



**THE FOUNDATION
FOR SECURE
MARKETS**

#44895

DATE: APRIL 15, 2019

SUBJECT: AMR CORPORATION – CONTRACT ADJUSTMENT
OPTION SYMBOL: AAMRQ
NEW SYMBOL: AAL1
DATE: 12/9/13
***** UPDATE/ADDITIONAL DISTRIBUTION *****

On December 9, 2013, the United States Bankruptcy Court for the Southern District of New York approved the AMR Corporation Plan of Reorganization under Chapter 11 of the Bankruptcy Code. The Plan and corresponding merger between AMR Corporation and U.S. Airways Group, Inc. became effective prior to the opening of business on December 9, 2013. The resulting merged company, American Airlines Group Inc. (AAL), began trading on the Nasdaq Global Market under the symbol AAL on December 9, 2013.

Pursuant to the Plan, existing AMR Corporation (AAMRQ) common shares were canceled, effective December 9, 2013. AAMRQ shareholders received an initial distribution of 0.06654493014 AAL shares at the effective time of the Plan. A second distribution of 0.131926 AAL Common Shares per AAMRQ share held was made on January 9, 2014. A third distribution of 0.175030 AAL Common Shares per AAMRQ share held was made February 10, 2014. A fourth distribution of 0.1842090000 AAL Common Shares per AAMRQ share held was made March 10, 2014. A fifth distribution of 0.1863920000 AAL Common Shares per AAMRQ share held was made on April 10, 2014. **An additional distribution of 0.043281 AAL Common Shares per AAMRQ share held was made on February 14, 2019 to shareholders who received the initial distribution. Additional distributions of AAL Common Shares may be made to former AAMRQ shareholders, pending the resolution of the Disputed Claims Reserve pursuant to the Plan.**

As stated in the Plan, fractional entitlements of AAL common stock shall be rounded up or down to the next whole number or zero, as applicable. Fractional shares of one-half or lower will round to the next lower whole number for this purpose. No consideration shall be provided in lieu of fractional shares that are rounded down. **Consequently, the known distribution amount associated with the AAL1 deliverable for distributions made through February 14, 2019 is 79 AAL shares** (7 AAL shares from the 12/9/13 distribution (0.06654493 x 100, rounded) + 13 AAL shares from 1/9/14 (0.131926 x 100, rounded) + 18 AAL shares from 2/10/14 (0.175030 x 100, rounded) + 18 AAL shares from 3/10/14 (0.1842090 x 100, rounded) + 19 AAL shares from 4/10/14 (0.1863920 x 100, rounded) + 4 AAL shares from 2/14/19 (0.043281 x 100 rounded).

To allow settlement of the known AAL distribution amounts of the AAL1 deliverable, 95% of the aggregate AAL1 strike price was allocated to the previously known share amount of 75 AAL Common Shares on March 25, 2015. AAL1 exercise and assignment activity that was previously subject to delayed settlement was sent to NSCC on March 25, 2015 with 95% of the strike settling against 75 AAL Common Shares. The remaining 5% of the strike was subject to delayed settlement.

As a result of the additional distributions to AAMRQ shareholders, the AAL1 option deliverable will be updated to include an additional 4 AAL Common Shares (0.043281 x 100, rounded). The additional 4 AAL Common Shares, and additional future distributions, if any, will be settled against the remaining 5% of the strike. The additional 4 AAL Common Shares will be subject to delayed settlement to facilitate the

settlement of any additional distributions related to the Plan, and specifically to the resolution of the Disputed Claims Reserve made to AAMRQ shareholders. The resolution of the Disputed Claims Reserve is not yet complete, and it is unknown if any additional distribution of AAL Common Shares will be made to former AAMRQ shareholders.

Settlement Update

In order to facilitate settlement of 95% of the aggregate strike price against 75 AAL shares while retaining 5% of the strike as subject to delayed settlement, the AAL1 deliverable was modified within OCC's system on March 25, 2015 to associate 5% of the AAL1 strike to a place-holder record that did not reflect the AAL CUSIP. On March 25, 2015, Obligations representing the known share amount of 75 AAL Common Shares were settled through the National Securities Clearing Corporation (NSCC). Obligations for additional distributions, if any were subject to delayed settlement.

On April 15, 2019, OCC will modify the AAL1 deliverable so that the remaining 5% of the strike, which has been subject to delayed settlement, will be associated to the additional 4 AAL common shares, but will remain subject to delayed settlement as additional distributions of AAL Common Shares may be made to former AAMRQ shareholders. The AAL1 deliverable may be updated to reflect additional distributions pending the resolution of the Disputed Claims Reserve pursuant to the Plan. Upon obtaining confirmation that no additional distributions will be made, the total number of shares of any future distributions will be settled at NSCC. The 75 AAL shares which have previously settled will be associated to a place-holder record that does not reflect the AAL CUSIP.

CONTRACT ADJUSTMENT

EFFECTIVE DATE: December 9, 2013

OPTION SYMBOL: AAL1 remains AAL1

**CONTRACT
MULTIPLIER:** 1

STRIKE DIVISOR: 1

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 20 yields \$2,000.00)

**NEW DELIVERABLE
PER CONTRACT:** Total distribution received per AAMRQ share (x 100). The total distribution per share will include the distribution amounts already paid to AAMRQ shareholders (79 shares per contract) plus any subsequent distributions, if any, made to AAMRQ shareholders.

Note: Effective March 25, 2015, 95% of the aggregate AAL1 strike price were allocated to 75 AAL shares, and exercise and assignment activity for this portion of the AAL1 deliverable has settled through the National Security Clearing Corporation (NSCC). The remaining 5% of AAL1 strikes, currently allocated to 4 AAL shares, will remain subject to delayed settlement and will remain pended until confirmation can be obtained that no additional distributions will be made.

CUSIP: AAL: 02376R102

DELAYED SETTLEMENT

OCC will delay settlement of the portion of the AAL1 deliverable associated with the remaining 5% of the strike price until any additional distributions to AAMRQ shareholders are determined and it has been confirmed that

no additional distributions will be made. Upon determination of any final additional distributions, OCC will require Put exercisers and Call assignees to deliver the appropriate number of shares.

DISCLAIMER

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.