

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

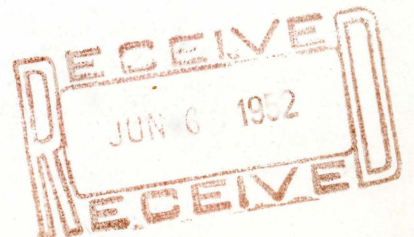
June 5, 1952

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 May 21, 1952.

A stamped addressed envelope is enclosed for your
convenience in returning the minutes with your comments.

W. H. Johnson, Jr.
Secretary



MINUTES OF THE ANNUAL MEETING
OF THE BOARD OF DIRECTORS
OF AMERICAN AIRLINES, INC.

The annual meeting of the Board of Directors of American Airlines, Inc. was held in the Board of Directors' Room located on the Seventh Floor of 100 Park Avenue, New York, New York, on Wednesday, May 21, 1952, at 10:30 o'clock a.m., Eastern Daylight Saving 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
- Edward H. Butler
- Charles S. Cheston
- Thomas M. Conroy
- James Douglas
- John W. Farley
- Charles T. Fisher, Jr.
- James A. Jackson
- A. N. Kemp
- Edgar M. Queeny
- C. R. Smith

being a quorum of the Board of Directors.

Also present at the request of the Directors were R.E.S. Deichler, Vice President, W. J. Hogan, Vice President and Treasurer, C. W. Jacob, Vice President, and Malcolm A. MacIntyre of General Counsel for the corporation.

Directors Carter, Evans, Miller and Mosier were unable to attend the meeting.

1. On motion duly made and seconded, Mr. A. N. Kemp was elected Temporary Chairman and Mr. Johnson as Secretary of the meeting.

2. Mr. Benedict read the report of the Proxy Committee in respect to the action taken at the Annual Meeting of Stockholders held the previous day in Wilmington, Delaware. Such report was ordered filed as a part of the minutes of the meeting.

3. The Temporary Chairman requested the officers present to retire and during the absence of Mr. Johnson, Mr. Queeny acted as Secretary.

The Temporary Chairman suggested that the election of officers be held and discussed proposed adjustments to be made in the compensation of certain officers. After discussion in which the limitations upon increases in compensation were discussed by counsel, it was on motion duly made, seconded and carried

RESOLVED that the following are hereby duly elected to hold the respective offices at the annual salary rate set opposite their respective names during the pleasure of the Board until the next annual election or until their successors may be duly elected and qualified:

<u>NAME</u>	<u>TITLE</u>	<u>ANNUAL SALARY</u>
C. R. Smith	President	\$65,000
G. J. Brandewiede	Vice President	30,000
R. E. S. Deichler	Vice President	35,000
L. G. Fritz	Vice President	35,000
G. K. Griffin	Vice President	22,000
Wm. J. Hogan	Vice President and Treasurer	38,500
C. W. Jacob	Vice President	38,500
Wm. Littlewood	Vice President	20,000
O. M. Mosier	Vice President	38,500
Carlene Roberts	Vice President	25,000
R. W. D. Smith, Jr.	Vice President	25,000
W. H. Johnson, Jr.	Secretary	20,000
T. L. Boyd	Assistant Vice President	22,000
E. O. Schroeder	Assistant Vice President	16,000
C. R. Speers	Assistant Vice President	22,000
Marvin Whitlock	Assistant Vice President	18,000
P. G. Larie	Comptroller and Assistant Treasurer	18,500

V. J. Long	Assistant Secretary and Assistant Treasurer	\$16,000
W. L. McMillen	Assistant Secretary and Assistant Treasurer	16,000
L. E. Glasgow	Assistant Treasurer and Assistant Comptroller	17,500
M. L. Rinehart	Assistant Treasurer	17,500
G. E. Markt	Assistant Secretary	13,000
A. A. Paradis	Assistant Secretary	11,000
A. R. Bone, Jr.	Regional Vice President	16,500
W. N. Bump	Regional Vice President	16,500
T. P. Gould	Regional Vice President	16,500
S. G. King	Regional Vice President	16,500
M. D. Miller	Regional Vice President	16,500

Thereupon the officers re-entered the room and Mr. Smith assumed the office of the Chairman of the meeting and Mr. Johnson that of Secretary.

4. The Secretary stated that the minutes of the previous meeting held April 16, 1952 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 the April meeting were approved.

5. The Treasurer presented and explained financial statements of the corporation as of April 30, 1952.

6. The Treasurer presented and explained a statement of capital expenditures authorized by the management since the last meeting of the Board of Directors, totaling \$147,784. for the corporation and \$1,025. for American Airlines de Mexico, S. A.

7. At the request of the Chairman, Mr. Johnson explained the terms of a proposed agreement providing for the renewal of a lease covering the rental of Hangar No. 7 at the Washington National Airport, Washington, D. C., and the terms of the revisions of the agreements in respect to the East Side Terminal in New York. Whereupon after discussion and on motion duly made and seconded, it was

RESOLVED that the President, any Vice President, the Treasurer, or the Secretary of the Corporation be and hereby are authorized to enter into an agreement of lease on behalf of the Corporation with the Administrator of Civil Aeronautics for Hangar No. 7 at the Washington National Airport, Washington, D. C., for a term of two years and three and a half months commencing February 1, 1952, at an annual rental of \$51,182.10, said agreement to contain such other terms and conditions as may be satisfactory to the officer executing the same; and further

RESOLVED, that the form of Second Supplement to Guarantee, dated as of May 15, 1952, of the payment by East Side Airlines Terminal Corporation of the Fixed Rent and Additional Rent provided for in the Agreement of Lease dated as of June 20, 1951, between Triborough Bridge and Tunnel Authority and East Side Airlines Terminal Corporation, as amended by Agreement Amending Lease dated August 23, 1951, and as further amended by Second Agreement Amending Lease dated as of May 15, 1952, which form of Second Supplement to Guarantee was submitted to this meeting and ordered filed with the records thereof, is approved and that the President or any Vice President or the Secretary and any Assistant Secretary of this Corporation be and they hereby are authorized to execute and deliver on behalf of this Corporation, said Second Supplement to Guarantee in substantially the form submitted to this meeting.

8. The Secretary next explained the advantages to the company of shipping stock certificates to their owners by first class rather than by registered mail as is now the practice provided the market value of the stock is less than \$25,000. and the company is adequately covered against any loss in transit. Whereupon after discussion and on motion duly made and seconded, it was

RESOLVED that Schroder Trust Company, Transfer Agent of this Corporation, be and hereby is authorized to ship stock certificates of this Corporation to the owners thereof by first class mail in amounts having a market value at the time of shipment of less than \$25,000, provided that the said Schroder Trust Company, as Transfer Agent, and this Corporation are covered by a Master Lost Instrument Blanket Bond substantially in the form presented to the meeting and ordered filed with the records thereof, to cover any losses in transit of stock certificates so shipped.

9. Mr. MacIntyre discussed the changes in the regulations affecting stock options that permitted a less burdensome warranty with respect to the costs incurred than previously required. Whereupon on motion duly made, seconded and unanimously carried it was

RESOLVED, that the resolution heretofore adopted on December 5, 1951 with respect to authorization of the warranty required to be filed with the appropriate authorities in connection with the stock options authorized to be granted be and hereby is rescinded; and further

RESOLVED that the officers of the Company be and hereby are authorized to file with the appropriate authorities in connection with the stock options authorized to be granted a warranty that the Company will not claim as a basis either to increase price ceilings or to resist otherwise justifiable reductions in price ceilings any amount (exclusive of the cost of putting the stock option plan into effect or of administering the stock option plan) in respect of the transfer of the stock pursuant to the exercise of the option.

10. At the request of the Directors, Mr. Hogan presented a series of charts illustrating the company's comparative position to other carriers in the industry.

11. Mr. Jacob discussed the effect on the company's operations of the current strike of certain oil refineries and producers.

12. Mr. Deichler reviewed general traffic trends for the company and the industry.

13. A five year service award was presented to Mr. Hogan by the Chairman.

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

Secretary

APPROVED:

Chairman