SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

ATLAS AIR WORLDWIDE HOLDINGS INC

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-16545

Atlas Air Worldwide Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**13-4146982**
(State or other jurisdiction of incorporation)	**(IRS Employer Identification No.)**
2000 Westchester Avenue, Purchase, New York	**10577**
(Address of principal executive offices)	**(Zip Code)**

(914) 701-8000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 Par Value	AAWW	The NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 30, 2021, there were 29,008,815 shares of the registrant's Common Stock outstanding.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Atlas Air Worldwide Holdings, Inc.
Consolidated Balance Sheets
(in thousands, except share data)
(Unaudited)

	March 31, 2021	December 31, 2020
Assets		
Current Assets		
Cash and cash equivalents	$ 703,777	$ 845,589
Restricted cash	10,247	10,692
Accounts receivable, net of allowance of $1,010 and $1,233, respectively	289,337	265,521
Prepaid expenses, assets held for sale and other current assets	102,665	95,919
Total current assets	1,106,026	1,217,721
Property and Equipment		
Flight equipment	5,115,540	5,061,387
Ground equipment	93,690	86,670
Less: accumulated depreciation	(1,192,724)	(1,147,613)
Flight equipment purchase deposits and modifications in progress	209,730	110,150
Property and equipment, net	4,226,236	4,110,594
Other Assets		
Operating lease right-of-use assets	238,155	255,805
Deferred costs and other assets	355,681	374,242
Intangible assets, net and goodwill	69,319	70,826
Total Assets	$ 5,995,417	$ 6,029,188
Liabilities and Equity		
Current Liabilities		
Accounts payable	$ 110,685	$ 107,604
Accrued liabilities	501,317	583,160
Current portion of long-term debt and finance leases	306,462	298,690
Current portion of long-term operating leases	156,119	157,732
Total current liabilities	1,074,583	1,147,186
Other Liabilities		
Long-term debt and finance leases	1,990,870	2,020,451
Long-term operating leases	276,676	318,850
Deferred taxes	230,720	203,586
Financial instruments and other liabilities	39,372	77,576
Total other liabilities	2,537,638	2,620,463
Commitments and contingencies		
Equity		
Stockholders’ Equity		
Preferred stock, $1 par value; 10,000,000 shares authorized; no shares issued	-	-
Common stock, $0.01 par value; 100,000,000 shares authorized; 34,495,738 and 32,877,533 shares issued, 29,006,635 and 27,517,297 shares outstanding (net of treasury stock), as of March 31, 2021 and December 31, 2020, respectively	345	329
Additional paid-in capital	912,728	873,874
Treasury stock, at cost; 5,489,103 and 5,360,236 shares, respectively	(225,239)	(217,889)
Accumulated other comprehensive loss	(1,700)	(1,904)
Retained earnings	1,697,062	1,607,129
Total stockholders’ equity	2,383,196	2,261,539
Total Liabilities and Equity	$ 5,995,417	$ 6,029,188

See accompanying Notes to Unaudited Consolidated Financial Statements

Atlas Air Worldwide Holdings, Inc.
Consolidated Statements of Operations
(in thousands, except per share data)
(Unaudited)

	For the Three Months Ended	
	March 31, 2021	March 31, 2020
Operating Revenue	$ 861,300	$ 643,502
Operating Expenses		
Salaries, wages and benefits	202,614	147,744
Aircraft fuel	163,551	108,318
Maintenance, materials and repairs	121,133	94,152
Depreciation and amortization	67,789	57,584
Navigation fees, landing fees and other rent	44,887	31,401
Passenger and ground handling services	40,065	31,959
Travel	37,672	42,391
Aircraft rent	20,756	23,967
Loss (gain) on disposal of aircraft	16	(6,717)
Transaction-related expenses	201	521
Other	58,412	51,112
Total Operating Expenses	757,096	582,432
Operating Income	104,204	61,070
Non-operating Expenses (Income)		
Interest income	(211)	(480)
Interest expense	27,180	29,275
Capitalized interest	(1,271)	(193)
Unrealized loss (gain) on financial instruments	113	(924)
Other (income) expense, net	(39,456)	1,206
Total Non-operating Expenses (Income)	(13,645)	28,884
Income before income taxes	117,849	32,186
Income tax expense	27,916	8,833
Net Income	$ 89,933	$ 23,353
Earnings per share:		
Basic	$ 3.16	$ 0.90
Diluted	$ 3.05	$ 0.90
Weighted average shares:		
Basic	28,491	25,966
Diluted	29,478	25,966

See accompanying Notes to Unaudited Consolidated Financial Statements

Atlas Air Worldwide Holdings, Inc.
Consolidated Statements of Comprehensive Income
(in thousands)
(Unaudited)

	For the Three Months Ended	
	March 31, 2021	March 31, 2020
Net Income	$ 89,933	$ 23,353
Other comprehensive income:		
Reclassification to interest expense	268	308
Income tax benefit	(64)	(63)
Other comprehensive income	204	245
Comprehensive Income	$ 90,137	$ 23,598

See accompanying Notes to Unaudited Consolidated Financial Statements

Atlas Air Worldwide Holdings, Inc.
Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	For the Three Months Ended	
	March 31, 2021	March 31, 2020
Operating Activities:		
Net Income	$ 89,933	$ 23,353
Adjustments to reconcile Net Income to net cash provided by operating activities:		
Depreciation and amortization	86,172	74,352
Accretion of debt securities discount	-	(2)
Reversal of expected credit losses	(397)	(73)
Unrealized loss (gain) on financial instruments	113	(924)
Loss (gain) on disposal of aircraft	16	(6,717)
Deferred taxes	27,839	7,352
Stock-based compensation	4,060	3,860
Changes in:		
Accounts receivable	(22,745)	16,515
Prepaid expenses, current assets and other assets	(7,500)	(5,476)
Accounts payable, accrued liabilities and other liabilities	(89,366)	(40,393)
Net cash provided by operating activities	88,125	71,847
Investing Activities:		
Capital expenditures	(26,662)	(8,291)
Purchase deposits and payments for flight equipment and modifications	(126,807)	(26,000)
Investment in joint ventures	(1,608)	-
Proceeds from investments	-	881
Proceeds from disposal of aircraft	1,850	44,110
Net cash provided by (used for) investing activities	(153,227)	10,700
Financing Activities:		
Proceeds from debt issuance	16,161	164,000
Payment of debt issuance costs	(900)	(2,386)
Payments of debt and finance lease obligations	(77,953)	(193,644)
Proceeds from revolving credit facility	-	75,000
Customer maintenance reserves and deposits received	5,152	2,586
Customer maintenance reserves paid	(12,265)	(2,080)
Treasury shares withheld for payment of taxes	(7,350)	(3,834)
Net cash provided by (used for) financing activities	(77,155)	39,642
Net increase (decrease) in cash, cash equivalents and restricted cash	(142,257)	122,189
Cash, cash equivalents and restricted cash at the beginning of period	856,281	113,430
Cash, cash equivalents and restricted cash at the end of period	$ 714,024	$ 235,619
Noncash Investing and Financing Activities:		
Acquisition of property and equipment included in Accounts payable and accrued liabilities	$ 24,938	$ 16,368
Acquisition of property and equipment acquired under operating leases	$ 4,015	$ 670
Acquisition of flight equipment under finance lease	$ 20,171	$ -
Customer maintenance reserves settled with sale of aircraft	$ -	$ 6,497
Issuance of shares related to settlement of warrant liability	$ 31,582	$ -

See accompanying Notes to Unaudited Consolidated Financial Statements

Atlas Air Worldwide Holdings, Inc.
Consolidated Statements of Stockholders' Equity
(in thousands, except share data)
(Unaudited)

	As of and for the Three Months Ended March 31, 2021					
	Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
Balance at December 31, 2020	$ 329	$ (217,889)	$ 873,874	$ (1,904)	$ 1,607,129	$ 2,261,539
Net Income	-	-	-	-	89,933	89,933
Other comprehensive income	-	-	-	204	-	204
Stock-based compensation	-	-	4,060	-	-	4,060
Issuance of warrants	-	-	3,228	-	-	3,228
Treasury shares of 128,867 withheld for payment of taxes	-	(7,350)	-	-	-	(7,350)
Issuance of 1,280,450 shares related to settlement of warrants	13	-	31,569	-	-	31,582
Issuance of 337,755 shares of restricted stock	3	-	(3)	-	-	-
Balance at March 31, 2021	$ 345	$ (225,239)	$ 912,728	$ (1,700)	$ 1,697,062	$ 2,383,196

	As of and for the Three Months Ended March 31, 2020					
	Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
Balance at December 31, 2019	$ 310	$ (213,871)	$ 761,715	$ (2,818)	$ 1,246,843	$ 1,792,179
Net Income	-	-	-	-	23,353	23,353
Other comprehensive income	-	-	-	245	-	245
Cumulative effect of change in accounting principle	-	-	14,553	-	-	14,553
Stock-based compensation	-	-	3,860	-	-	3,860
Issuance of warrant	-	-	2,394	-	-	2,394
Treasury shares of 179,211 withheld for payment of taxes	-	(3,834)	-	-	-	(3,834)
Issuance of 434,567 shares of restricted stock	5	-	(5)	-	-	-
Balance at March 31, 2020	$ 315	$ (217,705)	$ 782,517	$ (2,573)	$ 1,270,196	$ 1,832,750

See accompanying Notes to Unaudited Consolidated Financial Statements

1. Basis of Presentation

Our consolidated financial statements include the accounts of the holding company, Atlas Air Worldwide Holdings, Inc. ("AAWW"), and its consolidated subsidiaries. AAWW is the parent company of Atlas Air, Inc. ("Atlas") and Southern Air Holdings, Inc. ("Southern Air"). AAWW is also the parent company of several subsidiaries related to our dry leasing services (collectively referred to as "Titan"). AAWW has a 51% equity interest and 75% voting interest in Polar Air Cargo Worldwide, Inc. ("Polar"). We record our share of Polar's results under the equity method of accounting.

The terms "we," "us," "our," and the "Company" mean AAWW and all entities included in its consolidated financial statements.

We provide outsourced aircraft and aviation operating services throughout the world, serving Africa, Asia, Australia, Europe, the Middle East, North America and South America through: (i) aircraft operating service agreements, including those through which we provide aircraft to customers and value-added services, including crew, maintenance and insurance ("ACMI"), crew, maintenance and insurance, but not the aircraft ("CMI") and cargo and passenger charter services ("Charter"); and (ii) dry leasing aircraft and engines ("Dry Leasing" or "Dry Lease").

The accompanying unaudited consolidated financial statements and related notes (the "Financial Statements") have been prepared in accordance with the U.S. Securities and Exchange Commission (the "SEC") requirements for quarterly reports on Form 10-Q, and consequently exclude certain disclosures normally included in audited consolidated financial statements prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Intercompany accounts and transactions have been eliminated. The Financial Statements should be read in conjunction with the audited consolidated financial statements and the notes included in the AAWW Annual Report on Form 10-K for the year ended December 31, 2020, which includes additional disclosures and a summary of our significant accounting policies. The December 31, 2020 balance sheet data was derived from that Annual Report. In our opinion, these Financial Statements include all adjustments, consisting of normal recurring items, considered necessary by management to fairly state the Company's results of operations, financial position, and cash flows.

Our quarterly results are subject to seasonal and other fluctuations, including fluctuations resulting from the global COVID-19 pandemic (see Note 3 for further discussion), and the operating results for any quarter are therefore not necessarily indicative of results that may be otherwise expected for the entire year.

Certain reclassifications have been made to prior periods' notes to the Financial Statements to conform to the current year's presentation of segments (see Note 11 for further discussion). Except for per share data, all dollar amounts are in thousands unless otherwise noted.

2. Summary of Significant Accounting Policies

Heavy Maintenance

Except as described in the paragraph below, we account for heavy maintenance costs for airframes and engines using the direct expense method. Under this method, heavy maintenance costs are charged to expense upon induction, based on our best estimate of the costs.

We account for heavy maintenance costs for airframes and engines used in our Dry Leasing segment and engines used on our 747-8F aircraft using the deferral method. Under this method, we defer the expense recognition of scheduled heavy maintenance events, which are amortized over the estimated period until the next scheduled heavy maintenance event is required. Amortization of deferred maintenance expense included in Depreciation and amortization was $12.0 million and $7.9 million for the three months ended March 31, 2021 and 2020, respectively.

Deferred maintenance included within Deferred costs and other assets is as follows:

Balance as of December 31, 2020	$	191,303
Deferred maintenance costs		803
Amortization of deferred maintenance		(11,988)
Balance as of March 31, 2021	$	180,118

Property and Equipment

Committed expenditures to acquire aircraft and spare engines are expected to be $179.1 million for the remainder of 2021 and $458.3 million in 2022. These expenditures include our January 2021 agreement to purchase four 747-8F aircraft from The Boeing Company ("Boeing") that are expected to be delivered from May 2022 through October 2022, spare engines, and 747-400 passenger aircraft (to be used for both replacement of older passenger aircraft in service as well as spare engines and parts).

Recent Accounting Pronouncements Not Yet Adopted

In August 2020, the Financial Accounting Standards Board amended its accounting guidance for certain financial instruments with characteristics of liabilities and equity, including convertible debt instruments. For convertible debt with a cash conversion feature, the amended guidance removes the current accounting model to separately account for the liability and equity components, which currently results in the amortization of a debt discount to interest expense. Under this amended guidance, such convertible debt will be accounted for as a single debt instrument with no amortization of a debt discount to interest expense, unless certain other conditions are met. The amended guidance also requires the use of the if-converted method when calculating the dilutive impact of convertible debt on earnings per share. The amended guidance is effective as of the beginning of 2022. The two permitted transition methods under the guidance are the full retrospective approach, under which the guidance is applied to all periods presented, or the modified retrospective approach, under which the guidance is applied only to the most current period presented. We will adopt this amended guidance on its required effective date of January 1, 2022. While we are still assessing the impact the amended guidance will have on our financial statements, we expect the amount previously allocated to the equity component will be reclassified to debt. In addition, the amended guidance is expected to result in a material increase in net income and reduction in interest expense and diluted earnings per share.

3. COVID-19 Pandemic

COVID-19

In December 2019, COVID-19 was first reported in China and has since spread to most other regions of the world. In March 2020, COVID-19 was determined to be a global pandemic by the World Health Organization. Since this public health crisis began, it has disrupted global manufacturing, supply chains, passenger travel and consumer spending, resulting in a reduction in flights by some of our customers and lower U.S. Military Air Mobility Command ("AMC") passenger flying as the military has taken precautionary measures to limit the movement of personnel. A reduction of available cargo capacity in the market and increased demand for transporting goods due to the COVID-19 pandemic also resulted in increased commercial charter cargo yields, net of fuel. We have incurred and expect to incur significant additional costs, including premium pay for pilots operating in certain areas significantly impacted by COVID-19; other operational costs, including costs for continuing to provide a safe working environment for our employees; and higher crew costs related to increased pay rates we provided to our pilots in May 2020. In addition, the availability of hotels and restaurants, evolving COVID-19-related travel restrictions and health screenings, and a reduction in passenger flights by other airlines globally or airport closures have impacted and could further impact our ability to position employees to operate our aircraft.

To mitigate the impact of any COVID-19 pandemic disruptions, we have:

- implemented frequent deep cleaning of all aircraft and facilities;
- provided safety kits for each crewmember and all aircraft;
- adjusted routes to limit exposure to regions significantly impacted by the COVID-19 pandemic;
- implemented significant workforce testing, social distancing and protection measures at all of our facilities;
- made COVID-19 vaccinations available to employees;
- arranged for employees who can work remotely to do so based on local conditions;
- reduced nonessential employee travel;
- reduced the use of contractors;
- implemented a number of other cost reduction initiatives;
- entered into a Payroll Support Program Agreement (the "PSP Agreement") with the U.S. Department of the Treasury (the "U.S. Treasury"), with respect to payroll support funding available to cargo air carriers under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") (the "Payroll Support Program") (see discussion below); and
- deferred payment of the employer portion of social security taxes as provided for under the CARES Act through the end of 2020, half of which will be paid by the end of 2021 and the other half will be paid by the end of 2022.

Payroll Support Program under the CARES Act

As of May 29, 2020 (the "PSP Closing Date"), Atlas and Southern Air (the "PSP Recipients") entered into a PSP Agreement with the U.S. Treasury. As of the PSP Closing Date, AAWW also entered into a Warrant Agreement (the "Warrant Agreement") with the U.S. Treasury, and AAWW issued a $199.8 million senior unsecured promissory note to the U.S. Treasury (the "Promissory Note"), with Atlas and Southern Air as guarantors.

In connection with the payroll support funding received in 2020 under the PSP Agreement, we issued warrants to the U.S. Treasury to acquire up to 625,452 shares of our common stock. As of March 31, 2021, no portion of the warrants have been exercised.

We initially recognized deferred grant income within Accrued liabilities for the difference between the payroll support funding received in 2020 under the PSP Agreement and the amounts recorded for the Promissory Note and the Warrant Agreement. Grant income has been subsequently recognized within Other (income) expense, net in the consolidated statement of operations on a pro-rata basis over the periods that the qualifying employee wages, salaries and benefits are paid. The remaining $40.9 million of deferred grant income as of December 31, 2020 was recognized as grant income within Other (income) expense, net in the consolidated statement of operations during the three months ended March 31, 2021.

4. Related Parties

Polar

AAWW has a 51% equity interest and 75% voting interest in Polar. DHL Network Operations (USA), Inc. ("DHL"), a subsidiary of Deutsche Post AG, holds a 49% equity interest and a 25% voting interest in Polar. Polar is a variable interest entity that we do not consolidate because we are not the primary beneficiary as the risks associated with the direct costs of operation are with DHL. Under a 20-year blocked space agreement, which began in 2008, Polar provides air cargo capacity to DHL. Atlas has several agreements with Polar to provide ACMI, CMI, Dry Leasing, administrative, sales and ground support services to one another. We do not have any financial exposure to fund debt obligations or operating losses of Polar, except for any liquidated damages that we could incur under these agreements.

The following table summarizes our transactions with Polar:

	For the Three Months Ended	
Revenue and Expenses:	**March 31, 2021**	**March 31, 2020**
Revenue from Polar	$ 77,256	$ 76,234
Ground handling and airport fees to Polar	882	526
Accounts receivable/payable as of:	**March 31, 2021**	**December 31, 2020**
Receivables from Polar	$ 22,780	$ 31,079
Payables to Polar	4,153	3,477
Aggregate Carrying Value of Polar Investment as of:	**March 31, 2021**	**December 31, 2020**
Aggregate Carrying Value of Polar Investment	$ 4,870	$ 4,870

In addition to the amounts in the table above, Atlas recognized revenue of $54.1 million and $27.5 million for the three months ended March 31, 2021 and 2020, respectively, from flying on behalf of Polar.

Dry Leasing Joint Venture

We hold a 10% interest in a joint venture with an unrelated third party, which we entered into in December 2019, to develop a diversified freighter aircraft dry leasing portfolio. Through Titan, we provide aircraft and lease management services to the joint venture for fees based upon aircraft assets under management, among other things. Our investment in the joint venture is accounted for under the equity method of accounting. Under the joint venture, we have a commitment to provide up to $40.0 million of capital contributions before December 2022, of which $5.3 million has been contributed as of March 31, 2021. Our maximum exposure to losses from the entity is limited to our investment. The joint venture has third-party debt obligations of $49.4 million that are not guaranteed by us.

The following table summarizes our transactions with our dry leasing joint venture:

	For the Three Months Ended			
Revenue and Expenses:	**March 31, 2021**		**March 31, 2020**	
Revenue from dry leasing joint venture	$	1,324	$	-
Aircraft rent to dry leasing joint venture		2,250		-
Aggregate Carrying Value of Joint Venture as of:	**March 31, 2021**		**December 31, 2020**	
Aggregate Carrying Value of Dry Leasing Joint Venture	$	4,937	$	4,438

Parts Joint Venture

We hold a 50% interest in a joint venture with an unrelated third party to purchase rotable parts and provide repair services for those parts, primarily for 747-8F aircraft. The joint venture is a variable interest entity and we have not consolidated the joint venture because we are not the primary beneficiary as we do not exercise financial control. Our investment in the joint venture is accounted for under the equity method of accounting and was $21.2 million as of March 31, 2021 and $21.0 million as of December 31, 2020. Our maximum exposure to losses from the entity is limited to our investment, which is composed primarily of rotable inventory parts. The joint venture does not have any third-party debt obligations. We had Accounts receivable from the joint venture of $0.2 million as of March 31, 2021 and December 31, 2020. We had Accounts payable to the joint venture of $1.0 million as of March 31, 2021 and $0.9 million as of December 31, 2020.

5. Amazon

In May 2016, we entered into certain agreements with Amazon.com, Inc. and its subsidiary, Amazon Fulfillment Services, Inc., (collectively "Amazon"), which involve, among other things, CMI operation of up to 20 Boeing 767-300 freighter aircraft for Amazon by Atlas, as well as Dry Leasing by Titan. The Dry Leases have a term of ten years from the commencement of each agreement, while the CMI operations are for seven years from the commencement of each agreement (with an option for Amazon to extend the term to ten years). As of March 31, 2021, 17 767-300 freighter aircraft were operating in CMI service and 19 767-300 freighters in Dry Lease service for Amazon.

In conjunction with the agreements entered into in May 2016, we granted Amazon a warrant providing the right to acquire up to 20% of our outstanding common shares, as of the date of the agreements, after giving effect to the issuance of shares pursuant to the warrants, at an exercise price of $37.34 per share, as adjusted ("Warrant A"). All 7.5 million shares, as adjusted, have vested in full and been exercised in two transactions. In October 2020, Amazon exercised 3,607,477 shares of Warrant A through a cashless exercise resulting in the issuance of 1,375,421 shares of our common stock. In January 2021, Amazon exercised the remaining 3,924,569 shares of Warrant A through a cashless exercise resulting in the issuance of 1,210,741 shares of our common stock.

The agreements entered into in May 2016 also provided incentives for future growth of the relationship as Amazon may increase its business with us. In that regard, we granted Amazon a warrant to acquire up to an additional 10% of our outstanding common shares, as of the date of the agreements, after giving effect to the issuance of shares pursuant to the warrants, for an exercise price of $37.34 per share, as adjusted ("Warrant B"). This warrant to purchase 3.77 million shares, as adjusted, will vest in increments of 37,660 shares, as adjusted, each time Amazon has paid $4.2 million of revenue to us, up to a total of $420.0 million, for incremental business beyond the original 20 767-300 freighters. As of March 31, 2021, 564,900 shares, as adjusted, of Warrant B have vested. Upon vesting, Warrant B becomes exercisable in accordance with its terms through May 2023. In January 2021, Amazon exercised 225,960 shares of Warrant B through a cashless exercise resulting in the issuance of 69,709 shares of our common stock.

In March 2019, we amended the agreements entered into in 2016 with Amazon, pursuant to which we began providing CMI services using Boeing 737-800 freighter aircraft provided by Amazon. The 737-800 CMI operations are for a term of seven years from the commencement of each agreement (with an option for Amazon to extend the term to ten years). As of March 31, 2021, eight 737-800 freighter aircraft were operating in CMI service. Amazon may, in its sole discretion, place up to 12 additional 737-800 freighter aircraft into service with us by May 31, 2021.

In connection with the amended agreements, we granted Amazon a warrant to acquire up to an additional 9.9% of our outstanding common shares, as of the date of the agreements, after giving effect to the issuance of shares pursuant to the warrants, for an exercise price of $52.67 per share, as adjusted ("Warrant C"). After Warrant B has vested in full, this warrant to purchase 6.66 million shares, as adjusted, would vest in increments of 45,623 shares, as adjusted, each time Amazon has paid $6.9 million of revenue to us, up to a total of $1.0 billion, for incremental business beyond Warrant A and Warrant B. As of March 31, 2021, no portion of Warrant C has vested. Upon vesting, Warrant C would become exercisable in accordance with its terms through March 2026. While Amazon would be entitled to vote the shares it owns up to 14.9% of our outstanding common shares, in its discretion, it would be required to vote any shares it owns in excess of 14.9% of our outstanding common shares in accordance with the recommendation of our board of directors.

Upon the vesting of Warrant A in previous years, the fair value of the warrant was recognized as a customer incentive asset within Deferred costs and other assets, net and is amortized as a reduction of Operating Revenue in proportion to the amount of revenue recognized over the terms of the Dry Leases and CMI agreements. When it becomes probable that an increment of either Warrant B or C will vest and the related revenue begins to be recognized, the grant date fair value of such portion is recognized as a customer incentive asset within Deferred costs and other assets, net and is amortized as a reduction of Operating Revenue in proportion to the amount of related revenue recognized. The grant date fair value of such increment is also recorded as Additional paid-in-capital. At the time of vesting, any amounts recorded in Additional paid-in-capital related to Dry Lease contracts would be reclassified as a warrant liability within Financial instruments and other liabilities with changes in fair value recorded in Unrealized loss (gain) on financial instruments.

We amortized $10.5 million and $9.0 million of the customer incentive asset as a reduction of Operating Revenue for the three months ended March 31, 2021 and 2020, respectively.

Customer incentive asset included within Deferred costs and other assets is as follows:

Balance at December 31, 2020	$	125,276
Initial value for estimate of vested or expected to vest warrants		3,228
Amortization of customer incentive asset		(10,481)
Balance at March 31, 2021	$	118,023

We recognized a net unrealized loss of $0.1 million and a net unrealized gain of $0.9 million on the Amazon warrant liability related to Warrant A during the three months ended March 31, 2021 and 2020, respectively. The fair value of the Amazon warrant liability was zero as of March 31, 2021 and $31.5 million as of December 31, 2020. Due to the exercise of Warrant A discussed above, our earnings are no longer affected by changes in the fair value of our Amazon warrant liability.

6. Supplemental Financial Information

Accounts Receivable

Accounts receivable, net of allowance for expected credit losses related to customer contracts, excluding Dry Leasing contracts, was $237.0 million as of March 31, 2021 and $195.6 million as of December 31, 2020.

Allowance for expected credit losses, included within Accounts receivable, is as follows:

Balance as of December 31, 2020	$	1,233
Bad debt recovery		(397)
Amounts written off, net of other items		174
Balance as of March 31, 2021	$	1,010

Accrued Liabilities

Accrued liabilities consisted of the following as of:

	March 31, 2021	December 31, 2020
Maintenance	$ 134,918	$ 142,374
Customer maintenance reserves	97,467	93,092
Salaries, wages and benefits	82,928	136,753
Deferred revenue	47,863	41,665
Aircraft fuel	33,507	24,578
Deferred grant income	-	40,944
Other	104,634	103,754
Accrued liabilities	$ 501,317	$ 583,160

Revenue Contract Liability

Deferred revenue for customer contracts, excluding Dry Leasing contracts, represents amounts collected from, or invoiced to, customers in advance of revenue recognition. The balance of Deferred revenue will increase or decrease based on the timing of invoices and recognition of revenue. Changes in Deferred revenue during the three months ended March 31, 2021 were as follows:

Balance as of December 31, 2020	$	30,291
Revenue recognized		(57,193)
Amounts collected or invoiced		63,786
Balance as of March 31, 2021	$	36,884

Supplemental Cash Flow Information

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total shown in the consolidated statements of cash flows:

	March 31, 2021		December 31, 2020	
Cash and cash equivalents	$	703,777	$	845,589
Restricted cash		10,247		10,692
Total Cash, cash equivalents and restricted cash shown in Consolidated Statements of Cash Flows	$	714,024	$	856,281

7. Assets Held For Sale and Other Income

As of December 31, 2020, we had two 737-400 passenger aircraft previously used for training purposes and certain spare CF6-80 engines classified as held for sale. During the three months ended March 31, 2021, we received net proceeds of $1.9 million from the completion of the sales of some of the spare CF6-80 engines. We estimated the fair value of these assets, less costs to sell, based on bids received from independent third parties or recently completed sales. The carrying value of the assets held for sale as of March 31, 2021 and December 31, 2020 was $12.3 million and $14.1 million, respectively, which was included within Prepaid expense, assets held for sale and other current assets in the consolidated balance sheets. Sales of the remaining aircraft and engines are expected to be completed during 2021.

During the three months ended March 31, 2020, we recognized refunds of $1.4 million related to aircraft rent paid in previous years within Other (income) expense, net.

8. Debt

Term Loans

In March 2021, we borrowed $16.2 million at a fixed interest rate of 0.93% under an unsecured five-year term loan due in January 2026 for GEnx engine performance upgrade kits and overhauls. The term loan is subject to customary fees, covenants and events of default, with principal and interest payable quarterly.

Convertible Notes

In May 2017, we issued $289.0 million aggregate principal amount of 1.88% convertible senior notes that mature on June 1, 2024 (the “2017 Convertible Notes”) in an underwritten public offering. In June 2015, we issued $224.5 million aggregate principal amount of 2.25% convertible senior notes that mature on June 1, 2022 (the “2015 Convertible Notes”) in an underwritten public offering. The 2017 Convertible Notes and the 2015 Convertible Notes (collectively, the “Convertible Notes”) are senior unsecured obligations and accrue interest payable semiannually on June 1 and December 1 of each year. The Convertible Notes are due on their respective maturity dates, unless earlier converted or repurchased pursuant to their respective terms.

The Convertible Notes consisted of the following as of March 31, 2021:

	2015 Convertible Notes		2017 Convertible Notes	
Remaining life in months		14		38
Liability component:				
Gross proceeds	$	224,500	$	289,000
Less: debt discount, net of amortization		(10,555)		(35,375)
Less: debt issuance cost, net of amortization		(970)		(2,723)
Net carrying amount	$	212,975	$	250,902
Equity component (1)	$	52,903	$	70,140

(1) Included in Additional paid-in-capital on the consolidated balance sheet as of March 31, 2021.

The following table presents the amount of interest expense recognized related to the Convertible Notes:

	For the Three Months Ended			
	March 31, 2021		March 31, 2020	
Contractual interest coupon	$	2,618	$	2,618
Amortization of debt discount		4,671		4,388
Amortization of debt issuance costs		402		387
Total interest expense recognized	$	7,691	$	7,393

Revolving Credit Facility

We have a $200.0 million secured revolving credit facility that matures in December 2022 (the "Revolver"). As of March 31, 2021, there were no amounts outstanding and we had $200.0 million of unused availability, based on the collateral borrowing base.

9. Income Taxes

The effective income tax rates were 23.7% and 27.4% for the three months ended March 31, 2021 and 2020, respectively. The rate for the three months ended March 31, 2021 differed from the U.S. statutory rate primarily due to state income taxes and certain expenses that are not deductible for tax purposes. The rate for the three months ended March 31, 2020 differed from the U.S. statutory rate primarily due to tax expense from the vesting of share-based compensation. For interim accounting purposes, we recognize income taxes using an estimated annual effective tax rate.

10. Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Inputs used to measure fair value are classified in the following hierarchy:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 Other inputs that are observable directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, or inactive quoted prices for identical assets or liabilities in inactive markets;

Level 3 Unobservable inputs reflecting assumptions about the inputs used in pricing the asset or liability.

We endeavor to utilize the best available information to measure fair value.

The carrying value of Cash and cash equivalents, and Restricted cash is based on cost, which approximates fair value.

Term loans and notes consist of term loans, notes guaranteed by the Export-Import Bank of the United States, a promissory note issued to the U.S. Treasury and equipment enhanced trust certificates. The fair values of these debt instruments and the Revolver are based on a discounted cash flow analysis using current borrowing rates for instruments with similar terms.

The fair value of our Convertible Notes is based on unadjusted quoted market prices for these securities.

The fair value of a customer warrant liability and certain long-term performance-based restricted shares are based on a Monte Carlo simulation which requires inputs such as our common stock price, the warrant strike price, estimated common stock price volatility, and risk-free interest rate, among others.

The following table summarizes the carrying value, estimated fair value and classification of our financial instruments as of:

	March 31, 2021				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	$ 703,777	$ 703,777	$ 703,777	$ -	$ -
Restricted cash	10,247	10,247	10,247	-	-
	$ 714,024	$ 714,024	$ 714,024	$ -	$ -
Liabilities					
Term loans and notes	$ 1,756,278	$ 1,832,407	$ -	$ -	$ 1,832,407
Convertible notes (1)	463,877	589,456	589,456	-	-
	$ 2,220,155	$ 2,421,863	$ 589,456	$ -	$ 1,832,407

	December 31, 2020				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	$ 845,589	$ 845,589	$ 845,589	$ -	$ -
Restricted cash	10,692	10,692	10,692	-	-
	$ 856,281	$ 856,281	$ 856,281	$ -	$ -
Liabilities					
Term loans and notes	$ 1,809,656	$ 1,909,942	$ -	$ -	$ 1,909,942
Convertible notes (1)	458,803	560,975	560,975	-	-
Customer warrant	31,470	31,470	-	31,470	-
	$ 2,299,929	$ 2,502,387	$ 560,975	$ 31,470	$ 1,909,942

(1) Carrying value is net of debt discounts and debt issuance costs (see Note 8).

11. Segment Reporting

During the first quarter of 2021, we changed our operating and reportable segments, reflecting changes in our business. We currently have the following two operating and reportable segments: Airline Operations and Dry Leasing. Previously, our operating and reportable segments were ACMI, Charter and Dry Leasing. As ACMI and Charter services have become more similar, our chief operating decision maker began assessing operating results and making resource allocation decisions for Airline Operations.

Our Airline Operations segment provides outsourced aircraft operating services to customers including, express delivery providers, e-commerce retailers, the U.S. military, charter brokers, freight forwarders, airlines, manufacturers, sports teams and fans, and private charter customers. We generally provide these services on an ACMI, CMI and Charter basis. Most agreements provide us with guaranteed minimum revenues at predetermined rates, levels of operation and defined periods of time. We also provide certain services on a short-term basis.

Our Dry Leasing segment provides for the leasing of cargo and passenger aircraft and engines to customers, and aircraft- and lease-management services. In our Dry Leasing segment, the customer operates, and is responsible for insuring and maintaining, the flight equipment.

Other represents revenue for services that are not allocated to any segment, including administrative and management support services and flight simulator training.

Each operating segment is separately reviewed by our chief operating decision maker to assess operating results and make resource allocation decisions. We do not aggregate our operating segments and, therefore, our operating segments are our reportable segments.

We use an economic performance metric called Direct Contribution, which shows the profitability of each segment. Direct Contribution includes Income before income taxes and excludes the following: Special charges, Transaction-related expenses, nonrecurring items, Gain (losses) on the disposal of aircraft, Losses on early extinguishment of debt, Unrealized losses (gains) on financial instruments and Unallocated income and expenses, net. Direct operating and ownership costs include crew costs, maintenance, fuel, ground operations, sales costs, aircraft rent, interest expense on the portion of debt used for financing aircraft, interest income on debt securities and aircraft depreciation. Unallocated income and expenses, net include corporate overhead, nonaircraft depreciation, noncash expenses and income, interest expense on the portion of debt used for general corporate purposes, interest income on nondebt securities, capitalized interest, foreign exchange gains and losses, other revenue, other non-operating costs and CARES Act grant income.

The following table sets forth Operating Revenue and Direct Contribution for our reportable segments reconciled to Operating Income and Income before income taxes:

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Operating Revenue:		
Airline Operations	$ 826,240	$ 606,373
Dry Leasing	40,364	41,926
Customer incentive asset amortization	(10,481)	(9,022)
Other	5,177	4,225
Total Operating Revenue	$ 861,300	$ 643,502
Direct Contribution:		
Airline Operations	$ 169,150	$ 103,087
Dry Leasing	10,564	10,698
Total Direct Contribution for Reportable Segments	179,714	113,785
Unallocated expenses and (income), net	(61,535)	(88,719)
Unrealized gain (loss) on financial instruments	(113)	924
Transaction-related expenses	(201)	(521)
Gain (loss) on disposal of aircraft	(16)	6,717
Income before income taxes	117,849	32,186
Add back (subtract):		
Interest income	(211)	(480)
Interest expense	27,180	29,275
Capitalized interest	(1,271)	(193)
Unrealized (gain) loss on financial instruments	113	(924)
Other (income) expense, net	(39,456)	1,206
Operating Income	$ 104,204	$ 61,070

The following table disaggregates our Airline Operations segment revenue by customer and service type:

	For the Three Months Ended March 31, 2021			March 31, 2020		
	Cargo	Passenger	Total	Cargo	Passenger	Total
Commercial customers	$ 713,211	$ 2,879	$ 716,090	$ 452,712	$ 3,626	$ 456,338
AMC	45,312	64,838	110,150	62,475	87,560	150,035
Total Airline Operations Revenue	$ 758,523	$ 67,717	$ 826,240	$ 515,187	$ 91,186	$ 606,373

Given the nature of our business and international flying, geographic information for revenue, long-lived assets and total assets is not presented because it is impracticable to do so.

We are exposed to a concentration of revenue from the AMC, Polar and DHL (see above for the AMC and Note 4 to our Financial Statements for further discussion regarding Polar). No other customer accounted for more than 10.0% of our Total Operating Revenue. Revenue from DHL was $158.7 million for the three months ended March 31, 2021 and $98.4 million for the three months ended March 31, 2020. We have not experienced any credit issues with these customers.

12. Labor and Legal Proceedings

Collective Bargaining Agreements

Pilots of Atlas and Southern Air, and flight dispatchers of Atlas and Polar are represented by the International Brotherhood of Teamsters (the "IBT"). We have a five-year collective bargaining agreement ("CBA") with our Atlas pilots, which became amendable in September 2016, and a four-year CBA with the Southern Air pilots, which became amendable in November 2016. We also have a five-year CBA with our Atlas and Polar dispatchers, which was extended in April 2017 for an additional four years, making the CBA amendable in November 2021.

After we completed the acquisition of Southern Air in April 2016, we informed the IBT of our intention to pursue (and we have been pursuing) a complete operational merger of Atlas and Southern Air. The Atlas and Southern Air CBAs both have a defined and streamlined process for negotiating a joint CBA ("JCBA") when a merger occurs, as in the case with the Atlas and Southern Air merger. Pursuant to the merger provisions in both CBAs, joint negotiations for a single CBA for Atlas and Southern Air should commence promptly. Further, once an integrated seniority list ("ISL") of Atlas and Southern Air pilots is presented to the Company by the union, it triggers a nine month agreed-upon timeframe to negotiate a new JCBA with any unresolved issues promptly submitted to binding arbitration.

The IBT refused to follow the merger provisions in the Atlas and Southern Air CBAs, which resulted in significant litigation, arbitrations and delay. The Company prevailed in all of the prior merger-related proceedings, including all federal court litigation and related appeals. The IBT was ordered by two arbitrators and two federal district courts to comply with the merger provisions of the Atlas and Southern Air CBAs, which included providing the Company with the ISL by May 15, 2020.

The IBT subsequently requested additional time from the Company to complete the ISL and the parties agreed to a joint stipulation. As a result, on April 24, 2020, the U.S. District Court for the District of Columbia ("DC District Court") issued a modified order, providing that the nine-month timeframe to bargain for a new JCBA was triggered on May 15, 2020 and that the IBT must produce the ISL by March 31, 2021. Any remaining open issues as of February 15, 2021 are to be determined by binding interest arbitration pursuant to the merger provisions in the CBAs.

In April 2020, the Company entered into Coronavirus Memorandum of Understandings ("MOU") with both Local 2750 and Local 1224, providing for premium pay and enhanced benefits for pilots flying into covered areas designated by the Centers for Disease Control and Prevention ("CDC") as Red Level 3 Travel Health Notices on its website at the time, as well as providing for an increased per diem and other additional safety measures related to COVID-19. In August 2020, the CDC updated its Travel Health Notices, which affected covered areas eligible for premium pay and certain benefits under the MOU. In late November 2020, the CDC further updated its Travel Health Notices, which expanded the scope of covered areas under the MOU. This CDC change resulted in China, however, no longer being a covered area under the MOU. The Company voluntarily offered and the Union agreed to continue to provide premium pay and certain other benefits under the MOU for eligible areas through December 31, 2020. The MOU has continued in effect since December 31, 2020. Once a new JCBA is effective, the MOU will be terminated.

On May 7, 2020, the Company announced that Atlas and Southern Air reached an agreement with IBT Locals 2750 and 1224, which provides for a ten percent pay increase for all pilots, effective as of May 1, 2020. This pay increase provides interim additional compensation to our pilots until a new JCBA is reached.

The Company and the IBT continued to meet virtually from March 2020 through January 2021 to move the process forward and bargain in good faith for a new JCBA. Substantive progress was made with tentative agreements reached for more than half of the articles in a new JCBA. On February 15, 2021, the Company and IBT completed the contractually-mandated nine-month period for negotiations for a JCBA. All remaining open issues not resolved in negotiations are subject to binding interest arbitration between the Company and the IBT, which occurred in the latter half of March 2021 and concluded on April 1, 2021. On March 30, 2021, the IBT provided the Company with the ISL.

On May 1, 2021, IBT Local 2750, which represents Atlas Air Pilots, also became the official IBT representative for all Southern Air pilots who had previously been represented by IBT Local 1224. While the Atlas and Southern pilots are represented by the same local, they remain two distinct pilot groups under separate CBAs until there is a new JCBA.

Once the arbitration decision is issued, there will be a new JCBA. We expect the decision to be issued during the second half of 2021 and that labor costs arising from the new JCBA will be materially greater than the costs under our current CBAs with Atlas pilots and Southern Air pilots.

We are subject to risks of work interruption or stoppage as permitted by the Railway Labor Act and may incur additional administrative expenses associated with union representation of our employees.

Preliminary Injunction

In late November 2017, the DC District Court issued a preliminary injunction preventing the IBT from "authorizing, encouraging, permitting, calling, engaging in, or continuing" any illegal pilot slowdown activities that were intended to gain leverage in pilot contract negotiations with the Company and requiring the IBT to meet its obligations under the Railway Labor Act. The IBT appealed to the DC Court of Appeals, which, in a unanimous three-judge panel, affirmed the DC District Court's ruling. On May 22, 2020, the IBT filed a motion to dismiss the Company's action for a preliminary injunction, which has been fully briefed. The preliminary injunction remains in full force and effect pending the court's decision. The preliminary injunction will expire once the parties' new JCBA becomes effective.

Matters Related to Alleged Pricing Practices

In the Netherlands, Stichting Cartel Compensation, successor in interest to claims of various shippers, has filed suit in the district court in Amsterdam against British Airways, KLM, Martinair, Air France, Lufthansa and Singapore Airlines seeking recovery for damages purportedly arising from allegedly unlawful pricing practices of such defendants. In response, British Airways, KLM, Martinair, Air France and Lufthansa filed third-party indemnification lawsuits against Polar Air Cargo, LLC ("Old Polar"), a consolidated subsidiary of the Company, and Polar, seeking indemnification in the event the defendants are found to be liable in the main proceedings. Another defendant, Thai Airways, filed a similar indemnification claim. Activities in the case have focused on various procedural issues and rulings, some of which are awaiting court decisions on appeal. The ultimate outcome of the lawsuit is likely to be affected by a decision readopted by the European Commission in March 2017, finding EU competition law violations by British Airways, KLM, Martinair, Air France and Lufthansa, among others, but not Old Polar or Polar. If the Company, Old Polar or Polar were to incur an unfavorable outcome, such outcome may have a material adverse impact on our business, financial condition, results of operations or cash flows. We are unable to reasonably estimate a range of possible loss for this matter at this time.

Brazilian Customs Claim

Old Polar was cited for two alleged customs violations in Sao Paulo, Brazil, relating to shipments of goods dating back to 1999 and 2000. Each claim asserts that goods listed on the flight manifest of two separate Old Polar scheduled service flights were not on board the aircraft upon arrival and therefore were improperly brought into Brazil. The two claims, which also seek unpaid customs duties, taxes and penalties from the date of the alleged infraction, are approximately \$3.6 million in aggregate based on March 31, 2021 exchange rates.

In both cases, we believe that the amounts claimed are substantially overstated due to a calculation error when considering the type and amount of goods allegedly missing, among other things. In the pending claim for one of the cases, we have received an administrative decision dismissing the claim in its entirety, which remains subject to a mandatory appeal by the Brazil customs authorities. In the other case, we received an administrative decision in favor of the Brazil customs authorities and we are in the process of appealing this decision to the Brazil courts. As required to defend such claims, we have made deposits pending resolution of these matters. The balance was \$3.0 million as of March 31, 2021 and \$3.3 million as of December 31, 2020, and is included in Deferred costs and other assets.

We are currently defending these and other Brazilian customs claims and the ultimate disposition of these claims, either individually or in the aggregate, is not expected to materially affect our financial condition, results of operations or cash flows.

Other

In addition to the matters described in this note, we have certain other contingencies incident to the ordinary course of business. Unless disclosed otherwise, management does not expect that the ultimate disposition of such other contingencies or matters will materially affect our financial condition, results of operations or cash flows.

13. Earnings Per Share

Basic earnings per share (“EPS”) represents income divided by the weighted average number of common shares outstanding during the measurement period. Diluted EPS represents income divided by the weighted average number of common shares outstanding during the measurement period while also giving effect to all potentially dilutive common shares that were outstanding during the period using the treasury stock method.

The calculations of basic and diluted EPS were as follows:

	For the Three Months Ended	
Numerator:	**March 31, 2021**	**March 31, 2020**
Net Income	$ 89,933	$ 23,353
Plus: Unrealized loss (gain) on financial instruments, net of tax	112	-
Diluted net income	$ 90,045	$ 23,353
Denominator:		
Basic EPS weighted average shares outstanding	28,491	25,966
Effect of dilutive warrants	751	-
Effect of dilutive restricted stock	236	-
Diluted EPS weighted average shares outstanding	29,478	25,966
Earnings per share:		
Basic	$ 3.16	$ 0.90
Diluted	$ 3.05	$ 0.90

Antidilutive shares related to warrants issued in connection with our Convertible Notes and warrants issued to a customer that were out of the money and excluded from the calculation of diluted EPS were 7.8 million for the three months ended March 31, 2021, and 15.5 million for the three months ended March 31, 2020. Diluted shares reflect the potential dilution that could occur from restricted shares using the treasury stock method. The calculation of EPS does not include restricted share units and customer warrants in which performance or market conditions were not satisfied of 10.1 million for the three months ended March 31, 2021 and 10.5 million for the three months ended March 31, 2020.

14. Accumulated Other Comprehensive Income (Loss)

The following table summarizes the components of Accumulated other comprehensive income (loss):

	Interest Rate Derivatives	Foreign Currency Translation	Total
Balance as of December 31, 2019	$ (2,827)	$ 9	$ (2,818)
Reclassification to interest expense	308	-	308
Tax effect	(63)	-	(63)
Balance as of March 31, 2020	$ (2,582)	$ 9	$ (2,573)
Balance as of December 31, 2020	$ (1,913)	$ 9	$ (1,904)
Reclassification to interest expense	268	-	268
Tax effect	(64)	-	(64)
Balance as of March 31, 2021	$ (1,709)	$ 9	$ (1,700)

Interest Rate Derivatives

As of March 31, 2021, there was $2.2 million of unamortized net realized loss before taxes remaining in Accumulated other comprehensive income (loss) related to terminated forward-starting interest rate swaps, which had been designated as cash flow hedges to effectively fix the interest rates on two 747-8F financings in 2011 and three 777-200LRF financings in 2014. The net loss is amortized and reclassified into Interest expense over the remaining life of the related debt. Net realized losses reclassified into earnings were $0.3 million for both the three months ended March 31, 2021 and 2020. Net realized losses expected to be reclassified into earnings within the next 12 months are $1.0 million as of March 31, 2021.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our Financial Statements appearing in this report and our audited consolidated financial statements and related notes included in our 2020 Annual Report on Form 10-K.

Background

Certain Terms - Glossary

The following represents terms and statistics specific to our business and industry. They are used by management to evaluate and measure operations, results, productivity and efficiency.

Block Hour	The time interval between when an aircraft departs the terminal until it arrives at the destination terminal.
C Check	“Heavy” airframe maintenance checks, which are more intensive in scope than Line Maintenance and are generally performed between 18 and 24 months depending on aircraft type.
D Check	“Heavy” airframe maintenance checks, which are the most extensive in scope and are generally performed every six and eight years depending on aircraft type.
Heavy Maintenance	Scheduled maintenance activities that are extensive in scope and are primarily based on time or usage intervals, which include, but are not limited to, C Checks, D Checks and engine overhauls. In addition, unscheduled engine repairs involving the removal of the engine from the aircraft are considered to be Heavy Maintenance.
Line Maintenance	Maintenance events occurring during normal day-to-day operations.
Non-heavy Maintenance	Discrete maintenance activities for the overhaul and repair of specific aircraft components, including landing gear, auxiliary power units and engine thrust reversers.
Utilization	The average number of Block Hours operated per day per aircraft.
Yield	The average amount a customer pays to fly one tonne of cargo one mile.

Business Overview

We are a leading global provider of outsourced aircraft and aviation operating services. We operate the world’s largest fleet of 747 freighters and provide customers a broad array of 747, 777, 767 and 737 aircraft for domestic, regional and international cargo and passenger operations. We provide unique value to our customers by giving them access to highly reliable new production freighters that deliver the lowest unit cost in the marketplace combined with outsourced aircraft operating services that we believe lead the industry in terms of quality and global scale. We provide global services with operations in Africa, Asia, Australia, Europe, the Middle East, North America and South America.

During the first quarter of 2021, we changed our operating and reportable segments, reflecting changes in our business (see Note 11 to our Financial Statements). Our primary service offerings are provided through two operating segments:

Airline Operations. Our Airline Operations segment provides outsourced aircraft operating services to customers including express delivery providers, e-commerce retailers, the U.S. military, charter brokers, freight forwarders, airlines, manufacturers, sports teams and fans, and private charter customers. We generally provide these services through aircraft operating service agreements, including those through which we provide aircraft to customers and value-added services, including crew, maintenance and insurance (“ACMI”), crew, maintenance and insurance, but not the aircraft (“CMI”) and cargo and passenger charter services (“Charter”).

Dry Leasing. Our Dry Leasing business provides cargo and passenger aircraft and engine leasing solutions. The customer operates, and is responsible for insuring and maintaining, the flight equipment.

We look to achieve our growth plans and enhance shareholder value by:

- Delivering superior service quality to our valued customers;
- Focusing on securing long-term customer contracts;
- Managing our fleet with a focus on leading-edge aircraft;
- Leveraging our flexible business model to maximize utilization;
- Driving significant and ongoing productivity improvements;

- Selectively pursuing and evaluating future acquisitions and alliances; while
- Appropriately managing capital allocation and delivering value to shareholders.

See "Business Overview" and "Business Strategy" in our 2020 Annual Report on Form 10-K for additional information.

Business Developments

In December 2019, COVID-19 was first reported in China and has since spread to many other regions of the world. In March 2020, it was determined to be a global pandemic by the World Health Organization. Since this public health crisis began, it has disrupted global manufacturing, supply chains, passenger travel and consumer spending, resulting in a reduction in flights by some of our ACMI customers and lower AMC passenger flying as the military has taken precautionary measures to limit the movement of personnel.

Our Airline Operations results for the first quarter of 2021, compared with 2020, were significantly impacted by the reduction of available cargo capacity in the market provided by passenger airlines and the disruption of global supply chains due to the COVID-19 pandemic, resulting in significantly higher commercial charter cargo Yields, net of fuel. Due to this strong demand in 2020, we reactivated four 747-400BCF aircraft that had been temporarily parked and began Charter operations using a 777-200 freighter aircraft that was previously in our Dry Leasing business. During 2020 and the first quarter of 2021, we entered into numerous long-term Charter programs with customers seeking to secure committed cargo capacity. These long-term Charter programs provide us with guaranteed revenue and include indexed fuel price adjustments to mitigate our exposure to fuel price volatility.

Given the dynamic nature of this pandemic, the duration of business disruption, the extent of customer cancellations and the related financial impact cannot be reasonably estimated at this time. We have incurred and expect to incur significant additional costs, including premium pay for pilots operating in certain areas significantly impacted by COVID-19; other operational costs, including costs for continuing to provide a safe working environment for our employees; and higher crew costs related to increased pay rates we provided to our pilots in May 2020. In addition, the availability of hotels and restaurants; evolving COVID-19-related travel restrictions and health screenings; and cancellations of passenger flights by other airlines globally or airport closures have impacted and could further impact our ability to position employees to operate our aircraft. In response to these challenging times, we have:

- implemented frequent deep cleaning of all aircraft and facilities;
- provided safety kits for each crewmember and all aircraft;
- adjusted routes to limit exposure to regions significantly impacted by the COVID-19 pandemic;
- implemented significant workforce testing, social distancing and protection measures at all of our facilities;
- made COVID-19 vaccinations available to employees;
- arranged for employees who can work remotely to do so based on local conditions;
- reduced nonessential employee travel;
- reduced the use of contractors;
- implemented a number of other cost reduction initiatives;
- entered into a Payroll Support Program Agreement with the U.S. Treasury; and
- deferred payment of the employer portion of social security taxes as provided for under the CARES Act through the end of 2020, half of which will be paid by the end of 2021 and the other half will be paid by the end of 2022.

The continuation or worsening of the aforementioned and other factors could materially affect our results for the duration of the COVID-19 pandemic.

On February 15, 2021, the Company and IBT completed the contractually mandated nine-month period for negotiations for a joint CBA. All remaining open issues not resolved in negotiations are subject to binding interest arbitration, which occurred in late March 2021. We expect the decision to be issued during the second half of 2021 and that labor costs arising from the new JCBA will be materially greater than the costs under our current CBAs with Atlas pilots and Southern Air pilots (see Note 12 to our Financial Statements for further discussion).

We continually assess our aircraft requirements and will make adjustments to our capacity as necessary. Some of these actions may involve grounding or disposing of aircraft or engines, which could result in asset impairments or other charges in future periods.

Airline Operations results for the first quarter of 2021, compared with 2020, were also impacted by increased flying from the following:

- In October 2020, a third 747-400 freighter entered service for Nippon Cargo Airlines on transpacific routes.

- In March 2019, we entered into agreements with Amazon, which include CMI operation of 737-800 freighter aircraft. A sixth and seventh 737-800 freighter aircraft entered service in September 2020, and an eighth aircraft entered service in October 2020.

We are focused on the further enhancement of all our services and have the flexibility to expand our fleet in response to market conditions. In January 2021, we signed an agreement with Boeing for the purchase of four new 747-8F aircraft. The aircraft are expected to be delivered from May 2022 through October 2022.

Results of Operations

The following discussion should be read in conjunction with our Financial Statements and other financial information appearing and referred to elsewhere in this report.

Three Months Ended March 31, 2021 and 2020

Operating Statistics

The following tables compare our Segment Operating Fleet (average aircraft equivalents during the period) for the three months ended March 31:

Segment Operating Fleet	**2021**	**2020**	**Inc/(Dec)**
Airline Operations*			
747-8F Cargo	10.0	10.0	-
747-400 Cargo	33.6	31.2	2.4
747-400 Dreamlifter	1.2	3.6	(2.4)
747-400 Passenger	4.9	5.0	(0.1)
777-200 Cargo	9.0	8.0	1.0
767-300 Cargo	24.0	24.0	-
767-300 Passenger	5.0	4.8	0.2
767-200 Cargo	5.6	9.0	(3.4)
767-200 Passenger	0.6	1.0	(0.4)
737-800 Cargo	8.0	5.0	3.0
737-400 Cargo	-	5.0	(5.0)
Total	101.9	106.6	(4.7)
Dry Leasing			
777-200 Cargo	7.0	7.0	-
767-300 Cargo	21.0	21.0	-
757-200 Cargo	-	0.5	(0.5)
737-300 Cargo	1.0	1.0	-
737-800 Passenger	-	0.6	(0.6)
Total	29.0	30.1	(1.1)
Less: Aircraft Dry Leased to CMI customers	(21.0)	(21.0)	-
Total Operating Average Aircraft Equivalents	109.9	115.7	(5.8)
Out-of-service**	-	5.4	(5.4)

* Airline Operations average fleet excludes spare aircraft provided by CMI customers.

** Out-of-service includes aircraft that are temporarily parked.

Block Hours	**2021**	**2020**	**Inc/(Dec)**	**% Change**
Total Block Hours***	88,523	73,247	15,276	20.9%

*** Includes Airline Operations and other Block Hours.

Operating Revenue

The following table compares our Operating Revenue for the three months ended March 31 (in thousands):

	2021	2020	Inc/(Dec)	% Change
Operating Revenue				
Airline Operations	$ 826,240	$ 606,373	$ 219,867	36.3%
Dry Leasing	40,364	41,926	(1,562)	(3.7)%
Customer incentive asset amortization	(10,481)	(9,022)	1,459	16.2%
Other	5,177	4,225	952	22.5%
Total Operating Revenue	$ 861,300	$ 643,502		

Airline Operations

	2021	2020	Inc/(Dec)	% Change
Block Hours				
Cargo	83,110	67,838	15,272	22.5%
Passenger	3,648	4,806	(1,158)	(24.1)%
Total Airline Operations	86,758	72,644	14,114	19.4%
Revenue Per Block Hour				
Airline Operations	$ 9,524	$ 8,347	$ 1,177	14.1%
Cargo	$ 9,127	$ 7,594	$ 1,533	20.2%
Passenger	$ 18,563	$ 18,973	$ (410)	(2.2)%

Airline Operations revenue increased $219.9 million, or 36.3%, primarily due to increased flying and an increase in Revenue per Block Hour. The increase in Block Hours flown was primarily driven by increased demand for our commercial cargo Charter and CMI services reflecting higher airfreight volumes and a reduction of available cargo capacity provided by passenger airlines in the market, the disruption of global supply chains due to the COVID-19 pandemic and our ability to increase aircraft utilization. Due to this strong demand, we reactivated four 747-400BCF aircraft throughout 2020 that had been temporarily parked and began using a 777-200 freighter aircraft that was previously in our Dry Leasing business. Partially offsetting these improvements was lower AMC passenger Charter flying as the U.S. military has taken precautionary measures to limit the movement of military personnel. Revenue per Block Hour rose primarily due to an increased proportion of higher-yielding commercial cargo Charter flying driven by the factors impacting commercial cargo Charter demand noted above, partially offset by lower fuel costs and an increase in CMI flying.

Dry Leasing

Dry Leasing revenue was relatively unchanged.

Operating Expenses

The following table compares our Operating Expenses for the three months ended March 31 (in thousands):

	2021	2020	Inc/(Dec)	% Change
Operating Expenses				
Salaries, wages and benefits	$ 202,614	$ 147,744	$ 54,870	37.1%
Aircraft fuel	163,551	108,318	55,233	51.0%
Maintenance, materials and repairs	121,133	94,152	26,981	28.7%
Depreciation and amortization	67,789	57,584	10,205	17.7%
Navigation fees, landing fees and other rent	44,887	31,401	13,486	42.9%
Passenger and ground handling services	40,065	31,959	8,106	25.4%
Travel	37,672	42,391	(4,719)	(11.1)%
Aircraft rent	20,756	23,967	(3,211)	(13.4)%
Loss (gain) on disposal of aircraft	16	(6,717)	(6,733)	NM
Transaction-related expenses	201	521	(320)	(61.4)%
Other	58,412	51,112	7,300	14.3%
Total Operating Expenses	$ 757,096	$ 582,432		

NM represents year-over-year changes that are not meaningful.

Salaries, wages and benefits increased $54.9 million, or 37.1%, primarily due to higher pilot costs related to increased flying, premium pay for pilots operating in certain areas significantly impacted by COVID-19 and increased pay rates we provided to our pilots in May 2020.

Aircraft fuel increased $55.2 million, or 51.0%, primarily due to higher consumption related to increased flying, partially offset by a decrease in the average fuel cost per gallon. We do not incur fuel expense in providing ACMI and CMI services or in our Dry Leasing business as the cost of fuel is borne by the customer. Average fuel cost per gallon and fuel consumption for the three months ended March 31 were:

	2021	2020	Inc/(Dec)	% Change
Average fuel cost per gallon	$ 1.71	$ 2.00	$ (0.29)	(14.5)%
Fuel gallons consumed (000s)	95,586	54,279	41,307	76.1%

Maintenance, materials and repairs increased $27.0 million, or 28.7%, primarily reflecting $19.4 million of increased Line Maintenance expense and $7.6 million of increased Heavy Maintenance expense. Line Maintenance expense increased primarily due to increased flying. Heavy Maintenance expense on 747-8F aircraft increased $6.9 million primarily due to an increase in the number of D Checks. Heavy Maintenance expense on 747-400 aircraft increased $1.2 million primarily due to an increase in the number of engine overhauls and an increase in the number of C Checks, partially offset by a decrease in the number of D Checks. Heavy Maintenance expense on 767 aircraft decreased $1.5 million primarily due to a decrease in the number of C Checks. Heavy airframe maintenance checks and engine overhauls impacting Maintenance, materials and repairs for the three months ended March 31 were:

Heavy Maintenance Events	2021	2020	Inc/(Dec)
747-400 C Checks	5	4	1
767 C Checks	2	3	(1)
747-8F D Checks	2	-	2
747-400 D Checks	1	3	(2)
CF6-80 engine overhauls	1	1	-
PW4000 engine overhauls	1	-	1

Depreciation and amortization increased $10.2 million, or 17.7%, primarily due to an increase in the amortization of deferred maintenance costs related to 747-8F engine overhauls (see Note 2 to our Financial Statements) and an increase in the scrapping of rotable parts related to the increase in the number of engine overhauls.

Navigation fees, landing fees and other rent increased $13.5 million, or 42.9%, primarily due to increased flying.

Passenger and ground handling services increased $8.1 million, or 25.4%, primarily due to increased cargo flying, partially offset by a decrease in passenger flying.

Travel decreased $4.7 million, or 11.1%, primarily due to decreased rates related to the impact of the COVID-19 pandemic, partially offset by an increase in flying.

Aircraft rent decreased $3.2 million, or 13.4%, primarily due to changes in leases.

Gain on disposal of aircraft in 2020 represents a net gain of $6.7 million from the sale of certain nonessential assets.

Other increased $7.3 million, or 14.3%, primarily due to costs for continuing to provide a safe working environment for our employees and costs associated with negotiations and arbitration for a joint CBA (see Note 12 to our Financial Statements).

Non-operating Expenses (Income)

The following table compares our Non-operating Expenses (Income) for the three months ended March 31 (in thousands):

	2021	2020	Inc/(Dec)	% Change
Non-operating Expenses (Income)				
Interest income	$ (211)	$ (480)	$ (269)	(56.0)%
Interest expense	27,180	29,275	(2,095)	(7.2)%
Capitalized interest	(1,271)	(193)	1,078	NM
Unrealized loss (gain) on financial instruments	113	(924)	(1,037)	(112.2)%
Other (income) expense, net	(39,456)	1,206	(40,662)	NM

Interest expense decreased $2.1 million, or 7.2%, primarily due to a reduction in our debt.

Other (income) expense, net increased primarily due to CARES Act grant income of $40.9 million (see Note 3 to our Financial Statements).

Income taxes. The effective income tax rates were 23.7% and 27.4% for the three months ended March 31, 2021 and 2020, respectively. The rate for the three months ended March 31, 2021 differed from the U.S. statutory rate primarily due to state income taxes and certain expenses that are not deductible for tax purposes. The rate for the three months ended March 31, 2020 differed from the U.S. statutory rate primarily due to tax expense from the vesting of share-based compensation.

Segments

The following table compares the Direct Contribution for our reportable segments for the three months ended March 31 (see Note 11 to our Financial Statements for the reconciliation to Operating income) (in thousands):

	2021	2020	Inc/(Dec)	% Change
Direct Contribution				
Airline Operations	$ 169,150	$ 103,087	$ 66,063	64.1%
Dry Leasing	10,564	10,698	(134)	(1.3)%
Total Direct Contribution	$ 179,714	$ 113,785	$ 65,929	57.9%
Unallocated expenses and (income), net	$ 61,535	$ 88,719	$ (27,184)	(30.6)%

Airline Operations Segment

Airline Operations Direct Contribution increased $66.1 million, or 64.1%, primarily due to increased commercial cargo Charter Yields, net of fuel, and an increase in demand for our commercial cargo Charter services reflecting higher airfreight volumes and a reduction of available capacity in the market, the disruption of global supply chains due to the COVID-19 pandemic and our ability to increase aircraft utilization. Direct Contribution also benefited from the operation of four 747-400 freighters reactivated throughout 2020 and a 777-200 freighter aircraft that was previously in our Dry Leasing business. Partially offsetting these improvements were higher pilot costs related to premium pay for pilots operating in certain areas significantly impacted by COVID-19 and increased pay rates we provided to our pilots in May 2020, and higher heavy maintenance.

Dry Leasing Segment

Dry Leasing Direct Contribution was relatively unchanged.

Unallocated expenses and (income), net

Unallocated expenses and (income), net decreased $27.2 million, or 30.6%, primarily due to CARES Act grant income.

Reconciliation of GAAP to non-GAAP Financial Measures

To supplement our Financial Statements presented in accordance with GAAP, we present certain non-GAAP financial measures to assist in the evaluation of our business performance. These non-GAAP financial measures include Adjusted Net Income, Adjusted Diluted EPS and Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), which exclude certain noncash income and expenses, and items impacting year-over-year comparisons of our results. These non-GAAP financial measures may not be comparable to similarly titled measures used by other companies and should not be considered in isolation or as a substitute for Net Income and Diluted EPS from continuing operations, net of taxes which are the most directly comparable measures of performance prepared in accordance with GAAP.

We use these non-GAAP financial measures in assessing the performance of our ongoing operations and in planning and forecasting future periods. These adjusted measures provide a more comparable basis to analyze operating results and earnings and are measures commonly used by shareholders to measure our performance. In addition, management's incentive compensation is determined, in part, by using Adjusted Net Income and Adjusted EBITDA. We believe that these adjusted measures, when considered together with the corresponding GAAP financial measures and the reconciliations to those measures, provide meaningful supplemental information to assist investors and analysts in understanding our business results and assessing our prospects for future performance.

The following is a reconciliation of Net Income and Diluted EPS to the corresponding non-GAAP financial measures (see Note 13 to our Financial Statements for the calculation of Diluted EPS) (in thousands, except per share data):

	For the Three Months Ended		
	March 31, 2021	March 31, 2020	Percent Change
Net Income	$ 89,933	$ 23,353	285.1%
Impact from:			
CARES Act grant income (a)	(40,944)	-	
Customer incentive asset amortization	10,481	9,022	
Noncash expenses and income, net (b)	4,672	4,386	
Unrealized loss (gain) on financial instruments	113	(924)	
Other, net (c)	329	(5,260)	
Income tax effect of reconciling items	7,631	(697)	
Adjusted Net Income	$ 72,215	$ 29,880	141.7%
Weighted average diluted shares outstanding	29,478	25,966	
Adjusted Diluted EPS	$ 2.45	$ 1.15	113.0%

	For the Three Months Ended		
	March 31, 2021	March 31, 2020	Percent Change
Net Income	$ 89,933	$ 23,353	285.1%
Interest expense, net	25,698	28,602	
Depreciation and amortization	67,789	57,584	
Income tax expense	27,916	8,833	
EBITDA	211,336	118,372	
CARES Act grant income (a)	(40,944)	-	
Customer incentive asset amortization	10,481	9,022	
Unrealized loss (gain) on financial instruments	113	(924)	
Other, net (c)	329	(5,260)	
Adjusted EBITDA	$ 181,315	$ 121,210	49.6%

(a) CARES Act grant income in 2021 related to income associated with the Payroll Support Program (see Note 3 to our Financial Statements).

(b) Noncash expenses and income, net in 2021 and 2020 primarily related to amortization of debt discount on the convertible notes (see Note 8 to our Financial Statements).

(c) Other, net in 2021 primarily related to costs associated with our acquisition of Southern Air. Other, net in 2020 primarily related to a $6.7 million net gain on the sale of aircraft and costs associated with the refinancing of debt and our acquisition of Southern Air.

Liquidity and Capital Resources

The most significant liquidity event during the first quarter of 2021 was as follows:

In March 2021, we borrowed $16.2 million at a fixed interest rate of 0.93% under an unsecured five-year term loan due in January 2026 for GEnx engine performance upgrade kits and overhauls. The term loan is subject to customary fees, covenants and events of default, with principal and interest payable quarterly (see Note 8 to our Financial Statements).

Operating Activities. Net cash provided by operating activities was $88.1 million for the first quarter of 2021, which primarily reflected Net Income of $89.9 million, noncash adjustments of $86.2 million for Depreciation and amortization and $27.8 million for Deferred taxes, partially offset by a $89.4 million decrease in Accounts payable, accrued liabilities and other liabilities, a $22.7 million increase in Accounts receivable and a $7.5 million increase in Prepaid expenses, current assets and other assets. Net cash provided by operating activities was $71.8 million for the first quarter of 2020, which primarily reflected Net Income of $23.4 million, noncash adjustments of $74.4 million for Depreciation and amortization and $7.4 million for Deferred taxes and a $16.5 million decrease in Accounts receivable, partially offset by a $40.4 million decrease in Accounts payable, accrued liabilities and other liabilities, and a $5.5 million increase in Prepaid expenses, current assets and other assets.

Investing Activities. Net cash used for investing activities was $153.2 million for the first quarter of 2021, consisting primarily of $126.8 million of purchase deposits and payments for flight equipment and modifications and $26.7 million of payments for core capital expenditures, excluding flight equipment. Purchase deposits and payments for flight equipment and modifications during the first quarter of 2021 were primarily related to pre-delivery payments, spare engines and GEnx engine performance upgrade kits. All capital expenditures for 2021 were funded through working capital and the financing discussed above. Net cash provided by investing activities was $10.7 million for the first quarter of 2020, consisting primarily of $44.1 million of proceeds from disposal of aircraft, partially offset by $26.0 million of purchase deposits and payments for flight equipment and modifications and $8.3 million of payments for core capital expenditures, excluding flight equipment. Payments for flight equipment and modifications during the first quarter of 2020 were primarily related to spare engines and GEnx engine performance upgrade kits.

Financing Activities. Net cash used for financing activities was $77.2 million for the first quarter of 2021, which primarily reflected $78.0 million of payments on debt, $12.3 million in payments of maintenance reserves and $7.4 million related to treasury shares withheld for payment of taxes, partially offset by $16.2 million of proceeds from debt issuance and $5.2 million of customer maintenance reserves and deposits received. Net cash provided by financing activities was $39.6 million for the first quarter of 2020, which primarily reflected $164.0 million from debt issuance and $75.0 million of proceeds from our revolving credit facility, partially offset by $193.6 million of payments on debt and $3.8 million related to treasury shares withheld for payment of taxes.

In response to the COVID-19 pandemic, we have significantly reduced nonessential employee travel, reduced the use of contractors, implemented a number of other cost reduction initiatives and taken actions to increase liquidity and strengthen our financial position, including participation in the Payroll Support Program and deferral of the payment of the employer portion of social security taxes as provided for under the CARES Act. In connection with our participation in the Payroll Support Program, we agreed not to repurchase shares in the open market of, or make dividend payments with respect to, our common stock through September 30, 2021. We consider Cash and cash equivalents, Net cash provided by operating activities and availability under our revolving credit facility to be sufficient to meet our debt and lease obligations, and to fund committed and core capital expenditures for the remainder of 2021. Core capital expenditures for the remainder of 2021 are expected to range from $85.0 to $95.0 million, which excludes flight equipment and capitalized interest. Committed capital expenditures for flight equipment for the remainder of 2021 are expected to be $179.1 million. These expenditures include pre-delivery payments for our January 2021 agreement to purchase four 747-8F aircraft from Boeing that are expected to be delivered from May 2022 through October 2022, spare engines, and 747-400 passenger aircraft (to be used for both replacement of older passenger aircraft in service, as well as spare engines and parts).

We may access external sources of capital from time to time depending on our cash requirements, assessments of current and anticipated market conditions, and the after-tax cost of capital. To that end, we filed a shelf registration statement with the SEC in April 2020 that enables us to sell debt and/or equity securities on a registered basis over the subsequent three years, depending on market conditions, our capital needs and other factors. Our access to capital markets can be adversely impacted by prevailing economic conditions and by financial, business and other factors, some of which are beyond our control. Additionally, our borrowing costs are affected by market conditions and may be adversely impacted by a tightening in credit markets.

We do not expect to pay any significant U.S. federal income tax in the foreseeable future. Our business operations are subject to income tax in several foreign jurisdictions and in many states. We do not expect to pay any significant cash income taxes for at least several years in these foreign jurisdictions and states. We may repatriate the unremitted earnings of our foreign subsidiaries to the extent taxes are insignificant.

Contractual Obligations and Debt Agreements

See Notes 3 and 8 to our Financial Statements for a description of our new debt. See our 2020 Annual Report on Form 10-K for a tabular disclosure of our contractual obligations as of December 31, 2020 and a description of our other debt obligations and amendments thereto.

Off-Balance Sheet Arrangements

There were no material changes in our off-balance sheet arrangements during the three months ended March 31, 2021.

Recent Accounting Pronouncements

See Note 2 to our Financial Statements for a discussion of recent accounting pronouncements.

Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "Report"), as well as other reports, releases and written and oral communications issued or made from time to time by or on behalf of AAWW, contain statements that may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Those statements are based on management's beliefs, plans, expectations and assumptions, and on information currently available to management. Generally, the words "will," "may," "should," "expect," "anticipate," "intend," "plan," "continue," "believe," "seek," "project," "estimate" and similar expressions used in this Report that do not relate to historical facts are intended to identify forward-looking statements.

The forward-looking statements in this Report are not representations or guarantees of future performance and involve certain risks, uncertainties and assumptions. Such risks, uncertainties and assumptions include, but are not limited to, those described in our Annual Report on Form 10-K for the year ended December 31, 2020. Many of such factors are beyond AAWW's control and are difficult to predict. As a result, AAWW's future actions, financial position, results of operations and the market price for shares of AAWW's common stock could differ materially from those expressed in any forward-looking statements. Readers are therefore cautioned not to place undue reliance on forward-looking statements. Such forward-looking statements speak only as of the date of this report. AAWW does not intend to publicly update any forward-looking statements that may be made from time to time by, or on behalf of, AAWW, whether as a result of new information, future events or otherwise, except as required by law and expressly disclaims any obligation to revise or update publicly any forward-looking statement to reflect future events or circumstances.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In Part II, Item 7A "Quantitative and Qualitative Disclosures about Market Risk" included in our 2020 Annual Report on Form 10-K, we discuss our earnings exposure from changes in our common stock price due to the impact those changes have on the fair value of our liability for a warrant issued to a customer. Our earnings are no longer affected by changes in our common stock price due to the customer's exercise of the warrant during the three months ended March 31, 2021 (see Note 5 to our Financial Statements for further discussion). There have been no other material changes to our market risk during the three months ended March 31, 2021. For additional discussion of our exposure to market risk, refer to Part II, Item 7A "Quantitative and Qualitative Disclosures About Market Risk" included in our 2020 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d - 15(e) under the Exchange Act) as of March 31, 2021. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended March 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

With respect to the fiscal quarter ended March 31, 2021, the information required in response to this Item is set forth in Note 12 to our Financial Statements and such information is incorporated herein by reference. Such description contains all of the information required with respect hereto.

ITEM 1A. RISK FACTORS

There have been no material changes in our risk factors from those disclosed in our 2020 Annual Report on Form 10-K.

ITEM 6. EXHIBITS

a. Exhibits

See accompanying Exhibit Index included before the signature page of this report for a list of exhibits filed or furnished with this report.

EXHIBIT INDEX

Exhibit Number	Description
10.1	Atlas Air Worldwide Holdings, Inc. Strategic Bonus Plan for Senior Executives (EVP and above).
10.2	Atlas Air Worldwide Holdings, Inc. Long Term Cash Incentive Plan (OTP).
10.3	Atlas Air Worldwide Holdings, Inc. 2021 Long Term Cash Incentive Program.
10.4	Amendment to the Atlas Air Worldwide Holdings, Inc. Long Term Cash Incentive Programs for 2018 and 2019.
10.5	Purchase Agreement Number AH5-PA-05094, dated as of January 7, 2021, between The Boeing Company and Atlas Air Worldwide Holdings, Inc. (Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment, and the omitted portions have been filed with the Securities and Exchange Commission.).
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer.
32.1	Section 1350 Certifications.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. *
101.SCH	Inline XBRL Taxonomy Extension Schema Document. *
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document. *
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document. *
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document. *
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document. *
104	Cover Page Interactive Data File – the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101).

* Attached as Exhibit 101 to this report are the following formatted in Inline XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets as of March 31, 2021 and December 31, 2020, (ii) Consolidated Statements of Operations for the three months ended March 31, 2021 and 2020, (iii) Consolidated Statements of Comprehensive Income for the three months ended March 31, 2021 and 2020, (iv) Consolidated Statements of Cash Flows for the three months ended March 31, 2021 and 2020, (v) Consolidated Statements of Stockholders' Equity as of and for the three months ended March 31, 2021 and 2020 and (vi) Notes to the Unaudited Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Atlas Air Worldwide Holdings, Inc.

Dated: May 5, 2021

/s/ John W. Dietrich

John W. Dietrich
President and Chief Executive Officer

Dated: May 5, 2021

/s/ Spencer Schwartz

Spencer Schwartz
Executive Vice President and Chief Financial Officer

Exhibit 10.1

ATLAS AIR WORLDWIDE HOLDINGS, INC.

STRATEGIC BONUS PLAN

FOR SENIOR EXECUTIVES (EVP and above)

(2021 – 2022)

Adopted by Compensation Committee: As of February 3, 2021

ATLAS AIR WORLDWIDE HOLDINGS, INC.

STRATEGIC BONUS PLAN

FOR SENIOR EXECUTIVES (EVP and above)

Section 1. Purpose.

The purpose of the Program is to set forth certain terms and conditions governing short term incentive awards to executives of Atlas Air, Inc. ("Atlas Air"). The Program shall be effective as of January 1, 2021 and shall be applicable for the Program Period unless amended or terminated by the Committee pursuant to Section 10. Capitalized terms not defined herein shall have the meanings given in the Atlas Air Worldwide Holdings, Inc. ("AAWW") 2018 Incentive Plan (the "Plan").

Section 2. Definitions.

2.1. Award

shall mean an opportunity to earn benefits under the Program.

2.2. Atlas

shall mean AAWW or Atlas Air.

2.3. Base Salary

shall mean an Eligible Employee's actual base salary for the applicable period.

2.4. Board

shall mean the Board of Directors of AAWW.

2.5. Beneficiary

shall mean a Participant's beneficiary designated pursuant to Section 8.

2.6. Cause shall mean (i) the Participant's refusal or failure (other than during periods of illness or Disability) to perform his or her material duties and responsibilities to Atlas, (ii) the conviction or plea of guilty or nolo contendere of the Participant in respect of any felony, other than a motor vehicle offense, (iii) the commission of any act which causes material injury to the reputation, business or business relationships of Atlas including, without limitation, any material breach of written policies of Atlas with respect to trading in securities, (iv) other acts of fraud in connection with the Participant's duties and responsibilities to Atlas, including, without limitation, misappropriation, theft or embezzlement in the performance of the Participant's duties and responsibilities as an employee of Atlas, or (v) a violation of any material Atlas policy, including, without limitation, a violation of the laws against workplace discrimination.

2.7. Change in Control shall mean the occurrence of any of the following:

(i) any "person" (as used herein, as defined in Section 3(a)(9) of the Securities Exchange Act of 1934 (the "Exchange Act") and as used in Sections 13(d) and 14(d) thereof) or "group" (as used herein, as defined in Section 13(d) of the Exchange Act), acquires ownership or beneficial ownership of AAWW securities that, together with securities held by such person or group, constitutes more than 50% of the total fair market value of the issued and outstanding shares or the total voting power of AAWW;

(ii) any "person" or "group," during the 12-month period ending on the date of the most recent acquisition by such "person" or "group" acquires ownership of AAWW securities that constitute 30% or more of the total fair market value of the issued and outstanding shares or the total voting power of AAWW;

(iii) the replacement of a majority of members of the Board during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the appointment or election;

(iv) the acquisition by a person or group, during the 12-month period ending on the date of the most recent acquisition by such person or group, of assets from AAWW that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all the assets of AAWW; or

(v) the consummation of a complete liquidation or dissolution of AAWW.

For purposes of determining whether a Change in Control has occurred (i) shares of AAWW received upon conversion of an option or warrant is considered to be an acquisition of shares of AAWW and (ii) in the event the persons who were beneficial owners of AAWW shares immediately prior to the consummation of a merger, share exchange, business combination or other similar corporate transaction continue to beneficially own, directly or indirectly, more than 50% of total fair market value of the issued and outstanding shares or the total voting power of AAWW (including a corporation or entity that, as a result of such transaction, owns AAWW or all or substantially all of AAWW's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such consummation of such transaction, such transaction shall not constitute a Change in Control.

Notwithstanding anything to the contrary herein, with respect to any amounts payable hereunder that constitute deferred compensation for purposes of Section 409A, such payment or settlement may accelerate upon a Change in Control for purposes of this Program only if such Change in Control also constitutes a "change in control event" (as that term is defined at Section 1.409A-3(i)(5) of the Treasury Regulations) (it being understood that vesting of amounts payable hereunder may accelerate upon a Change in Control, even if payment of such amounts may not accelerate pursuant to this sentence).

2.8. Change in Control Good Reason shall mean (i) a material reduction in the Participant's duties and responsibilities from those of the Participant's most recent position with Atlas, (ii) a reduction of the Participant's aggregate salary, benefits and other compensation (including any incentive opportunity) from that which the Participant was most recently entitled during Employment other than in connection with a reduction as part of a general reduction applicable to all similarly-situated employees of Atlas, or (iii) a relocation of the Participant to a position that is located greater than 40 miles from the location of such Participant's most recent principal location of Employment with Atlas; provided, however, that the Employee will be treated as having resigned for Change in Control Good Reason only if he or she provides Atlas with a notice of termination within 90 days of the initial existence of one of the conditions described above, following which Atlas shall have 30 days from the receipt of the notice of termination to cure the event specified in the notice of termination and, if Atlas fails to so cure the event, the

Participant must terminate his or her Employment not later than 30 days following the end of such cure period.

2.9. Code

shall mean the Internal Revenue Code of 1986, as amended from time to time.

2.10. Committee

shall mean the Compensation Committee of the Board.

2.11. Disability shall mean, with respect to any Participant who is party to an employment, severance-benefit, change in control or similar agreement with Atlas that contains a definition of "Disability," the definition set forth in such agreement. In the case of any other Participant, except as expressly provided otherwise in an Award agreement, "Disability" shall mean such Participant's having been continuously disabled from performing duties assigned to the Participant for a period of not less than six consecutive calendar months, in which case such Disability shall be deemed to have commenced on the date following the end of such six consecutive calendar months.

2.12. Eligible Employee

shall mean any of the Chief Executive Officer, President and Executive Vice Presidents of Atlas Air, Inc. and such other Atlas senior executive officers as shall be designated by the Committee.

2.13. Good Reason shall mean (i) a material reduction in the Participant's annual Base Salary, Target Bonus Percentage, or target long-term incentive award opportunity, in each case as then in effect, or other material benefits provided to officers of Atlas, except where such reduction is part of a general reduction in salary or benefits by Atlas or (ii) a material reduction in the Participant's title or job responsibilities; provided, however, that a Participant shall be treated as having resigned due to Good Reason only if he or she provides Atlas with a notice of termination within 90 days of the initial existence of one of the conditions described above, following which Atlas shall have 30 days from the receipt of the notice of termination to cure the event specified in the notice of termination and, if Atlas fails to so cure the event, the Participant must terminate his or her Employment not later than 30 days following the end of such cure period.

2.14. Participant

shall mean any Eligible Employee during such Eligible Employee's period of participation in the Program.

2.15. Program

shall mean this Atlas Air Worldwide Holdings, Inc. Strategic Bonus Plan for Senior Executives, as it may be amended from time to time.

2.16. Performance Criteria shall mean specified criteria, other than solely the continuation of employment or solely the passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award.

2.17. Program Period

shall mean the period from January 1, 2021 through March 31, 2022.

2.18. Retirement shall mean a termination of a Participant's Employment with Atlas by the Participant on or after the Participant (i) attains age fifty-five (55) and has completed ten (10) years of service with Atlas, and (ii) has given not less than three (3) months' advanced written notice of such proposed Retirement to the then current Chief Executive Officer of AAWW; provided, however, that if such Participant is terminated by Atlas for Cause after providing such advanced written notice, such termination shall not be considered a Retirement, as defined herein. Notwithstanding clause (ii) above, in the event of a proposed Retirement of the then current Chief Executive Officer of AAWW, he or she must give not less than six (6) months' advance written notice to the Board and a majority of the members of the Board (disregarding the Board membership of the Chief Executive Officer of AAWW for these purposes) must approve such retirement.

2.19. Termination of Service shall mean the date a Participant ceases to be an Eligible Employee.

Section 3. Administration.

The Program shall be administered by the Committee. The Committee shall have full power and authority in its sole discretion to (i) construe and interpret the Program, (ii) establish and amend administrative regulations to further the purpose of the Program, (iii) determine the extent to which Award payments have been earned by virtue of satisfying the goals described in Section 5 and whether any other Performance Criteria have been satisfied, (iv) determine the amount otherwise payable under Section 5, (v) determine whether to settle a portion of the Award in AAWW stock, and (vi) take any other action necessary to administer the Program. All decisions, actions, or interpretations of the Committee shall be final, conclusive, and binding upon all Participants.

Section 4. Participation.

4.1 General. Each Eligible Employee shall participate in the Program if he or she is employed as an Eligible Employee on the first day of the Program Period. An individual who becomes an Eligible Employee during a Program Period following the first day of the Program Period, but prior to September 30 of the applicable Program Period, may participate only with respect to Base Salary earned on and after the date he or she first becomes an Eligible Employee.

4.2 Change of Title/Position. If an Eligible Employee is promoted during a Program Period such that his or her Base Salary, Target Bonus Percentage (as defined below) and/or Maximum Bonus Percentage (as defined below) increases, (i) for the portion of the Program Period prior to such promotion, the Award will be calculated as set forth herein using (A) the Base Salary earned prior to the effective date of such promotion, and (B) the Target Bonus Percentage and Maximum Bonus Percentage applicable to the Eligible Employee's title/position prior to the effective date of such promotion, and (ii) for the portion of the Program Period following such promotion, the Award will be calculated as set forth herein using (A) the Base Salary earned on and after the effective date of such promotion, and (B) the Target Bonus Percentage and Maximum Bonus Percentage applicable to the Eligible Employee's new title/position on and after the effective date of such promotion.

4.3 Other Compensation. Any determination by the Committee to provide incentive compensation to an Eligible Employee other than as described in this Section 4 shall be treated as a separate award made outside the Program.

Section 5. Determination of Awards.

