AMERICAN AIRLINES, INC.
100 Park Avenue
New York 17, N.Y.

November 27, 1951

TO THE DIRECTORS OF AMERICAN AIRLINES, INC.:

I am attaching a copy of the draft of the minutes of the Board of Directors' meeting held October 19, 1951. A stamped addressed envelope is enclosed for your convenience in returning the minutes with your comments.

Walter H. Johnson, Jr.
Secretary

[Stamp: NOV 29 1951]
MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
AMERICAN AIRLINES, INC.

A regular meeting of the Board of Directors of American Airlines, Inc. was held in Private Dining Room No. 4 of the Hotel del Prado, Mexico City, D.F., Mexico, on Friday, October 19, 1951, at 10 o'clock a.m., Central Standard Time, pursuant to due notice to all of the directors of the corporation in accordance with the by-laws.

There were present at the meeting:

Harold T. Ames
Harry E. Benedict
James Bruce
Charles S. Cheston
Thomas M. Conroy
James H. Douglas
John W. Farley
Charles T. Fisher, Jr.
James A. Jackson
Robert W. Miller
O. M. Nosier
Edgar M. Queeny
C. R. Smith

being a quorum of the Board of Directors.

Also present at the request of the Directors were members of the Board of Directors of American Airlines de Mexico, S.A., namely: Paul G. Cheatham, Amos R. Coleman, Alberto Sanchez Llorente, Jose F. Muguerza, Erby E. Swift, Salvador Franco Urias and George C. Van Nostrand. The following from American Airlines, Inc. were also in attendance: R. E. S. Deichler, Vice President, W. J. Hogan, Vice President and Treasurer, C. W. Jacob, Vice President, and Samuel E.
Gates of General Counsel for the corporation.

Directors Butler, Carter, Evans and Kemp were unable to attend the meeting.

The President presided and the Secretary kept the records of the meeting.

The Secretary stated that the minutes of the previous meeting held September 19, 1951, had been mailed to each director and presented a summary of action taken at such meeting. Upon motion duly made and seconded, the minutes of September 19, 1951, were approved.

2. The Treasurer presented and explained financial statements of the company prepared as of September 30, 1951, pointing out that by reason of the date and place of this meeting it had been impossible to prepare final statements; that those presented were provisional and might require some changes.

3. The Chairman brought up for consideration action with respect to the declaration of the regular quarterly dividend on the corporation's outstanding $3.50 Cumulative Convertible Preferred Stock which would become due and payable on December 1, 1951.

The Treasurer presented to the meeting a certification, the original of which is attached to these minutes, showing that the surplus available for such dividends as of September 30, 1951, is $30,866,753 of which $6,191,753 was capital surplus and $24,675,000 earned surplus, both of which, in the opinion of counsel, are available for dividends.

After discussion the following resolutions were adopted:
RESOLVED that a dividend of $0.875 per share shall be declared and is hereby ordered paid upon the outstanding $3.50 Cumulative Convertible Preferred Stock of this corporation, such dividend to be payable December 1, 1951 to stockholders of record at the close of business on November 15, 1951; and be it further

RESOLVED that the Treasurer of this corporation shall be and hereby is instructed to deposit with The Chase National Bank of the City of New York, Dividend Disbursing Agent of this corporation, on or before December 1, 1951, the moneys required to pay the dividend hereby ordered paid on said date on the outstanding $3.50 Cumulative Convertible Preferred Stock of this corporation and The Chase National Bank of the City of New York as such Dividend Disbursing Agent be authorized and instructed to disburse said dividend to the holders of the said outstanding $3.50 Cumulative Convertible Preferred Stock of this corporation entitled to receive the same in accordance with the provisions of this resolution.

The Chairman next brought up for consideration the declaration of a dividend on the corporation's $1 par value Common Stock and recommended payment during the month of December of a dividend of 25 cents per share, thus bringing the total dividend payments for the year 1951 to 50 cents per share of Common Stock.

The Treasurer presented to the meeting a certification, the original of which is attached to these minutes, showing that as of September 30, 1951 the total earned surplus was $24,472,000, of which $10,866,000 was available for dividends on the Common Stock.

After discussion the following resolutions were adopted:
RESOLVED that a dividend of $0.25 per share is hereby declared and ordered paid upon the outstanding common stock of this corporation, such dividend to be payable December 14, 1951 to the holders of the common stock of this corporation of record at the close of business on December 3, 1951; and be it further

RESOLVED that the Treasurer of this corporation be and is hereby instructed to deposit with the Schroder Trust Company, as Dividend Disbursing Agent, on or before December 14, 1951, the moneys required to pay the dividend hereby declared upon the common stock of this corporation payable on said date, and that Schroder Trust Company, as such Dividend Disbursing Agent, shall be and is hereby instructed to disburse the dividend upon the outstanding Common Stock of this corporation to the stockholders entitled to receive the same in accordance with the foregoing resolution.

