

Policies Adopted In Response
To Shareholder Proposals

In December 2003, the Corporation received a shareholder proposal related to change-in-control agreements (the “Agreements”) that the Corporation has with certain senior officers of American. See the Corporation’s 2004 Proxy Statement for the proposal. The proposal sought to require that any future Agreement be subject to shareholder approval. As defined in the proposal, the requirement for shareholder approval is necessary only for future Agreements (or amendments to existing Agreements) that would result in payments exceeding 200% of the sum of an executive’s base salary plus bonus. The Board of Directors has adopted this proposal. The shareholder approval requirement for future Agreements will be effective on the date of the 2004 annual meeting of shareholders.

At the May 2003 Annual Meeting the shareholders approved a shareholder proposal that sought to require that the Corporation submit to shareholder vote (a) any existing “poison pill” (a/k/a “rights plan”) or (b) any future rights plan that the Board of Directors may enact. The Board of Directors has adopted this proposal. In doing so, however, the Board has determined that it will adhere to a pre-existing agreement it has with the International Brotherhood of Teamsters Pension Plan (the “IBT Agreement”). The IBT Agreement likewise relates to future rights plans that the Board of Directors may adopt. The IBT Agreement may be found as an attachment to the Corporation’s 2003 Proxy Statement.