5.1. Target Bonus Percentage. The "Target Bonus Percentage" shall mean the following percentage of Base Salary for each Participant, as such percentages may be increased by the Committee from time to time: (i) one hundred twenty-five percent (125%) of Base Salary for the Chief Executive Officer of AAWW, (ii) one hundred ten percent (110%) of Base Salary for Executive Vice Presidents who also hold the title of Chief Executive Officer of Titan Aviation Holdings, Inc., (iii) ninety-five percent (95%) of Base Salary for Executive Vice Presidents who also hold the title of General Counsel or Chief Financial Officer, and (iv) eighty-five percent (85%) of Base Salary for Executive Vice Presidents who also hold the title of Chief Operating Officer.

5.2. Maximum Bonus Award. The maximum bonus payable under an Award for the Program Period will be the lesser of (i) the dollar limit set forth in Section 4(c) of the Plan, and (ii) the following percentage of Base Salary for each Participant, as such percentages may be increased by the Committee from time to time: (A) two hundred fifty percent (250%) of Base Salary for the Chief Executive Officer of AAWW, (B) two hundred twenty percent (220%) for the Executive Vice President of AAWW who also holds the title of Chief Executive Officer of Titan Aviation Holdings, Inc., (C) one hundred ninety percent (190%) of Base Salary for Executive Vice Presidents who also hold the title of General Counsel or Chief Financial Officer of AAWW, and (iv) one hundred seventy percent (170%) of Base Salary for the Executive Vice President who also holds the title of Chief Operating Officer (each, a "Maximum Bonus Percentage").

5.3. Performance Measures. Payment under an Award is conditioned upon achievement of the Adjusted Income Goal, Service Reliability Goal and Management Business Objectives Goal, each as described below.

(a) **Adjusted Income Goal**. The Adjusted Income Goal is based on Atlas's aggregate adjusted income from continuing operations, net of taxes ("Adjusted Income") as reported in Atlas's press release reporting financial results for the 2021 fiscal year and for the fiscal quarter ending March 31, 2022, as may be further provided in any exhibit to the Program (the "Adjusted Income Goal"). For the Program Period, the threshold Adjusted Income level (which must be met before any amounts will be payable under Awards), the maximum Adjusted Income level, intermediate Adjusted Income levels, and the percentage of each Participant's target bonus award that will be deemed achieved at each such profit level, will be determined by the Committee.

(b) **Service Reliability Goal**. The Service Reliability Goal is based on the level of achievement of such goals as the Committee may determine for the Program Period (the "Service Reliability Goal"), as may be further provided in any exhibit to the Program.

(c) **Management Business Objectives Goal**. The Management Business Objectives Goal ("MBO Goals") reflects the level of achievement of such individual MBOs as may be determined in the case of any Participant for the Program Period.

(d) **Effect of Corporate Transactions and other Exigencies**. Without limiting the generality of the foregoing, the Committee shall have the authority to identify objectively determinable events (for example, but without limitation, acquisitions or dispositions) which, if they occur, would have a material effect on objective Performance Criteria applicable to Awards under the Program, and to adjust such Performance Criteria in an objectively determinable manner to reflect such events.

Section 6. Payment of Awards under this Program.

6.1. General. Subject to Section 6.4 and Section 7, a Participant will be entitled to receive payment, if any, under an Award if the Participant is still employed by Atlas on the last day of the Program Period for which the Award is paid, unless in the period between the last day of the Program Period and any payout under the Program, the Participant is terminated by Atlas for Cause or the Participant terminates his or her Employment with Atlas for any reason other than for Good Reason or by reason of a Retirement. A Participant will receive an Award in the manner and at the times set forth in this Section 6.

6.2. Time of Payment. Any amount payable with respect to an Award for a Program Period shall be paid by Atlas within two weeks following certification by the Committee as to achievement of the performance measures set forth in Section 5.3.

6.3. Form of Payment. All amounts payable for an Award shall be paid in cash or AAWW stock, but AAWW stock may be used, if at all, at the Committee's discretion in consultation with such Participant, and only for the portion of the Award that exceeds fifty percent (50%) of Base Salary.

6.4. Termination of Employment.

(a) **In General**. Except as provided otherwise in this Section 6.4 or Section 7, a Participant whose Employment terminates for any reason prior to the last day of the Program Period for which an Award is payable shall forfeit such Award.

(b) **Termination Bonus Amount**. For purposes of this Section 6.4 or Section 7, "Termination Bonus Amount" shall mean a payment with respect to an Award for the Program Period in an amount equal to, (A) in the event the Termination of Service occurs after September 30 of the Program Period, the greater of (1) the amount he or she would have received if he or she was employed by Atlas on the last day of the Program Period based upon actual company performance measured pursuant to the Program (and assuming for such purpose that his or her MBO Goals have been achieved at least at target), or (2) his or her Target Bonus Percentage (such amount, the "Full Termination Bonus Amount") or (B) in the event the Termination of Service occurs prior to October 1 of the Program Period, the Full Termination Bonus Amount multiplied by a fraction, the numerator of which is the number of days from the commencement of the Program Period until such Termination of Service and the denominator of which is 455.

(c) **Death or Disability**. In the event of a Participant's Termination of Service during a Program Period due to his or her death or Disability, the Participant shall be entitled to receive the Termination Bonus Amount.

(d) **Involuntary Termination; Good Reason; Retirement**. If a Participant's Employment terminates during the Program Period by reason of (i) an involuntary termination by Atlas not for Cause, (ii) termination by the Participant for Good Reason, or (iii) Retirement, the Participant shall be entitled to receive the Termination Bonus Amount. Such payment shall be subject to all terms and conditions of the Program, including without limitation the provisions of Section 5 (relating to determination of the Award) and Section 6.2 (relating to the time of payment of the Award).

(e) **Relationship with Other Agreements.** This Section 6.4 shall not apply to the extent the rights of a Participant in such circumstances are governed by another agreement.

Section 7. Change in Control.

In the event of a Change in Control, payment with respect to an Award for the Program Period in which such Change in Control occurred shall be an amount equal to the greater of (a) the applicable Target Bonus Percentage and (b) actual company performance measured pursuant to the Program (such greater amount, the "CIC Bonus Amount"). In the event a Participant's Employment is terminated during the Program Period in which a Change in Control occurs (i) following such Change in Control by reason of (A) an involuntary termination by Atlas not for Cause, (B) termination by the Participant for Change in Control Good Reason, (C) Retirement, (D) death, or Disability; or, (ii) within six months prior to such Change in Control, by Atlas not for Cause or by the Participant for Change in Control Good Reason, in each case, instead of the treatment described in Section 6.4, such Participant shall be entitled to the CIC Bonus Amount (for the avoidance of doubt, without proration). Such payment shall be subject to all terms and conditions of the Program, including without limitation the provisions of Section 5 (relating to determination of the Award) and Section 6.2 (relating to the time of payment of the Award).

Section 8. Beneficiary Designation.

8.1. Designation and Change of Designation. Each Participant shall file with Atlas a written designation of one or more persons as the Beneficiary who shall be entitled to receive the Award, if any, payable under the Program upon the Participant's death. A Participant may, from time to time, revoke or change his or her Beneficiary designation without the consent of any prior Beneficiary by filing a new designation with Atlas. The last such designation received by Atlas shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by Atlas prior to the Participant's death, and in no event shall it be effective as of any date prior to such receipt.

8.2. Absence of Valid Designation. If no such Beneficiary designation is in effect at the time of a Participant's death, or if no designated Beneficiary survives the Participant, or if such designation conflicts with law, the Participant's estate shall be deemed to have been designated as the Participant's Beneficiary and shall receive the payment of the amount, if any, payable under the Program upon his death. If Atlas is in doubt as to the right of any person to receive such amount, Atlas may retain such amount, without liability for any interest thereon, until the rights thereto are determined, or Atlas may pay such amount into any court of appropriate jurisdiction and such payment shall be a complete discharge of the liability of the Program and Atlas therefor.

Section 9. General Provisions.

9.1. Program to be Unfunded. The Program is intended to constitute an unfunded incentive compensation arrangement. Nothing contained in the Program, and no action taken pursuant to the Program, shall create or be construed to create a trust of any kind. A Participant's right to receive an Award shall be no greater than the right of an unsecured general creditor of Atlas. All Awards shall be paid from the general funds of Atlas, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such Awards. There shall not vest in any Participant or Beneficiary any right, title, or interest in and to any specific assets of Atlas.

9.2. Section 409A of the Code. Awards under the Program are intended to be exempt from the requirements of Section 409A of the Code and shall be construed and administered accordingly. Notwithstanding anything to the contrary in the Program, neither Atlas, nor any affiliate, nor the Committee, nor any person acting on behalf of Atlas, any affiliate, or the Committee, shall be liable to any Participant or to the estate or beneficiary of any Participant or to any other holder of an Award by reason of any acceleration of income, or any additional tax, asserted by reason of the failure of an Award to satisfy the requirements of Section 409A or by reason of Section 4999 of the Code; provided, that nothing in this Section 9.2 shall limit the ability of the Committee or Atlas to provide by separate express written agreement with a Participant for a gross-up payment or other payment in connection with any such tax or additional tax.

9.3. Rights Limited; Conflicts. Nothing contained in the Program shall give any Eligible Employee the right to continue in the employment of Atlas, or limit the right of Atlas to discharge an Eligible Employee. If there is a conflict between this Program and another senior executive employment program or arrangement, such other program or arrangement shall control.

9.4. Governing Law. The Program shall be construed and governed in accordance with the laws of the State of New York.

9.5. Taxes. There shall be deducted from all amounts paid under the Program all federal, state, local and other taxes required by law to be withheld with respect to such payments.

Section 10. Amendment, Suspension, or Termination.

Except with respect to 6.4(c) for any Program Period in effect, the Committee reserves the right to amend, suspend, or terminate the Program at any time. Without limiting the generality of the foregoing, the Committee reserves the right to reduce or replace at the same or similar value any Award granted under the Program in the event the Committee determines in its sole discretion, following consultation with such impacted Participant, that such action is necessary or advisable in order to maintain the Company's compliance with the terms of the Coronavirus Aid, Relief, and Economic Security Act and any applicable guidance issued thereunder or any agreement entered into by the Company or any of affiliate thereunder, in each case as may be amended from time to time.

Section 11. Awards Subject to Clawback

Pursuant to AAWW's Executive Compensation Clawback Policy, as the same is in effect following its adoption by the Board and as may be subsequently amended from time to time (the "Clawback Policy"), by his or her acceptance of an Award under the Program, the Participant agrees that the Company may withhold, and Participant will forfeit, compensation otherwise payable under an Award or seek recovery from, and the Participant agrees to repay, compensation previously paid under an Award, as the case may be, as provided by the Clawback Policy, or to the extent required to comply with applicable law.

Exhibit 10.2

ATLAS AIR WORLDWIDE HOLDINGS, INC.

2021 LONG TERM CASH INCENTIVE PROGRAM (OTP)

ATLAS AIR WORLDWIDE HOLDINGS, INC.

2021 LONG TERM CASH INCENTIVE PROGRAM (OTP)

Section 1. Purpose.

The purpose of the Program is to set forth certain terms and conditions governing cash awards made under Atlas Air Worldwide Holdings, Inc.'s ("AAWW") 2018 Incentive Plan (the "Plan"). The Program shall be treated for all purposes as a sub-plan or arrangement for the grant of Cash Awards under the Plan and shall be subject to the Plan, which is incorporated herein by reference. The Program shall be effective as of January 1, 2021. Capitalized terms not defined herein shall have the meanings given in the Plan.

Section 2. Definitions.

2.1. Award shall mean an opportunity to earn benefits under the Program.

2.2. Board shall mean the Board of Directors of AAWW.

2.3. Beneficiary shall mean a Participant's beneficiary designated pursuant to Section 8.

2.4. Code shall mean the Internal Revenue Code of 1986, as amended from time to time.

2.5. Committee shall mean the Compensation Committee of the Board.

2.6. Company shall mean AAWW or its operating subsidiaries, as applicable.

2.7. Eligible Participant shall mean any of the Chief Executive Officer, President, and Executive Vice Presidents of the Company, and such other Company officers as may from time to time be designated by the Committee.

2.8. OTP shall mean On-time Performance.

2.9. Participant shall mean any Eligible Participant during such Eligible Participant's period of participation in the Program.

2.10. Performance Period shall mean each of (i) January 1, 2021 through and including March 31, 2022; (ii) January 1, 2022 through and including December 31, 2022; and (iii) January 1, 2023 through and including December 31, 2023, collectively (the "Performance Periods").

2.11. Program shall mean this Atlas Air Worldwide Holdings, Inc. 2021 Long Term Cash Incentive Program (OTP), as it may be amended from time to time.

Section 3. Administration.

The Program shall be administered by the Committee in accordance with and subject to the provisions of Section 3 of the Plan.

Section 4. Participation.

Each individual who is employed as an Eligible Participant on the first day of the first Performance Period (i.e., January 1, 2021) shall participate in the Program.

Section 5. Determination of Awards.

5.1. Target Bonus Award. The target cash bonus payable under an Award for each Performance Period will be the amount established by the Committee for each Eligible Participant (the "Target Bonus Amount").

5.2. On-Time Performance Goal.

(a) Payment of an Award is conditioned upon written certification by the Committee of satisfaction of the achievement of certain OTP goals for each Performance Period, as described in this Section 5.2. The actual amount payable pursuant to an Award for each Performance Period shall be the "Payable Amount." OTP goals are based on achievement of a block-hour-weighted average performance of all ACMI, CMI, and AMC flying for each Performance Period.

(b) For those Company customer contracts with a financial premium / penalty structure in place, any month without a net financial penalty shall be considered having achieved the Maximum OTP goal. Additionally, if the Company records a financial incentive for OTP in any month in any category, the amount of such incentive may offset a financial penalty in any other month in any other category. If the amount of such incentive completely offsets the financial penalty for a particular month, such month shall not be considered a month in which a net financial penalty was incurred. Furthermore, any penalties that may be determined to be a result of union motivated work disruptions, including in violation of the preliminary injunction issued by the Federal District Court for the District of Columbia on November 30, 2017 (the "Preliminary Injunction"), may not be counted. The OTP level achievement for each customer will be calculated by dividing the count of months where the Maximum OTP goal is achieved, by the total months measured for that customer.

(c) For ACMI customer contracts without financial premiums or penalties associated with OTP, the OTP goal will be calculated on the basis of two (2) hours or less of arrival, and will be (i) a 15-month average figure for the first Performance Period and (ii) an annual average figure for the second and third Performance Periods. For each Performance Period, (i) Threshold OTP goal will be 95.0% and will have a factor of 90%; (ii) Target OTP goal will be 96.0% and will have a factor of 100%; and (iii) Maximum OTP goal will be 97.0% and will have a factor of 110% (each such factor shall be an "OTP Percentage"). All intermediate values will be determined by straight line interpolation. Such results will be adjusted to remove the impact of any delays attributable to union-motivated work disruptions that may be determined to be in violation of the Preliminary Injunction.

(d) It is expected that the Committee will calculate performance against the OTP goal for each Performance Period as provided below:

(1) Determine the actual performance of the OTP goal for the applicable Performance Period by calculating the block hour weighted average performance as outlined above;

(2) Determine the OTP Percentage based on the result of subsection (1) above; and

(3) Multiply the Participant's Target Bonus Amount for the applicable Performance Period by the corresponding OTP Percentage.

Section 6. Payment of Awards under this Program.

6.1. General. A Participant will be entitled to receive payment, if any, under an Award for the relevant Performance Period if the Participant's employment continues through the last day of such Performance Period, subject to the provisions set forth in this Section 6 and Section 7. A Participant will receive an Award for each applicable Performance Period in the manner and at the times set forth in Sections 6 and 7 hereof.

6.2. Time of Payment. In connection with the completion of each Performance Period, the Committee shall certify whether and at what level the OTP goal has been achieved. For the purposes of this Program, the term "Determination Date" means the date on which the Committee makes such certification. Any amount payable with respect to an Award for each Performance Period shall be paid by the Company within two weeks following the Determination Date, but in no event later than March 15 of the calendar year immediately following the end of the applicable Performance Period.

6.3. Form of Payment. All Payable Amounts for an Award shall be paid in cash.

6.4. Termination of Employment.

(a) General. Except as provided otherwise in this Section 6.4 or Section 7, a Participant whose Employment terminates for any reason prior to the last day of the applicable Performance Period shall forfeit such Award.

(b) Termination by Reason of Death or Disability; Termination by the Company Not For Cause; Termination due to Good Reason. In the event of the termination of the Participant's Employment (i) due to death, (ii) by the Company by reason of the Participant's Disability (as defined below), (iii) by reason of an involuntary termination by the Company not for Cause (as defined below), or (iv) by the Participant for Good Reason, in each case occurring after the commencement of the applicable Performance Period, but before the end of the applicable Performance Period and before the occurrence of a Change in Control of AAWW (as defined below), the portion of the Award that will be payable is calculated by dividing the number of days from the commencement of the applicable Performance Period until the date of such termination of Employment, by the total number of days in the applicable Performance Period, and multiplying that fraction by the Payable Amount in respect of the applicable Performance Period. Subject to Section 7, the reduced (prorated) Award, if any (calculated as provided in Section 5.2) shall not be payable until after the Determination Date in accordance with Section 6.2 above.

(c) Definitions. For purposes of this Program:

(1) A termination of Employment shall be deemed to be by reason of "Disability" if immediately prior to such termination of Employment, the Participant shall have been continuously disabled from performing the duties assigned to the Participant for a period of not less than six consecutive calendar months, in which case such Disability shall be deemed to have commenced on the date following the end of such six consecutive calendar month period; and

(2) "Cause" shall mean (i) the Participant's refusal or failure (other than during periods of illness or disability) to perform the Participant's material duties and responsibilities to the Company, (ii) the conviction or plea of guilty or nolo contendere of the Participant in respect of any felony, other than a motor vehicle offense, (iii) the commission of any act which causes material injury to the reputation, business or business relationships of the Company including, without limitation, any breach of written policies of the Company with respect to trading in securities, (iv) any other act of fraud, including, without limitation, misappropriation, theft or embezzlement, or (v) a violation of any applicable material policy of the Company, including, without limitation, a violation of the laws against workplace discrimination.

(3) "Good Reason" means (i) a material reduction in the Participant's annual base salary, percentage target bonus opportunity, or target long-term incentive award opportunity, in each case as then in effect, or other material benefits provided to officers of the Company, except where such reduction is part of a general reduction in salary or benefits by the Company or (ii) a material reduction in the Participant's title or job responsibilities; provided, however, that a Participant will be treated as having resigned due to Good Reason only if he or she provides the Company with a notice of termination within 90 days of the initial existence of one of the conditions described above, following which the Company shall have 30 days from the receipt of the notice of termination to cure the event specified in the notice of termination and, if the Company fails to so cure the event, the Participant must terminate his or her Employment not later than 30 days following the end of such cure period."

(d) Retirement of the Chief Executive Officer. In the event of a termination of Employment of the Chief Executive Officer of the Company (the "Chief Executive Officer") by reason of the Chief Executive Officer's Retirement (as defined below) occurring after the date hereof and before the end of the applicable Performance Period and before the occurrence of a Change in Control of AAWW, the Payable Amount shall be payable as if the Chief Executive Officer's Employment had continued through the completion of the final Performance Period. Subject to Section 7, the Payable Amount, if any (calculated as provided in Section 5.2) shall not be delivered until after the Determination Date. For purposes of this Program, "Retirement" shall mean a termination of the Chief Executive Officer's Employment with the Company for any reason other than Cause on or after the Chief Executive Officer's attainment of age sixty

(60) and ten (10) years of service with the Company; provided, however, that a voluntary resignation from Employment shall not be considered Retirement for purposes of the Program unless (1) the Chief Executive Officer shall have given not less than six (6) months' advance written notice of such proposed retirement to the Chair of the Board (or such lesser period of notice as may be determined by the Board) and (2) a majority of the members of the Board (disregarding the Chief Executive Officer's membership on the Board for these purposes) has approved such proposed retirement as a Retirement entitling the Chief Executive Officer to vesting under this Section 6.4(d) or Section 7, as applicable.

(e) Other Terminations of Employment. Except as provided in this Section 6.4 or in Section 7, any termination of Employment of the Participant occurring prior to the end of a Performance Period (including a termination of Employment initiated by the Company or the Participant) shall result in the immediate and automatic termination and forfeiture of any unvested portion of the Award.

Section 7. Change in Control.

7.1. Vesting; Determination of Payable Amount. Immediately following a Change in Control of AAWW unless in connection therewith an Award is assumed (or a substitute award granted) pursuant to Section 7(a)(1) of the Plan, if any portion of any Award is then outstanding, the OTP goal for each remaining Performance Period shall be deemed to have been satisfied in full based on assumed achievement at the maximum achievement level (the "Deemed CIC Achievement") and the Company shall pay to the Participant (except with respect to the Chief Executive Officer, as provided below), in full satisfaction of its obligations with respect thereto, cash in an amount equal to the Payable Amount in respect of each remaining Performance Period on the basis of such Deemed CIC Achievement, within ten (10) days following the Change in Control of AAWW. Notwithstanding the immediately preceding sentence, if in connection with the Change in Control of AAWW, an Award is assumed (or a substitute award granted) pursuant to Section 7(a)(1) of the Plan, then such Award shall become payable (except with respect to the Chief Executive Officer) only if (A) the Participant's Employment continues until the end of the applicable Performance Period, in which case the assumed Award will become payable at the end of each applicable Performance Period, or (B) there is a Change in Control Termination before the end of the final Performance Period, in which case any unvested portion of this Award will become fully payable in connection with the Change in Control Termination. The Company shall pay to the Participant the vested unpaid portion of the Payable Amount on the basis of the Deemed CIC Achievement within ten (10) days following the earliest of (x) the period specified in (A), (y) the time specified in (B), and (z) in the event a termination of Employment described in Section 6.4(b) has occurred prior to such Change in Control of AAWW, the Change in Control of AAWW. Solely in the case of the Chief Executive Officer, in the event of a Change in Control of AAWW, the Company shall pay the Payable Amount in respect of any Performance Period that has not ended as of the date of the Change in Control of AAWW, on the basis of the Deemed CIC Achievement, upon the earliest of (1) as soon as practicable following the end of the applicable Performance Period, but in any event no later than March 15 of the calendar year immediately following such Performance Period, (2) within ten (10) days following such Change in Control of AAWW, if such Change in Control of AAWW occurs following a termination of the Chief Executive Officer's Employment as described in Section 6.4(b) or Section 6.4(d), and (3) within ten (10) days following a Change in Control Termination.

7.2. Definitions. For purposes of this Program, the following definitions shall apply:

(a) "Change in Control Termination" means the termination of a Participant's Employment following a Change in Control of AAWW (i) by the Company and its subsidiaries not for Cause, (ii) by the Participant for Change in Control Good Reason, (iii) by reason of the Participant's death or Disability, or (iv) solely in the case of the Chief Executive Officer, by reason of his Retirement which is approved by a majority of the members of the Board (disregarding the Chief Executive Officer's membership on the Board for these purposes) in accordance with Section 6.4(d) hereof.

(b) "Change in Control of AAWW" shall mean the occurrence of any of the following:

(1) any "person" (as used herein, as defined in Section 3(a)(9) of the Securities Exchange Act of 1934 (the "Exchange Act") and as used in Sections 13(d) and 14(d) thereof) or "group" (as used herein, as defined in Section 13(d) of the Exchange Act), acquires ownership or beneficial ownership of Company securities that, together with securities held by such person or group, constitutes more than 50% of the total fair market value of the issued and outstanding shares or the total voting power of the Company;

(2) any "person" or "group," during the 12-month period ending on the date of the most recent acquisition by such "person" or "group" acquires ownership of Company securities that constitute 30% or more of the total fair market value of the issued and outstanding shares or the total voting power of the Company;

(3) the replacement of a majority of members of the Board during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the appointment or election;

(4) the acquisition by a person or group, during the 12-month period ending on the date of the most recent acquisition by such person or group, of assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all the assets of the Company; or

(5) the consummation of a complete liquidation or dissolution of the Company.

For purposes of determining whether a Change in Control of AAWW has occurred (i) shares of the Company received upon conversion of an option or warrant is considered to be an acquisition of shares of the Company and (ii) in the event the persons who were beneficial owners of Company shares immediately prior to the consummation of a merger, share exchange, business combination or other similar corporate transaction continue to beneficially own, directly or indirectly, more than 50% of total fair market value of the issued and outstanding shares or the total voting power of the Company (including a corporation or entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such consummation of such transaction, such transaction shall not constitute a Change in Control of AAWW.

Notwithstanding anything to the contrary herein, with respect to any amounts payable hereunder that constitute deferred compensation for purposes of Section 409A, such payment or settlement may accelerate upon a Change in Control of AAWW for purposes of this Program only if such Change in Control of AAWW also constitutes a "change in control event" (as that term is defined at Section 1.409A-3(i)(5) of the Treasury Regulations) (it being understood that vesting of amounts payable hereunder may accelerate upon a Change in Control of AAWW, even if payment of such amounts may not accelerate pursuant to this sentence).

(c) "Change in Control Good Reason" means (i) a material reduction in a Participant's duties and responsibilities from those of the Participant's most recent position with the Company, (ii) a reduction of a Participant's aggregate salary, benefits and other compensation (including incentive opportunity) from that which the Participant was most recently entitled during Employment with the Company other than in connection with a reduction as part of a general reduction applicable to all similarly-situated Participants of the Company, or (iii) a relocation of a Participant to a position that is located greater than 40 miles from the location of such Participant's most recent principal location of Employment; provided, however, that a Participant will be treated as having resigned for Change in Control Good Reason only if he or she provides the Company with a notice of termination within 90 days of the initial existence of one of the conditions described above, following which the Company shall have 30 days from the receipt of the notice of termination to cure the event specified in the notice of termination and, if the Company fails to so cure the event, the Participant must terminate his or her Employment not later than 30 days following the end of such cure period.

Section 8. Beneficiary Designation.

8.1. Designation and Change of Designation. Each Participant shall file with the Company a written designation of one or more persons as the Beneficiary who shall be entitled to receive the Award, if any, payable under the Program upon the Participant's death. A Participant may, from time to time, revoke or change his Beneficiary designation without the consent of any prior Beneficiary by filing a new designation with the Company. The last such designation received by the Company shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Company prior to the Participant's death, and in no event shall it be effective as of any date prior to such receipt.

8.2. Absence of Valid Designation. If no such Beneficiary designation is in effect at the time of a Participant's death, or if no designated Beneficiary survives the Participant, or if such designation conflicts with law, the Participant's estate shall be deemed to have been designated as the Participant's Beneficiary and shall receive the payment of the amount, if any, payable under the Program upon the Participant's death. If the Company is in doubt as to the right of any person to receive such amount, the Company may retain such amount, without liability for any interest thereon, until the rights thereto are determined, or the Company may pay such amount into any court of appropriate jurisdiction and such payment shall be a complete discharge of the liability of the Program and the Company therefor.

Section 9. General Provisions.

9.1. Program to be Unfunded. The Program is intended to constitute an unfunded incentive compensation arrangement. Nothing contained in the Program, and no action taken pursuant to the Program, shall create or be construed to create a trust of any kind. A Participant's right to receive an Award shall be no greater than the right of an unsecured general creditor of the Company. All Awards shall be paid from the general funds of the Company, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such Awards. There shall not vest in any Participant or Beneficiary any right, title, or interest in and to any specific assets of the Company.

9.2. Section 409A of the Code. Awards under the Program are intended to be exempt from, or comply with, the requirements of Section 409A of the Code and shall be construed and administered accordingly. Notwithstanding anything to the contrary in this Program, if at the time of the Participant's termination of employment, the Participant is a "specified employee," as defined below, any and all amounts payable under this Program on account of such separation from service that constitute deferred compensation and would (but for this provision) be payable within six (6) months following the date of termination, shall instead be paid on the next business day following the expiration of such six (6) month period or, if earlier, upon the Participant's death; except (A) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Section 1.409A-1(b) of the Treasury Regulations, as determined by the Company in its reasonable good faith discretion or (B) other amounts or benefits that are not subject to the requirements of Section 409A. For purposes of this Program, all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined in Section 1.409A-1(h) of the Treasury Regulations after giving effect to the presumptions contained therein), and the term "specified employee" means an individual determined by the Company to be a specified employee under Section 1.409A-1(i) of the Treasury Regulations. Notwithstanding anything to the contrary in the Program, neither the Company, nor any affiliate, nor the Committee, nor any person acting on behalf of the Company, any affiliate, or the Committee, shall be liable to any Participant or to the estate or beneficiary of any Participant or to any other holder of an Award by reason of any acceleration of income, or any additional tax, asserted by reason of the failure of an Award to be exempt from the requirements of Section 409A or by reason of Section 4999 of the Code; provided, that nothing in this Section 9.2 shall limit the ability of the Committee or the Company to provide by separate express written agreement with a Participant for a gross-up payment or other payment in connection with any such tax or additional tax.

9.3. Section 280G of the Code. Notwithstanding any other provision in this Program or any other agreement, contract, or understanding entered into by any Participant with the Company or any of its subsidiaries, in the event that it is determined by the reasonable computation by a nationally recognized certified public accounting firm that shall be selected by the Company (the "Accountant") that the aggregate amount of the payments, distributions, benefits and entitlements of any type payable by the Company or any subsidiary to or for a Participant's benefit under this Program or any other formal or informal plan or other arrangement, contract or understanding (including any payment, distribution, benefit or entitlement made by any person or entity effecting a change of control), in each case, that could be considered "parachute payments" within the meaning of Section 280G of the Code (such payments, the "Parachute Payments") that, but for this Section 9.3 would be payable to the Participant, exceeds the greatest amount of Parachute Payments that could be paid to the Participant without giving rise to any liability for any excise tax imposed by Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law, or any interest or penalties with respect to such tax (such tax or taxes, together with any such interest or penalties, being hereafter collectively referred to as the "Excise Tax"), then the aggregate amount of Parachute Payments payable to the Participant shall not exceed the amount which produces the greatest after-tax benefit to the Participant after taking into account any Excise Tax to be payable by the Participant. For the avoidance of doubt, this provision will reduce the amount of Parachute Payments otherwise payable to the Participant, if doing so would place the Participant in a better net after-tax economic position as compared with not doing so (taking into account the Excise Tax payable in respect of such Parachute Payments). The Company shall reduce or eliminate the Parachute Payments by first reducing or eliminating the portion of the Parachute Payments that are payable in cash and then by reducing or eliminating the non-cash portion of the Parachute Payments, in each case in reverse order beginning with payments or benefits which are to be paid the furthest in time from the date of the Accountant's determination.

9.4. Rights Limited. Nothing contained in the Program shall give any Eligible Participant the right to continue in the employment of the Company, or limit the right of the Company to discharge an Eligible Participant.

9.5. Governing Law. The Program shall be construed and governed in accordance with the laws of the State of New York.

9.6. Taxes. There shall be deducted from all amounts paid under the Program all federal, state, local and other taxes required by law to be withheld with respect to such payments.

9.7. Amendment, Suspension, or Termination. The Committee reserves the right to amend, suspend, or terminate the Program at any time. Without limiting the generality of the foregoing, the Committee reserves the right to reduce any Award granted under the Program in the event the Committee determines in its sole discretion that such action is necessary or advisable in order to maintain the Company's compliance with the terms of the Coronavirus Aid, Relief, and Economic Security Act and any applicable guidance issued thereunder or any agreement entered into by the Company or any of affiliate thereunder, in each case as may be amended from time to time.

Exhibit 10.3

ATLAS AIR WORLDWIDE HOLDINGS, INC.

2021 LONG TERM CASH INCENTIVE PROGRAM

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ATLAS AIR WORLDWIDE HOLDINGS, INC.

2021 LONG TERM CASH INCENTIVE PROGRAM

Section 1. Purpose.

The purpose of the Program is to set forth certain terms and conditions governing cash awards made under Atlas Air Worldwide Holdings, Inc.'s ("AAWW") 2018 Incentive Plan (the "Plan"). The Program shall be treated for all purposes as a sub-plan or arrangement for the grant of Cash Awards under the Plan and shall be subject to the Plan, which is incorporated herein by reference. The Program shall be effective as of January 1, 2021, and shall be applicable for the 2021-2023 Performance Period. Capitalized terms not defined herein shall have the meanings given in the Plan.

Section 2. Definitions.

2.1. Award shall mean an opportunity to earn benefits under the Program.

2.2. Board shall mean the Board of Directors of AAWW.

2.3. Beneficiary shall mean a Participant's beneficiary designated pursuant to Section 8.

2.4. Code shall mean the Internal Revenue Code of 1986, as amended from time to time.

2.5. Committee shall mean the Compensation Committee of the Board.

2.6. Company shall mean AAWW or its operating subsidiaries, as applicable.

2.7. Eligible Participant shall mean any of the Chief Executive Officer, President, and Executive Vice Presidents of the Company, and such other Company officers as may from time to time be designated by the Committee.

2.8. Participant shall mean any Eligible Participant during such Eligible Participant's period of participation in the Program.

2.9. Performance Period shall mean January 1, 2021 through December 31, 2023.

2.10. Program shall mean this Atlas Air Worldwide Holdings, Inc. 2021 Long Term Cash Incentive Program, as it may be amended from time to time.

Section 3. Administration.

The Program shall be administered by the Committee in accordance with and subject to the provisions of Section 3 of the Plan.

Section 4. Participation.

Each individual who is employed as an Eligible Participant on the first day of the Performance Period shall participate in the Program. An individual who first becomes employed as an Eligible Participant on or prior to September 30, 2021 may participate in the Program in the discretion of the Committee (or, in the case of officers below the level of Senior Vice President, its delegate). An individual employed by the Company, including an Eligible Participant, may be awarded incentive compensation outside the Program in lieu of or in addition to Awards, if any, under the Program.

Section 5. Determination of Awards.

5.1. Target Bonus Award. The target cash bonus payable under an Award for the Performance Period will be the amount established by the Committee (or, in the case of officers below the level of Senior Vice President, its delegate) for each Participant classification (the "Target Bonus Amount").

5.2. Performance Measures. Payment of an Award is conditioned upon written certification by the Committee of satisfaction of the achievement of certain internal ROIC and EBITDA Growth levels, as may be modified by Comparative TSR attainment, as described below (the "Performance Criteria") during the Performance Period. The actual amount payable pursuant to an Award (the "Payable Amount") shall be determined in accordance with Annex A hereto (the "Performance Plan Schedule"). In no event shall the Payable Amount exceed, for any Participant, the maximum amount specified in Section 4(c) of the Plan.

(1) "ROIC" for the Company shall be an average of the Company's actual ROIC for 2021, 2022 and 2023 and shall mean a fraction where the numerator is NOPAT and the denominator is Average Invested Capital. "NOPAT" is defined as adjusted operating income, as included in the Company's press release, minus Cash Tax Paid as reported in the SEC Form 10-K. "Average Invested Capital" is defined as the average of the beginning and ending Invested Capital during the year. "Invested Capital" is defined as capital lease obligations, plus short-and long-term debt, plus total stockholders' equity, minus an amount equal to cash, cash equivalents, restricted cash, and short-term investments. Invested Capital shall exclude investment amounts associated with aircraft acquisition until the first time that such aircraft is flown under a customer contract, at which time all amounts accrued with respect to such aircraft shall be considered in the Average Invested Capital calculation from such date. Invested Capital shall be reduced by the amount of any investments held in the Company's direct or indirect debt securities that remain outstanding and that have not otherwise been defeased.

(2) "EBITDA" for the Company shall mean adjusted income from continuing operations, before interest, income taxes, depreciation expense and amortization expense as included in the Company's press release. "EBITDA Growth" shall be calculated by averaging the percentage increase or decrease in EBITDA for each of the three years ended December 31 in the Performance Period. EBITDA increase or decrease for each twelve month period shall be calculated by subtracting EBITDA for the twelve months ended December 31 for the prior year from EBITDA for the twelve months ended December 31 for the current year and

dividing the resulting difference in EBITDA by the EBITDA for the twelve months ended December 31 for the prior year.

(3) In the calculation of EBITDA Growth and NOPAT, amounts objectively demonstrated to be attributable to the following items will not be taken into account, except to the extent of amounts related thereto that have been included in the Board's approved 2021 operating plan: (i) any benefit or detriment resulting from changes in the Company's financial reporting (including but not limited to changes in accounting principles) or from statutory changes in federal, state or foreign income tax rates; (ii) any aggregate costs in excess of $500,000 for business initiatives; (iii) any costs related to retention, recruitment, or termination of executive officers; (iv) any costs related to collective bargaining, other labor negotiations, grievances, or union motivated work disruptions, including, but not limited to, those that may be determined to be in violation of the preliminary injunction issued by the Federal District Court for the District of Columbia on November 30, 2017, or other disputes including labor unions; (v) any costs or the payment of any fines, penalties, deposits or settlement amounts in connection with (A) foreign or domestic antitrust investigations and related lawsuits, (B) Brazilian customs or labor claims or investigations, or (C) environmental, regulatory or compliance matters (including any related compliance or other costs or actions) resulting from changes in applicable law or otherwise; and (vi) any incremental costs related to the new Joint Collective Bargaining Agreement (JCBA) with the pilots that are not offset by increased customer revenue rates. These adjustments shall be made on a pre-tax basis. The ROIC ratio will exclude the unconsolidated results of Polar Air Cargo Worldwide, Inc.

(4) "Comparative TSR" shall mean the Absolute TSR, on a percentile basis, of the Company relative to the Absolute TSR of the component companies of the Comparator Group set forth in Annex A hereto, in each case measured over the applicable Performance Period, as reasonably determined by the Committee.

(5) "Absolute TSR" shall mean, on a percentage basis, with respect to the Company or any component company of the Comparator Group set forth in Annex A hereto, the price appreciation of such entity's common stock plus the value of reinvested dividends, calculated using the average closing price for the 20 consecutive trading days ending immediately prior to the first day of the relevant period and the 20 consecutive trading days ending immediately prior to and including the last day of the relevant period, as reasonably determined by the Committee.

Section 6. Payment of Awards under this Program.

6.1. General. A Participant will be entitled to receive payment, if any, under an Award if the Participant's Employment continues through December 31, 2023, subject to this Section 6 and Section 7. A Participant will receive an Award in the manner and at the times set forth in Sections 6.2, 6.3, 6.4 and Section 7.

6.2. Time of Payment. In connection with the completion of performance, the Committee shall certify whether and at what level the Performance Criteria have been achieved. For the purposes of this Program, the term "Determination Date" means the date in 2024 on which the Committee makes such certification. Any Payable Amount for an Award for the

Performance Period shall be paid by the Company within two weeks following the Determination Date, but in no event later than March 15, 2024.

6.3. Form of Payment. All Payable Amounts for an Award shall be paid in cash.

6.4. Termination of Employment.

(a) General. Except as provided otherwise in this Section 6.4 or Section 7, a Participant whose Employment terminates for any reason prior to the last day of the Performance Period shall forfeit such Award.

(b) Termination by Reason of Death or Disability; Termination by the Company Not For Cause; Termination due to Good Reason. In the event of the termination of the Participant's Employment (i) due to death, (ii) by the Company by reason of the Participant's Disability (as defined below), (iii) by reason of an involuntary termination by the Company not for Cause (as defined below), or (iv) by the Participant for Good Reason, in each case occurring after the commencement of the Performance Period, but before the end of the Performance Period and before the occurrence of a Change in Control of AAWW (as defined below), the portion of the Award that will be payable is calculated by dividing the number of days from the commencement of the Performance Period until the date of such termination of Employment, by the total number of days in the Performance Period, and multiplying that fraction by the Payable Amount. Subject to Section 7, the reduced (prorated) Payable Amount, if any (calculated as provided in Section 5.2) shall not be payable until after the Determination Date in accordance with Section 6.2 above.

(c) Definitions. For purposes of this Program:

(1) A termination of Employment shall be deemed to be by reason of "Disability" if immediately prior to such termination of Employment, the Participant shall have been continuously disabled from performing the duties assigned to the Participant for a period of not less than six consecutive calendar months, in which case such Disability shall be deemed to have commenced on the date following the end of such six consecutive calendar month period; and

(2) "Cause" shall mean (i) the Participant's refusal or failure (other than during periods of illness or disability) to perform the Participant's material duties and responsibilities to the Company, (ii) the conviction or plea of guilty or nolo contendere of the Participant in respect of any felony, other than a motor vehicle offense, (iii) the commission of any act which causes material injury to the reputation, business or business relationships of the Company including, without limitation, any breach of written policies of the Company with respect to trading in securities, (iv) any other act of fraud, including, without limitation, misappropriation, theft or embezzlement, or (v) a violation of any applicable material policy of the Company, including, without limitation, a violation of the laws against workplace discrimination.

(3) "Good Reason" means (i) a material reduction in the Participant's annual base salary, percentage target bonus opportunity, or target long-term incentive

award opportunity, in each case as then in effect, or other material benefits provided to officers of the Company, except where such reduction is part of a general reduction in salary or benefits by the Company or (ii) a material reduction in the Participant's title or job responsibilities; provided, however, that a Participant will be treated as having resigned due to Good Reason only if he or she provides the Company with a notice of termination within 90 days of the initial existence of one of the conditions described above, following which the Company shall have 30 days from the receipt of the notice of termination to cure the event specified in the notice of termination and, if the Company fails to so cure the event, the Participant must terminate his or her Employment not later than 30 days following the end of such cure period."

(d) Retirement of the Chief Executive Officer. In the event of a termination of Employment of the Chief Executive Officer of the Company (the "Chief Executive Officer") by reason of the Chief Executive Officer's Retirement (as defined below) occurring after the date hereof and before the end of the Performance Period and before the occurrence of a Change in Control of AAWW, the Payable Amount shall be payable as if the Chief Executive Officer's Employment had continued during the entire Performance Period. Subject to Section 7, the Payable Amount, if any (calculated as provided in Section 5.2) shall not be delivered until after the Determination Date. For purposes of this Program, "Retirement" shall mean a termination of the Chief Executive Officer's Employment with the Company for any reason other than Cause on or after the Chief Executive Officer's attainment of age sixty (60) and ten (10) years of service with the Company; provided, however, that a voluntary resignation from Employment shall not be considered Retirement for purposes of the Program unless (1) the Chief Executive Officer shall have given not less than six (6) months' advance written notice of such proposed retirement to the Chair of the Board (or such lesser period of notice as may be determined by the Board) and (2) a majority of the members of the Board (disregarding the Chief Executive Officer's membership on the Board for these purposes) has approved such proposed retirement as a Retirement entitling the Chief Executive Officer to vesting under this Section 6.4(d) or Section 7, as applicable.

(e) Other Terminations of Employment. Except as provided in this Section 6.4 or in Section 7, any termination of Employment of the Participant occurring prior to the end of the Performance Period (including a termination of Employment initiated by the Company or the Participant) shall result in the immediate and automatic termination and forfeiture of the Award.

Section 7. Change in Control.

7.1. Vesting; Determination of Payable Amount. Immediately following a Change in Control of AAWW unless in connection therewith an Award is assumed (or a substitute award granted) pursuant to Section 7(a)(1) of the Plan, if an Award is then outstanding, ROIC and EBITDA Growth shall each be deemed to have been satisfied based on assumed achievement at the maximum achievement level, and Comparative TSR shall be deemed satisfied based on actual performance over a shortened performance period ending as of (and taking into account) the Change in Control of AAWW (collectively, "Deemed CIC Achievement") and the Company shall pay to the Participant (except with respect to the Chief Executive Officer, as provided below), in full satisfaction of its obligations with respect thereto, cash in an amount equal to the Payable Amount on the basis of such Deemed CIC Achievement, within ten (10) days following the Change in Control of AAWW. Notwithstanding the immediately preceding sentence, if in connection with the Change in Control of AAWW, an Award is assumed (or a substitute award granted) pursuant to Section 7(a)(1) of the Plan, then such Award shall become payable (except with respect to the Chief Executive Officer) only if (A) the Participant's Employment continues until the end of the Performance Period, in which case this Award will become fully payable at the end of the Performance Period, or (B) there is a Change in Control Termination before the end of the Performance Period, in which case this Award will become fully payable in connection with the Change in Control Termination. The Company shall pay to the Participant the vested portion of the Payable Amount on the basis of the Deemed CIC Achievement within ten (10) days following the earliest of (x) the period specified in (A), (y) the time specified in (B), and (z) in the event a termination of Employment described in Section 6.4(b) has occurred prior to such Change in Control of AAWW, the Change in Control of AAWW. Solely in the case of the Chief Executive Officer, in the event of a Change in Control of AAWW, the Company shall pay the Payable Amount, on the basis of the Deemed CIC Achievement, upon the earliest of (1) as soon as practicable following the end of the Performance Period, but in any event no later than March 15, 2024, (2) within ten (10) days following such Change in Control of AAWW, if such Change in Control of AAWW occurs following a termination of the Chief Executive Officer's Employment as described in Section 6.4(b) or Section 6.4(d), and (3) within ten (10) days following a Change in Control Termination.

7.2. Definitions. For purposes of this Program, the following definitions shall apply:

(a) "Change in Control Termination" means the termination of a Participant's Employment following a Change in Control of AAWW (i) by the Company and its subsidiaries not for Cause, (ii) by the Participant for Change in Control Good Reason, (iii) by reason of the Participant's death or Disability, or (iv) solely in the case of the Chief Executive Officer, by reason of his Retirement which is approved by a majority of the members of the Board (disregarding the Chief Executive Officer's membership on the Board for these purposes) in accordance with Section 6.4(d) hereof.

(b) "Change in Control of AAWW" shall mean the occurrence of any of the following:

(1) any "person" (as used herein, as defined in Section 3(a)(9) of the Securities Exchange Act of 1934 (the "Exchange Act") and as used in Sections 13(d) and 14(d) thereof) or "group" (as used herein, as defined in Section 13(d) of the Exchange Act), acquires ownership or beneficial ownership of Company securities that, together with securities held by such person or group, constitutes more than 50% of the total fair market value of the issued and outstanding shares or the total voting power of the Company;

(2) any "person" or "group," during the 12-month period ending on the date of the most recent acquisition by such "person" or "group" acquires ownership of Company securities that constitute 30% or more of the total fair market value of the issued and outstanding shares or the total voting power of the Company;

(3) the replacement of a majority of members of the Board during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the appointment or election;

(4) the acquisition by a person or group, during the 12-month period ending on the date of the most recent acquisition by such person or group, of assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all the assets of the Company; or

(5) the consummation of a complete liquidation or dissolution of the Company.

For purposes of determining whether a Change in Control of AAWW has occurred (i) shares of the Company received upon conversion of an option or warrant is considered to be an acquisition of shares of the Company and (ii) in the event the persons who were beneficial owners of Company shares immediately prior to the consummation of a merger, share exchange, business combination or other similar corporate transaction continue to beneficially own, directly or indirectly, more than 50% of total fair market value of the issued and outstanding shares or the total voting power of the Company (including a corporation or entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such consummation of such transaction, such transaction shall not constitute a Change in Control of AAWW.

Notwithstanding anything to the contrary herein, with respect to any amounts payable hereunder that constitute deferred compensation for purposes of Section 409A, such payment or settlement may accelerate upon a Change in Control of AAWW for purposes of this Program only if such Change in Control of AAWW also constitutes a "change in control event" (as that term is defined at Section 1.409A-3(i)(5) of the Treasury Regulations) (it being understood that vesting of amounts payable hereunder may accelerate upon a Change in Control of AAWW, even if payment of such amounts may not accelerate pursuant to this sentence).

(c) "Change in Control Good Reason" means (i) a material reduction in a Participant's duties and responsibilities from those of the Participant's most recent position with the Company, (ii) a reduction of a Participant's aggregate salary, benefits and other compensation (including incentive opportunity) from that which the Participant was most recently entitled during Employment with the Company other than in connection with a reduction as part of a general reduction applicable to all similarly-situated Participants of the Company, or (iii) a relocation of a Participant to a position that is located greater than 40 miles from the location of such Participant's most recent principal location of Employment; provided, however, that a Participant will be treated as having resigned for Change in Control Good Reason only if he or she provides the Company with a notice of termination within 90 days of the initial existence of one of the conditions described above, following which the Company shall have 30 days from the receipt of the notice of termination to cure the event specified in the notice of termination and, if the Company fails to so cure the event, the Participant must terminate his or her Employment not later than 30 days following the end of such cure period.

Section 8. Beneficiary Designation.

8.1. Designation and Change of Designation. Each Participant shall file with the Company a written designation of one or more persons as the Beneficiary who shall be entitled to receive the Award, if any, payable under the Program upon the Participant's death. A Participant may, from time to time, revoke or change his Beneficiary designation without the consent of any prior Beneficiary by filing a new designation with the Company. The last such designation received by the Company shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Company prior to the Participant's death, and in no event shall it be effective as of any date prior to such receipt.

8.2. Absence of Valid Designation. If no such Beneficiary designation is in effect at the time of a Participant's death, or if no designated Beneficiary survives the Participant, or if such designation conflicts with law, the Participant's estate shall be deemed to have been designated as the Participant's Beneficiary and shall receive the payment of the amount, if any, payable under the Program upon the Participant's death. If the Company is in doubt as to the right of any person to receive such amount, the Company may retain such amount, without liability for any interest thereon, until the rights thereto are determined, or the Company may pay such amount into any court of appropriate jurisdiction and such payment shall be a complete discharge of the liability of the Program and the Company therefor.

Section 9. General Provisions.

9.1. Program to be Unfunded. The Program is intended to constitute an unfunded incentive compensation arrangement. Nothing contained in the Program, and no action taken pursuant to the Program, shall create or be construed to create a trust of any kind. A Participant's right to receive an Award shall be no greater than the right of an unsecured general creditor of the Company. All Awards shall be paid from the general funds of the Company, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such Awards. There shall not vest in any Participant or Beneficiary any right, title, or interest in and to any specific assets of the Company.

9.2. Section 409A of the Code. Awards under the Program are intended to be exempt from, or comply with, the requirements of Section 409A of the Code and shall be construed and administered accordingly. Notwithstanding anything to the contrary in this Program, if at the time of the Participant's termination of employment, the Participant is a "specified employee," as defined below, any and all amounts payable under this Program on account of such separation from service that constitute deferred compensation and would (but for this provision) be payable within six (6) months following the date of termination, shall instead be paid on the next business day following the expiration of such six (6) month period or, if earlier, upon the Participant's death; except (A) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Section 1.409A-1(b) of the Treasury Regulations, as determined by the Company in its reasonable good faith discretion or (B) other amounts or benefits that are not subject to the requirements of Section 409A. For purposes of this Program, all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined in Section 1.409A-1(h) of the Treasury Regulations after giving effect to the presumptions contained therein), and the term "specified employee" means an individual determined by the Company to be a specified employee under Section 1.409A-1(i) of the Treasury Regulations. Notwithstanding anything to the contrary in the Program, neither the Company, nor any affiliate, nor the Committee, nor any person acting on behalf of the Company, any affiliate, or the Committee, shall be liable to any Participant or to the estate or beneficiary of any Participant or to any other holder of an Award by reason of any acceleration of income, or any additional tax, asserted by reason of the failure of an Award to be exempt from the requirements of Section 409A or by reason of Section 4999 of the Code; provided, that nothing in this Section 9.2 shall limit the ability of the Committee or the Company to provide by separate express written agreement with a Participant for a gross-up payment or other payment in connection with any such tax or additional tax.

9.3. Section 280G of the Code. Notwithstanding any other provision in this Program or any other agreement, contract, or understanding entered into by any Participant with the Company or any of its subsidiaries, in the event that it is determined by the reasonable computation by a nationally recognized certified public accounting firm that shall be selected by the Company (the "Accountant") that the aggregate amount of the payments, distributions, benefits and entitlements of any type payable by the Company or any subsidiary to or for a Participant's benefit under this Program or any other formal or informal plan or other arrangement, contract or understanding (including any payment, distribution, benefit or entitlement made by any person or entity effecting a change of control), in each case, that could be considered "parachute payments" within the meaning of Section 280G of the Code (such payments, the "Parachute Payments") that, but for this Section 9.3 would be payable to the Participant, exceeds the greatest amount of Parachute Payments that could be paid to the Participant without giving rise to any liability for any excise tax imposed by Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law, or any interest or penalties with respect to such tax (such tax or taxes, together with any such interest or penalties, being hereafter collectively referred to as the "Excise Tax"), then the aggregate amount of Parachute Payments payable to the Participant shall not exceed the amount which produces the greatest after-tax benefit to the Participant after taking into account any Excise Tax to be payable by the Participant. For the avoidance of doubt, this provision will reduce the amount of Parachute Payments otherwise payable to the Participant, if doing so would place the Participant in a better net after-tax economic position as compared with not doing so (taking into account the Excise Tax payable in respect of such Parachute Payments). The Company shall reduce or eliminate the Parachute Payments by first reducing or eliminating the portion of the Parachute Payments that are payable in cash and then by reducing or eliminating the non-cash portion of the Parachute Payments, in each case in reverse order beginning with payments or benefits which are to be paid the furthest in time from the date of the Accountant's determination.

9.4. Rights Limited. Nothing contained in the Program shall give any Eligible Participant the right to continue in the employment of the Company, or limit the right of the Company to discharge an Eligible Participant.

9.5. Governing Law. The Program shall be construed and governed in accordance with the laws of the State of New York.

9.6. Taxes. There shall be deducted from all amounts paid under the Program all federal, state, local and other taxes required by law to be withheld with respect to such payments.

9.7. Amendment, Suspension, or Termination. The Committee reserves the right to amend, suspend, or terminate the Program at any time. Without limiting the generality of the foregoing, the Committee reserves the right to reduce any Award granted under the Program in the event the Committee determines in its sole discretion that such action is necessary or advisable in order to maintain the Company's compliance with the terms of the Coronavirus Aid, Relief, and Economic Security Act and any applicable guidance issued thereunder or any agreement entered into by the Company or any of affiliate thereunder, in each case as may be amended from time to time.

Exhibit 10.4

AMENDMENT TO THE
ATLAS AIR WORLDWIDE HOLDINGS, INC.
LONG TERM CASH INCENTIVE PROGRAMS FOR 2018 & 2019

This amendment (this “Amendment”) to the Atlas Air Worldwide Holdings, Inc. Long Term Cash Incentive Program for each of the 2018 and 2019 program years and the Long Term Cash Incentive Program for Time-Vesting Awards for each of the 2018 and 2019 program years (each such program, a “Specified Program”), effective December 31, 2020, amends certain terms of the Specified Programs as set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the applicable Specified Program.

WHEREAS, Atlas Air, Inc. (“Atlas”) and Southern Air, Inc. (together with Atlas, the “Company”) are each participants in the payroll support program (the “Payroll Support Program”) authorized by the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), in each case, as may be amended from time to time and including any guidance issued thereunder; and

WHEREAS, pursuant to the Payroll Support Program and the CARES Act, the Company is subject to limitations on executive compensation through March 24, 2022; and

WHEREAS, as a result of these limitations, the Compensation Committee (the “Committee”) of the Board of Directors of Atlas Air Worldwide Holdings has determined that it may be necessary or advisable to reduce payments that would otherwise have been made to certain officers and employees of the Company, including pursuant to the Specified Programs in order to maintain compliance with the applicable limitations under the Payroll Support Program and the CARES Act; and

WHEREAS, the Committee is authorized to amend the Specified Programs.

NOW, THEREFORE, BE IT:

RESOLVED that, pursuant to Section 10 of each of the Specified Programs (other than the Long Term Cash Incentive Program for the 2019 program year), with respect to any Award granted thereunder, each such Specified Program shall be amended as follows:

Section 10 of each of the Specified Programs (other than the Long Term Cash Incentive Program for the 2019 program year) shall be replaced in its entirety with the following:

1. “Amendment, Suspension, or Termination. The Committee reserves the right to amend, suspend, or terminate the Program at any time. Without limiting the generality of the foregoing, the Committee reserves the right to reduce any Award granted under the Program in the event the Committee determines in its sole

discretion that such action is necessary or advisable in order to maintain the Company's compliance with the terms of the Coronavirus Aid, Relief, and Economic Security Act and any applicable guidance issued thereunder or any agreement entered into by the Company or any of affiliate thereunder, in each case as may be amended from time to time.

2. In all other respects, each such Specified Program shall remain unchanged except as set forth in this Amendment.

RESOLVED that, pursuant to Section 9.7 of the Long Term Cash Incentive Program for the 2019 program year with respect to any Award granted thereunder, the Long Term Cash Incentive Program for the 2019 program year shall be amended as follows:

Section 9.7 of the Long Term Cash Incentive Program for the 2019 shall be replaced in its entirety with the following:

1. "Amendment, Suspension, or Termination. The Committee reserves the right to amend, suspend, or terminate the Program at any time. Without limiting the generality of the foregoing, the Committee reserves the right to reduce any Award granted under the Program in the event the Committee determines in its sole discretion that such action is necessary or advisable in order to maintain the Company's compliance with the terms of the Coronavirus Aid, Relief, and Economic Security Act and any applicable guidance issued thereunder or any agreement entered into by the Company or any of affiliate thereunder, in each case as may be amended from time to time.

2. In all other respects, the Long Term Cash Incentive Program for the 2019 program year shall remain unchanged except as set forth in this Amendment.

Exhibit 10.5

PURCHASE AGREEMENT NUMBER

AH5-PA-05094

between

THE BOEING COMPANY

and

ATLAS AIR WORLDWIDE HOLDINGS, INC.

relating to

BOEING MODEL 747-8F AIRCRAFT

[*] = Portions of this exhibit have been omitted pursuant to a confidential treatment request. An unredacted version of this exhibit has been filed separately with the Commission.

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LETTER AGREEMENTS

LA-2003949	LA-[*]
LA-2003950	LA-[*]
LA-2004293	LA-[*]
LA-2003954	LA-[*]
LA-2003955	LA-[*]
LA-2003956	LA-[*]
LA-2003957	LA-[*]
LA-2003960	LA-[*]
LA-2003961	LA-[*]
LA-2003952	LA-[*]
LA-2100004	LA-[*]

PURCHASE AGREEMENT NO. PA-05094

between

THE BOEING COMPANY

and

ATLAS AIR WORLDWIDE HOLDINGS, INC.

This Purchase Agreement No. PA-05094 between The Boeing Company, a Delaware corporation, (**Boeing**) and Atlas Air Worldwide Holdings, Inc., a Delaware corporation, (**Customer**), binding and in full force and effect on the date executed below (**Effective Date**), relating to the purchase and sale of Model 747-8F aircraft together with all tables, exhibits, supplemental exhibits, letter agreements and other attachments thereto, if any, (**Purchase Agreement**) incorporates the terms and conditions (except as specifically set forth below) of the Aircraft General Terms Agreement dated as of June 6, 1997 between Boeing and Atlas Air, Inc., identified as AGTA-TLS (**AGTA**).

Atlas Air Worldwide Holdings, Inc., parent company of Atlas Air, Inc., agrees to be bound by all obligations of Customer under the AGTA, including but not limited to Article 12 of Part 2 of Exhibit C of the AGTA relating to DISCLAIMER AND RELEASE and EXCLUSION OF CONSEQUENTIAL AND OTHER DAMAGES. For purposes of this Purchase Agreement, all references to "Customer" in the AGTA will mean Atlas Air Worldwide Holdings, Inc.

1. Quantity, Model and Description.

The aircraft to be delivered to Customer will be designated as Model 747-8F aircraft (**Aircraft**). Boeing will manufacture and sell to Customer Aircraft conforming to the configuration described [*] the quantities listed [*] to the Purchase Agreement.

2. Delivery Schedule.

The scheduled months of delivery of the Aircraft are listed in [*]. [*]. Exhibit B describes certain responsibilities for both Customer and Boeing in order to accomplish the delivery of the Aircraft.

3. Price.

3.1 Aircraft Basic Price. The Aircraft Basic Price [*] and is subject [*] in accordance with the terms of this Purchase Agreement.

3.2 Advance Payment Base Prices. The Advance Payment Base Prices listed in Table 1 were [*] to Boeing on the date of this Purchase Agreement projected to the month of scheduled delivery.

4. Payment.

4.1 The standard advance payment schedule for the Aircraft requires Customer to make certain advance payments, [*] the Advance Payment Base Price of each Aircraft [*], less the Deposit, due within [*] of the Effective Date. [*] advance payments for each Aircraft are due as specified in and on the first business day of the months [*].

4.2 For any Aircraft whose scheduled month of delivery [*] from the Effective Date, the total amount of advance payments due within [*] of the Effective Date [*] which are [*] in accordance with the standard advance payment schedule set forth in [*].

4.3 Customer will pay the balance of the Aircraft Price of each Aircraft at delivery.

5. Additional Terms.

5.1 Aircraft Information Table. Table 1 consolidates information [*] with respect to (i) quantity of Aircraft, (ii) applicable Detail Specification, (iii) month and year of scheduled deliveries, (iv) Aircraft Basic Price, (v) applicable escalation factors and (vi) Advance Payment Base Prices and advance payments and their schedules.

5.2 Airframe and Optional Features Escalation Adjustment. Supplemental Exhibit AE1 contains the applicable airframe and optional features escalation formula.

5.3 Buyer Furnished Equipment Variables. Supplemental Exhibit BFE1 contains supplier selection dates, on-dock dates and other variables applicable to the Aircraft.

5.4 Customer Support Variables. Information, training, services and other things furnished by Boeing in support of introduction of the Aircraft into Customer's fleet are described in Supplemental Exhibit CS1.

5.5 Engine Escalation Adjustment. Supplemental Exhibit EE1 contains the engine warranty and the engine patent indemnity for the Aircraft.

5.6 Service Life Policy Component Variables. Supplemental Exhibit SLP1 lists the SLP Components covered by the Service Life Policy for the Aircraft.

5.7 Public Announcement. Each of Customer and Boeing reserves the right to make a public announcement [*].

5.8 Negotiated Agreement; Entire Agreement. This Purchase Agreement, including the provisions of Article 8.2 of the AGTA relating to insurance, and Article 12 of Part 2 of Exhibit C of the AGTA relating to DISCLAIMER AND RELEASE and EXCLUSION OF CONSEQUENTIAL AND OTHER DAMAGES, [*]. This Purchase Agreement, including the AGTA, contains the entire agreement between the parties and supersedes all previous proposals, understandings, commitments or representations whatsoever, oral or written, and may be changed only in writing signed by authorized representatives of the parties.

AGREED AND ACCEPTED this

January 7, 2021
Date

THE BOEING COMPANY	ATLAS AIR WORLDWIDE HOLDINGS, INC.
[*] Signature	/s/ John Dietrich Signature
[*] Printed name	John Dietrich Printed name
Attorney-in-Fact Title	President & Chief Executive Officer Title

Table 1 To
Purchase Agreement
No. 5094
Aircraft Delivery, Description, Price and Advance Payments

Airframe Model/MTOW:747-8F [*]

Engine Model/Thrust:[*] [*]

Airframe Price: [*]

Optional Features Estimate: [*]

Sub-Total of Airframe and Features: [*]

Engine Price (Per Aircraft): [*]

Aircraft Basic Price (Excluding BFE/SPE): [*]

Buyer Furnished Equipment (BFE) Estimate: [*]

Seller Purchased Equipment (SPE) Estimate: [*]

[*]: [*]

Configuration Specification: [*]

Airframe Price [*] Formula:

Engine Price [*] Formula:

Airframe Escalation Data:

[*]:

[*]:

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)			Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (		
						[*]	[*]	
May-2022*	1	[*]			[*]	[*]	[*]	
Aug-2022*	1	[*]			[*]	[*]	[*]	
Sep-2022*	1	[*]			[*]	[*]	[*]	
Oct-2022**	1	[*]			[*]	[*]	[*]	

Total: 4 ** [*].

* [*].

AIRCRAFT CONFIGURATION

BETWEEN

THE BOEING COMPANY

AND

Atlas Air Worldwide Holdings, Inc.

Exhibit A

to Purchase Agreement Number PA-5094

EXHIBIT A

AIRCRAFT CONFIGURATION

DATED DECEMBER 31, 2020

relating to

BOEING MODEL 747-8F AIRCRAFT

The Detail Specification is Boeing document number D019U022AH548F-3, revision NEW, to be released as soon as practicable. The Detail Specification provides further description of Customer's configuration set forth in this Exhibit A. Such Detail Specification will be comprised of Boeing configuration specification D019U022, revision I, dated January 9, 2015 as amended to incorporate changes applicable to the Model 747-8 Freighter aircraft which have been developed by Boeing prior to the signing of this agreement and the optional features (**Options**) listed below, including [*]. As soon as practicable, Boeing will furnish to Customer copies of the Detail Specification, which copies will reflect such Options. The Aircraft Basic Price reflects and includes all effects of such Options, except such Aircraft Basic Price does not include the price effects of any Buyer Furnished Equipment or Seller Purchased Equipment.

Configuration Item Number	Title	2019 Dollars Price per A/C
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
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[*]	[*]	[*]
[*]	[*]	[*]

[*]		[*]

AIRCRAFT DELIVERY REQUIREMENTS AND RESPONSIBILITIES

between

THE BOEING COMPANY

and

ATLAS AIR WORLDWIDE HOLDINGS, INC.

EXHIBIT B

to PURCHASE AGREEMENT NUMBER PA-5094

EXHIBIT B

AIRCRAFT DELIVERY REQUIREMENTS AND RESPONSIBILITIES

relating to

BOEING MODEL 747-8F AIRCRAFT

Both Boeing and Customer have certain documentation and approval responsibilities at various times during the construction cycle of the Aircraft that are critical to making the delivery of each Aircraft a positive experience for both parties. This Exhibit B documents those responsibilities and indicates recommended completion deadlines for the actions to be accomplished.

1. GOVERNMENT DOCUMENTATION REQUIREMENTS.

Certain actions are required to be taken by Customer in advance of the scheduled delivery month of each Aircraft with respect to obtaining certain government issued documentation.

1.1 Airworthiness and Registration Documents. Not later than [*] **prior to delivery** of each Aircraft, Customer will notify Boeing of the registration number to be painted on the side of the Aircraft. If required by the regulatory authority, Customer will authorize, by letter to the regulatory authority having jurisdiction, the display of such registration numbers by Boeing during the pre-delivery testing of the Aircraft, no later than [*] **prior to delivery** of each Aircraft.

Customer is responsible for furnishing any temporary or permanent registration certificates required by any governmental authority having jurisdiction to be displayed aboard the Aircraft after delivery.

1.2 Certificate of Sanitary Construction.

1.2.1 U.S. Registered Aircraft. Boeing will obtain from the United States Public Health Service, a United States Certificate of Sanitary Construction to be displayed aboard each Aircraft after delivery to Customer. The above Boeing obligation only applies to commercial passenger aircraft.

1.2.2 Non-U.S. Registered Aircraft. If Customer requires a United States Certificate of Sanitary Construction at the time of delivery of the Aircraft, Customer will give written notice thereof to Boeing at least [*] **prior to delivery**. Boeing will then use commercially reasonable efforts to obtain the certificate from the United States Public Health Service and present it to Customer at the time of Aircraft delivery. The above Boeing obligation only applies to commercial passenger aircraft.

1.3 Customs Documentation.

1.3.1 Import Documentation. If the Aircraft is intended to be exported from the United States, Customer must notify Boeing not later than [*] **prior to delivery** of each Aircraft of any documentation required by the customs authorities or by any other agency of the country of import.

1.3.2 General Declaration - U.S. If the Aircraft is intended to be exported from the United States, Boeing will prepare Customs Form 7507, General Declaration, for execution by U.S. Customs immediately prior to the ferry flight of the Aircraft. For this purpose, Customer will furnish to Boeing not later than [*] **prior to delivery** all information required by U.S. Customs and Border Protection, including without limitation (i) a complete crew and passenger list identifying the names, birth dates, passport numbers and passport expiration dates of all crew and passengers and (ii) a complete ferry flight itinerary, including point of exit from the United States for the Aircraft.

If Customer intends, during the ferry flight of an Aircraft, to land at a U.S. airport after clearing Customs at delivery, Customer must notify Boeing not later than [*] **prior to delivery** of such intention. If Boeing receives such notification, Boeing will provide to Customer the documents constituting a customs permit to proceed, allowing such Aircraft to depart after any such landing. Sufficient copies of completed Form 7507, along with passenger manifest, will be furnished to Customer to cover U.S. stops scheduled for the ferry flight.

1.3.3 Export Declaration - U.S. If the Aircraft is intended to be exported from the United States following delivery, and (i) Customer is a non-U.S. customer, Boeing will file an export declaration electronically with U.S. Customs and Border Protection (**CBP**), or (ii) Customer is a U.S. customer, it is the responsibility of the U.S. customer, as the exporter of record, to file the export declaration with CBP.

2. INSURANCE CERTIFICATES.

Unless provided earlier, Customer will provide to Boeing not later than [*] **prior to delivery** of the first Aircraft, a copy of the requisite annual insurance certificate in accordance with the requirements of Article 8 of the AGTA.

3. NOTICE OF FLYAWAY CONFIGURATION.

Not later than [*] **prior to delivery** of the Aircraft, Customer will provide to Boeing a configuration letter stating the requested "flyaway configuration" of the Aircraft for its ferry flight. This configuration letter should include:

(i) the name of the company which is to furnish fuel for the ferry flight and any scheduled post-delivery flight training, the method of payment for such fuel, and fuel load for the ferry flight;

(ii) the cargo to be loaded and where it is to be stowed on board the Aircraft, the address where cargo is to be shipped after flyaway and notification of any hazardous materials requiring special handling;

(iii) any BFE equipment to be removed prior to flyaway and returned to Boeing BFE stores for installation on Customer's subsequent Aircraft;

(iv) a complete list of names and citizenship of each crew member and non-revenue passenger who will be aboard the ferry flight; and

(v) a complete ferry flight itinerary.

4. DELIVERY ACTIONS BY BOEING.

4.1 Schedule of Inspections. All FAA, Boeing, Customer and, if required, U.S. Customs Bureau inspections will be scheduled by Boeing for completion prior to delivery or departure of the Aircraft. Customer will be informed of such schedules [*].

4.2 Schedule of Demonstration Flights. All FAA and Customer demonstration flights will be scheduled by Boeing for completion prior to delivery of the Aircraft.

4.3 Schedule for Customer's Flight Crew. Boeing will inform Customer of the date that a flight crew is required for acceptance routines associated with delivery of the Aircraft.

4.4 Fuel Provided by Boeing. Boeing will provide to Customer, without charge, the amount of fuel shown in U.S. gallons in the table below for the model of Aircraft being delivered and full capacity of engine oil at the time of delivery or prior to the ferry flight of the Aircraft.

Aircraft Model	**Fuel Provided**
747	[*]

4.5 Flight Crew and Passenger Consumables. Boeing will provide reasonable quantities of food, coat hangers, towels, toilet tissue, drinking cups and soap for the first segment of the ferry flight for the Aircraft.

4.6 Delivery Papers, Documents and Data. Boeing will have available at the time of delivery of the Aircraft certain delivery papers, documents and data for execution and delivery. If title for the Aircraft will be transferred to Customer through a Boeing subsidiary and if the Aircraft will be registered with the FAA, Boeing will pre-position in Oklahoma City, Oklahoma, for filing with the FAA at the time of delivery of the Aircraft an executed original Form 8050-2, Aircraft Bill of Sale, indicating transfer of title to the Aircraft from Boeing's subsidiary to Customer. It is understood by the parties that the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on Matters Specific to Aircraft Equipment and the regulations issued thereunder (collectively, the “Cape Town Convention”) will be applicable to the Purchase Agreement. The parties agree that each shall appoint an administrator and/or a professional registry user entity, as applicable, that can consent to the registration of Customer’s international interest in the Aircraft with the international registry located in Dublin, Ireland (the “International Registry”). Further, Boeing shall consent to Customer’s filing of its international interest in the Aircraft after passage of title to the Aircraft from Boeing to the Customer, provided that such filing is correct and complete.

4.7 Delegation of Authority. If specifically requested in advance by Customer, Boeing will present a certified copy of a delegation of authority, designating and authorizing certain persons to act on its behalf in connection with delivery of the Aircraft.

5. DELIVERY ACTIONS BY CUSTOMER.

5.1 Aircraft Radio Station License. At delivery Customer will provide its aircraft radio station license to be placed on board the Aircraft following delivery.

5.2 Aircraft Flight Log. At delivery Customer will provide the aircraft flight log for the Aircraft.

5.3 Delegation of Authority. Customer will present to Boeing at delivery of the Aircraft an original or certified copy of Customer's delegation of authority designating and authorizing certain persons to act on its behalf in connection with delivery of the specified Aircraft.

5.4 TSA Waiver Approval. Customer may be required to have an approved Transportation Security Administration (**TSA**) waiver for the ferry flight depending upon the Customer's en-route stop(s) and destination unless the Customer already has a TSA approved security program in place. Customer is responsible for application of the TSA waiver and obtaining TSA approval. Customer will provide a copy of the approved TSA waiver to Boeing upon arrival at the Boeing delivery center.

5.5 Electronic Advance Passenger Information System. Should the ferry flight of an Aircraft leave the United States, the Department of Homeland Security office requires Customer to comply with the Electronic Advance Passenger Information System (**eAPIS**). Customer needs to establish their own account with US Customs and Border Protection in order to file for departure. A copy of the eAPIS forms is to be provided by Customer to Boeing upon arrival of Customer's acceptance team at the Boeing delivery center.

AIRFRAME AND OPTIONAL FEATURES ESCALATION ADJUSTMENT

between

THE BOEING COMPANY

and

ATLAS AIR WORLDWIDE HOLDINGS, INC.

Supplemental Exhibit AE1

to Purchase Agreement Number PA-5094

AIRFRAME AND OPTIONAL FEATURES
ESCALATION ADJUSTMENT

relating to

BOEING MODEL 747-8F AIRCRAFT

1. Formula.

Airframe and Optional Features price adjustments (**Airframe Price Adjustment**) are used to allow prices to be stated in current year dollars at the signing of this Purchase Agreement and to adjust the amount to be paid by Customer at delivery for the effects of economic fluctuation. The Airframe Price Adjustment will be determined at the time of Aircraft delivery in accordance with the following formula:

P_a = [*]

Where:

P_a = Airframe Price Adjustment.

[*] = Airframe Price plus the price of the Optional Features (as set forth in Table 1 of this Purchase Agreement).

[*] = [*
]

Where:

[*] is the base year airframe escalation index (as set forth in Table 1 of this Purchase Agreement);

[*] is a value determined using the U.S. Department of Labor, Bureau of Labor Statistics, [*], calculated by establishing a [*] arithmetic average value (expressed as a decimal and rounded to the nearest tenth) using the values for the [*] prior to the month of scheduled delivery of the applicable Aircraft. As the [*] values are only released on a quarterly basis, the value released for the first quarter will be used for the months of January, February, and March; the value released for the second quarter will be used for the months of April, May, and June; the value released for the third quarter will be used for the months of July, August, and September; the value released for the fourth quarter will be used for the months of October, November, and December.

M = [*]

Where:

[*] is the base year airframe escalation index (as set forth in Table 1 of this Purchase Agreement); and

[*] is a value determined using the U.S. Department of Labor, Bureau of Labor Statistics, [*], calculated as a three (3) month arithmetic average of the released monthly values (expressed as a decimal and rounded to the nearest tenth) using the values for the 11th, 12th, and 13th months prior to the month of scheduled delivery of the applicable Aircraft.

As an example, for an Aircraft scheduled to be delivered in the month of July, the months of June, July, and August of the preceding year will be utilized in determining the value of [*].

Note:

(i) In determining the values of L and M, all calculations and resulting values will be expressed as a decimal rounded to the nearest ten-thousandth.

(ii) [*]is the numeric ratio attributed to labor in the Airframe Price Adjustment formula.

(iii) [*] is the numeric ratio attributed to materials in the Airframe Price Adjustment formula.

(iv) The denominators (**base year indices**) are the actual average values reported by the U.S. Department of Labor, Bureau of Labor Statistics. The actual average values are calculated as a [*] arithmetic average of the released monthly values (expressed as a decimal and rounded to the nearest tenth) using the values for the [*] months prior to the airframe base year. The applicable base year and corresponding denominator is provided by Boeing in Table 1 of this Purchase Agreement.

(v) The final value of P_a will be rounded to the nearest dollar.

(vi) The Airframe Price Adjustment will not be made if it will result in a decrease in the Aircraft Basic Price.

2. Values to be Utilized in the Event of Unavailability.

2.1 If the Bureau of Labor Statistics substantially revises the methodology used for the determination of the values to be used to determine the [*] values (in contrast to benchmark adjustments or other corrections of previously released values), or for any reason has not released values needed to determine the applicable Airframe Price Adjustment, the parties will, prior to the delivery of any such Aircraft, select a substitute from other Bureau of Labor Statistics data or similar data reported by non-governmental organizations. Such substitute will result in the same adjustment, insofar as possible, as would have been calculated utilizing the original values adjusted for fluctuation during the applicable time period. However, if within twenty-four (24) months after delivery of the Aircraft, the Bureau of Labor Statistics should resume releasing values for the months needed to determine the Airframe Price Adjustment, such values will be used to determine any increase or decrease in the Airframe Price Adjustment for the Aircraft from that determined at the time of delivery of the Aircraft.

2.2 Notwithstanding Article 2.1 above, if prior to the scheduled delivery month of an Aircraft the Bureau of Labor Statistics changes the base year for determination of the [*] values as defined above, such re-based values will be incorporated in the Airframe Price Adjustment calculation.

2.3 In the event escalation provisions are made non-enforceable or otherwise rendered void by any agency of the United States Government, the parties agree, to the extent they may lawfully do so, to equitably adjust the Aircraft Price of any affected Aircraft to reflect an allowance for increases or decreases consistent with the applicable provisions of paragraph 1 of this Supplemental Exhibit AE1 in labor compensation and material costs occurring since eleven (11) months prior to the price base year shown in the Purchase Agreement.

2.4 If within twelve (12) months of Aircraft delivery, the published index values are revised due to an acknowledged error by the Bureau of Labor Statistics, the Airframe Price Adjustment will be re-calculated using the revised index values (this does not include those values noted as preliminary by the Bureau of Labor Statistics). A credit memorandum or supplemental invoice will be issued for the Airframe Price Adjustment difference. Interest charges will not apply for the period of original invoice to issuance of credit memorandum or supplemental invoice.

Note:

(i) The values released by the Bureau of Labor Statistics and available to Boeing [*] prior to the first day of the scheduled delivery month of an Aircraft will be used to determine the [*] values for the applicable months (including those noted as preliminary by the Bureau of Labor Statistics) to calculate the Airframe Price Adjustment for the Aircraft invoice at the time of delivery. The values will be considered final and no Airframe Price Adjustments will be made after Aircraft delivery for any subsequent changes in published Index values, subject always to paragraph 2.4 above.

(ii) The maximum number of digits to the right of the decimal after rounding utilized in any part of the Airframe Price Adjustment equation will be four (4), where rounding of the fourth digit will be increased to the next highest digit when the 5th digit is equal to five (5) or greater.

BUYER FURNISHED EQUIPMENT VARIABLES

between

THE BOEING COMPANY

and

ATLAS AIR WORLDWIDE HOLDINGS, INC.

Supplemental Exhibit BFE1

to Purchase Agreement Number PA-5094

BUYER FURNISHED EQUIPMENT VARIABLES

relating to

BOEING MODEL 747-8F AIRCRAFT

This Supplemental Exhibit BFE1 contains supplier selection dates, on-dock dates and other requirements applicable to the Aircraft.

1. Supplier Selection.

Customer will:

Select and notify Boeing of the suppliers and part numbers of the following BFE items by the following dates:

Galley System	NA
Galley Inserts	NA
Seats (Suites)	NA
Seats (F/C, B/C, Premium E/C)	NA
Seats (Economy class)	NA
Overhead & Audio System	NA
In-Seat Video System	NA
Miscellaneous Emergency Equipment	[*]

2. On-dock Dates and Other Information.

On or before [*] prior to the first delivery, Boeing will provide to Customer the BFE Requirements. These requirements may be periodically revised, setting forth the items, quantities, on-dock dates and shipping instructions and other requirements relating to the in-sequence installation of BFE. For planning purposes, preliminary BFE on-dock dates are set forth below:

Item	Preliminary On-Dock Dates	
	May 2022 Aircraft	August 2022 Aircraft
Seats	N/A	N/A
Galleys/Furnishings	N/A	N/A
Antennas & Mounting Equipment	N/A	N/A
Avionics	N/A	N/A
Cabin Systems Equipment	N/A	N/A
Miscellaneous Emergency Equipment	[*]	[*]
Textiles/Raw Material	N/A	N/A

Item	Preliminary On-Dock Dates	
	September 2022 Aircraft	October 2022 Aircraft
Seats	N/A	N/A
Galleys/Furnishings	N/A	N/A
Antennas & Mounting Equipment	N/A	N/A
Avionics	N/A	N/A
Cabin Systems Equipment	N/A	N/A
Miscellaneous Emergency Equipment	[*]	[*]
Textiles/Raw Material	N/A	N/A

3. Additional Delivery Requirements - Import.

Customer will be the **importer of record** (as defined by the U.S. Customs and Border Protection) for all BFE imported into the United States, and as such, it has the responsibility to ensure all of Customer's BFE shipments comply with U.S. Customs Service regulations. In the event Customer requests Boeing, in writing, to act as importer of record for Customer's BFE, and Boeing agrees to such request, Customer is responsible for ensuring Boeing can comply with all U.S. Customs Import Regulations by making certain that, at the time of shipment, all BFE shipments comply with the requirements in the "International Shipment Routing Instructions", including the Customs Trade Partnership Against Terrorism (**C-TPAT**), as set out on the Boeing website referenced below. Customer agrees to include the International Shipment Routing Instructions, including C-TPAT requirements, in each contract between Customer and BFE supplier.

http://www.boeing.com/companyoffices/doingbiz/supplier_portal/index_general.html

CUSTOMER SUPPORT VARIABLES

between

THE BOEING COMPANY

and

ATLAS AIR WORLDWIDE HOLDINGS, INC.

SUPPLEMENTAL EXHIBIT CS1

To PURCHASE AGREEMENT NUMBER PA-5094

CUSTOMER SUPPORT VARIABLES

relating to

BOEING MODEL 747-8F AIRCRAFT

Customer and Boeing will conduct planning conferences approximately twelve (12) months prior to delivery of the first Aircraft, or as mutually agreed, in order to develop and schedule a customized support program (**Customer Support Program**) to be furnished by Boeing in support of the Aircraft.

The Customer Support Program will be based upon and equivalent to the entitlements summarized below.

1. Maintenance Training.

1.1 Airframe Systems Differences Course covering differences between Customer's newly-purchased Aircraft and an aircraft of the same model currently operated by Customer; [*] class of [*] students.

1.2 Avionics Systems Differences Course; [*] class of [*] students.

1.3 Engine Run-up Course; [*] class of [*] students.

1.4 Aircraft Rigging Course; [*] class of [*] students.

1.5 Structural Repair Manual Course; [*] class of [*] students.

1.6 Training materials, including training manuals for coursework materials and student reference guide, will be provided to each student. In addition, one (1) set of training materials, including instrument panel wall charts, training videos (if applicable), training manuals for coursework materials, and a student reference guide will be provided for use in Customer's own training program.

2. Flight Training.

Boeing will provide a differences course for crews converting from 747-400 aircraft to 747-8 aircraft as follows:

2.1 [*] crews ([*] pilots).

2.2 Cabin Safety training; [*] classes of [*] students per class.

2.3 Electronic Check List Authoring Course[*] class of [*] students.

2.4 Training materials, including training manuals, flight crew training manual, reduced size instrument panel wall charts, FCOM and QRH will be provided to each student. In addition, one (1) set of training materials, including differences e-Learning, full size instrument panel color wall charts, and training video programs (if applicable) will be provided for use in Customer's own training program.

2.5 Additional Flight Operations Services: The days listed in this section are measured from the day the instructor(s) depart Boeing until their return to Boeing, including travel and days off.

2.5.1 Provide [*] total instructor pilot days to be used for any of the following services:

Ferry flight
Airplane/base training
Simulator observation
Proving sectors/flights
Revenue services training/Initial operating experience/supervised flying

2.5.2 Provide an instructor pilot to visit Customer [*] after revenue service training to review Customer's flight crew operations for a [*] period.

3. Planning Assistance.

3.1 Maintenance Engineering. Notwithstanding anything in Exhibit B to the AGTA to the contrary, Boeing will provide the following maintenance engineering support:

3.1.1 Maintenance Planning Assistance. Upon Customer’s request, Boeing will provide [*] on-site visit to Customer’s main base to assist with maintenance program development and to provide consulting related to maintenance planning. Consultation with Customer will be based on ground rules and requirements information provided in advance by Customer.

3.1.2 ETOPS Maintenance Planning Assistance. Upon Customer’s request [*], Boeing will provide [*] on-site visit, if required, to Customer's main base to assist with the development of their Extended Operations (**ETOPS**) maintenance program and to provide consultation related to ETOPS maintenance planning. Consultation with Customer will be based on ground rules and requirements information provided in advance by the Customer.

3.1.3 GSE/Shops/Tooling Consulting. Upon request, Boeing will provide [*] on-site visit to Customer’s main base to evaluate Customer’s ground support equipment, maintenance tooling and requirements for maintenance shops. Consultation with Customer will be based on ground rules and requirements information provided in advance by Customer.

3.1.4 Maintenance Engineering Evaluation. Upon request, Boeing will provide [*] on-site visit to Customer’s main base to evaluate Customer’s maintenance and engineering organization for conformance with industry best practices. The result of which will be documented by Boeing in a maintenance engineering evaluation presentation. Customer will be provided with a copy of the maintenance engineering evaluation presentation. Consultation with Customer will be based on ground rules and requirements information provided in advance by Customer.

3.2 Spares.

3.2.1 Recommended Spares Parts List (**RSPL**). Boeing will revise, as applicable, the customized Recommended Spares Parts List (RSPL).

4. Technical Data and Documents.

The following Materials will be provided to Customer and Boeing may revise the format for delivering such Materials with advance notice to Customer.

4.1 Flight Operations.

Airplane Flight Manual
Airplane Rescue and Fire Fighting Information
Dispatch Deviations Guide
Flight Crew Operations Manual and Quick Reference Handbook
Flight Crew Training Manual
FMC Supplementary Data Document
Jet Transport Performance Methods
Operational Performance Software
Performance Engineers Tool
Weight and Balance Manual Chapter 1 Control and Loading

4.2 Maintenance.

Aircraft Maintenance Manual and Supplement
Baggage and Cargo Loading Manual
Component Maintenance Manual
Fault Reporting Manual
Fuel Quantity Measuring Stick Data
Illustrated Parts Catalog
Interactive Fault Isolation Manual
Nondestructive Test Manual
Powerplant Buildup Manual
Service Bulletins and Index
Standard Overhaul Practices Manual Chapter 20
Standard Wiring Practices Manual Chapter 20
Structural Repair Manual
System Schematic Manual
Wiring Diagram Manual

4.3 Service Engineering.

All Operators Messages
Maintenance Tips
Service Letters

4.4 Maintenance Programs Engineering.

Airline Maintenance Inspection Intervals

Airworthiness Limitations
Airworthiness Limitations – Line Specific
Certification Maintenance Requirements
Damage Tolerance Rating Check Form Document
ETOPS Guide Volume I Configuration
Maintenance & Procedure Supplement
EWIS ICA Source Document
Maintenance Planning Document and Supplement
Maintenance Task Cards and Index and Supplement
Special Compliance Items

4.5 Facilities and Equipment Planning.

Airplane Recovery Document
Engine Ground Handling Document
GSE Tooling Drawings
Illustrated Tool and Equipment Manual
Maintenance Facility and Equipment Planning Document
Special Tool and Ground Handling Equipment Drawings and Index

4.6 Airport Technology.

Airplane Characteristics for Airport Planning

4.7 Supplier Technical Data.

Supplier Component Maintenance Manuals
Supplier Product Support and Assurance Agreements

4.8 Product Standard.

Product Standard Data System

4.9 Fleet Statistical Data and Report.

Fleet reliability views, charts, and reports

4.10 Engineering Drawings.

Assembly and Installation Drawings

5. Aircraft Information.

5.1 **Aircraft Information** is defined as that data provided by Customer to Boeing which falls into one of the following categories: (i) aircraft operational information (including, but not limited to, flight hours, departures, schedule reliability, engine hours, number of aircraft, aircraft registries, landings, and daily utilization and schedule interruptions for Boeing model aircraft); (ii) summary and detailed shop findings data; (iii) line maintenance data; (iv) airplane message data, (v) scheduled maintenance data; (vi) service bulletin incorporation; and (vii) aircraft data generated or received by equipment installed on Customer's aircraft in analog or digital form including but not limited to information regarding the state, condition, performance, location, setting, or path of the aircraft and associated systems, sub-systems and components.

5.2 License Grant. To the extent Customer has or obtains rights to Aircraft Information, Customer grants to Boeing a perpetual, world-wide, non-exclusive license to use and disclose Aircraft Information and create derivatives thereof in Boeing data and information and products and services provided Customer identification information as originating from Customer is removed. Customer identification information may be retained as necessary for Boeing to provide products and services Customer has requested from Boeing or for Boeing to inform Customer of additional Boeing products and services. This grant is in addition to any other grants of rights in the agreements governing provision of such information to Boeing regardless of whether that information is identified as Aircraft Information in such agreement including any information submitted under the In Service Data Program (**ISDP**).

For purposes of this article, Boeing is defined as The Boeing Company and its wholly owned subsidiaries.

Customer will provide Aircraft Information to Boeing through an automated software feed necessary to support Fleet Statistical Analysis. Boeing will provide assistance to Customer under a separate agreement for mapping services to enable the automated software feed.

ENGINE ESCALATION ADJUSTMENT,
ENGINE WARRANTY AND PATENT INDEMNITY

between

THE BOEING COMPANY

and

ATLAS AIR WORLDWIDE HOLDINGS, INC.

Supplemental Exhibit EE1

to Purchase Agreement Number PA-5094

ENGINE ESCALATION ADJUSTMENT,
ENGINE WARRANTY AND PATENT INDEMNITY

relating to

BOEING MODEL 747-8F AIRCRAFT

1. ENGINE ESCALATION.

No separate engine escalation methodology is defined for the Aircraft. The engine price, at its basic thrust level, is included in and will be escalated in the same manner as the Airframe Price.

2. ENGINE WARRANTY AND PRODUCT SUPPORT PLAN.

Boeing has obtained from General Electric Company (**GE**) GE's guarantee that GE will extend directly to Customer GE's warranty, special guarantees and product support services (hereinafter collectively referred to as **Warranty**); subject, however, to Customer's acceptance of the conditions set forth in the Warranty.

In consideration for Boeing's having obtained GE's guarantee to provide the Warranty directly to the Customer, Customer hereby releases and discharges Boeing from any and all claims, obligations and liabilities whatsoever arising out of the purchase or use of such engines and Customer hereby waives, releases and renounces all its rights in all such claims, obligations and liabilities. THE WARRANTY GE EXTENDS DIRECTLY TO CUSTOMER IS EXCLUSIVE, AND IS IN LIEU OF ALL OTHER WARRANTIES WHETHER WRITTEN, ORAL OR IMPLIED. THERE ARE NO IMPLIED WARRANTIES OF FITNESS OR MERCHANTABILITY.

SERVICE LIFE POLICY COMPONENTS

between

THE BOEING COMPANY

and

ATLAS AIR WORLDWIDE HOLDINGS, INC.

SUPPLEMENTAL EXHIBIT SLP1

TO PURCHASE AGREEMENT NUMBER PA-5094

SERVICE LIFE POLICY COMPONENTS

relating to

BOEING MODEL 747-8F AIRCRAFT

This is the listing of SLP Components for the Aircraft which relate to Part 3, Boeing Service Life Policy of Exhibit C, Product Assurance Document to the AGTA and is a part of Purchase Agreement No. PA-5094.

1. Wing.

(i) Upper and lower wing skins and stiffeners between the forward and rear wing spars.

(ii) Wing spar webs, chords and stiffeners.

(iii) Inspar wing ribs.

(iv) nspar splice plates and fittings.

(v) Wing landing gear support structure.

(vi) Wing center section lower beams, spanwise beams and floor beams, but not the seat tracks attached to floor beams.

(vii) Wing-to-body structural attachments.

(viii) Engine strut support fittings attached directly to wing primary structure.

(ix) Support structure in the wing for spoilers and spoiler actuators; for aileron hinges and reaction links; and for leading edge devices and trailing edge flaps and winglet support fittings.

(x) Trailing edge flap tracks and carriages.

(xi) Aileron leading edge device and trailing edge flap internal, fixed attachment and actuator support structure.

(xii) Spoiler support beam.

2. Body.

(i) External surface skins and doublers, longitudinal stiffeners, longerons and circumferential rings and frames between the forward pressure bulkhead and the vertical stabilizer rear spar bulkhead and
structural support and enclosure for the APU but excluding all system components and related installation and connecting devices, insulation, lining, and decorative panels and related installation and connecting devices.

(ii) Window and windshield structure but excluding the windows and windshields.

(iii) Fixed attachment structure of the passenger doors, cargo doors and emergency exits, excluding door mechanisms and movable hinge components. Sills and frames around the body openings for the passenger doors, cargo doors and emergency exits, excluding scuff plates and pressure seals.

(iv) Nose wheel well structure, including the wheel well walls, pressure deck, bulkheads, and landing gear beam support structure.

(v) Wheel well structure for the wing and body gears including the ceiling, bulkheads and gear support structure.

(vi) Floor beams and support posts in the control cab, upper deck accommodation area and passenger cabin area, but excluding seat tracks.

(vii) Forward and aft pressure bulkheads.

(viii) Keel structure between the wing front spar bulkhead and the main gear wheel well aft bulkhead, including splices.

(ix) Wing front, and rear spar support bulkheads, and vertical and horizontal stabilizer front and rear spar support bulkheads including terminal fittings but excluding all system components and related installation and connecting devices, insulation, lining, and decorative panels and related installation and connecting devices.

(x) Support structure in the body for the stabilizer pivot and stabilizer screw.

(xi) Tension ties aft of upper deck accommodation area.

3. Vertical Stabilizer.

(i) Skins and stiffeners between the auxiliary and rear spars.

(ii) Front, rear and auxiliary spar chords, webs and stiffeners and attachment fittings between vertical stabilizer and body.

(iii) Inspar ribs.

(iv) Rudder hinges and supporting ribs, excluding bearings.

(v) Support structure in the vertical stabilizer for rudder hinges, reaction links and actuators.

(vi) Rudder internal, fixed attachment and actuator support structure.

(vii) Stabilizer to body attachment fittings and auxiliary spar link.

4. Horizontal Stabilizer.

(i) Upper and lower skins and stiffeners between the auxiliary and rear spars.

(ii) Front, rear and auxiliary spar chords, webs and stiffeners.

(iii) Inspar ribs.

(iv) Stabilizer center section and fittings splicing to outboard stabilizer including pivot and screw support structure.

(v) Support structure in the horizontal stabilizer for the elevator hinges, reaction links and actuators.

(vi) Elevator internal, fixed attachment and actuator support structure.

5. Engine Strut.

(i) Strut external surface skin and doublers and stiffeners.

(ii) Internal strut chords, frames and bulkheads.

(iii) Strut to wing fittings and diagonal brace.

(iv) Engine mount support fittings attached directly to strut structure.

(v) For Aircraft equipped with General Electric or Pratt & Whitney engines only, the engine-mounted support fittings.

6. Main Landing Gear (Wing Mounted).

(i) Outer cylinder.

(ii) Inner cylinder.

(iii) Upper and lower side struts, including spindles and universals.

(iv) Axles.

(v) Truck beam.

(vi) Walking beam and trunnion fork.

(vii) Drag brace.

(viii) Orifice support.

Main Landing Gear (Body Mounted).

(ix) Outer cylinder.

(x) Inner cylinder.

(xi) Upper and lower drag struts, including spindles and universals.

(xii) Axles.

(xiii) Truck beam.

(xiv) Side brace.

(xv) Orifice support.

7. Nose Landing Gear.

(i) Outer cylinder.

(ii) Inner cylinder.

(iii) Orifice support tube.

(iv) Upper and lower drag strut, including lock links.

(v) Steering plates and steering collar.

(vi) Torsion links.

(vii) Side struts.

(viii) Upper and lower tripod.

(ix) Axles.

NOTE: The Service Life Policy does not cover any bearings, bolts, bushings, clamps, brackets, actuating mechanisms or latching mechanisms used in or on the SLP Components.

The Boeing Company
P.O. Box 3707
Seattle, WA 98124 2207

AH5-PA-5094-LA-2003949

Atlas Air Worldwide Holdings, Inc.
2000 Westchester Avenue
Purchase, NY 10577

Subject: [*]

Reference: Purchase Agreement No. PA-5094 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Atlas Air Worldwide Holdings, Inc. (**Customer**) relating to Model 747-8F aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

The Purchase Agreement incorporates the terms and conditions of AGTA-TLS between Boeing and Customer. This Letter Agreement modifies certain terms and conditions of the AGTA with respect to the Aircraft.

1. [*].

1.1 [*] advance payment schedule provided in Table 1 of the Purchase Agreement [*] advance payments [*].

1.2 [*].

Months Prior to Delivery		**Amount Due**
[*]		[*]
[*]		[*]
[*]		[*]
[*]		[*]
	[*]	[*]

2. [*].

[*].

3. [*].

3.1 Customer [*] under (i) the Purchase Agreement or (ii) any other agreement with Boeing [*]

Boeing may, [*] default [*].

3.2 If Boeing [*] to Boeing, [*] instruction from Boeing to the [*] such that the [*] this Letter Agreement. [*] unconditional wire transfer of [*] designated by Boeing.

3.3 For all purposes of this Article 3, including without limitation, notice, [*]. Nothing herein will constitute [*] of Boeing; all [*] will be [*]. Boeing expressly reserves all of its rights and remedies under any agreement and applicable law.

4. <u>Assignment</u>.

4.1 Notwithstanding [*]:

[*]		[*]
[*]		[*]
[*]		[*]
[*]		[*]
[*]		[*]
[*]		[*]
[*]		[*]
	[*]	[*]

4.2 Notwithstanding any [*] of this Letter Agreement or the Purchase Agreement, [*] Letter Agreement are provided to Customer in consideration of Customer becoming the operator of the Aircraft and cannot be assigned, in whole or in part, without the prior written consent of Boeing.

5. <u>Confidentiality</u>.

Customer understands and agrees that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to employees of Customer, directors and officers of Atlas Air Worldwide Holdings, Inc. and Titan Aviation Holdings, Inc. and their wholly owned subsidiaries and Customer's auditors and outside counsel, with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing. In the event that Customer in good faith concludes (based upon an opinion of counsel) that disclosure of information contained in this Letter Agreement may be required by applicable law or governmental regulations, Customer shall advise Boeing in writing prior to such disclosure, if possible, or, if not possible, then promptly upon receiving such order or upon identifying such need to comply, in order to enable Boeing to take whatever steps it deems necessary to protect its interests in this regard, and Customer will, in any event, disclose only that portion of the information which it is legally required to disclose and Customer will use its reasonable endeavors to protect the confidentiality of such information to the widest extent possible in the circumstances. In addition to any equitable relief that may be available to Boeing in the event of a breach of this Article, Boeing may rescind the Deferred Advance Payment Schedule described in Article 1.

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters contained herein, please indicate your acceptance and approval below.

ACCEPTED AND AGREED
TO this

Date: January 7, 2021

ATLAS AIR WORLDWIDE HOLDINGS, INC.		THE BOEING COMPANY	
By:	/s/ John Dietrich	By:	[*]
Name:	John Dietrich	Name:	[*]
Title:	President & Chief Executive Officer	Title:	Attorney-In-Fact

The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

AH5-PA-5094-LA-2003950

Atlas Air Worldwide Holdings, Inc.
2000 Westchester Avenue
Purchase, NY 10577

Subject: [*]

Reference: Purchase Agreement No. 5094 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Atlas Air Worldwide Holdings, Inc. (**Customer**) relating to Model 747-8F aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

1. AGTA Basic Articles.

1.1 The table of contents of the basic articles of the AGTA is revised to add the following items to the listing of appendices:

VIII Post-Delivery Sale with Lease to Seller

IX Sale with Lease

X Post-Delivery Security

1.2 All references to Appendix I contained in the following articles of the AGTA will refer to Appendix I attached hereto, in lieu of Appendix I currently contained in the AGTA: (i) Article 8.2.1, “Insurance Requirements” and (ii) Article 8.2.2, “Noncompliance with Insurance Requirements.”

1.3 All references to Appendix II, III, IV, V, and VI contained in the following articles of the AGTA will refer to Appendices II, III, IV, V, and VI attached hereto, in lieu of Appendices II, III, IV, V, and VI currently contained in the AGTA: (i) Article 9.2, “Transfer by Customer at Delivery,” (ii) Article 9.3, “Sale or Lease by Customer After Delivery,” (iii) Article 9.5, “Exculpatory Clause in Post-Delivery Sale or Lease,” and (v) Article 9.6, “Appointment of Agent – Warranty Claims.”

1.4 Article 2.1.1, “Airframe Price”, of the basic articles of the AGTA is revised to read as follows:

2.1.1 **Airframe Price** is defined as the price of the airframe for a specific model of aircraft described in a purchase agreement. (For certain model aircraft, as reflected in the purchase agreement, the Airframe Price includes the engine price at its basic thrust level).

1.5 Article 2.1.3, “Engine Price”, of the basic articles of the AGTA is revised to read as follows:

2.1.3 **Engine Price** is defined as the price set by the engine manufacturer for a specific engine to be installed on the model of aircraft described in a purchase agreement (not applicable to certain models of aircraft as reflected in the purchase agreement).

1.6 Article 2.1.5, “Escalation Adjustment”, of the basic articles of the AGTA is revised to read as follows:

2.1.5 **Escalation Adjustment** is defined as the price adjustment to the Airframe Price (which includes the basic engine price for certain models of aircraft as reflected in the purchase agreement) and the Optional Features Prices resulting from the calculation using the economic price formula contained in the Airframe and Optional Features Escalation Adjustment supplemental exhibit to the applicable purchase agreement. The price adjustment to the Engine Price will be calculated using the economic price formula in the Engine Escalation Adjustment supplemental exhibit to the applicable purchase agreement when the Airframe Price does not include the engine price at its basic thrust level as reflected in the purchase agreement.

1.7 Article 7.1, “General”, of the basic articles of the AGTA is revised to read as follows:

“7.1 General. Boeing will not be liable for any delay in the scheduled delivery month of an aircraft or other performance under a purchase agreement caused by (i) acts of God; (ii) war or armed hostilities; (iii) government acts or priorities; (iv) fires, floods, or earthquakes; (v) strikes or labor troubles causing cessation, slowdown, or interruption of work; (vi) inability, after due and timely diligence, to procure materials, systems, accessories, equipment or parts; or (vii) any other cause to the extent such cause is beyond Boeing's control and not occasioned by Boeing's fault or negligence. A delay resulting from any such cause is defined as an **Excusable Delay**”.

1.8 Article 9.3, “Sale or Lease by Customer After Delivery,” of the basic articles of the AGTA is revised to read as follows:

“9.3 Post-Delivery Sale or Lease by Customer. If, following delivery of an aircraft, Customer sells or leases the aircraft (including any sale and lease-back to seller for financing purposes), Customer may assign some or all of its rights with respect to the aircraft under the applicable purchase agreement to the purchaser or lessee of such aircraft, and all such rights will inure to the benefit of such purchaser or lessee effective upon Boeing's receipt of the written agreement of the purchaser or lessee, in a form satisfactory to Boeing, to comply with all applicable terms and conditions of the applicable purchase agreement. Sample forms of notice to Boeing of such assignments giving examples of language acceptable to Boeing are attached as Appendices III, IV, VIII, IX and X."

1.9 Article 11, "Notices," of the basic articles of the AGTA is revised to read as follows:

"11. Notices. All notices required by this AGTA or by any applicable purchase agreement will be written in English, will be effective on the date of receipt, and will be delivered or transmitted by any customary means to the appropriate address or number listed below:

Customer	Mail:	Atlas Air Worldwide Holdings, Inc. Attention: General Counsel 2000 Westchester Avenue Purchase, NY 10577
	Email:	
	Facsimile:	
	Telephone:	
Boeing	Delivery or Courier:	Boeing Commercial Airplanes 1901 Oakesdale Avenue SW Renton, Washington 98057 U.S.A. Attention:Vice President - Contracts Mail Code 21-24
	Mail:	Boeing Commercial Airplanes P.O. Box 3707 Seattle, Washington 98124-2207 U.S.A. Attention:Vice President - Contracts Mail Code 21-24
	Facsimile:	(425) 237-1706
	Telephone:	(206) 766-2400"

2. Appendices to the AGTA.

2.1 Appendices I, II, III, IV, V and VI, which are attached to this Letter Agreement and entitled respectively "Insurance Certificate," "Purchase Agreement Assignment," "Post-Delivery Sale Notice," "Post-Delivery Lease Notice," "Purchaser's/Lessee's Agreement" and "Post-Delivery Owner Appointment of Agent – Warranties," supersede in their entireties Appendices I, II, III, IV, V and VI currently contained in the AGTA.

2.2 The AGTA is amended to include Appendices VIII, IX and X to the AGTA, attached to this Letter Agreement and entitled, respectively, "Post-Delivery Sale with Lease to Seller", "Sale with Lease" and "Post-Delivery Security."

3. AGTA – Exhibit C, "Product Assurance Document".

Part 2, Article 3.1, Article (i) of Exhibit C of the AGTA is revised to read as follows:

(i) for all Boeing aircraft models except 767, the warranty period ends [*] after Delivery.

Part 2, Article 3.1, Article (iii) of Exhibit C of the AGTA is revised to read as follows:

(iii) for Boeing aircraft model 767, the warranty period ends [*] after Delivery.

4. Confidential Treatment.

Customer understands and agrees that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to employees of Customer, directors and officers of Atlas Air Worldwide Holdings, Inc. and Titan Aviation Holdings, Inc. and their wholly owned subsidiaries and its auditors and outside counsel, with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing. In the event that Customer in good faith concludes (based upon an opinion of counsel) that disclosure of information contained in this Letter Agreement may be required by applicable law or governmental regulations, Customer shall advise Boeing in writing prior to such disclosure, if possible, or, if not possible, then promptly upon receiving such order or upon identifying such need to comply, in order to enable Boeing to take whatever steps it deems necessary to protect its interests in this regard, and Customer will, in any event, disclose only that portion of the information which it is legally required to disclose and Customer will use its reasonable endeavors to protect the confidentiality of such information to the widest extent possible in the circumstances.

(The remainder of the page is intentionally blank)

Very truly yours,

THE BOEING COMPANY

By [*]

Its Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: January 7, 2021

ATLAS AIR WORLDWIDE HOLDINGS, INC.

By /s/ John Dietrich

Its President & Chief Executive Officer

Appendix I
SAMPLE
Insurance Certificate

BROKER'S LETTERHEAD

Date: +

Certificate of Insurance

ISSUED TO: The Boeing Company
Post Office Box 3707
Mail Code 13-57
Seattle, Washington 98124
Attn:Manager - Aviation Insurance for
Vice President - Employee Benefits,
Insurance and Taxes

CC: Boeing Commercial Airplanes
P.O. Box 3707
Mail Code 21-34
Seattle, Washington 98124-2207
U.S.A.
Attn:Vice President - Contracts

NAMED INSURED: Atlas Air Worldwide Holdings, Inc.

We hereby certify that in our capacity as Brokers to the Named Insured, the following described insurance is in force on this date:

Insurer	Policy No.	Participation

POLICY PERIOD:From [*date and time of inception of the Policy(ies)*] to [*date and time of expiration*].

GEOGRAPHICAL LIMITS: Worldwide (however, as respects "Aircraft Hull War and Allied Perils" Insurance, as agreed by Boeing).

Appendix I
SAMPLE
Insurance Certificate

<u>AIRCRAFT INSURED</u>: All Boeing manufactured aircraft owned or operated by the Named Insured which are the subject of the following purchase agreement(s), entered into between The Boeing Company and _________________ (hereinafter **Aircraft**):

Purchase Agreement No. __________ dated __________, 20_____
Purchase Agreement No. __________ dated __________, 20_____

<u>COVERAGES</u>:

1. Aircraft "all risks" Hull (Ground and Flight)
2. Aircraft Hull War and Allied Perils (as per LSW 555, or its successor wording)
3. Airline Liability

Including, but not limited to, Bodily Injury, Property Damage, Aircraft Liability, Liability War Risks, Passenger Legal Liability, Premises Liability, Completed Operations, Products Liability, Baggage Legal Liability (checked and unchecked), Cargo Legal Liability, Contractual Liability and Personal Injury.

The above-referenced Airline Liability insurance coverage is subject to War and Other Perils Exclusion Clause (AV48B) but all sections, other than Section (b) are reinstated as per AV52C, or their successor endorsements.

<u>LIMITS OF LIABILITY:</u> To the fullest extent of the Policy limits that the Named Insured carries from the time of delivery of the first Aircraft under the first Purchase Agreement listed under "Aircraft Insured" and thereafter at the inception of each policy period, but in any event no less than the following:

Combined Single Limit Bodily Injury and Property Damage: U.S. Dollars ($) any one occurrence each Aircraft (with aggregates as applicable).

[*]	[*]
[*]	[*]

(In regard to all other models and/or derivatives, to be specified by Boeing).

(In regard to Personal Injury coverage, limits are [*] any one offense, and in the aggregate.)

Appendix I
SAMPLE
Insurance Certificate

DEDUCTIBLES / SELF-INSURANCE: Any deductible and/or self-insurance amount (other than standard market deductibles) are to be disclosed and agreed by Boeing.

SPECIAL PROVISIONS APPLICABLE TO BOEING: It is certified that Insurers are aware of the terms and conditions of AGTA-AH5 and the following purchase agreements:

Purchase Agreement No. __________ dated __________, 20_____
Purchase Agreement No. __________ dated __________, 20_____
Purchase Agreement No. __________ dated __________, 20_____

Each Aircraft manufactured by Boeing which is delivered to the Insured pursuant to the applicable purchase agreement during the period of effectivity of the policies represented by this Certificate will be covered to the extent specified herein.

Insurers have agreed to the following:

1. In regard to Aircraft "all risks" Hull Insurance and Aircraft Hull War and Allied Perils Insurance, Insurers agree to waive all rights of subrogation or recourse against Boeing in accordance with AGTA-AH5 which was incorporated by reference into the applicable purchase agreement.

2. In regard to Airline Liability Insurance, Insurers agree:

2.1 To include Boeing as an additional insured in accordance with Customer's undertaking in Article 8.2.1 of AGTA-AH5 which was incorporated by reference into the applicable purchase agreement.

2.2 To provide that such insurance will be primary and not contributory nor excess with respect to any other insurance available for the protection of Boeing;

2.3 To provide that with respect to the interests of Boeing, such insurance will not be invalidated or minimized by any action or inaction, omission or misrepresentation by the Insured or any other person or party (other than Boeing) regardless of any breach or violation of any warranty, declaration or condition contained in such policies;

2.4 To provide that all provisions of the insurance coverage's referenced above, except the limits of liability, will operate to give each Insured or additional insured the same protection as if there were a separate Policy issued to each.

3. In regard to all of the above referenced policies:

3.1 Boeing will not be responsible for payment, set-off, or assessment of any kind or any premiums in connection with the policies, endorsements or coverage's described herein;

3.2 If a policy is canceled for any reason whatsoever, or any substantial change is made in the coverage which affects the interests of Boeing or if a policy is allowed to lapse for nonpayment of premium, such cancellation, change or lapse will not be effective as to Boeing for thirty (30) days (in the case of war risk and allied perils coverage

seven (7) days after sending, or such other period as may from time to time be customarily obtainable in the industry) after receipt by Boeing of written notice from the Insurers or the authorized representatives or Broker of such cancellation, change or lapse; and

3.3 For the purposes of the Certificate, "Boeing" is defined as The Boeing Company, its divisions, subsidiaries, affiliates, the assignees of each and their respective directors, officers, employees and agents.

Subject to the terms, conditions, limitations and exclusions of the relative policies.

____
[Signature]

Name: ____________________

Title: ____________________

Appendix II
SAMPLE
Purchase Agreement Assignment

THIS PURCHASE AGREEMENT ASSIGNMENT (**Assignment**) dated as of __________, 20_____ is between ____________________, a company organized under the laws of ____________________ (**Assignor**) and ____________________, a company organized under the laws of ____________________ (**Assignee**). Capitalized terms used herein without definition will have the same meaning as in the Boeing Purchase Agreement.

Assignor and The Boeing Company, a Delaware corporation (**Boeing**), are parties to the Boeing Purchase Agreement, providing, among other things, for the sale by Boeing to Assignor of certain aircraft, engines and related equipment, including the Aircraft.

Assignee wishes to acquire the Aircraft and certain rights and interests under the Boeing Purchase Agreement and Assignor, on the following terms and conditions, is willing to assign to Assignee certain of Assignor's rights and interests under the Boeing Purchase Agreement. Assignee is willing to accept such assignment.

It is agreed as follows:

1. For all purposes of this Assignment, the following terms will have the following meanings:

Aircraft - one Boeing Model _____ aircraft, bearing manufacturer's serial number __________, together with all engines and parts installed on such aircraft on the Delivery Date.

Boeing - Boeing will include any wholly-owned subsidiary of Boeing, and its successors and assigns.

Boeing Purchase Agreement - Purchase Agreement No. __________ dated as of ____________________ between Boeing and Assignor, as amended, but excluding ____________________, providing, among other things, for the sale by Boeing to Assignor of the Aircraft, as said agreement may be further amended to the extent permitted by its terms. The Purchase Agreement incorporated by reference Aircraft General Terms Agreement <*AGTA*> (**AGTA**).

Delivery Date - the date on which the Aircraft is delivered by Boeing to Assignee pursuant to and subject to the terms and conditions of the Boeing Purchase Agreement and this Assignment.

2. Assignor does hereby assign to Assignee all of its rights and interests in and to the Boeing Purchase Agreement, as and to the extent that the same relate to the Aircraft and the purchase and operation thereof, except as and to the extent expressly reserved below, including, without limitation, in such assignment: [*TO BE COMPLETED BY THE PARTIES*.]

Appendix II
SAMPLE
Purchase Agreement Assignment

{EXAMPLES

(i) *the right upon valid tender to purchase the Aircraft pursuant to the Boeing Purchase Agreement subject to the terms and conditions thereof and the right to take title to the Aircraft and to be named the "Buyer" in the bill of sale for the Aircraft;*

(ii) *the right to accept delivery of the Aircraft;*

(iii) *all claims for damages arising as a result of any default under the Boeing Purchase Agreement in respect of the Aircraft;*

(iv) *all warranty and indemnity provisions contained in the Boeing Purchase Agreement, and all claims arising thereunder, in respect of the Aircraft; and*

(v) *any and all rights of Assignor to compel performance of the terms of the Boeing Purchase Agreement in respect of the Aircraft.}*

Reserving exclusively to Assignor, however:
{EXAMPLES

(i) *all Assignor's rights and interests in and to the Boeing Purchase Agreement as and to the extent the same relates to aircraft other than the Aircraft, or to any other matters not directly pertaining to the Aircraft;*

(ii) *all Assignor's rights and interests in or arising out of any advance or other payments or deposits made by Assignor in respect of the Aircraft under the Boeing Purchase Agreement and any amounts credited or to be credited or paid or to be paid by Boeing in respect of the Aircraft;*

(iii) *the right to obtain services, training, information and demonstration and test flights pursuant to the Boeing Purchase Agreement; and*

(iv) *the right to maintain plant representatives at Boeing's plant pursuant to the Boeing Purchase Agreement.}*

Appendix II
SAMPLE
Purchase Agreement Assignment

Assignee hereby accepts such assignment.

3. Notwithstanding the foregoing, so long as no event of default or termination under [specify document] has occurred and is continuing, Assignee hereby authorizes Assignor, to the exclusion of Assignee, to exercise in Assignor's name all rights and powers of Customer under the Boeing Purchase Agreement in respect of the Aircraft.

4. For all purposes of this Assignment, Boeing will not be deemed to have knowledge of or need recognize the occurrence, continuance or the discontinuance of any event of default or termination under [specify document] unless and until Boeing receives from Assignee written notice thereof, addressed to its Vice President - Contracts, Boeing Commercial Airplanes at P.O. Box 3707, Seattle, Washington 98124, if by mail, or to 425-237-1706, if by facsimile. Until such notice has been given, Boeing will be entitled to deal solely and exclusively with Assignor. Thereafter, until Assignee has provided Boeing written notice that any such events no longer continue, Boeing will be entitled to deal solely and exclusively with Assignee. Boeing may act with acquittance and conclusively rely on any such notice.

5. It is expressly agreed that, anything herein contained to the contrary notwithstanding: (a) prior to the Delivery Date Assignor will perform its obligations with respect to the Aircraft to be performed by it on or before such delivery, (b) Assignor will at all times remain liable to Boeing under the Boeing Purchase Agreement to perform all obligations of Customer thereunder to the same extent as if this Assignment had not been executed, and (c) the exercise by Assignee of any of the assigned rights will not release Assignor from any of its obligations to Boeing under the Boeing Purchase Agreement, except to the extent that such exercise constitutes performance of such obligations.

6. Notwithstanding anything contained in this Assignment to the contrary (but without in any way releasing Assignor from any of its obligations under the Boeing Purchase Agreement), Assignee confirms for the benefit of Boeing that, insofar as the provisions of the Boeing Purchase Agreement relate to the Aircraft, in exercising any rights under the Boeing Purchase Agreement, or in making any claim with respect to the Aircraft or other things (including, without limitation, Material, training and services) delivered or to be delivered, the terms and conditions of the Boeing Purchase Agreement, including, without limitation, the DISCLAIMER AND RELEASE and EXCLUSION OF CONSEQUENTIAL AND OTHER DAMAGES in Article 11 of Part 2 of Exhibit C to the Aircraft General Terms Agreement which was incorporated by reference into the Boeing Purchase Agreement and the insurance provisions in Article 8.2 of the Aircraft General Terms Agreement which was incorporated by reference into the Boeing Purchase Agreement therein, will apply to and be binding on Assignee to the same extent as if Assignee had been the original "Customer" thereunder. Assignee further agrees, expressly for the benefit of Boeing, upon the written request of Boeing, Assignee will promptly execute and deliver such further assurances and documents and take such further action as Boeing may reasonably request in order to obtain the full benefits of Assignee's agreements in this paragraph.

Appendix II
SAMPLE
Purchase Agreement Assignment

7. Nothing contained herein will subject Boeing to any liability to which it would not otherwise be subject under the Boeing Purchase Agreement or modify in any respect the contract rights of Boeing thereunder, or require Boeing to divest itself of title to or possession of the Aircraft or other things until delivery thereof and payment therefore as provided therein.

8. Notwithstanding anything in this Assignment to the contrary, after receipt of notice of any event of default or termination under [*specify document*], Boeing will continue to owe to Assignor moneys in payment of claims made or obligations arising before such notice, which moneys may be subject to rights of set-off available to Boeing under applicable law. Similarly, after receipt of notice that such event of default or termination no longer continues, Boeing will continue to owe to Assignee moneys in payment of claims made or obligations arising before such notice, which moneys may be subject to rights of set-off available to Boeing under applicable law.

9. Effective at any time after an event of default has occurred, and for so long as such event of default is continuing, Assignor does hereby constitute Assignee, Assignor's true and lawful attorney, irrevocably, with full power (in the name of Assignor or otherwise) to ask, require, demand, receive, and give acquittance for any and all moneys and claims for moneys due and to become due under or arising out of the Boeing Purchase Agreement in respect of the Aircraft, to the extent assigned by this Assignment.

10. Assignee agrees, expressly for the benefit of Boeing and Assignor that it will not disclose, directly or indirectly, any terms of the Boeing Purchase Agreement; provided, that Assignee may disclose any such information (a) to its special counsel and public accountants, (b) as required by applicable law to be disclosed or to the extent that Assignee may have received a subpoena or other written demand under color of legal right for such information, but it will first, as soon as practicable upon receipt of such requirement or demand, furnish an explanation of the basis thereof to Boeing, and will afford Boeing reasonable opportunity, to obtain a protective order or other reasonably satisfactory assurance of confidential treatment for the information required to be disclosed, and (c) to any bona fide potential purchaser or lessee of the Aircraft. Any disclosure pursuant to (a) and (c) above will be subject to execution of a confidentiality agreement substantially similar to this paragraph 10.

11. This Assignment may be executed by the parties in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute but one and the same instrument.

12. This Assignment will be governed by, and construed in accordance with, the laws of ____________________.

Appendix II
SAMPLE
Purchase Agreement Assignment

____________________________ ____________________________

as Assignor as Assignee

By ___________________________ By ___________________________

Name: Name:

Title: Title:

[*If the Assignment is further assigned by Assignee in connection with a financing, the following language needs to be included*.]

Attest:

The undersigned, as ///Indenture Trustee/Agent// for the benefit of the Loan //Participants/Mortgagee/// and as assignee of, and holder of a security interest in, the estate, right, and interest of the Assignee in and to the foregoing Purchase Agreement Assignment and the Purchase Agreement pursuant to the terms of a certain //Trust Indenture/Mortgage// dated as of ___________, 20_____, agrees to the terms of the foregoing Purchase Agreement Assignment and agrees that its rights and remedies under such //Trust Indenture/Mortgage// will be subject to the terms and conditions of the foregoing Purchase Agreement Assignment, including, without limitation, paragraph 6.

[*Name of Entity*]
as //Indenture Trustee/Agent//

By:______________________________

Name:

Title:

Appendix II
SAMPLE
Purchase Agreement Assignment

CONSENT AND AGREEMENT OF
THE BOEING COMPANY

THE BOEING COMPANY, a Delaware corporation (**Boeing**), hereby acknowledges notice of and consents to the foregoing Purchase Agreement Assignment (**Assignment**) as it relates to Boeing in respect of the Aircraft. Boeing confirms to Assignee that: all representations, warranties, indemnities and agreements of Boeing under the Boeing Purchase Agreement with respect to the Aircraft will, subject to the terms and conditions thereof and of the Assignment, inure to the benefit of Assignee to the same extent as if Assignee were originally named "Customer" therein.

This Consent and Agreement will be governed by, and construed in accordance with, the law of the State of Washington, excluding the conflict of laws principles thereof.

Dated as of __________, 20_____.

THE BOEING COMPANY

By _________________________
Name:

Title: Attorney-in-Fact

Aircraft Manufacturer's Serial Number(s) ____________________

Appendix III
SAMPLE
Post-Delivery Sale Notice

Boeing Commercial Airplanes
P.O. Box 3707
Seattle, Washington 98124-2207
U.S.A.

By Courier
1901 Oakesdale Ave. SW
Renton, WA 98057
U.S.A.

Attention: Vice President - Contracts
Mail Code 21-34

In connection with the sale by ____________________ (**Seller**) to ____________________ (**Purchaser**) of the aircraft identified below, reference is made to Purchase Agreement No. __________ dated as of __________, 20_____, between The Boeing Company (**Boeing**) and Seller (**Purchase Agreement**) under which Seller purchased certain Boeing Model _____ aircraft, including the aircraft bearing Manufacturer's Serial No.(s) ____________________ (**Aircraft**). The Purchase Agreement incorporated by reference Aircraft General Terms Agreement <*AGTA*> (**AGTA**).

Capitalized terms used herein without definition will have the same meaning as in the Purchase Agreement.

Seller has sold the Aircraft, including in that sale the assignment to Purchaser of all remaining rights related to the Aircraft under the Purchase Agreement. To accomplish this transfer of rights, as authorized by the provisions of the Purchase Agreement:

1. Purchaser acknowledges it has reviewed those provisions of the Purchase Agreement related to those rights assigned and agrees to be bound by and comply with all applicable terms and conditions of the Purchase Agreement, including, without limitation, the DISCLAIMER AND RELEASE and EXCLUSION OF CONSEQUENTIAL AND OTHER DAMAGES in Article 11 of Part 2 of Exhibit C to the AGTA and the insurance provisions in Article 8.2 of the AGTA. Purchaser further agrees upon the written request of Boeing, to promptly execute and deliver such further assurances and documents and take such further action as Boeing may reasonably request in order to obtain the full benefits of Purchaser’s agreements in this paragraph; and

2. Seller will remain responsible for any payments due Boeing as a result of obligations relating to the Aircraft incurred by Seller to Boeing prior to the effective date of this letter.

Appendix III
SAMPLE
Post-Delivery Sale Notice

We request that Boeing acknowledge receipt of this letter and confirm the transfer of rights set forth above by signing the acknowledgment and forwarding one copy of this letter to each of the undersigned.

Very truly yours,

Seller	Purchaser
By ______________________	By ______________________
Its ______________________	Its ______________________
Dated ____________________	Dated ____________________

Receipt of the above letter is acknowledged and the assignment of rights under the Purchase Agreement with respect to the Aircraft described above is confirmed, effective as of this date.

THE BOEING COMPANY

By ________________________

Its Attorney-in-Fact

Dated ______________________

Aircraft Manufacturer's Serial Number ____________________

Appendix IV
SAMPLE
Post-Delivery Lease Notice

Boeing Commercial Airplanes
P.O. Box 3707
Seattle, Washington 98124-2207
U.S.A.

By Courier
1901 Oakesdale Ave. SW
Renton, WA 98057
U.S.A.

Attention: Vice President - Contracts
Mail Code 21-34

In connection with the lease by ____________________ (**Lessor**) to ____________________ (**Lessee**) of the aircraft identified below, reference is made to Purchase Agreement No. __________ dated as of __________, 20_____, between The Boeing Company (**Boeing**) and Lessor (**Purchase Agreement**) under which Lessor purchased certain Boeing Model _____ aircraft, including the aircraft bearing Manufacturer's Serial No.(s) ____________________ (**Aircraft**). The Purchase Agreement incorporated by reference Aircraft General Terms Agreement <*AGTA*> (**AGTA**).

Capitalized terms used herein without definition will have the same meaning as in the Purchase Agreement.

Lessor has leased the Aircraft, including in that lease the transfer to Lessee of all remaining rights related to the Aircraft under the Purchase Agreement. To accomplish this transfer of rights, as authorized by the provisions of the Purchase Agreement:

1. Lessor authorizes Lessee to exercise, to the exclusion of Lessor, all rights and powers of Lessor with respect to the remaining rights related to the Aircraft under the Purchase Agreement. This authorization will continue until Boeing receives written notice from Lessor to the contrary, addressed to Vice President – Contracts, Mail Code 21-34, Boeing Commercial Airplanes, P.O. Box 3707, Seattle, Washington 98124-2207. Until Boeing receives such notice, Boeing is entitled to deal exclusively with Lessee with respect to the Aircraft under the Purchase Agreement. With respect to the rights and obligations of Lessor under the Purchase Agreement, all actions taken or agreements entered into by Lessee during the period prior to Boeing's receipt of this notice are final and binding on Lessor. Further, any payments made by Boeing as a result of claims made by Lessee will be made to the credit of Lessee.

Appendix IV
SAMPLE
Post-Delivery Lease Notice

2. Lessee accepts the authorization above, acknowledges it has reviewed those provisions of the Purchase Agreement related to the authority granted and agrees to be bound by and comply with all applicable terms and conditions of the Purchase Agreement including, without limitation, the DISCLAIMER AND RELEASE and EXCLUSION OF CONSEQUENTIAL AND OTHER DAMAGES in Article 11 of Part 2 of Exhibit C of the AGTA and the insurance provisions in Article 8.2 of the AGTA. Lessee further agrees, upon the written request of Boeing, to promptly execute and deliver such further assurances and documents and take such further action as Boeing may reasonably request in order to obtain the full benefits of Lessee's agreements in this paragraph.

3. Lessor will remain responsible for any payments due Boeing as a result of obligations relating to the Aircraft incurred by Lessor to Boeing prior to the effective date of this letter.

We request that Boeing acknowledges receipt of this letter and confirm the transfer of rights set forth above by signing the acknowledgment and forwarding one copy of this letter to each of the undersigned.

Very truly yours,

Lessor	Lessee
By ________________________	By ________________________
Its ________________________	Its ________________________
Dated ____________________	Dated ____________________

Receipt of the above letter is acknowledged and transfer of rights under the Purchase Agreement with respect to the Aircraft described above is confirmed, effective as of this date.

THE BOEING COMPANY

By ___________________________

Its Attorney-in-Fact

Dated _________________________

Aircraft Manufacturer's Serial Number ____________________

Appendix V
SAMPLE
Purchaser's/Lessee's Agreement

Boeing Commercial Airplanes
P. O. Box 3707
Seattle, Washington 98124-2207
U.S.A.

By Courier
1901 Oakesdale Ave. SW
Renton, WA 98057
U.S.A.

Attention Vice President – Contracts
Mail Code 21-34

In connection with the sale/lease by ____________________ (**//Seller/Lessor//**) to ____________________ (**//Purchaser/Lessee//**) of the aircraft identified below, reference is made to the following documents:

(i) Purchase Agreement No. _____ dated as of __________, 20_____, between The Boeing Company (**Boeing**) and //Seller/Lessor// (**Purchase Agreement**) under which //Seller/Lessor// purchased certain Boeing Model _____ aircraft, including the aircraft bearing Manufacturer's Serial No.(s) ____________________ (**Aircraft**); and

(ii) Aircraft //Sale/Lease// Agreement dated as of __________, 20_____, between Seller/Lessor and //Purchaser/Lessee// (**Aircraft Agreement**) under which //Seller/Lessor// is //selling/leasing// the Aircraft.

Capitalized terms used herein without definition will have the same meaning as in the Purchase Agreement.

1. //Seller/Lessor// has sold/leased the Aircraft under the Aircraft Agreement, including therein a form of exculpatory clause protecting //Seller/Lessor// from liability for loss of or damage to the aircraft, and/or related incidental or consequential damages, including without limitation loss of use, revenue or profit.

2. Disclaimer and Release; Exclusion of Consequential and Other Damages.

2.1 In accordance with //Seller/Lessor// obligation under Article 9.5 of the AGTA which was incorporated by reference into the Purchase Agreement, Purchaser/Lessee hereby agrees that:

2.2 DISCLAIMER AND RELEASE. IN CONSIDERATION OF THE SALE/LEASE OF THE AIRCRAFT, PURCHASER/LESSEE HEREBY WAIVES, RELEASES AND RENOUNCES ALL WARRANTIES, OBLIGATIONS AND LIABILITIES OF BOEING AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF PURCHASER/LESSEE AGAINST BOEING, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMANCE OR DEFECT IN ANY AIRCRAFT, BOEING PRODUCT, MATERIALS, TRAINING, SERVICES OR OTHER THING PROVIDED UNDER THE AIRCRAFT AGREEMENT, INCLUDING, BUT NOT LIMITED TO:

(i) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS;

(ii) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE;

(iii) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY IN TORT, WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF BOEING; AND

(iv) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OF OR DAMAGE TO ANY AIRCRAFT.

2.3 EXCLUSION OF CONSEQUENTIAL AND OTHER DAMAGES. BOEING WILL HAVE NO OBLIGATION OR LIABILITY, WHETHER ARISING IN CONTRACT (INCLUDING WARRANTY), TORT, WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF BOEING, OR OTHERWISE, FOR LOSS OF USE, REVENUE OR PROFIT, OR FOR ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES WITH RESPECT TO ANY NONCONFORMANCE OR DEFECT IN ANY AIRCRAFT, MATERIALS, TRAINING, SERVICES OR OTHER THING PROVIDED UNDER THE AIRCRAFT AGREEMENT.

2.4 Definitions. For the purpose of this paragraph 2, **BOEING** or **Boeing** is defined as The Boeing Company, its divisions, subsidiaries, affiliates, the assignees of each, and their respective directors, officers, employees and agents.

Appendix V
SAMPLE
Purchaser's/Lessee's Agreement

Very truly yours,

//Seller/Lessor//	//Purchaser/Lessee//
By ______________________	By ______________________
Its ______________________	Its ______________________
Dated ____________________	Dated ____________________

Appendix VI
SAMPLE
Post-Delivery Owner Appointment of Agent - Warranties

Boeing Commercial Airplanes
P. O. Box 3707
Seattle, Washington 98124-2207
U.S.A.

By Courier
1901 Oakesdale Ave. SW
Renton, WA 98057
U.S.A.

Attention Vice President – Contracts
Mail Code 21-34

Reference is made to Purchase Agreement No. _____ dated as of __________, 20__ (**Purchase Agreement**), between The Boeing Company (**Boeing**) and ____________________ (**Customer**), under which Customer purchased certain Boeing Model __________ aircraft including the aircraft bearing Manufacturer's Serial No(s) _______________ (**Aircraft**). The Purchase Agreement incorporated by reference Aircraft General Terms Agreement <*AGTA*> (**AGTA**).

Capitalized terms used herein without definition will have the same meaning as in the Purchase Agreement.

To accomplish the appointment of an agent, Customer confirms:

1. Customer has appointed _________________________ as agent (**Agent**) to act directly with Boeing with respect to the remaining warranties under the Purchase Agreement and requests Boeing to treat Agent as Customer for the administration of claims with respect to such warranties; provided however, Customer remains liable to Boeing to perform the obligations of Customer under the Purchase Agreement.

2. Boeing may continue to deal exclusively with Agent concerning the matters described herein unless and until Boeing receives written notice from Customer to the contrary, addressed to Vice President - Contracts, Mail Code 21-34, Boeing Commercial Airplanes, P.O. Box 3707, Seattle, Washington 98124-2207, U.S.A. With respect to the rights and obligations of Customer under the Purchase Agreement, all actions taken by Agent or agreements entered into by Agent during the period prior to Boeing's receipt of such notice are final and binding on Customer. Further, any payments made by Boeing as a result of claims made by Agent will be made to the credit of Agent unless otherwise specified when each claim is submitted.

3. Customer will remain responsible for any payments due Boeing as a result of obligations relating to the Aircraft incurred by Customer to Boeing prior to the effective date of this letter.

Appendix VI
SAMPLE
Post-Delivery Owner Appointment of Agent - Warranties

We request that Boeing acknowledge receipt of this letter and confirm the appointment of Agent as stated above by signing the acknowledgment and forwarding one copy of this letter to each of the undersigned.

Very truly yours,

Customer

By ________________________

Its ________________________

Dated ____________________

Appendix VI
SAMPLE
Post-Delivery Owner Appointment of Agent - Warranties

AGENT'S AGREEMENT

Agent accepts the appointment as stated above, acknowledges it has reviewed the those portions of the Purchase Agreement related to the authority granted it under the Purchase Agreement and agrees that, in exercising any rights or making any claims thereunder, Agent will be bound by and comply with all applicable terms and conditions of the Purchase Agreement including, without limitation, the DISCLAIMER AND RELEASE and EXCLUSION OF CONSEQUENTIAL AND OTHER DAMAGES in Article 11 of Part 2 of Exhibit C to the AGTA. Agent further agrees, upon the written request of Boeing, to promptly execute and deliver such further assurances and documents and take such further action as Boeing may reasonably request in order to obtain the full benefits of the warranties under the Purchase Agreement.

Very truly yours,

Agent
Agent

By ________________________

Its ________________________

Dated ____________________

Receipt of the above letter is acknowledged and the appointment of Agent with respect to the above-described rights under the Purchase Agreement is confirmed, effective as of this date.

THE BOEING COMPANY

By ________________________

Its ________________________

Dated ____________________

Aircraft Manufacturer’s Serial Number __________

Appendix VIII
SAMPLE
Post-Delivery Sale with Lease to Seller

[Notice from Owner/Seller and subsequent Buyer regarding post-delivery sale and lease back of an aircraft and transfer of all remaining Purchase Agreement rights.]

Boeing Commercial Airplanes
P. O. Box 3707
Seattle, Washington 98124-2207
U.S.A.

By Courier
1901 Oakesdale Ave. SW
Renton, WA 98057
U.S.A.

Attention Vice President – Contracts
Mail Code 21-34

In connection with ________________'s (**Seller's**) sale to and lease back from ________________ (**Buyer**) of the aircraft identified below, reference is made to the following documents:

1. Purchase Agreement No. _______ dated as of _________________, between The Boeing Company (**Boeing**) and Seller (**Agreement**) under which Seller purchased certain Boeing Model _____________ aircraft, including the aircraft bearing Manufacturer's Serial No.(s) _________(**Aircraft**). The Agreement incorporates by reference the terms of *<AGTA>* dated __________ ___, between Seller and Boeing.

2. Aircraft Sale Agreement dated as of ___________________, between Seller and ___________________________________ (**Buyer**).

3. Aircraft Lease Agreement dated as of ___________________, between Buyer and Seller.

Capitalized terms used herein without definition will have the same meaning as in the Agreement.

Seller confirms for the benefit of Boeing it owns and controls the rights it purports to assign herein.

Seller has sold the Aircraft, including in that sale the transfer to Buyer of all remaining rights related to the Aircraft under the Agreement. To accomplish this transfer of rights, as authorized by the provisions of the Agreement:

Appendix VIII
SAMPLE
Post-Delivery Sale with Lease to Seller

4. Buyer acknowledges it has reviewed the Agreement and agrees that in exercising any rights under the Agreement or asserting any claims with respect to the Aircraft or other things (including without limitation, Materials, training and services) delivered or to be delivered, it is bound by and will comply with all applicable terms, conditions, and limitations of the Agreement including but not limited to those related to any exclusion or limitation of liabilities or warranties, indemnity and insurance; and

5. Buyer authorizes Seller to exercise, to the exclusion of Buyer all rights and powers of "Customer" with respect to the remaining rights related to the Aircraft under the Agreement. This authorization will continue until Boeing receives written notice from Buyer to the contrary, addressed to Vice President - Contracts, Mail Code 21-34, Boeing Commercial Airplanes, P.O. Box 3707, Seattle, Washington 98124-2207 (if by mail) or (425) 237-1706 (if by facsimile). Until Boeing receives this notice, Boeing is entitled to deal exclusively with Seller as "Customer" with respect to the Aircraft under the Agreement. With respect to the rights, powers, duties and obligations of "Customer" under the Agreement, all actions taken by Seller or agreements entered into by Seller during the period prior to Boeing's receipt of that notice are final and binding on Buyer. Further, any payments made by Boeing as a result of claims made by Seller prior to receipt of such notice are to be made to the credit of Seller.

6. Seller accepts the authorization set forth in paragraph 2 above, acknowledges it has reviewed the Agreement and agrees that in exercising any rights under the Agreement or asserting any claims with respect to the Aircraft or other things (including without limitation, Materials, training and services) delivered or to be delivered, it is bound by and will comply with all applicable terms, conditions, and limitations of the Agreement including but not limited to those relating to any exclusion or limitation of liabilities or warranties, indemnity and insurance.

7. Seller agrees to remain responsible for any payments due Boeing as a result of obligations relating to the Aircraft incurred by Seller to Boeing prior to the effective date of this letter.

We request that Boeing acknowledge receipt of this letter and confirm the transfer of rights set forth above by signing the acknowledgment and forwarding one copy of this letter to each of the undersigned.

Appendix VIII
SAMPLE
Post-Delivery Sale with Lease to Seller

Very truly yours,

Seller	Buyer
By ________________________	By _______________________
Its ________________________	Its _______________________
Dated _____________________	Dated ____________________

Receipt of the above letter is acknowledged and transfer of rights under the Agreement with respect to the Aircraft described above is confirmed, effective as of the date indicated below.

THE BOEING COMPANY

By __________________________

Its Attorney-in-Fact

Dated ________________________

Appendix IX
SAMPLE
SALE WITH LEASE

[NOTE: From 1st tier Owner/Seller and subsequent Buyer regarding post-delivery sale and lease of an aircraft. Remaining PA rights have been assigned to the new owner; the new owner authorizes a lessee to exercise such rights during the term of a lease.]

Boeing Commercial Airplanes
P. O. Box 3707
Seattle, Washington 98124-2207
U.S.A.

By Courier
1901 Oakesdale Ave. SW
Renton, WA 98057
U.S.A.

Attention Vice President – Contracts
Mail Code 21-34

In connection with the sale by ____________________ (**Seller**) to ____________________ (**Purchaser**) and subsequent lease of the aircraft identified below, reference is made to the following documents:

1. Purchase Agreement No. ______ dated as of __________, _____, between The Boeing Company (**Boeing**) and Seller (**Agreement**) under which Seller purchased certain Boeing Model _________ aircraft, including the aircraft bearing Manufacturer's Serial No(s). ____________ (**Aircraft**).

2. Aircraft sale agreement dated as of __________, between Seller and Purchaser.

3. Aircraft lease agreement dated as of __________, between Purchaser and _________ (**Lessee**)(**Lease**).

Capitalized terms used herein without definition will have the same meaning as in the Agreement.

Seller has sold the Aircraft, including in that sale the assignment to Purchaser of all remaining rights related to the Aircraft under the Agreement. To accomplish this transfer of rights, as authorized by the provisions of the Agreement:

3.1 Seller confirms for the benefit of the Manufacturer it owns and controls the rights it purports to have assigned.

Appendix IX
SAMPLE
SALE WITH LEASE

3.2 Purchaser agrees that in exercising any rights under the Agreement or asserting any claims with respect to the Aircraft or other things (including without limitation, [data and documents/ Materials], training and services) delivered or to be delivered, it is bound by and will comply with all applicable terms, conditions, and limitations of the Agreement including but not limited to those related to any exclusion or limitation of liabilities or warranties, indemnity and insurance; and

3.3 Seller will remain responsible for any payment due Boeing as a result of obligations relating to the Aircraft incurred by Seller to Boeing prior to the effective date of this letter.

3.4 Purchaser authorizes Lessee during the term of the Lease to exercise, to the exclusion of Purchaser all rights and powers of Buyer/Customer with respect to the remaining rights related to the Aircraft under the Agreement. This authorization will continue until Boeing receives written notice from Purchaser to the contrary, addressed to Vice President - Contracts, Mail Code 21-34, Boeing Commercial Airplanes, P.O. Box 3707, Seattle, Washington 98124-2207 (if by mail) or (425)237-1706 (if by facsimile). Until Boeing receives this notice, Boeing is entitled to deal exclusively with Lessee as Buyer/Customer with respect to the Aircraft under the Agreement. With respect to the rights, powers, duties and obligations of Buyer/Customer under the Agreement, all actions taken by Lessee or agreements entered into by Lessee during the period prior to Boeing's receipt of that notice are final and binding on Purchaser. Further, any payments made by Boeing as a result of claims made by Lessee prior to receipt of this notice are to be made to the credit of Lessee.

3.5 Lessee accepts the authorization set forth in paragraph 3 above, acknowledges it has reviewed the Agreement and agrees that in exercising any rights under the Agreement or asserting any claims with respect to the Aircraft or other things (including without limitation, data and documents/Materials, training and services) delivered or to be delivered, it is bound by and will comply with all applicable terms, conditions, and limitations of the Agreement including but not limited to those related to any exclusion or limitation of liabilities or warranties, indemnity and insurance.

We request that Boeing acknowledge receipt of this letter and confirm the transfer of rights set forth above by signing the acknowledgment and forwarding one copy of this letter to each of the undersigned.

Appendix IX
SAMPLE
SALE WITH LEASE

Very truly yours,

Seller	Purchaser
By ________________________	By ________________________
Its ________________________	Its ________________________
Dated ____________________	Dated ____________________

___________________(**Lessee**)

By ________________________

Its ________________________

Dated ____________________

Appendix IX
SAMPLE
SALE WITH LEASE

Receipt of the above letter is acknowledged and the transfers of rights under the Agreement with respect to the Aircraft described above are confirmed, effective as of the date indicated below.

THE BOEING COMPANY

By ___________________________

Its Attorney-in-Fact

Dated _________________________

MSN_________________________

Appendix X
SAMPLE
Post-Delivery Security

Boeing Commercial Airplanes
P. O. Box 3707
Seattle, Washington 98124-2207
U.S.A.

By Courier
1901 Oakesdale Ave. SW
Renton, WA 98057
U.S.A.

Attention Vice President – Contracts
Mail Code 21-34

Reference is made to Purchase Agreement No. ________ dated as of _______________, (**Agreement**) between The Boeing Company (**Boeing**) and ___________________________ (**Borrower**) pursuant to which Borrower purchased from Boeing one (1) Boeing model _______ aircraft bearing Manufacturer's Serial Number _______(**Aircraft**). The Agreement incorporates by reference the terms of Aircraft General Terms Agreement <*AGTA*> (**AGTA**), dated ________, between Borrower and Boeing.

Capitalized terms used herein without definition will have the same meanings as in the Agreement.

Borrower confirms for the benefit of Boeing it owns and controls the rights it purports to assign herein.

In connection with Borrower's financing of the Aircraft, Borrower is entering into a Trust Indenture/Mortgage, dated as of ___________, between Borrower and Indenture Trustee/Mortgagee (**Trust Indenture/Mortgage**), which grants a security interest in [the warranty rights/ all of its rights] contained in the Agreement related to the Aircraft (**Assigned Rights**). Borrower is authorized to exercise the Assigned Rights until such time as the Indenture Trustee/Mortgagee notifies Boeing as provided below that an Event of Default under the Trust Indenture/Mortgage has occurred and is continuing. In connection with this assignment for security purposes, as authorized by the provisions of the Agreement:

Appendix X
SAMPLE
Post-Delivery Security

1. Indenture Trustee/Mortgagee, as assignee of, and holder of a security interest in, the estate, right, and interest of the Borrower in and to the Agreement pursuant to the terms of a certain Trust Indenture/Mortgage, acknowledges that it has received copies of the applicable provisions of the Agreement and agrees that in exercising any rights under the Agreement or asserting any claims with respect to the Aircraft or other things (including without limitation, Materials, training and services) delivered or to be delivered, its rights and remedies under the Trust Indenture/Mortgage will be subject to the terms and conditions of the Agreement including but not limited to those related to any exclusion or limitation of liabilities or warranties, indemnity and insurance.

2. Borrower is authorized to exercise, to the exclusion of [Indenture Trustee/Mortgagee] all rights and powers of "Customer" under the Agreement, unless and until Boeing receives a written notice from Indenture Trustee/Mortgagee, addressed to its Vice President - Contracts, Boeing Commercial Airplanes at P.O. Box 3707, Seattle, Washington 98124, Mail Code 21-34 (if by mail), or (425) 237-1706 (if by facsimile) that an event of default under the Trust Indenture/Mortgage has occurred and is continuing. Until such notice has been given, Boeing will be entitled to deal solely and exclusively with Borrower. Thereafter, until Indenture Trustee/Mortgagee has provided Boeing written notice that any such event no longer continues, Boeing will be entitled to deal solely and exclusively with Indenture Trustee/Mortgagee. Boeing may act with acquittance and conclusively rely on any such notice.

Borrower will remain responsible to Boeing for any amounts due Boeing with respect to the Aircraft under the Agreement prior to Boeing's receipt of such notice. We request that Boeing acknowledge receipt of this letter and confirm the transfer of rights set forth above by signing its acknowledgment and forwarding one copy of this letter to each of the undersigned.

Very truly yours,

Indenture Trustee/Mortgagee

By ________________________	By ________________________
Its ________________________	Its ________________________
Dated _____________________	Dated _____________________

Appendix X
SAMPLE
Post-Delivery Security

Receipt of the above letter is acknowledged and the transfer of rights under the Agreement with respect to the Aircraft described above is confirmed, effective as of the date indicated below.

THE BOEING COMPANY

By ___________________________

Its Attorney-in-Fact

Dated _________________________

MSN_________________________

The Boeing Company
P.O. Box 3707
Seattle, WA 98124 2207

AH5-PA-5094-LA-2003954

Atlas Air Worldwide Holdings, Inc.
2000 Westchester Avenue
Purchase, NY 10577

Subject: [*]

Reference: a) Purchase Agreement No. PA-5094 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Atlas Air Worldwide Holdings, Inc. (**Customer**) relating to Model 747-8F aircraft (**Aircraft**).

b) Customer Services General Terms Agreement No. 7U (**CSGTA**) between Boeing and Atlas Air, Inc.

Atlas Air Worldwide Holdings, Inc., parent company of Atlas Air, Inc., agrees to be bound by all obligations of Customer under the CSGTA, including but not limited to Article 12 of the CSGTA relating to DISCLAIMER AND RELEASE and EXCLUSION OF CONSEQUENTIAL AND OTHER DAMAGES. For purposes of this Purchase Agreement, all references to “Customer” in the CSGTA will mean Atlas Air Worldwide Holdings, Inc.

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement have the same meaning as in the Purchase Agreement.

1. As part of Customer’s purchase of the Aircraft, Boeing grants to Customer a license to install certain Boeing e-Enabled software applications on Customer-owned ground based systems in support of Customer’s Aircraft. Customer may use the Boeing licensed software to generate certain Loadable Software Airplane Parts (**LSAP**s) that are then uploaded to the Aircraft. Customer can use these e-Enabling applications to manage the distribution and delivery of data and software that are used onboard the Aircraft. Boeing will also license to Customer accompanying documentation and materials. All such e-Enabling software applications licensed from Boeing will be considered “Materials”, and not “Aircraft Software”, as these terms are defined in the Purchase Agreement. All documentation and materials will also be defined as “Materials”.

2. Additional Terms and Conditions.

Boeing will license these Materials, as described in Article 1 above, on the following conditions.

(i) Notwithstanding any provision to the contrary, the license and access to the Materials will be pursuant to the terms and conditions of the CSGTA; and

(ii) The DISCLAIMER AND RELEASE and EXCLUSION OF CONSEQUENTIAL AND OTHER DAMAGES provisions in Article 12 of Part 2 of Exhibit C of the AGTA and the insurance provisions of Article 8.2 of the AGTA will apply to Boeing's loading/installation of the Materials.

3. If necessary the CSGTA must be executed between Boeing and Customer no later than [*] prior to delivery of Customer's first 747-8F Aircraft.

ACCEPTED AND AGREED
TO this

Date: January 7, 2021

ATLAS AIR WORLDWIDE HOLDINGS, INC.		THE BOEING COMPANY	
By:	/s/ John Dietrich	By:	[*]
Name:	John Dietrich	Name:	[*]
Title:	President & Chief Executive Officer	Title:	Attorney-In-Fact

The Boeing Company
P.O. Box 3707
Seattle, WA 98124 2207

AH5-PA-5094-LA-2003955

Atlas Air Worldwide Holdings, Inc.
2000 Westchester Avenue
Purchase, NY 10577

Subject: [*]

Reference: Purchase Agreement No. PA-5094 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Atlas Air Worldwide Holdings, Inc. (**Customer**) relating to Model 747-8F aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

1. [*].

[*] established in the Purchase Agreement [*] pursuant to applicable law.

2. [*].

Boeing [*] at a rate of [*]. [*] at actual delivery of the Aircraft.

3. [*].

In addition [*], for each [*] after the Scheduled Delivery Month, [*] as follows [*] received by Boeing [*]:

[*]

[*]

4. [*].

[*].

5. [*].

If the Purchase Agreement [*], Boeing [*] Customer:

(i) [*].

(ii) [*].

(iii) [*].

6. Exclusive Remedies.

The remedies set forth in this Letter Agreement are Customer’s exclusive remedies for a Non-Excusable Delay and are in lieu of all other damages, claims, and remedies of Customer arising at law or otherwise [*]. Customer hereby waives and renounces all other claims and remedies arising at law or otherwise [*].

7. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer becoming the operator of the Aircraft and cannot be assigned, in whole or in part, without the prior written consent of Boeing.

8. Confidentiality.

Customer understands and agrees that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to employees of Customer, directors and officers of Atlas Air Worldwide Holdings, Inc. and Titan Aviation Holdings, Inc. and their wholly owned subsidiaries and Customer's auditors and outside counsel, with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing. In the event that Customer in good faith concludes (based upon an opinion of counsel) that disclosure of information contained in this Letter Agreement may be required by applicable law or governmental regulations, Customer shall advise Boeing in writing prior to such disclosure, if possible, or, if not possible, then promptly upon receiving such order or upon identifying such need to comply, in order to enable Boeing to take whatever steps it deems necessary to protect its interests in this regard, and Customer will, in any event, disclose only that portion of the information which it is legally required to disclose and Customer will use its reasonable endeavors to protect the confidentiality of such information to the widest extent possible in the circumstances.

ACCEPTED AND AGREED
TO this

Date: January 7, 2021

ATLAS AIR WORLDWIDE HOLDINGS, INC.	THE BOEING COMPANY
By: /s/ John Dietrich	By: [*]
Name: John Dietrich	Name: [*]
Title: President & Chief Executive Officer	Title: Attorney-In-Fact

The Boeing Company
P.O. Box 3707
Seattle, WA 98124 2207

AH5-PA-5094-LA-2003956

Atlas Air Worldwide Holdings, Inc.
2000 Westchester Avenue
Purchase, NY 10577

Subject: [*]

Reference: Purchase Agreement No. PA-5094 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Atlas Air Worldwide Holdings, Inc. (**Customer**) relating to Model 747-8F aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

1. [*].

1.1 At Customer's request, [*] on the Aircraft. The terms and conditions of this Letter Agreement will apply if Customer has [*].

1.2 [*].

2. [*].

2.1 [*]. Following the Customer inspection activities, [*].

2.2 [*].

3. [*].

3.1 Customer must [*] in support of Boeing's schedule requirements.

3.2 Customer [*] requirements for [*].

3.3 Customer [*] regulatory requirements.

3.4 Customer [*].

4. [*].

4.1 If [*], then (a) [*] required to further [*] and (b) Boeing [*], if applicable, on the Aircraft.

4.2 [*] to (a) [*] and (b) schedule capacity, including [*] as Aircraft delivery.

5. [*].

5.1 Customer [*] on the Aircraft.

5.2 [*] of the AGTA and such Articles [*].

5.3 The [*] Exhibit B “Customer Support Document” of the AGTA.

5.4 Boeing [*] and Article 11 of Part 2 of Exhibit C “Disclaimer and Release; Exclusion of Liabilities” of the AGTA and Article 8.2 “Insurance” of the AGTA [*].

ACCEPTED AND AGREED
TO this

Date: January 7, 2021

ATLAS AIR WORLDWIDE HOLDINGS, INC.		THE BOEING COMPANY	
By:	/s/ John Dietrich	By:	[*]
Name:	John Dietrich	Name:	[*]
Title:	President & Chief Executive Officer	Title:	Attorney-In-Fact

The Boeing Company
P.O. Box 3707
Seattle, WA 98124 2207

AH5-PA-5094-LA-2003957

Atlas Air Worldwide Holdings, Inc.
2000 Westchester Avenue
Purchase, NY 10577

Subject: [*]

Reference: Purchase Agreement No. PA-5094 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Atlas Air Worldwide Holdings, Inc. (**Customer**) relating to Model 747-8F aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

Boeing agrees to provide Customer [*] in Letter Agreement No. AH5-PA-5094-LA-2003957.

1. [*].

The [*] are applicable to Aircraft delivered with new, [*] only. [*] Aircraft that are delivered [*] that are used and/or have been modified.

2. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer becoming the operator of the Aircraft and cannot be assigned, in whole or in part, without the prior written consent of Boeing.

3. Confidentiality.

Customer understands and agrees that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to employees of Customer, directors and officers of Atlas Air Worldwide Holdings, Inc. and Titan Aviation Holdings, Inc. and their wholly owned subsidiaries and Customer's auditors and outside counsel, with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing. In the event that Customer in good faith concludes (based upon an opinion of counsel) that disclosure of information contained in this Letter Agreement may be required by applicable law or governmental regulations, Customer shall advise Boeing in writing prior to such disclosure, if possible, or, if not possible, then promptly upon receiving such order or upon identifying such need to comply, in order to enable Boeing to take whatever steps it deems necessary to protect its interests in this regard, and Customer will, in any event, disclose only that portion of the information which it is legally required to disclose and Customer will use its reasonable endeavors to protect the confidentiality of such information to the widest extent possible in the circumstances.

ACCEPTED AND AGREED
TO this

Date: January 7, 2021

ATLAS AIR WORLDWIDE HOLDINGS, INC.	THE BOEING COMPANY
By: /s/ John Dietrich	By: [*]
Name: John Dietrich	Name: [*]
Title: President & Chief Executive Officer	Title: Attorney-In-Fact

**MODEL 747-8 FREIGHTER PERFORMANCE GUARANTEES
FOR ATLAS AIR WORLDWIDE HOLDINGS, INC.**

SECTION	CONTENTS
1	AIRCRAFT MODEL APPLICABILITY
2	FLIGHT PERFORMANCE
3	AIRCRAFT CONFIGURATION
4	[*]
5	[*]
6	[*]

1 AIRCRAFT MODEL APPLICABILITY

[*].

2 FLIGHT PERFORMANCE

2.1 [*]

2.1.1 [*]

[*]

[*]

2.1.2 [*]

[*]

2.1.3 [*]

[*]

[*]

[*]

2.1.4 [*]

[*]   .

[*]

[*]

2.1.5 [*]

[*]

[*]

[*]

2.1.6 [*]

[*]

[*]

[*]

2.1.7 **[*]**

2.1.8 [*]

2.1.9 [*]

3 **[*]**

3.1 The guarantees contained in this Attachment are based on the Aircraft configuration as defined in D019U022, Revision I, "Configuration Specification, Model 747-8F", dated January 9, 2015, plus any changes mutually agreed upon or otherwise allowed by the Purchase Agreement to be incorporated into the Customer's Detail Specification (herein referred to as the Detail Specification). Appropriate adjustment will be made for changes in such Detail Specification approved by the Customer and Boeing or otherwise allowed by the Purchase Agreement which cause changes to the flight performance and/or weight and balance of the Aircraft. Such adjustment will [*].

3.2 The [*] payloads of [*], and the specified payload of the [*] block fuel guarantees will be adjusted by Boeing for the [*] on OEW in its [*] with [*]:

(1) Changes to the Detail Specification or any other changes mutually agreed upon between the Customer and Boeing or otherwise allowed by the Purchase Agreement.

(2) The difference between the component weight allowances given in Appendix E of the Detail Specification and the actual weights.

4 [*]

4.1 [*].

4.2 The Federal Aviation Administration (FAA) regulations referred to in this Attachment are, unless otherwise specified, the 747-8F Certification Basis regulations specified in the Type Certificate Data Sheet A20WE, Revision 51, dated February 5, 2013.

4.3 In the event a change is made to any law, governmental regulation or requirement, or in the interpretation of any such law, governmental regulation or requirement that affects the certification basis for the Aircraft as described in paragraph 4.2, and as a result thereof, a change is made to the configuration and/or the performance of the Aircraft in order to obtain certification, [*] will be appropriately modified to reflect any such change.

4.4 [*]:

4.5 [*].

4.6 [*].

4.7 [*].

4.8 [*].

5 [*]

5.1 Compliance with [*], the Aircraft configuration of Section 3 and the guarantee [*]. Guarantee compliance will be shown for the units listed first, not for the units shown in parentheses.

5.2 Compliance with [*] will be based on the FAA-approved Airplane Flight Manual for the Model 747-8F.

5.3 Compliance [*] obtained from an aircraft in a configuration similar to that defined by the Detail Specification.

5.4 [*].

5.5 [*].

5.6 The data derived from tests will be adjusted as required by conventional methods of correction, interpolation or extrapolation in accordance with established engineering practices [*].

5.7 Compliance will be based on the performance of the airframe and engines in combination, and will not be contingent on the engine meeting its manufacturer's performance specification.

6 [*]

The [*] applicable to the Aircraft are those set forth in this Attachment.

The Boeing Company
P.O. Box 3707
Seattle, WA 98124 2207

TLS-PA-5094-LA-2003960

Atlas Air Worldwide Holdings, Inc.
2000 Westchester Avenue
Purchase, NY 10577

Subject: [*]

Reference: Purchase Agreement No. PA- (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Atlas Air Worldwide Holdings, Inc. (**Customer**) relating to Model 747-8F aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

1. [*]:

1.1 **[*]** will mean [*] following formula:

[*]

Where:

[*].

1.2 **[*]**.

1.3 **[*]**.

1.4 **[*]**.

1.5 **[*]**.

1.6 **[*]**.

1.7 **[*]**.

1.8 **[*]**.

1.9 **[*]**

Program Term	Targets
[*]	[*]
[*]	[*]
[*]	[*]

These [*] are based on an [*] of [*].

2. [*].

[*]

3. [*].

3.1 [*], if Customer (i) [*] and (ii) [*] status reports and other substantiation data [*], Boeing will:

3.1.1 investigate the circumstances [*];

3.1.2 provide [*] assistance to Customer [*];

3.1.3 [*], accessory, equipment or part (other than engines and engine parts) which are determined [*];

3.1.4 [*] such system, accessory, equipment or part;

3.1.5 [*], at Customer's request, [*] Boeing Warranty (Part 2 of Exhibit C, Product Assurance Document, of the AGTA, including without limitation Article 11 therein); and

3.1.6 [*], if requested by Customer, [*] such design

3.2 With respect only to [*], if Customer [*] for such [*] period, Boeing will [*], subject to the following conditions:

3.2.1 [*];

3.2.2 [*] the purchase of Boeing goods and services, [*] the Aircraft Price;

3.2.3 during the [*], Customer will have [*]; and

3.2.4 Customer will have [*] in order [*] such condition.

4. [*].

4.1 [*] caused by any of the following events:

[*]

4.2 If [*] is used [*] for one of Customer's [*]:

(i) [*].

(ii) [*].

4.3 [*].

5. [*].

5.1 Customer will provide status reports [*].

5.2 The Customer's status reports [*], above, [*].

All data submitted pursuant to Article 5.2 will be addressed to the attention of:

MANAGER – [*]
Boeing Commercial Airplanes
P.0. Box 3707, Mail Code 67-LT
Seattle, Washington 98124-2207

5.3 [*]. In addition, Customer [*] Boeing such data as may reasonably be required to:

(i) [*],

(ii) [*], and

(iii) [*].

5.4 [*], above, will [*] that the

[*] under this Program [*].

5.5 [*]:

Director - Warranty & Product Assurance Contracts
Boeing Commercial Airplanes
P.0. Box 3707, Mail Code 2L-46
Seattle, Washington 98124-2207
Fax 425-237-1706

6. [*].

6.1 [*].

6.2 [*].

6.3 [*].

6.4 [*].

6.5 THE DISCLAIMER AND RELEASE and EXCLUSION OF CONSEQUENTIAL AND OTHER DAMAGES provisions stated in Article 11 of Exhibit C of the AGTA apply to this Program.

7. [*].

Boeing and Customer agree it [*] (a) by Boeing under the Purchase Agreement, or any other agreement between Boeing and Customer, or (b) by engine manufacturer under any agreement between engine manufacturer and Customer, [*]. Boeing may [*] pursuant to such [*].

8. Exclusive Remedy.

Customer agrees that the remedies contained in Articles 3 herein are Customer's exclusive remedies for purposes of resolving all issues with respect [*] and are in lieu of all other rights, remedies, claims and causes of action Customer may have, arising at law or otherwise, in connection therewith and will constitute complete, full and final settlement and satisfaction of any and all of Boeing's obligations and liabilities to Customer in connection therewith. Customer releases Boeing and its successors, affiliates and subsidiaries from all present, past and future rights, remedies, claims and causes of action, whether arising at law or otherwise, known or unknown, [*].

9. Confidentiality.

Customer understands and agrees that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to employees of Customer, directors and officers of Atlas Air Worldwide Holdings, Inc. and Titan Aviation Holdings, Inc. and their wholly owned subsidiaries and Customer's auditors and outside counsel, with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing. In the event that Customer in good faith concludes (based upon an opinion of counsel) that disclosure of information contained in this Letter Agreement may be required by applicable law or governmental regulations, Customer shall advise Boeing in writing prior to such disclosure, if possible, or, if not possible, then promptly upon receiving such order or upon identifying such need to comply, in order to enable Boeing to take whatever steps it deems necessary to protect its interests in this regard, and Customer will, in any event, disclose only that portion of the information which it is legally required to disclose and Customer will use its reasonable endeavors to protect the confidentiality of such information to the widest extent possible in the circumstances.

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters contained herein, please indicate your acceptance and approval below.

ACCEPTED AND AGREED
TO this

Date: January 7, 2021

ATLAS AIR WORLDWIDE HOLDINGS, INC.		THE BOEING COMPANY	
By:	/s/ John Dietrich	By:	[*]
Name:	John Dietrich	Name:	[*]
Title:	President & Chief Executive Officer	Title:	Attorney-In-Fact

The Boeing Company
P.O. Box 3707
Seattle, WA 98124 2207

AH5-PA-5094-LA-2003961

Atlas Air Worldwide Holdings, Inc.
2000 Westchester Avenue
Purchase, NY 10577

Subject: [*]

Reference: Purchase Agreement No. PA-5094 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Atlas Air Worldwide Holdings, Inc. (**Customer**) relating to Model 747-8F aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

1. [*].

1.1 [*]. At the time of delivery of each 747-8F Aircraft, Boeing will issue to Customer [*] in an amount determined by multiplying the Airframe Price by [*].

1.2 [*].

1.3 [*]

1.4 [*].

1.5 [*].

1.6 [*].

1.7 [*]

1.8 [*].

2. [*].

Unless otherwise noted, the amounts of [*] stated [*] are in [*] and will [*] scheduled month of the respective Aircraft delivery pursuant to [*] in the Purchase Agreement applicable to the Aircraft. Unless otherwise noted above, [*], at the election of Customer, be [*].

3. [*].

At Customer's request, [*] items [*] of Supplemental Exhibit CS1 to the Purchase Agreement (**CS1**), Boeing will [*] crews [*] of [*] currently provided [*] of CS1.

4. [*].

[*], for a [*] at the time of delivery of such Aircraft [*]

[*], Boeing will [*] such [*] pursuant to its Boeing Maintenance Planning Data Document but no later than [*].

5. Assignment.

Unless otherwise noted herein, the Credit Memoranda described in this Letter Agreement are provided as a financial accommodation to Customer and in consideration of Customer taking title to the Aircraft at time of delivery and becoming the operator of the Aircraft. This Letter Agreement cannot be assigned, in whole or in part, without the prior written consent of Boeing.

6. Confidentiality.

Customer understands and agrees that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to employees of Customer, directors and officers of Atlas Air Worldwide Holdings, Inc. and Titan Aviation Holdings, Inc. and their wholly owned subsidiaries and Customer's auditors and outside counsel, with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing. In the event that Customer in good faith concludes (based upon an opinion of counsel) that disclosure of information contained in this Letter Agreement may be required by applicable law or governmental regulations, Customer shall advise Boeing in writing prior to such disclosure, if possible, or, if not possible, then promptly upon receiving such order or upon identifying such need to comply, in order to enable Boeing to take whatever steps it deems necessary to protect its interests in this regard, and Customer will, in any event, disclose only that portion of the information which it is legally required to disclose and Customer will use its reasonable endeavors to protect the confidentiality of such information to the widest extent possible in the circumstances.

ACCEPTED AND AGREED
TO this

Date: January 7, 2021

ATLAS AIR WORLDWIDE HOLDINGS, INC.	THE BOEING COMPANY
By: /s/ John Dietrich	By: [*]
Name: John Dietrich	Name: [*]
Title: President & Chief Executive Officer	Title: Attorney-In-Fact

The Boeing Company
P.O. Box 3707
Seattle, WA 98124 2207

AH5-PA-05094-LA-2004293

Atlas Air Worldwide Holdings, Inc.
2000 Westchester Avenue
Purchase, NY 10577

Subject: [*]

Reference: Purchase Agreement No. PA-05094 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Atlas Air Worldwide Holdings, Inc. (**Customer**) relating to Model 747-8F aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. [*]. All terms used but not defined in this Letter Agreement have the same meaning as in the Purchase Agreement.

1. [*].

This Program applies to any [*] at the time of delivery that [*] with Boeing-designed corrective materials to comply with [*] when [*].

2. [*].

The term of the Program is [*] after delivery of each Aircraft.

3. [*].

3.1 The price for the Program [*], for each Aircraft.

3.2 [*].

4. [*].

4.1 Materials. If [*] are required as described under Article 1 above [*] of this Program, Boeing will [*] (including [*])

at a price determined in accordance with the following formula:

[*]

P = [*]

C = [*]

T = [*].

4.2 [*]. Any [*] in the Aircraft that Boeing is required to provide to Customer [*], will be [*] as determined by the following formula:

R = [*]

R = [*].

L = [*].

T = [*].

5. General Conditions and Limitations.

5.1 Customer's written notice of claim under this Program must be received by Boeing's Warranties Regional Manager [*].

5.2 THE DISCLAIMER AND RELEASE and EXCLUSION OF CONSEQUENTIAL AND OTHER DAMAGES provisions stated in Article 12 of Part 2 of Exhibit C of the AGTA apply to this Program.

6. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer becoming the operator of the Aircraft and cannot be assigned, in whole or in part, without the prior written consent of Boeing.

7. Confidentiality.

Customer understands and agrees that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to employees of Customer, directors and officers of Atlas Air Worldwide Holdings, Inc. and Titan Aviation Holdings, Inc. and their wholly owned subsidiaries and Customer's auditors and outside counsel, with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing. In the event that Customer in good faith concludes (based upon an opinion of counsel) that disclosure of information contained in this Letter Agreement may be required by applicable law or governmental regulations, Customer shall advise Boeing in writing prior to such disclosure, if possible, or, if not possible, then promptly upon receiving such order or upon identifying such need to comply, in order to enable Boeing to take whatever steps it deems necessary to protect its interests in this regard, and Customer will, in any event, disclose only that portion of the information which it is legally required to disclose and Customer will use its reasonable endeavors to protect the confidentiality of such information to the widest extent possible in the circumstances.

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters contained herein, please indicate your acceptance and approval below.

ACCEPTED AND AGREED
TO this

Date: January 7, 2021

ATLAS AIR WORLDWIDE HOLDINGS, INC.	THE BOEING COMPANY
By: /s/ John Dietrich	By: [*]
Name: John Dietrich	Name: [*]
Title: President & Chief Executive Officer	Title: Attorney-In-Fact

The Boeing Company
P.O. Box 3707
Seattle, WA 98124 2207

AH5-PA-5094-LA-2003952

Atlas Air Worldwide Holdings, Inc.
2000 Westchester Avenue
Purchase, NY 10577

Subject: [*]

Reference: Purchase Agreement No. PA-05094 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Atlas Air Worldwide Holdings, Inc. (**Customer**) relating to Model 747-8F aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

1. [*].

1.1 [*]:

1.1.1 [*]

1.1.2 [*]

1.2 [*].

1.3 [*].

2. [*].

[*].

3. Confidentiality.

Customer understands and agrees that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to employees of Customer, directors and officers of Atlas Air Worldwide Holdings, Inc. and Titan Aviation Holdings, Inc. and their wholly owned subsidiaries and Customer's auditors and outside counsel, with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing. In the event that Customer in good faith concludes (based upon an opinion of counsel) that disclosure of information contained in this Letter Agreement may be required by applicable law or governmental regulations, Customer shall advise Boeing in writing prior to such disclosure, if possible, or, if not possible, then promptly upon receiving such order or upon identifying such need to comply, in order to enable Boeing to take whatever steps it deems necessary to protect its interests in this regard, and Customer will, in any event, disclose only that portion of the information which it is legally required to disclose and Customer will use its reasonable endeavors to protect the confidentiality of such information to the widest extent possible in the circumstances.

ACCEPTED AND AGREED
TO this

Date: January 7, 2021

ATLAS AIR WORLDWIDE HOLDINGS, INC.		THE BOEING COMPANY	
By:	/s/ John Dietrich	By:	[*]
Name:	John Dietrich	Name:	[*]
Title:	President & Chief Executive Officer	Title:	Attorney-In-Fact

The Boeing Company
P.O. Box 3707
Seattle, WA 98124 2207

AH5-PA-05094-LA-2100004

Atlas Air Worldwide Holdings, Inc.
2000 Westchester Avenue
Purchase, NY 10577

Subject: [*]

Reference: Purchase Agreement No. PA-05094 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Atlas Air Worldwide Holdings, Inc. (**Customer**) relating to Model 747-8F aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

The terms of this Letter Agreement will [*] this Letter Agreement and any provision in the Purchase Agreement.

1. [*].

This Letter Agreement sets forth the conditions under which Boeing [*] to a subsidiary or affiliate of Customer, or JV Entity as defined in Article 2 below. [*] time of delivery of the Aircraft will require that: [*].

2. [*]

Customer [*] to [*] provided such [*] requirements in Article 1.

3. [*].

In the [*], as defined herein, to the assignee, and [*], and of Customer's assignee, under the Purchase Agreement [*]. [*] following events: [*].

4. Assignment.

This Letter Agreement is provided as an accommodation to Customer in consideration of its relationship with Boeing, and cannot be assigned in whole or in part.

5. Confidentiality.

Customer understands and agrees that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to employees of Customer, directors and officers of Atlas Air Worldwide Holdings, Inc. and Titan Aviation Holdings, Inc. and their wholly owned subsidiaries and Customer's auditors and outside counsel, with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing. In the event that Customer in good faith concludes (based upon an opinion of counsel) that disclosure of information contained in this Letter Agreement may be required by applicable law or governmental regulations, Customer shall advise Boeing in writing prior to such disclosure, if possible, or, if not possible, then promptly upon receiving such order or upon identifying such need to comply, in order to enable Boeing to take whatever steps it deems necessary to protect its interests in this regard, and Customer will, in any event, disclose only that portion of the information which it is legally required to disclose and Customer will use its reasonable endeavors to protect the confidentiality of such information to the widest extent possible in the circumstances. In addition to any equitable relief that may be available to Boeing in the event of a breach of this Article, Boeing may rescind the Deferred Advance Payment Schedule described in Article 1.

ACCEPTED AND AGREED
TO this

Date: January 7, 2021

ATLAS AIR WORLDWIDE HOLDINGS, INC.		THE BOEING COMPANY	
By:	/s/ John Dietrich	By:	[*]
Name:	John Dietrich	Name:	[*]
Title:	President & Chief Executive Officer	Title:	Attorney-In-Fact

Exhibit 31.1

Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer

I, John W. Dietrich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Atlas Air Worldwide Holdings, Inc.;

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the Financial Statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

   d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 5, 2021

/s/ John W. Dietrich

John W. Dietrich
President and Chief Executive Officer

Exhibit 31.2

Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer

I, Spencer Schwartz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Atlas Air Worldwide Holdings, Inc.;

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the Financial Statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

   d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 5, 2021

/s/ Spencer Schwartz
Spencer Schwartz
Executive Vice President and Chief Financial Officer

Exhibit 32.1

Section 1350 Certifications
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Atlas Air Worldwide Holdings, Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2021 as filed with the Securities and Exchange Commission (the “Report”), we, John W. Dietrich and Spencer Schwartz, Chief Executive Officer and Chief Financial Officer, respectively, of the Company certify that to our knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2021

/s/ John W. Dietrich
John W. Dietrich
President and Chief Executive Officer

/s/ Spencer Schwartz
Spencer Schwartz
Executive Vice President and Chief Financial Officer

Document and Entity Information - shares	3 Months Ended Mar. 31, 2021	Apr. 30, 2021
Cover [Abstract]		
Document Type	10-Q	
Document period end date	Mar. 31, 2021	
Amendment flag	false	
Document Fiscal Period Focus	Q1	
Document Fiscal Year Focus	2021	
Current fiscal year end date	--12-31	
Entity central index key	0001135185	
Entity filer category	Large Accelerated Filer	
Entity Small Business	false	
Entity Emerging Growth Company	false	
Entity registrant name	Atlas Air Worldwide Holdings, Inc.	
Entity common stock shares outstanding		29,008,815
Entity Current Reporting Status	Yes	
Entity Shell Company	false	
Entity File Number	001-16545	
Entity Tax Identification Number	13-4146982	
Entity Address, Address Line One	2000 Westchester Avenue	
Entity Address, Address Line Two	Purchase	
Entity Address, State or Province	NY	
Entity Address, City or Town	New York	
Entity Address, Postal Zip Code	10577	
City Area Code	914	
Local Phone Number	701-8000	
Entity Incorporation, State or Country Code	DE	
Title of 12(b) Security	Common Stock, $0.01 Par Value	
Trading Symbol	AAWW	
Security Exchange Name	NASDAQ	
Entity Interactive Data Current	Yes	
Document Quarterly Report	true	
Document Transition Report	false	

Consolidated Balance Sheets (Unaudited) - USD ($) $ in Thousands	Mar. 31, 2021	Dec. 31, 2020
Current Assets		
Cash and cash equivalents	$ 703,777	$ 845,589
Restricted cash	10,247	10,692
Accounts receivable, net of allowance of $1,010 and $1,233, respectively	289,337	265,521
Prepaid expenses, assets held for sale and other current assets	102,665	95,919
Total current assets	1,106,026	1,217,721
Property and Equipment		
Flight equipment	5,115,540	5,061,387
Ground equipment	93,690	86,670
Less: accumulated depreciation	(1,192,724)	(1,147,613)
Flight equipment purchase deposits and modifications in progress	209,730	110,150
Property and equipment, net	4,226,236	4,110,594
Other Assets		
Operating lease right-of-use assets	238,155	255,805
Deferred costs and other assets	355,681	374,242
Intangible assets, net and goodwill	69,319	70,826
Total Assets	5,995,417	6,029,188
Current Liabilities		
Accounts payable	110,685	107,604
Accrued liabilities	501,317	583,160
Current portion of long-term debt and finance leases	306,462	298,690
Current portion of long-term operating leases	156,119	157,732
Total current liabilities	1,074,583	1,147,186
Other Liabilities		
Long-term debt and finance leases	1,990,870	2,020,451
Long-term operating leases	276,676	318,850
Deferred taxes	230,720	203,586
Financial instruments and other liabilities	39,372	77,576
Total other liabilities	2,537,638	2,620,463
Commitments and contingencies	0	0
Stockholders' Equity		
Preferred stock, $1 par value; 10,000,000 shares authorized; no shares issued	0	0
Common stock, $0.01 par value; 100,000,000 shares authorized; 34,495,738 and 32,877,533 shares issued, 29,006,635 and 27,517,297 shares outstanding (net of treasury stock), as of March 31, 2021 and December 31, 2020, respectively	345	329
Additional paid-in capital	912,728	873,874
Treasury stock, at cost; 5,489,103 and 5,360,236 shares, respectively	(225,239)	(217,889)
Accumulated other comprehensive loss	(1,700)	(1,904)
Retained earnings	1,697,062	1,607,129
Total stockholders' equity	2,383,196	2,261,539

Total Liabilities and Equity	$ 5,995,417	$ 6,029,188

Consolidated Balance Sheets (Parenthetical) (Unaudited) - USD ($) $ in Thousands	Mar. 31, 2021	Dec. 31, 2020
Statement Of Financial Position [Abstract]		
Allowance for doubtful accounts receivable	$ 1,010	$ 1,233
Preferred stock par value	$ 1	$ 1
Preferred stock shares authorized	10,000,000	10,000,000
Preferred stock shares issued	0	0
Common stock par value	$ 0.01	$ 0.01
Common stock shares authorized	100,000,000	100,000,000
Common stock shares issued	34,495,738	32,877,533
Common stock shares outstanding	29,006,635	27,517,297
Treasury stock shares	5,489,103	5,360,236

Consolidated Statements of Operations (Unaudited) - USD ($) shares in Thousands, $ in Thousands	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Operating Revenue	$ 861,300	$ 643,502
Operating Expenses		
Salaries, wages and benefits	202,614	147,744
Aircraft fuel	163,551	108,318
Navigation fees, landing fees and other rent	44,887	31,401
Passenger and ground handling services	40,065	31,959
Travel	37,672	42,391
Aircraft rent	20,756	23,967
Loss (gain) on disposal of aircraft	16	(6,717)
Transaction-related expenses	201	521
Other	58,412	51,112
Total Operating Expenses	757,096	582,432
Operating Income	104,204	61,070
Non-operating Expenses (Income)		
Interest income	(211)	(480)
Interest expense	27,180	29,275
Capitalized interest	(1,271)	(193)
Unrealized loss (gain) on financial instruments	113	(924)
Other (income) expense, net	(39,456)	1,206
Total Non-operating Expenses (Income)	(13,645)	28,884
Income before income taxes	117,849	32,186
Income tax expense	27,916	8,833
Net Income	$ 89,933	$ 23,353
Earnings per share:		
Basic	$ 3.16	$ 0.90
Diluted	$ 3.05	$ 0.90
Weighted average shares:		
Basic	28,491	25,966
Diluted	29,478	25,966
Service [Member]		
Operating Expenses		
Maintenance, materials and repairs	$ 121,133	$ 94,152
Depreciation and amortization	$ 67,789	$ 57,584

Consolidated Statements of Comprehensive Income (Unaudited) - USD ($) $ in Thousands	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Statement Of Income And Comprehensive Income [Abstract]		
Net Income	$ 89,933	$ 23,353
Other comprehensive income:		
Reclassification to interest expense	268	308
Income tax benefit	(64)	(63)
Other comprehensive income	204	245
Comprehensive Income	$ 90,137	$ 23,598

Consolidated Statements of Cash Flows (Unaudited) - USD ($) $ in Thousands	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Operating Activities:		
Net Income	$ 89,933	$ 23,353
Adjustments to reconcile Net Income to net cash provided by operating activities:		
Depreciation and amortization	86,172	74,352
Accretion of debt securities discount	0	(2)
Reversal of expected credit losses	(397)	(73)
Unrealized loss (gain) on financial instruments	113	(924)
Loss (gain) on disposal of aircraft	16	(6,717)
Deferred taxes	27,839	7,352
Stock-based compensation	4,060	3,860
Changes in:		
Accounts receivable	(22,745)	16,515
Prepaid expenses, current assets and other assets	(7,500)	(5,476)
Accounts payable, accrued liabilities and other liabilities	(89,366)	(40,393)
Net cash provided by operating activities	88,125	71,847
Investing Activities:		
Capital expenditures	(26,662)	(8,291)
Purchase deposits and payments for flight equipment and modifications	(126,807)	(26,000)
Investment in joint ventures	(1,608)	0
Proceeds from investments	0	881
Proceeds from disposal of aircraft	1,850	44,110
Net cash provided by (used for) investing activities	(153,227)	10,700
Financing Activities:		
Proceeds from debt issuance	16,161	164,000
Payment of debt issuance costs	(900)	(2,386)
Payments of debt and finance lease obligations	(77,953)	(193,644)
Proceeds from revolving credit facility	0	75,000
Customer maintenance reserves and deposits received	5,152	2,586
Customer maintenance reserves paid	(12,265)	(2,080)
Treasury shares withheld for payment of taxes	(7,350)	(3,834)
Net cash provided by (used for) financing activities	(77,155)	39,642
Net increase (decrease) in cash, cash equivalents and restricted cash	(142,257)	122,189
Cash, cash equivalents and restricted cash at the beginning of period	856,281	113,430
Cash, cash equivalents and restricted cash at the end of period	714,024	235,619
Noncash Investing and Financing Activities:		
Acquisition of property and equipment included in Accounts payable and accrued liabilities	24,938	16,368
Acquisition of property and equipment acquired under operating leases	4,015	670
Acquisition of flight equipment under finance lease	20,171	0

Customer maintenance reserves settled with sale of aircraft	0	6,497
Issuance of shares related to settlement of warrant liability	$ 31,582	$ 0

Consolidated Statements of Stockholders' Equity (Unaudited) - USD ($) $ in Thousands	Total	Cumulative Effect, Period of Adoption, Adjustment [Member]	Common Stock [Member]	Common Stock [Member] Cumulative Effect, Period of Adoption, Adjustment [Member]	Treasury Stock [Member]	Treasury Stock [Member] Cumulative Effect, Period of Adoption, Adjustment [Member]	Additional Paid-In Capital [Member]	Additional Paid-In Capital [Member] Cumulative Effect, Period of Adoption, Adjustment [Member]	Accumulated Other Comprehensive Loss [Member]	Accumulated Other Comprehensive Loss [Member] Cumulative Effect, Period of Adoption, Adjustment [Member]	Retained Earnings [Member]	Retained Earnings [Member] Cumulative Effect, Period of Adoption, Adjustment [Member]
Beginning Balance at Dec. 31, 2019	$ 1,792,179	$ 14,553	$ 310	$ 0	$ (213,871)	$ 0	$ 761,715	$ 14,553	$ (2,818)	$ 0	$ 1,246,843	$ 0
Accounting Standards Update Extensible List	us-gaap:AccountingStandardsUpdate201409Member											
Net Income	$ 23,353		0		0		0		0		23,353	
Other comprehensive income	245		0		0		0		245		0	
Stock-based compensation	3,860		0		0		3,860		0		0	
Issuance of warrants	2,394		0		0		2,394		0		0	
Treasury shares withheld for payment of taxes	(3,834)		0		(3,834)		0		0		0	
Issuance of shares of restricted stock	0		5		0		(5)		0		0	
Ending Balance at Mar. 31, 2020	1,832,750		315		(217,705)		782,517		(2,573)		1,270,196	
Beginning Balance at Dec. 31, 2020	2,261,539		329		(217,889)		873,874		(1,904)		1,607,129	
Net Income	89,933		0		0		0		0		89,933	
Other comprehensive income	204		0		0		0		204		0	
Stock-based compensation	4,060		0		0		4,060		0		0	
Issuance of warrants	3,228		0		0		3,228		0		0	
Treasury shares withheld for payment of taxes	(7,350)		0		(7,350)		0		0		0	
Issuance of shares related to settlement of warrant	31,582		13		0		31,569		0		0	
Issuance of shares of restricted stock	0		3		0		(3)		0		0	
Ending Balance at Mar. 31, 2021	$ 2,383,196		$ 345		$ (225,239)		$ 912,728		$ (1,700)		$ 1,697,062	

Consolidated Statements of Stockholders' Equity (Parentheticals) (Unaudited) - shares	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Statement Of Stockholders Equity [Abstract]		
Treasury shares withheld for payment of taxes	128,867	179,211
Issuance of shares of restricted stock	337,755	434,567
Issuance of shares related to settlement of warrant	1,280,450	

Basis of Presentation	3 Months Ended Mar. 31, 2021
Basis Of Presentation [Abstract]	
Basis of Presentation	

1. Basis of Presentation

Our consolidated financial statements include the accounts of the holding company, Atlas Air Worldwide Holdings, Inc. (“AAWW”), and its consolidated subsidiaries. AAWW is the parent company of Atlas Air, Inc. (“Atlas”) and Southern Air Holdings, Inc. (“Southern Air”). AAWW is also the parent company of several subsidiaries related to our dry leasing services (collectively referred to as “Titan”). AAWW has a 51% equity interest and 75% voting interest in Polar Air Cargo Worldwide, Inc. (“Polar”). We record our share of Polar’s results under the equity method of accounting.

The terms “we,” “us,” “our,” and the “Company” mean AAWW and all entities included in its consolidated financial statements.

We provide outsourced aircraft and aviation operating services throughout the world, serving Africa, Asia, Australia, Europe, the Middle East, North America and South America through: (i) aircraft operating service agreements, including those through which we provide aircraft to customers and value-added services, including crew, maintenance and insurance (“ACMI”), crew, maintenance and insurance, but not the aircraft (“CMI”) and cargo and passenger charter services (“Charter”); and (ii) dry leasing aircraft and engines (“Dry Leasing” or “Dry Lease”).

The accompanying unaudited consolidated financial statements and related notes (the “Financial Statements”) have been prepared in accordance with the U.S. Securities and Exchange Commission (the “SEC”) requirements for quarterly reports on Form 10-Q, and consequently exclude certain disclosures normally included in audited consolidated financial statements prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”). Intercompany accounts and transactions have been eliminated. The Financial Statements should be read in conjunction with the audited consolidated financial statements and the notes included in the AAWW Annual Report on Form 10-K for the year ended December 31, 2020, which includes additional disclosures and a summary of our significant accounting policies. The December 31, 2020 balance sheet data was derived from that Annual Report. In our opinion, these Financial Statements include all adjustments, consisting of normal recurring items, considered necessary by management to fairly state the Company’s results of operations, financial position, and cash flows.

Our quarterly results are subject to seasonal and other fluctuations, including fluctuations resulting from the global COVID-19 pandemic (see Note 3 for further discussion), and the operating results for any quarter are therefore not necessarily indicative of results that may be otherwise expected for the entire year.

Certain reclassifications have been made to prior periods’ notes to the Financial Statements to conform to the current year’s presentation of segments (see Note 11 for further discussion). Except for per share data, all dollar amounts are in thousands unless otherwise noted.

Summary of Significant Accounting Policies	3 Months Ended
	Mar. 31, 2021
Accounting Policies [Abstract]	
Summary of Significant Accounting Policies	

2. Summary of Significant Accounting Policies

Heavy Maintenance

Except as described in the paragraph below, we account for heavy maintenance costs for airframes and engines using the direct expense method. Under this method, heavy maintenance costs are charged to expense upon induction, based on our best estimate of the costs.

We account for heavy maintenance costs for airframes and engines used in our Dry Leasing segment and engines used on our 747-8F aircraft using the deferral method. Under this method, we defer the expense recognition of scheduled heavy maintenance events, which are amortized over the estimated period until the next scheduled heavy maintenance event is required. Amortization of deferred maintenance expense included in Depreciation and amortization was $12.0 million and $7.9 million for the three months ended March 31, 2021 and 2020, respectively.

Deferred maintenance included within Deferred costs and other assets is as follows:

Balance as of December 31, 2020	$	191,303
Deferred maintenance costs		803
Amortization of deferred maintenance		(11,988)
Balance as of March 31, 2021	$	180,118

Property and Equipment

Committed expenditures to acquire aircraft and spare engines are expected to be $179.1 million for the remainder of 2021 and $458.3 million in 2022. These expenditures include our January 2021 agreement to purchase four 747-8F aircraft from The Boeing Company ("Boeing") that are expected to be delivered from May 2022 through October 2022, spare engines, and 747-400 passenger aircraft (to be used for both replacement of older passenger aircraft in service as well as spare engines and parts).

Recent Accounting Pronouncements Not Yet Adopted

In August 2020, the Financial Accounting Standards Board amended its accounting guidance for certain financial instruments with characteristics of liabilities and equity, including convertible debt instruments. For convertible debt with a cash conversion feature, the amended guidance removes the current accounting model to separately account for the liability and equity components, which currently results in the amortization of a debt discount to interest expense. Under this amended guidance, such convertible debt will be accounted for as a single debt instrument with no amortization of a debt discount to interest expense, unless certain other conditions are met. The amended guidance also requires the use of the if-converted method when calculating the dilutive impact of convertible debt on earnings per share. The amended guidance is effective as of the beginning of 2022. The two permitted transition methods under the guidance are the full retrospective approach, under which the guidance is applied to all periods presented, or the modified retrospective approach, under which the guidance is applied only to the most current period presented. We will adopt this amended guidance on its required effective date of January 1, 2022. While we are still assessing the impact the amended guidance will have on our financial statements, we expect the amount previously allocated to the equity component will be reclassified to debt. In addition, the amended guidance is expected to result in a material increase in net income and reduction in interest expense and diluted earnings per share.

COVID-19 Pandemic	3 Months Ended Mar. 31, 2021
Extraordinary And Unusual Items [Abstract]	
COVID-19 Pandemic	

3. COVID-19 Pandemic

COVID-19

In December 2019, COVID-19 was first reported in China and has since spread to most other regions of the world. In March 2020, COVID-19 was determined to be a global pandemic by the World Health Organization. Since this public health crisis began, it has disrupted global manufacturing, supply chains, passenger travel and consumer spending, resulting in a reduction in flights by some of our customers and lower U.S. Military Air Mobility Command ("AMC") passenger flying as the military has taken precautionary measures to limit the movement of personnel. A reduction of available cargo capacity in the market and increased demand for transporting goods due to the COVID-19 pandemic also resulted in increased commercial charter cargo yields, net of fuel. We have incurred and expect to incur significant additional costs, including premium pay for pilots operating in certain areas significantly impacted by COVID-19; other operational costs, including costs for continuing to provide a safe working environment for our employees; and higher crew costs related to increased pay rates we provided to our pilots in May 2020. In addition, the availability of hotels and restaurants, evolving COVID-19-related travel restrictions and health screenings, and a reduction in passenger flights by other airlines globally or airport closures have impacted and could further impact our ability to position employees to operate our aircraft.

To mitigate the impact of any COVID-19 pandemic disruptions, we have:

- implemented frequent deep cleaning of all aircraft and facilities;
- provided safety kits for each crewmember and all aircraft;
- adjusted routes to limit exposure to regions significantly impacted by the COVID-19 pandemic;
- implemented significant workforce testing, social distancing and protection measures at all of our facilities;
- made COVID-19 vaccinations available to employees;
- arranged for employees who can work remotely to do so based on local conditions;
- reduced nonessential employee travel;
- reduced the use of contractors;
- implemented a number of other cost reduction initiatives;
- entered into a Payroll Support Program Agreement (the "PSP Agreement") with the U.S. Department of the Treasury (the "U.S. Treasury"), with respect to payroll support funding available to cargo air carriers under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") (the "Payroll Support Program") (see discussion below); and
- deferred payment of the employer portion of social security taxes as provided for under the CARES Act through the end of 2020, half of which will be paid by the end of 2021 and the other half will be paid by the end of 2022.

Payroll Support Program under the CARES Act

As of May 29, 2020 (the "PSP Closing Date"), Atlas and Southern Air (the "PSP Recipients") entered into a PSP Agreement with the U.S. Treasury. As of the PSP Closing Date, AAWW also entered into a Warrant Agreement (the "Warrant Agreement") with the U.S. Treasury, and AAWW issued a $199.8 million senior unsecured promissory note to the U.S. Treasury (the "Promissory Note"), with Atlas and Southern Air as guarantors.

In connection with the payroll support funding received in 2020 under the PSP Agreement, we issued warrants to the U.S. Treasury to acquire up to 625,452 shares of our common stock. As of March 31, 2021, no portion of the warrants have been exercised.

We initially recognized deferred grant income within Accrued liabilities for the difference between the payroll support funding received in 2020 under the PSP Agreement and the amounts recorded for the Promissory Note and the Warrant Agreement. Grant income has been subsequently recognized within Other (income) expense, net in the consolidated statement of operations on a pro-rata basis over the periods that the qualifying employee wages, salaries and benefits are paid. The remaining $40.9 million of deferred grant income as of December 31, 2020 was recognized as grant income within Other (income) expense, net in the consolidated statement of operations during the three months ended March 31, 2021.

Related Parties	3 Months Ended Mar. 31, 2021
Related Party Transactions [Abstract]	
Related Parties	

4. Related Parties

Polar

AAWW has a 51% equity interest and 75% voting interest in Polar. DHL Network Operations (USA), Inc. ("DHL"), a subsidiary of Deutsche Post AG, holds a 49% equity interest and a 25% voting interest in Polar. Polar is a variable interest entity that we do not consolidate because we are not the primary beneficiary as the risks associated with the direct costs of operation are with DHL. Under a 20-year blocked space agreement, which began in 2008, Polar provides air cargo capacity to DHL. Atlas has several agreements with Polar to provide ACMI, CMI, Dry Leasing, administrative, sales and ground support services to one another. We do not have any financial exposure to fund debt obligations or operating losses of Polar, except for any liquidated damages that we could incur under these agreements.

The following table summarizes our transactions with Polar:

	For the Three Months Ended	
Revenue and Expenses:	**March 31, 2021**	**March 31, 2020**
Revenue from Polar	$ 77,256	$ 76,234
Ground handling and airport fees to Polar	882	526
Accounts receivable/payable as of:	**March 31, 2021**	**December 31, 2020**
Receivables from Polar	$ 22,780	$ 31,079
Payables to Polar	4,153	3,477
Aggregate Carrying Value of Polar Investment as of:	**March 31, 2021**	**December 31, 2020**
Aggregate Carrying Value of Polar Investment	$ 4,870	$ 4,870

In addition to the amounts in the table above, Atlas recognized revenue of $54.1 million and $27.5 million for the three months ended March 31, 2021 and 2020, respectively, from flying on behalf of Polar.

Dry Leasing Joint Venture

We hold a 10% interest in a joint venture with an unrelated third party, which we entered into in December 2019, to develop a diversified freighter aircraft dry leasing portfolio. Through Titan, we provide aircraft and lease management services to the joint venture for fees based upon aircraft assets under management, among other things. Our investment in the joint venture is accounted for under the equity method of accounting. Under the joint venture, we have a commitment to provide up to $40.0 million of capital contributions before December 2022, of which $5.3 million has been contributed as of March 31, 2021. Our maximum exposure to losses from the entity is limited to our investment. The joint venture has third-party debt obligations of $49.4 million that are not guaranteed by us.

The following table summarizes our transactions with our dry leasing joint venture:

	For the Three Months Ended	
Revenue and Expenses:	**March 31, 2021**	**March 31, 2020**
Revenue from dry leasing joint venture	$ 1,324	$ -
Aircraft rent to dry leasing joint venture	2,250	-
Aggregate Carrying Value of Joint Venture as of:	**March 31, 2021**	**December 31, 2020**

Aggregate Carrying Value of Dry Leasing Joint Venture	$ 4,937	$ 4,438

Parts Joint Venture

We hold a 50% interest in a joint venture with an unrelated third party to purchase rotable parts and provide repair services for those parts, primarily for 747-8F aircraft. The joint venture is a variable interest entity and we have not consolidated the joint venture because we are not the primary beneficiary as we do not exercise financial control. Our investment in the joint venture is accounted for under the equity method of accounting and was $21.2 million as of March 31, 2021 and $21.0 million as of December 31, 2020. Our maximum exposure to losses from the entity is limited to our investment, which is composed primarily of rotable inventory parts. The joint venture does not have any third-party debt obligations. We had Accounts receivable from the joint venture of $0.2 million as of March 31, 2021 and December 31, 2020. We had Accounts payable to the joint venture of $1.0 million as of March 31, 2021 and $0.9 million as of December 31, 2020.

Amazon	3 Months Ended
	Mar. 31, 2021
Warrants And Rights Note Disclosure [Abstract]	
Amazon	

5. Amazon

In May 2016, we entered into certain agreements with Amazon.com, Inc. and its subsidiary, Amazon Fulfillment Services, Inc., (collectively "Amazon"), which involve, among other things, CMI operation of up to 20 Boeing 767-300 freighter aircraft for Amazon by Atlas, as well as Dry Leasing by Titan. The Dry Leases have a term of ten years from the commencement of each agreement, while the CMI operations are for seven years from the commencement of each agreement (with an option for Amazon to extend the term to ten years). As of March 31, 2021, 17 767-300 freighter aircraft were operating in CMI service and 19 767-300 freighters in Dry Lease service for Amazon.

In conjunction with the agreements entered into in May 2016, we granted Amazon a warrant providing the right to acquire up to 20% of our outstanding common shares, as of the date of the agreements, after giving effect to the issuance of shares pursuant to the warrants, at an exercise price of $37.34 per share, as adjusted ("Warrant A"). All 7.5 million shares, as adjusted, have vested in full and been exercised in two transactions. In October 2020, Amazon exercised 3,607,477 shares of Warrant A through a cashless exercise resulting in the issuance of 1,375,421 shares of our common stock. In January 2021, Amazon exercised the remaining 3,924,569 shares of Warrant A through a cashless exercise resulting in the issuance of 1,210,741 shares of our common stock.

The agreements entered into in May 2016 also provided incentives for future growth of the relationship as Amazon may increase its business with us. In that regard, we granted Amazon a warrant to acquire up to an additional 10% of our outstanding common shares, as of the date of the agreements, after giving effect to the issuance of shares pursuant to the warrants, for an exercise price of $37.34 per share, as adjusted ("Warrant B"). This warrant to purchase 3.77 million shares, as adjusted, will vest in increments of 37,660 shares, as adjusted, each time Amazon has paid $4.2 million of revenue to us, up to a total of $420.0 million, for incremental business beyond the original 20 767-300 freighters. As of March 31, 2021, 564,900 shares, as adjusted, of Warrant B have vested. Upon vesting, Warrant B becomes exercisable in accordance with its terms through May 2023. In January 2021, Amazon exercised 225,960 shares of Warrant B through a cashless exercise resulting in the issuance of 69,709 shares of our common stock.

In March 2019, we amended the agreements entered into in 2016 with Amazon, pursuant to which we began providing CMI services using Boeing 737-800 freighter aircraft provided by Amazon. The 737-800 CMI operations are for a term of seven years from the commencement of each agreement (with an option for Amazon to extend the term to ten years). As of March 31, 2021, eight 737-800 freighter aircraft were operating in CMI service. Amazon may, in its sole discretion, place up to 12 additional 737-800 freighter aircraft into service with us by May 31, 2021.

In connection with the amended agreements, we granted Amazon a warrant to acquire up to an additional 9.9% of our outstanding common shares, as of the date of the agreements, after giving effect to the issuance of shares pursuant to the warrants, for an exercise price of $52.67 per share, as adjusted ("Warrant C"). After Warrant B has vested in full, this warrant to purchase 6.66 million shares, as adjusted, would vest in increments of 45,623 shares, as adjusted, each time Amazon has paid $6.9 million of revenue to us, up to a total of $1.0 billion, for incremental business beyond Warrant A and Warrant B. As of March 31, 2021, no portion of Warrant C has vested. Upon vesting, Warrant C would become exercisable in accordance with its terms through March 2026. While Amazon would be entitled to vote the shares it owns up to 14.9% of our outstanding common shares, in its discretion, it would be required to vote any shares it owns in excess of 14.9% of our outstanding common shares in accordance with the recommendation of our board of directors.

Upon the vesting of Warrant A in previous years, the fair value of the warrant was recognized as a customer incentive asset within Deferred costs and other assets, net and is amortized as a reduction of Operating Revenue in proportion to the amount of revenue recognized over the terms of the Dry Leases and CMI agreements. When it becomes probable that an increment of either Warrant B or C will vest and the related revenue begins to be recognized, the grant date fair value of such portion is recognized as a customer incentive asset within Deferred costs and other assets, net and is amortized as a reduction of Operating Revenue in proportion to the amount of related revenue recognized. The grant date fair value of such increment is also recorded as Additional paid-in-capital. At the time of vesting, any amounts recorded in Additional paid-in-capital related to Dry Lease contracts would be reclassified as a warrant liability within Financial instruments and other liabilities with changes in fair value recorded in Unrealized loss (gain) on financial instruments.

We amortized \$10.5 million and \$9.0 million of the customer incentive asset as a reduction of Operating Revenue for the three months ended March 31, 2021 and 2020, respectively.

Customer incentive asset included within Deferred costs and other assets is as follows:

Balance at December 31, 2020	$	125,276
Initial value for estimate of vested or expected to vest warrants		3,228
Amortization of customer incentive asset		(10,481)
Balance at March 31, 2021	$	118,023

We recognized a net unrealized loss of \$0.1 million and a net unrealized gain of \$0.9 million on the Amazon warrant liability related to Warrant A during the three months ended March 31, 2021 and 2020, respectively. The fair value of the Amazon warrant liability was zero as of March 31, 2021 and \$31.5 million as of December 31, 2020. Due to the exercise of Warrant A discussed above, our earnings are no longer affected by changes in the fair value of our Amazon warrant liability.

Supplemental Financial Information	3 Months Ended Mar. 31, 2021
Supplemental Financial Information [Abstract]	
Supplemental Financial Information	**6. Supplemental Financial Information**

Accounts Receivable

Accounts receivable, net of allowance for expected credit losses related to customer contracts, excluding Dry Leasing contracts, was $237.0 million as of March 31, 2021 and $195.6 million as of December 31, 2020.

Allowance for expected credit losses, included within Accounts receivable, is as follows:

Balance as of December 31, 2020	$	1,233
Bad debt recovery		(397)
Amounts written off, net of other items		174
Balance as of March 31, 2021	$	1,010

Accrued Liabilities

Accrued liabilities consisted of the following as of:

	March 31, 2021		December 31, 2020	
Maintenance	$	134,918	$	142,374
Customer maintenance reserves		97,467		93,092
Salaries, wages and benefits		82,928		136,753
Deferred revenue		47,863		41,665
Aircraft fuel		33,507		24,578
Deferred grant income		-		40,944
Other		104,634		103,754
Accrued liabilities	$	501,317	$	583,160

Revenue Contract Liability

Deferred revenue for customer contracts, excluding Dry Leasing contracts, represents amounts collected from, or invoiced to, customers in advance of revenue recognition. The balance of Deferred revenue will increase or decrease based on the timing of invoices and recognition of revenue. Changes in Deferred revenue during the three months ended March 31, 2021 were as follows:

Balance as of December 31, 2020	$	30,291
Revenue recognized		(57,193)
Amounts collected or invoiced		63,786
Balance as of March 31, 2021	$	36,884

Supplemental Cash Flow Information

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total shown in the consolidated statements of cash flows:

	March 31, 2021		December 31, 2020	
Cash and cash equivalents	$	703,777	$	845,589
Restricted cash		10,247		10,692

Total Cash, cash equivalents and restricted cash shown in Consolidated Statements of Cash Flows	$ 714,024	$ 856,281

Assets Held For Sale and Other Income	3 Months Ended Mar. 31, 2021
Assets Held For Sale And Other Income [Abstract]	
Assets Held For Sale and Other Income	**7. Assets Held For Sale and Other Income** As of December 31, 2020, we had two 737-400 passenger aircraft previously used for training purposes and certain spare CF6-80 engines classified as held for sale. During the three months ended March 31, 2021, we received net proceeds of $1.9 million from the completion of the sales of some of the spare CF6-80 engines. We estimated the fair value of these assets, less costs to sell, based on bids received from independent third parties or recently completed sales. The carrying value of the assets held for sale as of March 31, 2021 and December 31, 2020 was $12.3 million and $14.1 million, respectively, which was included within Prepaid expense, assets held for sale and other current assets in the consolidated balance sheets. Sales of the remaining aircraft and engines are expected to be completed during 2021. During the three months ended March 31, 2020, we recognized refunds of $1.4 million related to aircraft rent paid in previous years within Other (income) expense, net.

Debt	3 Months Ended Mar. 31, 2021

Debt Disclosure [Abstract]

Debt

8. Debt

Term Loans

In March 2021, we borrowed $16.2 million at a fixed interest rate of 0.93% under an unsecured five-year term loan due in January 2026 for GEnx engine performance upgrade kits and overhauls. The term loan is subject to customary fees, covenants and events of default, with principal and interest payable quarterly.

Convertible Notes

In May 2017, we issued $289.0 million aggregate principal amount of 1.88% convertible senior notes that mature on June 1, 2024 (the “2017 Convertible Notes”) in an underwritten public offering. In June 2015, we issued $224.5 million aggregate principal amount of 2.25% convertible senior notes that mature on June 1, 2022 (the “2015 Convertible Notes”) in an underwritten public offering. The 2017 Convertible Notes and the 2015 Convertible Notes (collectively, the “Convertible Notes”) are senior unsecured obligations and accrue interest payable semiannually on June 1 and December 1 of each year. The Convertible Notes are due on their respective maturity dates, unless earlier converted or repurchased pursuant to their respective terms.

The Convertible Notes consisted of the following as of March 31, 2021:

	2015 Convertible Notes	2017 Convertible Notes
Remaining life in months	14	38
Liability component:		
Gross proceeds	$ 224,500	$ 289,000
Less: debt discount, net of amortization	(10,555)	(35,375)
Less: debt issuance cost, net of amortization	(970)	(2,723)
Net carrying amount	$ 212,975	$ 250,902
Equity component (1)	$ 52,903	$ 70,140

(1) Included in Additional paid-in-capital on the consolidated balance sheet as of March 31, 2021.

The following table presents the amount of interest expense recognized related to the Convertible Notes:

	For the Three Months Ended	
	March 31, 2021	March 31, 2020
Contractual interest coupon	$ 2,618	$ 2,618
Amortization of debt discount	4,671	4,388
Amortization of debt issuance costs	402	387
Total interest expense recognized	$ 7,691	$ 7,393

Revolving Credit Facility

We have a $200.0 million secured revolving credit facility that matures in December 2022 (the “Revolver”). As of March 31, 2021, there were no amounts outstanding and we had $200.0 million of unused availability, based on the collateral borrowing base.

Income Taxes	3 Months Ended Mar. 31, 2021
Income Tax Disclosure [Abstract]	
Income Taxes	**9. Income Taxes** The effective income tax rates were 23.7% and 27.4% for the three months ended March 31, 2021 and 2020, respectively. The rate for the three months ended March 31, 2021 differed from the U.S. statutory rate primarily due to state income taxes and certain expenses that are not deductible for tax purposes. The rate for the three months ended March 31, 2020 differed from the U.S. statutory rate primarily due to tax expense from the vesting of share-based compensation. For interim accounting purposes, we recognize income taxes using an estimated annual effective tax rate.

Financial Instruments	3 Months Ended Mar. 31, 2021

Fair Value Disclosures [Abstract]

Financial Instruments

10. Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Inputs used to measure fair value are classified in the following hierarchy:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 Other inputs that are observable directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, or inactive quoted prices for identical assets or liabilities in inactive markets;

Level 3 Unobservable inputs reflecting assumptions about the inputs used in pricing the asset or liability.

We endeavor to utilize the best available information to measure fair value.

The carrying value of Cash and cash equivalents, and Restricted cash is based on cost, which approximates fair value.

Term loans and notes consist of term loans, notes guaranteed by the Export-Import Bank of the United States, a promissory note issued to the U.S. Treasury and equipment enhanced trust certificates. The fair values of these debt instruments and the Revolver are based on a discounted cash flow analysis using current borrowing rates for instruments with similar terms.

The fair value of our Convertible Notes is based on unadjusted quoted market prices for these securities.

The fair value of a customer warrant liability and certain long-term performance-based restricted shares are based on a Monte Carlo simulation which requires inputs such as our common stock price, the warrant strike price, estimated common stock price volatility, and risk-free interest rate, among others.

The following table summarizes the carrying value, estimated fair value and classification of our financial instruments as of:

	March 31, 2021				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	$ 703,777	$ 703,777	$ 703,777	$ -	$ -
Restricted cash	10,247	10,247	10,247	-	-
	$ 714,024	$ 714,024	$ 714,024	$ -	$ -
Liabilities					
Term loans and notes	$ 1,756,278	$ 1,832,407	$ -	$ -	$ 1,832,407
Convertible notes (1)	463,877	589,456	589,456	-	-
	$ 2,220,155	$ 2,421,863	$ 589,456	$ -	$ 1,832,407

	December 31, 2020				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	$ 845,589	$ 845,589	$ 845,589	$ -	$ -
Restricted cash	10,692	10,692	10,692	-	-

	$ 856,281	$ 856,281	$ 856,281	$ -	$ -
Liabilities					
Term loans and notes	$ 1,809,656	$ 1,909,942	$ -	$ -	$ 1,909,942
Convertible notes (1)	458,803	560,975	560,975	-	-
Customer warrant	31,470	31,470	-	31,470	-
	$ 2,299,929	$ 2,502,387	$ 560,975	$ 31,470	$ 1,909,942

(1) Carrying value is net of debt discounts and debt issuance costs (see Note 8).

Segment Reporting	3 Months Ended Mar. 31, 2021

Segment Reporting [Abstract]

Segment Reporting

11. Segment Reporting

During the first quarter of 2021, we changed our operating and reportable segments, reflecting changes in our business. We currently have the following two operating and reportable segments: Airline Operations and Dry Leasing. Previously, our operating and reportable segments were ACMI, Charter and Dry Leasing. As ACMI and Charter services have become more similar, our chief operating decision maker began assessing operating results and making resource allocation decisions for Airline Operations.

Our Airline Operations segment provides outsourced aircraft operating services to customers including, express delivery providers, e-commerce retailers, the U.S. military, charter brokers, freight forwarders, airlines, manufacturers, sports teams and fans, and private charter customers. We generally provide these services on an ACMI, CMI and Charter basis. Most agreements provide us with guaranteed minimum revenues at predetermined rates, levels of operation and defined periods of time. We also provide certain services on a short-term basis.

Our Dry Leasing segment provides for the leasing of cargo and passenger aircraft and engines to customers, and aircraft- and lease-management services. In our Dry Leasing segment, the customer operates, and is responsible for insuring and maintaining, the flight equipment.

Other represents revenue for services that are not allocated to any segment, including administrative and management support services and flight simulator training.

Each operating segment is separately reviewed by our chief operating decision maker to assess operating results and make resource allocation decisions. We do not aggregate our operating segments and, therefore, our operating segments are our reportable segments.

We use an economic performance metric called Direct Contribution, which shows the profitability of each segment. Direct Contribution includes Income before income taxes and excludes the following: Special charges, Transaction-related expenses, nonrecurring items, Gain (losses) on the disposal of aircraft, Losses on early extinguishment of debt, Unrealized losses (gains) on financial instruments and Unallocated income and expenses, net. Direct operating and ownership costs include crew costs, maintenance, fuel, ground operations, sales costs, aircraft rent, interest expense on the portion of debt used for financing aircraft, interest income on debt securities and aircraft depreciation. Unallocated income and expenses, net include corporate overhead, nonaircraft depreciation, noncash expenses and income, interest expense on the portion of debt used for general corporate purposes, interest income on nondebt securities, capitalized interest, foreign exchange gains and losses, other revenue, other non-operating costs and CARES Act grant income.

The following table sets forth Operating Revenue and Direct Contribution for our reportable segments reconciled to Operating Income and Income before income taxes:

	For the Three Months Ended	
	March 31, 2021	March 31, 2020
Operating Revenue:		
Airline Operations	$ 826,240	$ 606,373
Dry Leasing	40,364	41,926
Customer incentive asset amortization	(10,481)	(9,022)
Other	5,177	4,225
Total Operating Revenue	$ 861,300	$ 643,502
Direct Contribution:		
Airline Operations	$ 169,150	$ 103,087

Dry Leasing	10,564	10,698
Total Direct Contribution for Reportable Segments	179,714	113,785
Unallocated expenses and (income), net	(61,535)	(88,719)
Unrealized gain (loss) on financial instruments	(113)	924
Transaction-related expenses	(201)	(521)
Gain (loss) on disposal of aircraft	(16)	6,717
Income before income taxes	117,849	32,186
Add back (subtract):		
Interest income	(211)	(480)
Interest expense	27,180	29,275
Capitalized interest	(1,271)	(193)
Unrealized (gain) loss on financial instruments	113	(924)
Other (income) expense, net	(39,456)	1,206
Operating Income	$ 104,204	$ 61,070

The following table disaggregates our Airline Operations segment revenue by customer and service type:

	For the Three Months Ended					
	March 31, 2021			March 31, 2020		
	Cargo	**Passenger**	**Total**	**Cargo**	**Passenger**	**Total**
Commercial customers	$ 713,211	$ 2,879	$716,090	$452,712	$ 3,626	$456,338
AMC	45,312	64,838	110,150	62,475	87,560	150,035
Total Airline Operations Revenue	$ 758,523	$ 67,717	$826,240	$515,187	$ 91,186	$606,373

Given the nature of our business and international flying, geographic information for revenue, long-lived assets and total assets is not presented because it is impracticable to do so.

We are exposed to a concentration of revenue from the AMC, Polar and DHL (see above for the AMC and Note 4 to our Financial Statements for further discussion regarding Polar). No other customer accounted for more than 10.0% of our Total Operating Revenue. Revenue from DHL was $158.7 million for the three months ended March 31, 2021 and $98.4 million for the three months ended March 31, 2020. We have not experienced any credit issues with these customers.

Labor and Legal Proceedings	3 Months Ended Mar. 31, 2021
Labor And Legal Proceedings [Abstract]	
Labor and Legal Proceedings	

12. Labor and Legal Proceedings

Collective Bargaining Agreements

Pilots of Atlas and Southern Air, and flight dispatchers of Atlas and Polar are represented by the International Brotherhood of Teamsters (the "IBT"). We have a five-year collective bargaining agreement ("CBA") with our Atlas pilots, which became amendable in September 2016, and a four-year CBA with the Southern Air pilots, which became amendable in November 2016. We also have a five-year CBA with our Atlas and Polar dispatchers, which was extended in April 2017 for an additional four years, making the CBA amendable in November 2021.

After we completed the acquisition of Southern Air in April 2016, we informed the IBT of our intention to pursue (and we have been pursuing) a complete operational merger of Atlas and Southern Air. The Atlas and Southern Air CBAs both have a defined and streamlined process for negotiating a joint CBA ("JCBA") when a merger occurs, as in the case with the Atlas and Southern Air merger. Pursuant to the merger provisions in both CBAs, joint negotiations for a single CBA for Atlas and Southern Air should commence promptly. Further, once an integrated seniority list ("ISL") of Atlas and Southern Air pilots is presented to the Company by the union, it triggers a nine month agreed-upon timeframe to negotiate a new JCBA with any unresolved issues promptly submitted to binding arbitration.