4. Upon the request of the President, the Treasurer reviewed the status of the proposed American Airlines Employee Stock Option Plan, authorization for the adoption of which had been given by the stockholders in May, 1951. He stated that no action had been taken by the Board due to counsel's advice that no plan could be put into operation until appropriate clearance had been obtained under wage and salary controls. Counsel had advised that possible clearance might be forthcoming shortly either for such plans generally or for the particular plans of American, and that it would, therefore, be in order for the Board to take such action as would enable the management to put any plans into effect promptly. Discussion then followed with respect to specific provisions of such plans and it was, upon motion duly made and unanimously adopted:

RESOLVED, that the President hereby is authorized to grant options upon shares of Common Stock of this Corporation to executive and supervisory personnel, in the amount and to the extent designated by the Stock Allotment Committee heretofore created, on such date, at such price, and in such form as may
to the President be deemed appropriate, subject to the authorization heretofore granted by the stockholders hereof at the annual meeting held May 15, 1951; and further

RESOLVED, that this Board of Directors hereby adopts and authorizes the execution in accordance with its terms of a general Stock Option Plan for personnel of this Corporation and certain of the personnel of this Corporation's wholly owned subsidiaries on the terms and conditions set forth in the "American Airlines Employees Stock Option Plan" presented to the meeting and hereby ordered filed with the records thereof, subject, however, to determination by the President as to the purchase price of each share optioned which shall be a uniform price not greater than the highest sales price of the Common Stock of American on the New York Stock Exchange on the day the options are granted nor less than eighty-five percent 85% (adjusted to the next highest multiple of 25%) of such highest sales price on such day; eligibility of personnel of this Corporation and its wholly owned subsidiaries to be based on such 12 months' period of employment as may be designated by the President, and the number of shares to be optioned to personnel of the Corporation's wholly owned subsidiaries to be as prescribed and designated by the President; and further

RESOLVED, that in connection with the grant of options to executive and supervisory personnel on up to 250,000 shares of authorized but unissued Common Stock of the Corporation and the grant of options pursuant to the American Airlines Employees Stock Option Plan the officers be and hereby are authorized to file Registration Statements under the Securities Act of 1933, as amended and the Securities Exchange Act of 1934, as amended in order to permit the grant and issuance of all or any part of such options, the offering of common stock represented thereby and the listing thereof on the New York Stock Exchange; and further

RESOLVED, that the officers of the Corporation be, and the same hereby are, authorized to execute and file with the New York Stock Exchange a listing application together with such other agreements, documents and exhibits as may be required in connection therewith, for the listing by the Corporation on official notice of issuance pursuant
to exercise of new options that may be granted under the American Airlines Stock Option Plan on up to 500,000 shares of Common Stock of the Corporation and pursuant to options that may thereafter be granted to executive and supervisory personnel generally on up to 107,000 pursuant to authorization of the stockholders, all in accordance with authorization granted by the stockholders at the meeting held in May, 1951, and that C. R. Smith, William J. Hogan and Malcolm A. MacIntyre, or any of them, are hereby authorized to execute and file said documents with, and to appear before, the Committee on Stock List of said Exchange, for the prosecution of said application, with power to make such changes in said application, or any agreements relative thereto, that may be necessary to comply with the listing requirements of said Exchange.

5. The Chairman reported the progress of negotiations between the corporation and the Air Lines Pilots Association for a new contract, indicating that he was hopeful a contract would be concluded within the immediate future and pointing out that it was likely that the corporation would be required to incur a substantial expense in retroactive pilot pay.

6. At the request of the Chairman, Mr. Deichler reported on current traffic trends.

7. Mr. George Van Nostand presented a resume of the organization of American Airlines de Mexico, S.A. and the relations between that company and its employees.

8. Mr. Erby Swift gave a resume of the founding of American Airlines de Mexico and its relationship with the Mexican Government.

9. Lie. Franco Urias expressed his personal pride in being associated with American Airlines and stated that he wished the company continued success.
10. The Chairman, on behalf of the Board of Directors of the corporation, thanked Mr. Von Nostrand and the employees of American Airlines de Mexico for their warm hospitality. Thereupon on motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS the Directors of American Airlines, Inc. desire to express their appreciation for the generous hospitality extended to them by the Directors and Employees of American Airlines de Mexico, be it

RESOLVED that the Board of Directors hereby records its gratitude to the Directors and Employees of American Airlines de Mexico, S.A. for the cordial welcome extended upon the occasion of this visit to Mexico City; and be it further

RESOLVED that the Secretary be instructed to transmit a copy of this resolution to the Management and Employees of American Airlines de Mexico, S.A.

11. The Chairman stated that the next regular meeting of the Directors would normally be held the day before Thanksgiving and suggested that the Directors consider holding the meeting at a more convenient time. After discussion and on motion duly made and carried, it was then

RESOLVED that the next regular meeting of the Board of Directors be held in New York, New York on December 5, 1951 at such hour and place as may be specified by the Secretary in the Notice of the Meeting thereof.

There being no further business to come before the meeting, it was, on motion duly made and seconded, adjourned.

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Secretary

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Chairman

APPROVED: