concerning the matters to be acted upon under the authority of said proxy at the annual meeting of the holders of the common stock of the corporation, to be held at the statutory office of the corporation, Corporation Guarantee and Trust Company, No. 927 Market Street, Wilmington, Delaware, April 19, 1944.

PROXY AND SOLICITATION THEREOF

All common stockholders of the corporation who cannot be present in person and who wish their stock to be represented and voted at said meeting, are requested by the management to date, fill in, execute and return the form of proxy forwarded herewith in the stamped envelope provided for that purpose.

This proxy is solicited by and on behalf of the management of the corporation. All expenses of making this solicitation are being paid by the corporation. The directors, officers and regular employees of the corporation may make additional solicitation of proxies and may make use of the mails and the telephone and telegraph in connection therewith. The anticipated cost of such additional solicitation, if made, will not exceed \$1,000, and the number of persons who may make such solicitation will not exceed 10 and all of such persons will be such directors, officers and regular employees of the corporation.

Such 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.

OUTSTANDING STOCK AND VOTING RIGHTS

The corporation, as of February 29, 1944, had outstanding 574,848 shares of common stock, comprising the only voting securities entitled to vote at said meeting. As of that date, the corporation also had outstanding 50,000 shares of \$4.25 Cumulative Convertible Preferred Stock, but the holders of such preferred stock have no voting rights at this annual meeting for the reason that the corporation is not in default as to the payment of preferred dividends as provided in the Certificate of Amendment of the Certificate of Incorporation of the corporation, dated October 24, 1940, which provides that, upon the happening of such default by the corporation as therein described, the holders of said preferred stock shall have certain voting rights.

STOCKHOLDERS OWNING OF RECORD OR BENEFICIALLY MORE THAN 10% OF VOTING SECURITIES

The only holder of record of more than 10% of the corporation's outstanding voting securities is Jesse H. Jones, Trustee Under Agreement Dated July 9, 1941 with The Aviation Corporation. As of February 29, 1944, Mr. Jones, as such Trustee, was the record holder of 143,769 shares, or approximately 25%, of the outstanding common stock of the corporation. The Aviation Corporation, pursuant to such Trust Agreement, is the beneficial owner of said 143,769 shares of common stock. Mr. Jones, as such Trustee, pursuant to the terms of such Trust Agreement, is prohibited from voting, either in person or by proxy, said 143,769 shares of common stock of the corporation.

PURPOSES OF MEETING

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

- (a) To receive without taking any action upon, the annual report of the corporation to its stockholders for the year ended December 31, 1943, a copy of which report accompanies the notice of meeting sent to all common stockholders.
- (b) To elect fifteen directors to serve the corporation for the ensuing year, or until their successors are elected and qualified.
- (c) To elect independent auditors for the corporation for the year to end December 31, 1944.
- (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, whose term of office shall be until the next succeeding annual stockholders' meeting to be held on the Wednesday following the third Tuesday in April, 1945, or until their successors are elected and qualified. It is the intention of the management that proxies, in the absence of contrary direction, will be voted in favor of the following nominees as directors of the corporation, all of whom are now directors of the corporation: Harold T. Ames, Harry E. Benedict, James Bruce, Edward H. Butler, Amon G. Carter, Ralph S. Damon, Silliman Evans, John W. Farley, Thomas Stevens Hammond, Chandler Hovey, A. N. Kemp, Walter Scott McLucas, Orval M. Mosier, Edgar Monsanto Queeny and Charles A. Rheinstrom; provided, however, that such proxies, in the event of contingencies not presently foreseen over which the management has no control, may be voted for the election of different persons to the Board of Directors.

INFORMATION RELATIVE TO NOMINEES

The present members of the Board of Directors have nominated the fifteen above mentioned persons for re-election to the Board of Directors.

The names of the nominees, their principal occupations, the year in which each first became a director of the corporation and the number of shares of each class of stock of the corporation beneficially owned by them, are as follows:

<u>Name</u>	<u>Occupation</u>	<u>First Became a Director</u>	<u>Securities Beneficially Owned, Directly or Indirectly, as of February 29, 1944</u>	
			<u>Preferred Stock</u>	<u>Common Stock</u>
Harold T. Ames.....	President, Metal Door and Trim Co.	1939	50	427(b)
Harry E. Benedict.....	President, Palos Verdes Corpora- tion.	1936	None	201
James Bruce	Vice President, National Dairy Products Corp.	1938	None	110

Securities Beneficially
Owned, Directly or
Indirectly, as of
February 29, 1944

(a)

<u>Name</u>	<u>Occupation</u>	<u>First Became a Director</u>	<u>Preferred Stock</u>	<u>Common Stock</u>
Edward H. Butler.....	Editor and Publisher, Buffalo Evening News	1941	None	37(c)
Amon G. Carter.....	President and Publisher, Fort Worth Star-Telegram	1938	None	3,200
Ralph S. Damon.....	Vice President and General Manager, American Airlines, Inc.	1935	60(d)	1,250(d)
Silliman Evans	President and Publisher, The Nashville Tennessean	1938	None	110
John W. Farley.....	Partner, Herrick, Smith, Donald, Farley & Ketchum, Attorneys	1941	None	10(e)
Thomas Stevens Hammond.....	Manufacturing Executive; presently Chief, Chicago Ordnance District	1940	None	55
Chandler Hovey(f)	Senior Partner, Kidder, Peabody & Co.	1938	None	100
A. N. Kemp.....	President, American Airlines, Inc.	1941	None	500
Walter Scott McLucas.....	Chairman of the Board, National Bank of Detroit	1940	None	110
Orval M. Mosier.....	Vice President, American Airlines, Inc.	1941	None	650
Edgar Monsanto Queeny.....	Chairman of the Board, Monsanto Chemical Company	1940	None	200
Charles A. Rheinstrom.....	Vice President, American Airlines, Inc.	1937	None	250

(a) The foregoing statement as to the beneficial ownership of the corporation's securities by the several nominees is, as to each, based upon information furnished by him. The corporation has no direct means of verifying the correctness thereof.

(b) 200 of said 427 shares are owned beneficially by an associate of Mr. Ames.

(c) 12 of said 37 shares are owned beneficially by an associate of Mr. Butler.

(d) Said 60 shares of preferred stock and 700 of said 1,250 shares of common stock are owned beneficially by associates of Mr. Damon.

(e) Said 10 shares are owned beneficially by an associate of Mr. Farley.

(f) Served from May 4, 1938 to September 30, 1940; by action of Board of Directors again became member of the Board on April 9, 1942 and was elected a director by common stockholders on April 22, 1942, and subsequently.

**REMUNERATION OF DIRECTORS, NOMINEES FOR DIRECTORS
AND OFFICERS**

The corporation's subsidiaries, Ontario Airways, Limited (dissolved in 1943), American Airlines de Mexico, S.A., and Sky Chefs, Inc., paid no salary, compensation or remuneration of any kind in the year ended December 31, 1943 to any person who has served as an officer and who has received remuneration totaling more than \$20,000 during the year ended December 31, 1943 or to a director of the corporation or to any person nominated for election as a director of the corporation.

The remuneration received directly or indirectly from the corporation by each person who has served as a director and by each person nominated for election as a director, and the remuneration received directly or indirectly by each person who has acted as an officer but not as a director and who has received remuneration totaling more than \$20,000 during the year ended December 31, 1943, was as follows:

<u>Name</u>	<u>Capacity</u>	<u>Total Remuneration Received</u>	<u>Payments by Corporation Under Contributory Pension Plan for Account of Person Named Herein</u>	<u>Estimated Annual Benefits on Retirement</u>
Harold T. Ames.....	Director	\$ 400.00	None	None
Harry E. Benedict.....	Director	400.00	None	None
James Bruce	Director	320.00	None	None
Edward H. Butler.....	Director	240.00	None	None
Amon G. Carter.....	Director	200.00	None	None
Ralph S. Damon.....	Vice President and General Manager, and Director (a)	14,000.00	None	None
Silliman Evans	Director	360.00	None	None
John W. Farley.....	Director	160.00	None	None
Thomas Stevens Hammond..	Director	80.00	None	None
Chandler Hovey	Director	400.00	None	None
A. N. Kemp.....	President and Director	46,000.00	\$ 503.23	\$ 400.20
Walter Scott McLucas.....	Director	280.00	None	None
Orval M. Mosier.....	Vice President and Director	26,855.00	568.15	4,646.14
Edgar Monsanto Queeny....	Director	160.00	None	None
Charles A. Rheinstrom.....	Vice President and Director	24,855.00	507.86	5,986.09
William Littlewood	Vice President	24,855.00	6,482.25	5,437.66
Hugh L. Smith.....	Vice President	24,855.00	507.86	4,817.58

(a) Became Vice President and General Manager September 1, 1943.

COMPARATIVE REMUNERATION OVER \$20,000

Directors, officers, or nominees who received remuneration of more than \$20,000 during the year ended December 31, 1943, which remuneration exceeded the total amount paid to such persons in the previous year, are shown as follows:

<u>Name</u>	<u>Capacity</u>	<u>Amount Received Year Ended Dec. 31, 1943</u>	<u>Excess Over Amount Received Previous Year</u>
A. N. Kemp.....	President and Director	\$46,000.00	\$11,000.00
William Littlewood	Vice President	24,855.00	2,355.00
Orval M. Mosier.....	Vice President and Director	26,855.00	855.00
Charles A. Rheinstrom.....	Vice President and Director	24,855.00	855.00
Hugh L. Smith.....	Vice President	24,855.00	4,355.00

TOTAL REMUNERATION OF ALL DIRECTORS AND OFFICERS

The aggregate amount of remuneration paid during the year ended December 31, 1943 by this corporation to all directors and officers of this corporation, considered as a group, was \$239,550.00, which was less than the amount of similar aggregate remuneration paid the previous year by \$145.08.

In addition to the above remuneration paid to all directors and officers, aggregate payments were made during the year pursuant to the corporation's Retirement Benefit Plan for the benefit of all directors and officers who are entitled to participate in the amount of \$12,400.95. These payments, together with the contributions of the directors and officers participating, entitle them to an aggregate annual retirement benefit of \$40,366.22.

TOTAL REMUNERATION OF PERSONS OTHER THAN DIRECTORS, OFFICERS OR EMPLOYEES

No employee other than an officer or director received during the year ended December 31, 1943 from the corporation and its subsidiaries remuneration in excess of \$20,000.

The aggregate amount of remuneration paid during the year ended December 31, 1943 by this corporation to any person other than directors, officers or employees of the corporation in an amount in excess of \$20,000, amounted to \$75,000. This amount was paid to the law firm of Pruitt, Hale and Coursen for legal services rendered to the corporation by such law firm.

ELECTION OF AUDITORS

The independent auditors nominated by the management of the corporation to serve for the ensuing year to end December 31, 1944 are Messrs. Arthur Young & Company, who have made the annual audits for the corporation continuously since its organization in 1934. It is the intention of the management that proxies, in the absence of contrary direction, will be voted in favor of the election of Messrs. Arthur Young & Company as independent auditors for the corporation for the year to end December 31, 1944.

OTHER BUSINESS

The management knows of no business to be acted upon at said meeting, or any adjournment or adjournments thereof, other than that referred to herein, and no action will be taken with respect to the annual report. If other business requires action at said meeting, or any adjournment or adjournments thereof, it is intended that holders of the proxies will vote thereon in their discretion.

By Order of the Board of Directors,

C. W. JACOB, *Secretary*,
AMERICAN AIRLINES, INC.

Dated at New York, N. Y.
March 25, 1944.