The IBT refused to follow the merger provisions in the Atlas and Southern Air CBAs, which resulted in significant litigation, arbitrations and delay. The Company prevailed in all of the prior merger-related proceedings, including all federal court litigation and related appeals. The IBT was ordered by two arbitrators and two federal district courts to comply with the merger provisions of the Atlas and Southern Air CBAs, which included providing the Company with the ISL by May 15, 2020.

The IBT subsequently requested additional time from the Company to complete the ISL and the parties agreed to a joint stipulation. As a result, on April 24, 2020, the U.S. District Court for the District of Columbia ("DC District Court") issued a modified order, providing that the nine-month timeframe to bargain for a new JCBA was triggered on May 15, 2020 and that the IBT must produce the ISL by March 31, 2021. Any remaining open issues as of February 15, 2021 are to be determined by binding interest arbitration pursuant to the merger provisions in the CBAs.

In April 2020, the Company entered into Coronavirus Memorandum of Understandings ("MOU") with both Local 2750 and Local 1224, providing for premium pay and enhanced benefits for pilots flying into covered areas designated by the Centers for Disease Control and Prevention ("CDC") as Red Level 3 Travel Health Notices on its website at the time, as well as providing for an increased per diem and other additional safety measures related to COVID-19. In August 2020, the CDC updated its Travel Health Notices, which affected covered areas eligible for premium pay and certain benefits under the MOU. In late November 2020, the CDC further updated its Travel Health Notices, which expanded the scope of covered areas under the MOU. This CDC change resulted in China, however, no longer being a covered area under the MOU. The Company voluntarily offered and the Union agreed to continue to provide premium pay and certain other benefits under the MOU for eligible areas through December 31, 2020. The MOU has continued in effect since December 31, 2020. Once a new JCBA is effective, the MOU will be terminated.

On May 7, 2020, the Company announced that Atlas and Southern Air reached an agreement with IBT Locals 2750 and 1224, which provides for a ten percent pay increase for all pilots, effective as of May 1, 2020. This pay increase provides interim additional compensation to our pilots until a new JCBA is reached.

The Company and the IBT continued to meet virtually from March 2020 through January 2021 to move the process forward and bargain in good faith for a new JCBA. Substantive progress was made with tentative agreements reached for more than half of the articles in a new JCBA. On February 15, 2021, the Company and IBT completed the contractually-mandated nine-month period for negotiations for a JCBA. All remaining open issues not resolved in negotiations are subject to binding interest arbitration between the Company and the IBT, which occurred in the latter half of March 2021 and concluded on April 1, 2021. On March 30, 2021, the IBT provided the Company with the ISL.

On May 1, 2021, IBT Local 2750, which represents Atlas Air Pilots, also became the official IBT representative for all Southern Air pilots who had previously been represented by IBT Local 1224. While the Atlas and Southern pilots are represented by the same local, they remain two distinct pilot groups under separate CBAs until there is a new JCBA.

Once the arbitration decision is issued, there will be a new JCBA. We expect the decision to be issued during the second half of 2021 and that labor costs arising from the new JCBA will be materially greater than the costs under our current CBAs with Atlas pilots and Southern Air pilots.

We are subject to risks of work interruption or stoppage as permitted by the Railway Labor Act and may incur additional administrative expenses associated with union representation of our employees.

Preliminary Injunction

In late November 2017, the DC District Court issued a preliminary injunction preventing the IBT from “authorizing, encouraging, permitting, calling, engaging in, or continuing” any illegal pilot slowdown activities that were intended to gain leverage in pilot contract negotiations with the Company and requiring the IBT to meet its obligations under the Railway Labor Act. The IBT appealed to the DC Court of Appeals, which, in a unanimous three-judge panel, affirmed the DC District Court’s ruling. On May 22, 2020, the IBT filed a motion to dismiss the Company’s action for a preliminary injunction, which has been fully briefed. The preliminary injunction remains in full force and effect pending the court’s decision. The preliminary injunction will expire once the parties’ new JCBA becomes effective.

Matters Related to Alleged Pricing Practices

In the Netherlands, Stichting Cartel Compensation, successor in interest to claims of various shippers, has filed suit in the district court in Amsterdam against British Airways, KLM, Martinair, Air France, Lufthansa and Singapore Airlines seeking recovery for damages purportedly arising from allegedly unlawful pricing practices of such defendants. In response, British Airways, KLM, Martinair, Air France and Lufthansa filed third-party indemnification lawsuits against Polar Air Cargo, LLC (“Old Polar”), a consolidated subsidiary of the Company, and Polar, seeking indemnification in the event the defendants are found to be liable in the main proceedings. Another defendant, Thai Airways, filed a similar indemnification claim. Activities in the case have focused on various procedural issues and rulings, some of which are awaiting court decisions on appeal. The ultimate outcome of the lawsuit is

likely to be affected by a decision readopted by the European Commission in March 2017, finding EU competition law violations by British Airways, KLM, Martinair, Air France and Lufthansa, among others, but not Old Polar or Polar. If the Company, Old Polar or Polar were to incur an unfavorable outcome, such outcome may have a material adverse impact on our business, financial condition, results of operations or cash flows. We are unable to reasonably estimate a range of possible loss for this matter at this time.

Brazilian Customs Claim

Old Polar was cited for two alleged customs violations in Sao Paulo, Brazil, relating to shipments of goods dating back to 1999 and 2000. Each claim asserts that goods listed on the flight manifest of two separate Old Polar scheduled service flights were not on board the aircraft upon arrival and therefore were improperly brought into Brazil. The two claims, which also seek unpaid customs duties, taxes and penalties from the date of the alleged infraction, are approximately $3.6 million in aggregate based on March 31, 2021 exchange rates.

In both cases, we believe that the amounts claimed are substantially overstated due to a calculation error when considering the type and amount of goods allegedly missing, among other things. In the pending claim for one of the cases, we have received an administrative decision dismissing the claim in its entirety, which remains subject to a mandatory appeal by the Brazil customs authorities. In the other case, we received an administrative decision in favor of the Brazil customs authorities and we are in the process of appealing this decision to the Brazil courts. As required to defend such claims, we have made deposits pending resolution of these matters. The balance was $3.0 million as of March 31, 2021 and $3.3 million as of December 31, 2020, and is included in Deferred costs and other assets.

We are currently defending these and other Brazilian customs claims and the ultimate disposition of these claims, either individually or in the aggregate, is not expected to materially affect our financial condition, results of operations or cash flows.

Other

In addition to the matters described in this note, we have certain other contingencies incident to the ordinary course of business. Unless disclosed otherwise, management does not expect that the ultimate disposition of such other contingencies or matters will materially affect our financial condition, results of operations or cash flows.

Earnings Per Share	3 Months Ended Mar. 31, 2021
Earnings Per Share [Abstract]	
Earnings Per Share	13. Earnings Per Share Basic earnings per share ("EPS") represents income divided by the weighted average number of common shares outstanding during the measurement period. Diluted EPS represents income divided by the weighted average number of common shares outstanding during the measurement period while also giving effect to all potentially dilutive common shares that were outstanding during the period using the treasury stock method. The calculations of basic and diluted EPS were as follows:

	For the Three Months Ended	
Numerator:	**March 31, 2021**	**March 31, 2020**
Net Income	$ 89,933	$ 23,353
Plus: Unrealized loss (gain) on financial instruments, net of tax	112	-
Diluted net income	$ 90,045	$ 23,353
Denominator:		
Basic EPS weighted average shares outstanding	28,491	25,966
Effect of dilutive warrants	751	-
Effect of dilutive restricted stock	236	-
Diluted EPS weighted average shares outstanding	29,478	25,966
Earnings per share:		
Basic	$ 3.16	$ 0.90
Diluted	$ 3.05	$ 0.90

Antidilutive shares related to warrants issued in connection with our Convertible Notes and warrants issued to a customer that were out of the money and excluded from the calculation of diluted EPS were 7.8 million for the three months ended March 31, 2021, and 15.5 million for the three months ended March 31, 2020. Diluted shares reflect the potential dilution that could occur from restricted shares using the treasury stock method. The calculation of EPS does not include restricted share units and customer warrants in which performance or market conditions were not satisfied of 10.1 million for the three months ended March 31, 2021 and 10.5 million for the three months ended March 31, 2020.

Accumulated Other Comprehensive Income (Loss)	3 Months Ended
	Mar. 31, 2021
Accumulated Other Comprehensive Income Loss [Abstract]	
Accumulated Other Comprehensive Income (Loss)	**14. Accumulated Other Comprehensive Income (Loss)**

The following table summarizes the components of Accumulated other comprehensive income (loss):

	Interest Rate Derivatives	Foreign Currency Translation	Total
Balance as of December 31, 2019	$ (2,827)	$ 9	$ (2,818)
Reclassification to interest expense	308	-	308
Tax effect	(63)	-	(63)
Balance as of March 31, 2020	$ (2,582)	$ 9	$ (2,573)
Balance as of December 31, 2020	$ (1,913)	$ 9	$ (1,904)
Reclassification to interest expense	268	-	268
Tax effect	(64)	-	(64)
Balance as of March 31, 2021	$ (1,709)	$ 9	$ (1,700)

Interest Rate Derivatives

As of March 31, 2021, there was $2.2 million of unamortized net realized loss before taxes remaining in Accumulated other comprehensive income (loss) related to terminated forward-starting interest rate swaps, which had been designated as cash flow hedges to effectively fix the interest rates on two 747-8F financings in 2011 and three 777-200LRF financings in 2014. The net loss is amortized and reclassified into Interest expense over the remaining life of the related debt. Net realized losses reclassified into earnings were $0.3 million for both the three months ended March 31, 2021 and 2020. Net realized losses expected to be reclassified into earnings within the next 12 months are $1.0 million as of March 31, 2021.

Summary of Significant Accounting Policies (Policies)	3 Months Ended Mar. 31, 2021

Accounting Policies [Abstract]

Heavy Maintenance

Heavy Maintenance

Except as described in the paragraph below, we account for heavy maintenance costs for airframes and engines using the direct expense method. Under this method, heavy maintenance costs are charged to expense upon induction, based on our best estimate of the costs.

We account for heavy maintenance costs for airframes and engines used in our Dry Leasing segment and engines used on our 747-8F aircraft using the deferral method. Under this method, we defer the expense recognition of scheduled heavy maintenance events, which are amortized over the estimated period until the next scheduled heavy maintenance event is required. Amortization of deferred maintenance expense included in Depreciation and amortization was $12.0 million and $7.9 million for the three months ended March 31, 2021 and 2020, respectively.

Deferred maintenance included within Deferred costs and other assets is as follows:

Balance as of December 31, 2020	$	191,303
Deferred maintenance costs		803
Amortization of deferred maintenance		(11,988)
Balance as of March 31, 2021	$	180,118

Property and Equipment

Property and Equipment

Committed expenditures to acquire aircraft and spare engines are expected to be $179.1 million for the remainder of 2021 and $458.3 million in 2022. These expenditures include our January 2021 agreement to purchase four 747-8F aircraft from The Boeing Company ("Boeing") that are expected to be delivered from May 2022 through October 2022, spare engines, and 747-400 passenger aircraft (to be used for both replacement of older passenger aircraft in service as well as spare engines and parts).

Recent Accounting Pronouncements

Recent Accounting Pronouncements Not Yet Adopted

In August 2020, the Financial Accounting Standards Board amended its accounting guidance for certain financial instruments with characteristics of liabilities and equity, including convertible debt instruments. For convertible debt with a cash conversion feature, the amended guidance removes the current accounting model to separately account for the liability and equity components, which currently results in the amortization of a debt discount to interest expense. Under this amended guidance, such convertible debt will be accounted for as a single debt instrument with no amortization of a debt discount to interest expense, unless certain other conditions are met. The amended guidance also requires the use of the if-converted method when calculating the dilutive impact of convertible debt on earnings per share. The amended guidance is effective as of the beginning of 2022. The two permitted transition methods under the guidance are the full retrospective approach, under which the guidance is applied to all periods presented, or the modified retrospective approach, under which the guidance is applied only to the most current period presented. We will adopt this amended guidance on its required effective date of January 1, 2022. While we are still assessing the impact the amended guidance will have on our financial statements, we expect the amount previously allocated to the equity component will be reclassified to debt. In addition, the amended guidance is expected to result in a material increase in net income and reduction in interest expense and diluted earnings per share.

Summary of Significant Accounting Policies (Tables)	3 Months Ended Mar. 31, 2021
Accounting Policies [Abstract]	
Schedule of Deferred Maintenance	Deferred maintenance included within Deferred costs and other assets is as follows

Balance as of December 31, 2020	$	191,303
Deferred maintenance costs		803
Amortization of deferred maintenance		(11,988)
Balance as of March 31, 2021	$	180,118

Related Parties (Tables)

3 Months Ended Mar. 31, 2021

Polar [Member]

Related Party Transaction [Line Items]

Summary of Transactions with Related Party

The following table summarizes our transactions with Polar:

	For the Three Months Ended	
Revenue and Expenses:	**March 31, 2021**	**March 31, 2020**
Revenue from Polar	$ 77,256	$ 76,234
Ground handling and airport fees to Polar	882	526

Accounts receivable/payable as of:	**March 31, 2021**	**December 31, 2020**
Receivables from Polar	$ 22,780	$ 31,079
Payables to Polar	4,153	3,477

Aggregate Carrying Value of Polar Investment as of:	**March 31, 2021**	**December 31, 2020**
Aggregate Carrying Value of Polar Investment	$ 4,870	$ 4,870

Dry Leasing Joint Venture [Member]

Related Party Transaction [Line Items]

Summary of Transactions with Related Party

The following table summarizes our transactions with our dry leasing joint venture:

	For the Three Months Ended	
Revenue and Expenses:	**March 31, 2021**	**March 31, 2020**
Revenue from dry leasing joint venture	$ 1,324	$ -
Aircraft rent to dry leasing joint venture	2,250	-

Aggregate Carrying Value of Joint Venture as of:	**March 31, 2021**	**December 31, 2020**
Aggregate Carrying Value of Dry Leasing Joint Venture	$ 4,937	$ 4,438

Amazon (Tables)	3 Months Ended Mar. 31, 2021
Warrants And Rights Note Disclosure [Abstract]	
Summary of Customer Incentive Asset within Deferred Costs and Other Assets	Customer incentive asset included within Deferred costs and other assets is as follows:

Balance at December 31, 2020	$	125,276
Initial value for estimate of vested or expected to vest warrants		3,228
Amortization of customer incentive asset		(10,481)
Balance at March 31, 2021	$	118,023

Supplemental Financial Information (Tables)	3 Months Ended Mar. 31, 2021

Supplemental Financial Information [Abstract]

Summary of Allowance for Expected Credit Losses

Allowance for expected credit losses, included within Accounts receivable, is as follows:

Balance as of December 31, 2020	$	1,233
Bad debt recovery		(397)
Amounts written off, net of other items		174
Balance as of March 31, 2021	$	1,010

Schedule of Accrued Liabilities

Accrued liabilities consisted of the following as of:

	March 31, 2021	December 31, 2020
Maintenance	$ 134,918	$ 142,374
Customer maintenance reserves	97,467	93,092
Salaries, wages and benefits	82,928	136,753
Deferred revenue	47,863	41,665
Aircraft fuel	33,507	24,578
Deferred grant income	-	40,944
Other	104,634	103,754
Accrued liabilities	$ 501,317	$ 583,160

Summary of Changes in Deferred Revenue

Balance as of December 31, 2020	$	30,291
Revenue recognized		(57,193)
Amounts collected or invoiced		63,786
Balance as of March 31, 2021	$	36,884

Reconciliation of Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total shown in the consolidated statements of cash flows:

	March 31, 2021	December 31, 2020
Cash and cash equivalents	$ 703,777	$ 845,589
Restricted cash	10,247	10,692
Total Cash, cash equivalents and restricted cash shown in Consolidated Statements of Cash Flows	$ 714,024	$ 856,281

Debt (Tables)

3 Months Ended
Mar. 31, 2021

Debt Disclosure [Abstract]

Schedule of Convertible Notes

The Convertible Notes consisted of the following as of March 31, 2021:

	2015 Convertible Notes	2017 Convertible Notes
Remaining life in months	14	38
Liability component:		
Gross proceeds	$ 224,500	$ 289,000
Less: debt discount, net of amortization	(10,555)	(35,375)
Less: debt issuance cost, net of amortization	(970)	(2,723)
Net carrying amount	$ 212,975	$ 250,902
Equity component (1)	$ 52,903	$ 70,140

(1) Included in Additional paid-in-capital on the consolidated balance sheet as of March 31, 2021.

Summary of Interest Expense Recognized

The following table presents the amount of interest expense recognized related to the Convertible Notes:

	For the Three Months Ended	
	March 31, 2021	March 31, 2020
Contractual interest coupon	$ 2,618	$ 2,618
Amortization of debt discount	4,671	4,388
Amortization of debt issuance costs	402	387
Total interest expense recognized	$ 7,691	$ 7,393

Financial Instruments (Tables)	3 Months Ended Mar. 31, 2021
Fair Value Disclosures [Abstract]	
Summary of Carrying Value, Estimated Fair Value and Classification of Financial Instruments	The following table summarizes the carrying value, estimated fair value and classification of our financial instruments as of:

	March 31, 2021				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	$ 703,777	$ 703,777	$703,777	$ -	$ -
Restricted cash	10,247	10,247	10,247	-	-
	$ 714,024	$ 714,024	$714,024	$ -	$ -
Liabilities					
Term loans and notes	$ 1,756,278	$1,832,407	$ -	$ -	$1,832,407
Convertible notes (1)	463,877	589,456	589,456	-	-
	$ 2,220,155	$2,421,863	$589,456	$ -	$1,832,407

	December 31, 2020				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	$ 845,589	$ 845,589	$845,589	$ -	$ -
Restricted cash	10,692	10,692	10,692	-	-
	$ 856,281	$ 856,281	$856,281	$ -	$ -
Liabilities					
Term loans and notes	$ 1,809,656	$1,909,942	$ -	$ -	$1,909,942
Convertible notes (1)	458,803	560,975	560,975	-	-
Customer warrant	31,470	31,470	-	31,470	-
	$ 2,299,929	$2,502,387	$560,975	$31,470	$1,909,942

(1) Carrying value is net of debt discounts and debt issuance costs (see Note 8).

Segment Reporting (Tables)

	3 Months Ended Mar. 31, 2021

Segment Reporting Tables [Abstract]

Operating Revenue and Direct Contribution For Our Reportable Business Segments

The following table sets forth Operating Revenue and Direct Contribution for our reportable segments reconciled to Operating Income and Income before income taxes:

	For the Three Months Ended March 31, 2021	March 31, 2020
Operating Revenue:		
Airline Operations	$ 826,240	$ 606,373
Dry Leasing	40,364	41,926
Customer incentive asset amortization	(10,481)	(9,022)
Other	5,177	4,225
Total Operating Revenue	$ 861,300	$ 643,502
Direct Contribution:		
Airline Operations	$ 169,150	$ 103,087
Dry Leasing	10,564	10,698
Total Direct Contribution for Reportable Segments	179,714	113,785
Unallocated expenses and (income), net	(61,535)	(88,719)
Unrealized gain (loss) on financial instruments	(113)	924
Transaction-related expenses	(201)	(521)
Gain (loss) on disposal of aircraft	(16)	6,717
Income before income taxes	117,849	32,186
Add back (subtract):		
Interest income	(211)	(480)
Interest expense	27,180	29,275
Capitalized interest	(1,271)	(193)
Unrealized (gain) loss on financial instruments	113	(924)
Other (income) expense, net	(39,456)	1,206
Operating Income	$ 104,204	$ 61,070

Schedule of Disaggregated Airline Operations Segment Revenue by Customer and Service Type

The following table disaggregates our Airline Operations segment revenue by customer and service type:

	For the Three Months Ended March 31, 2021			March 31, 2020		
	Cargo	**Passenger**	**Total**	**Cargo**	**Passenger**	**Total**
Commercial customers	$713,211	$ 2,879	$716,090	$452,712	$ 3,626	$456,338
AMC	45,312	64,838	110,150	62,475	87,560	150,035
Total Airline Operations Revenue	$758,523	$ 67,717	$826,240	$515,187	$ 91,186	$606,373

Earnings Per Share (Tables)	3 Months Ended Mar. 31, 2021
Earnings Per Share [Abstract]	
Calculations of Basic and Diluted EPS	The calculations of basic and diluted EPS were as follows:

	For the Three Months Ended	
Numerator:	**March 31, 2021**	**March 31, 2020**
Net Income	$ 89,933	$ 23,353
Plus: Unrealized loss (gain) on financial instruments, net of tax	112	-
Diluted net income	$ 90,045	$ 23,353
Denominator:		
Basic EPS weighted average shares outstanding	28,491	25,966
Effect of dilutive warrants	751	-
Effect of dilutive restricted stock	236	-
Diluted EPS weighted average shares outstanding	29,478	25,966
Earnings per share:		
Basic	$ 3.16	$ 0.90
Diluted	$ 3.05	$ 0.90

Accumulated Other Comprehensive Income (Loss) (Tables)	3 Months Ended Mar. 31, 2021
Accumulated Other Comprehensive Income Loss [Abstract]	
Components of Accumulated Other Comprehensive Income (Loss)	The following table summarizes the components of Accumulated other comprehensive income (loss):

	Interest Rate Derivatives	Foreign Currency Translation	Total
Balance as of December 31, 2019	$ (2,827)	$ 9	$ (2,818)
Reclassification to interest expense	308	-	308
Tax effect	(63)	-	(63)
Balance as of March 31, 2020	$ (2,582)	$ 9	$ (2,573)
Balance as of December 31, 2020	$ (1,913)	$ 9	$ (1,904)
Reclassification to interest expense	268	-	268
Tax effect	(64)	-	(64)
Balance as of March 31, 2021	$ (1,709)	$ 9	$ (1,700)

Basis of Presentation - Additional Information (Details) - Polar [Member]	3 Months Ended Mar. 31, 2021
Basis Of Presentation [Line Items]	
Equity interest	51.00%
Voting interest	75.00%

Summary of Significant Accounting Policies - Additional Information (Details) $ in Thousands	1 Months Ended	3 Months Ended		9 Months Ended	12 Months Ended
	Jan. 31, 2021 Aircraftss	Mar. 31, 2021 USD ($)	Mar. 31, 2020 USD ($)	Dec. 31, 2021 USD ($)	Dec. 31, 2022 USD ($)
Significant Accounting Policies [Line Items]					
Deferred maintenance amortization expense		$ 11,988	$ 7,900		
Aircraft 747-8F [Member]					
Significant Accounting Policies [Line Items]					
Number of aircraft purchase | Aircraftss	4				
Forecast [Member] | Aircraft 747-8F [Member]					
Significant Accounting Policies [Line Items]					
Committed expenditures to acquire aircraft and spare engines				$ 179,100	$ 458,300

Summary of Significant Accounting Policies - Schedule of Deferred Maintenance (Details) - USD ($) $ in Thousands	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Accounting Policies [Abstract]		
Beginning Balance	$ 191,303	
Deferred maintenance costs	803	
Amortization of deferred maintenance	(11,988)	$ (7,900)
Ending Balance	$ 180,118	

COVID-19 Pandemic - Additional Information (Details) - USD ($) $ in Thousands	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Collaborative Arrangements And Noncollaborative Arrangement Transactions [Line Items]		
Operating Revenue	$ 861,300	$ 643,502
Payroll Support Program Agreement [Member] | Grant [Member] | Other Income (Expense), Net [Member]		
Collaborative Arrangements And Noncollaborative Arrangement Transactions [Line Items]		
Operating Revenue	$ 40,900	
Payroll Support Program Agreement [Member] | US Treasury [Member]		
Collaborative Arrangements And Noncollaborative Arrangement Transactions [Line Items]		
Number of warrant exercised	0	
Payroll Support Program Agreement [Member] | US Treasury [Member] | Maximum [Member]		
Collaborative Arrangements And Noncollaborative Arrangement Transactions [Line Items]		
Number of warrants issued to acquire common stock	625,452	
Commercial Paper [Member] | Payroll Support Program Agreement [Member] | US Treasury [Member]		
Collaborative Arrangements And Noncollaborative Arrangement Transactions [Line Items]		
Proceeds from line of credit	$ 199,800	

Related Parties - Polar - Additional Information (Details) - USD ($) $ in Millions	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Polar [Member]		
Related Party Transaction [Line Items]		
Equity interest	51.00%	
Voting interest	75.00%	
Polar [Member]		
Related Party Transaction [Line Items]		
Revenue recognized	$ 54.1	$ 27.5
DHL [Member] | Polar [Member]		
Related Party Transaction [Line Items]		
Equity interest	49.00%	
Voting interest	25.00%	

Related Parties - Summary of Transactions with Related Party (Details) - USD ($) $ in Thousands	3 Months Ended		
	Mar. 31, 2021	Mar. 31, 2020	Dec. 31, 2020
Related Party Transaction [Line Items]			
Aircraft rent	$ 20,756	$ 23,967	
Polar [Member]			
Related Party Transaction [Line Items]			
Revenue from related party	77,256	76,234	
Ground handling and airport fees to Polar	882	526	
Receivables from related party	22,780		$ 31,079
Payables to related party	4,153		3,477
Aggregate Carrying Value of Investment/Joint Venture	4,870		4,870
Dry Leasing Joint Venture [Member]			
Related Party Transaction [Line Items]			
Revenue from related party	1,324	0	
Aggregate Carrying Value of Investment/Joint Venture	4,937		$ 4,438
Aircraft rent	$ 2,250	$ 0	

Related Parties - Dry Leasing Joint Venture - Additional Information (Details) - Dry Leasing Joint Venture [Member] - USD ($) $ in Millions	1 Months Ended	
	Dec. 31, 2019	Mar. 31, 2021
Related Party Transaction [Line Items]		
Voting interest	10.00%	
Capital contributions		$ 5.3
Third party unguaranteed obligations amount		49.4
Maximum [Member]		
Related Party Transaction [Line Items]		
Commitment to capital contributions		$ 40.0

Related Parties - Parts Joint Venture - Additional Information (Details) - Parts Joint Venture [Member] - Variable Interest Entity Not Primary Beneficiary [Member] - USD ($) $ in Millions	3 Months Ended	12 Months Ended
	Mar. 31, 2021	Dec. 31, 2020
Related Party Transaction [Line Items]		
Voting interest	50.00%	50.00%
Investment in joint venture	$ 21.2	$ 21.0
Receivables from related party	0.2	0.2
Payables to related party	$ 1.0	$ 0.9

Amazon - Additional Information (Details)	1 Months Ended				3 Months Ended		
	Jan. 31, 2021 shares	Oct. 31, 2020 shares	Mar. 31, 2019 USD ($) $ / shares shares	May 31, 2016 USD ($) Transaction $ / shares shares	Mar. 31, 2021 USD ($) shares	Mar. 31, 2020 USD ($)	Dec. 31, 2020 USD ($)
Class Of Warrant Or Right [Line Items]							
Issuance of shares related to settlement of warrant					1,280,450		
Revenues | $					$ 861,300,000	$ 643,502,000	
Amortization of customer incentive asset | $					10,481,000	9,000,000.0	
Fair value of warrant liability | $					$ 0		$ 31,500,000
Warrant A [Member]							
Class Of Warrant Or Right [Line Items]							
Right to acquire outstanding common shares					up to 20% of our outstanding common shares, as of the date of the agreements		
Exercise price of warrants exercisable | $ / shares				$ 37.34			
Warrant for number of shares fully vested				7,500,000			
Warrants exercised in number of transaction | Transaction				2			
Warrants exercised	3,924,569	3,607,477					
Warrant liability unrealized (gains) losses | $					$ 100,000	$ (900,000)	
Common Stock [Member]							
Class Of Warrant Or Right [Line Items]							
Issuance of shares related to settlement of warrant		1,375,421					
Warrants exercised through cashless issuance of shares	1,210,741						
Warrants exercised through cashless issuance of shares	69,709						
Warrant B [Member]							
Class Of Warrant Or Right [Line Items]							

Exercise price of warrants exercisable | $ / shares			$ 37.34	
Warrants exercised	225,960			
Additional warrant to acquire outstanding shares				up to an additional 10% of our outstanding common shares, as of the date of the agreements
Additional warrant to buy number of shares vesting			3,770,000	
Vesting increments of Amazon warrants			37,660	
Revenues | $			$ 4,200,000	
Warrant vested				564,900
Additional warrant vesting year				2023-05
Warrant C [Member]				
Class Of Warrant Or Right [Line Items]				
Right to acquire outstanding common shares				up to an additional 9.9% of our outstanding common shares, as of the date of the agreements
Exercise price of warrants exercisable | $ / shares		$ 52.67		
Vesting increments of Amazon warrants		45,623		
Revenues | $		$ 6,900,000		
Warrant vested				0
Incremental warrant to buy number of shares vesting.		6,660,000		
Warrant vesting year		2026-03		
Maximum [Member]				
Class Of Warrant Or Right [Line Items]				
Amazon entitled to vote shares of it owns of outstanding common shares percentage		14.90%		
Maximum [Member] | Warrant A [Member]				

Class Of Warrant Or Right [Line Items]			
Warrant providing right to acquire outstanding common shares percentage		20.00%	
Maximum [Member] | Warrant B [Member]			
Class Of Warrant Or Right [Line Items]			
Percentage of additional warrant to acquire outstanding common shares		10.00%	
Revenues | $		$ 420,000,000.0	
Maximum [Member] | Warrant C [Member]			
Class Of Warrant Or Right [Line Items]			
Warrant providing right to acquire outstanding common shares percentage	9.90%		
Revenues | $	$ 1,000,000,000.0		
Dry Leases [Member]			
Class Of Warrant Or Right [Line Items]			
Lease term			10 years
CMI Operation [Member]			
Class Of Warrant Or Right [Line Items]			
Lease term	7 years		7 years
Lease term option to extend	true		true
Lease term of extension	10 years		10 years

Amazon - Summary of Customer Incentive Asset within Deferred Costs and Other Assets (Details) - USD ($) $ in Thousands	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Warrants And Rights Note Disclosure [Abstract]		
Balance at December 31, 2020	$ 125,276	
Initial value for estimate of vested or expected to vest warrants	3,228	
Amortization of customer incentive asset	(10,481)	$ (9,000)
Balance at March 31, 2021	$ 118,023	

Supplemental Financial Information - Additional Information (Details) - USD ($) $ in Millions	Mar. 31, 2021	Dec. 31, 2020
Supplemental Financial Information [Abstract]		
Accounts receivable related to customer contracts excluding dry leasing contracts	$ 237.0	$ 195.6

Supplemental Financial Information - Summary of Allowance for Expected Credit Losses (Details) $ in Thousands	3 Months Ended Mar. 31, 2021 USD ($)
Supplemental Financial Information [Abstract]	
Balance as of December 31, 2020	$ 1,233
Bad debt recovery	(397)
Amounts written off, net of other items	174
Balance as of March 31, 2021	$ 1,010

Supplemental Financial Information - Schedule of Accrued Liabilities (Details) - USD ($) $ in Thousands	Mar. 31, 2021	Dec. 31, 2020
Supplemental Financial Information [Abstract]		
Maintenance	$ 134,918	$ 142,374
Customer maintenance reserves	97,467	93,092
Salaries, wages and benefits	82,928	136,753
Deferred revenue	47,863	41,665
Aircraft fuel	33,507	24,578
Deferred grant income	0	40,944
Other	104,634	103,754
Accrued liabilities	$ 501,317	$ 583,160

Supplemental Financial Information - Summary of Changes in Deferred Revenue (Details) - Non-Dry Lease Revenue Contracts with Customers [Member] $ in Thousands	3 Months Ended Mar. 31, 2021 USD ($)
Revenue Recognition [Line Items]	
Balance as of December 31, 2020	$ 30,291
Revenue recognized	(57,193)
Amounts collected or invoiced	63,786
Balance as of March 31, 2021	$ 36,884

Supplemental Financial Information - Reconciliation of Cash, Cash Equivalents and Restricted Cash (Details) - USD ($) $ in Thousands	Mar. 31, 2021	Dec. 31, 2020	Mar. 31, 2020	Dec. 31, 2019
Supplemental Financial Information [Abstract]				
Cash and cash equivalents	$ 703,777	$ 845,589		
Restricted cash	10,247	10,692		
Total Cash, cash equivalents and restricted cash shown in Consolidated Statements of Cash Flows	$ 714,024	$ 856,281	$ 235,619	$ 113,430

Assets Held For Sale and Other Income - Additional Information (Details) $ in Thousands	3 Months Ended Mar. 31, 2021 USD ($) Engine	Mar. 31, 2020 USD ($)	Dec. 31, 2020 USD ($)
Impairment Of Aircraft Engines Held For Sale [Line Items]			
Net proceeds from sale of aircraft	$ 1,850	$ 44,110	
Prepaid Expense, Assets Held for Sale and Other Current Assets [Member]			
Impairment Of Aircraft Engines Held For Sale [Line Items]			
Carrying value of asset held for sale	$ 12,300		$ 14,100
Certain Spare CF6-80 Engines [Member]			
Impairment Of Aircraft Engines Held For Sale [Line Items]			
Number of aircraft held for sale | Engine	2		
Aircraft Engines [Member] | Other Income (Expense), Net [Member]			
Impairment Of Aircraft Engines Held For Sale [Line Items]			
Aircraft rent refunds		$ 1,400	

Debt - Term Loans - Additional Information (Details) - Unsecured Term Loan [Member] $ in Millions	1 Months Ended Mar. 31, 2021 USD ($)
Debt Instrument [Line Items]	
Debt instrument face amount	$ 16.2
Debt instrument maturity	2026-01
Debt instrument, term	5 years
Debt instrument fixed interest rate	0.93%

Debt - Convertible Notes - Additional Information (Details) - USD ($) $ in Thousands	1 Months Ended		
	May 31, 2017	Jun. 30, 2015	Mar. 31, 2021
2017 Convertible Notes [Member]			
Debt Instrument [Line Items]			
Convertible notes aggregate principal amount	$ 289,000		$ 289,000
Convertible notes, interest rate	1.88%		
Convertible notes, date of maturity	Jun. 01, 2024		
2015 Convertible Notes [Member]			
Debt Instrument [Line Items]			
Convertible notes aggregate principal amount		$ 224,500	$ 224,500
Convertible notes, interest rate		2.25%	
Convertible notes, date of maturity		Jun. 01, 2022	

Debt - Schedule of Convertible Notes (Details) - USD ($) $ in Thousands		3 Months Ended		
		Mar. 31, 2021	May 31, 2017	Jun. 30, 2015
2015 Convertible Notes [Member]				
Debt Instrument [Line Items]				
Remaining life in months		14 months		
Gross proceeds		$ 224,500		$ 224,500
Less: debt discount, net of amortization		(10,555)		
Less: debt issuance cost, net of amortization		(970)		
Net carrying amount		212,975		
Equity component	[1]	$ 52,903		
2017 Convertible Notes [Member]				
Debt Instrument [Line Items]				
Remaining life in months		38 months		
Gross proceeds		$ 289,000	$ 289,000	
Less: debt discount, net of amortization		(35,375)		
Less: debt issuance cost, net of amortization		(2,723)		
Net carrying amount		250,902		
Equity component	[1]	$ 70,140		

[1] Included in Additional paid-in-capital on the consolidated balance sheet as of March 31, 2021.

Debt - Summary of Interest Expense Recognized (Details) - USD ($) $ in Thousands	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Debt Instrument [Line Items]		
Total interest expense recognized	$ 27,180	$ 29,275
Convertible Notes [Member]		
Debt Instrument [Line Items]		
Contractual interest coupon	2,618	2,618
Amortization of debt discount	4,671	4,388
Amortization of debt issuance costs	402	387
Total interest expense recognized	$ 7,691	$ 7,393

Debt - Revolving Credit Facility - Additional Information (Details) - Revolver [Member]	3 Months Ended Mar. 31, 2021 USD ($)
Debt Instrument [Line Items]	
Borrowing capacity	$ 200,000,000.0
Debt instrument maturity	2022-12
Outstanding balance	$ 0
Unused availability	$ 200,000,000.0

Income Taxes - Additional Information (Details)	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Income Tax Disclosure [Abstract]		
Effective income tax rates	23.70%	27.40%

Financial Instruments - Summary of Carrying Value, Estimated Fair Value and Classification of Financial Instruments (Details) - USD ($) $ in Thousands		Mar. 31, 2021	Dec. 31, 2020
Assets			
Restricted cash		$ 10,247	$ 10,692
Liabilities			
Customer warrant		118,023	125,276
Carrying (Reported) Amount, Fair Value Disclosure [Member]			
Assets			
Cash and cash equivalents		703,777	845,589
Restricted cash		10,247	10,692
Financial instruments assets		714,024	856,281
Liabilities			
Term loans and notes		1,756,278	1,809,656
Convertible notes	[1]	463,877	458,803
Financial instruments liabilities		2,220,155	2,299,929
Customer warrant			31,470
Estimate of Fair Value, Fair Value Disclosure [Member]			
Assets			
Cash and cash equivalents		703,777	845,589
Restricted cash		10,247	10,692
Financial instruments assets		714,024	856,281
Liabilities			
Term loans and notes		1,832,407	1,909,942
Convertible notes	[1]	589,456	560,975
Financial instruments liabilities		2,421,863	2,502,387
Customer warrant			31,470
Fair Value, Inputs, Level 1 [Member]			
Assets			
Cash and cash equivalents		703,777	845,589
Restricted cash		10,247	10,692
Financial instruments assets		714,024	856,281
Liabilities			
Term loans and notes		0	0
Convertible notes	[1]	589,456	560,975
Financial instruments liabilities		589,456	560,975
Customer warrant			0
Fair Value, Inputs, Level 2 [Member]			
Assets			

Cash and cash equivalents	0	0
Restricted cash	0	0
Financial instruments assets	0	0
Liabilities		
Term loans and notes	0	0
Convertible notes	[1] 0	0
Financial instruments liabilities	0	31,470
Customer warrant		31,470
Fair Value, Inputs, Level 3 [Member]		
Assets		
Cash and cash equivalents	0	0
Restricted cash	0	0
Financial instruments assets	0	0
Liabilities		
Term loans and notes	1,832,407	1,909,942
Convertible notes	[1] 0	0
Financial instruments liabilities	$ 1,832,407	1,909,942
Customer warrant		$ 0

[1] Carrying value is net of debt discounts and debt issuance costs (see Note 8).

Segment Reporting - Additional Information (Details) $ in Thousands	3 Months Ended	
	Mar. 31, 2021 USD ($) Segment	Mar. 31, 2020 USD ($)
Segment Reporting Information [Line Items]		
Number of operating segments | Segment	2	
Number of reportable segments | Segment	2	
Operating Revenue | $	$ 861,300	$ 643,502
DHL [Member]		
Segment Reporting Information [Line Items]		
Operating Revenue | $	$ 158,700	$ 98,400

Segment Reporting - Operating Revenue and Direct Contribution For Our Reportable Business Segments (Details) - USD ($) $ in Thousands	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Operating Revenue:		
Customer incentive asset amortization	$ (10,481)	$ (9,022)
Other	5,177	4,225
Total Operating Revenue	861,300	643,502
Direct Contribution:		
Total Direct Contribution for Reportable Segments	179,714	113,785
Unallocated expenses and (income), net	(61,535)	(88,719)
Unrealized gain (loss) on financial instruments	(113)	924
Transaction-related expenses	(201)	(521)
Gain (loss) on disposal of aircraft	(16)	6,717
Income before income taxes	117,849	32,186
Interest income	(211)	(480)
Interest expense	27,180	29,275
Capitalized interest	(1,271)	(193)
Unrealized (gain) loss on financial instruments	113	(924)
Other (income) expense, net	(39,456)	1,206
Operating Income	104,204	61,070
Airline Operations [Member]		
Operating Revenue:		
Operating Revenue	826,240	606,373
Direct Contribution:		
Total Direct Contribution for Reportable Segments	169,150	103,087
Dry Leasing [Member]		
Operating Revenue:		
Operating Revenue	40,364	41,926
Direct Contribution:		
Total Direct Contribution for Reportable Segments	$ 10,564	$ 10,698

Segment Reporting - Schedule of Disaggregated Airline Operations Segment Revenue by Customer and Service Type (Details) - Airline Operations [Member] - USD ($) $ in Thousands	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Segment Reporting Information [Line Items]		
Total Airline Operations Revenue	$ 826,240	$ 606,373
Commercial Customers [Member]		
Segment Reporting Information [Line Items]		
Total Airline Operations Revenue	716,090	456,338
AMC [Member]		
Segment Reporting Information [Line Items]		
Total Airline Operations Revenue	110,150	150,035
Cargo [Member]		
Segment Reporting Information [Line Items]		
Total Airline Operations Revenue	758,523	515,187
Cargo [Member] | Commercial Customers [Member]		
Segment Reporting Information [Line Items]		
Total Airline Operations Revenue	713,211	452,712
Cargo [Member] | AMC [Member]		
Segment Reporting Information [Line Items]		
Total Airline Operations Revenue	45,312	62,475
Passenger [Member]		
Segment Reporting Information [Line Items]		
Total Airline Operations Revenue	67,717	91,186
Passenger [Member] | Commercial Customers [Member]		
Segment Reporting Information [Line Items]		
Total Airline Operations Revenue	2,879	3,626
Passenger [Member] | AMC [Member]		
Segment Reporting Information [Line Items]		
Total Airline Operations Revenue	$ 64,838	$ 87,560

Labor and Legal Proceedings - Additional Information (Details) - USD ($) $ in Millions	May 01, 2020	3 Months Ended Mar. 31, 2021	Dec. 31, 2020
Brazilian Customs Claim [Member]			
Loss Contingencies [Line Items]			
Brazilian claims in the aggregate		$ 3.6	
Amounts on deposit for Brazilian claims included in deferred costs and other assets		$ 3.0	$ 3.3
Atlas Pilots [Member]			
Loss Contingencies [Line Items]			
Collective bargaining agreement period		5 years	
Southern Air Pilots [Member]			
Loss Contingencies [Line Items]			
Collective bargaining agreement period		4 years	
Atlas and Polar Dispatchers [Member]			
Loss Contingencies [Line Items]			
Collective bargaining agreement period		5 years	
All Pilots [Member]			
Loss Contingencies [Line Items]			
Percentage of pay increase to pilots	10.00%		

Earnings Per Share - Calculations of Basic and Diluted EPS (Details) - USD ($) $ / shares in Units, shares in Thousands, $ in Thousands	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Numerator:		
Net Income	$ 89,933	$ 23,353
Plus: Unrealized loss (gain) on financial instruments, net of tax	112	0
Diluted net income	$ 90,045	$ 23,353
Denominator:		
Basic EPS weighted average shares outstanding	28,491	25,966
Effect of dilutive warrants	751	0
Effect of dilutive restricted stock	236	0
Diluted EPS weighted average shares outstanding	29,478	25,966
Earnings per share:		
Basic	$ 3.16	$ 0.90
Diluted	$ 3.05	$ 0.90

Earnings Per Share - Additional Information (Details) - shares shares in Millions	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Antidilutive Securities Excluded From Computation Of Earnings Per Share [Line Items]		
Restricted shares and units in which performance or market conditions were not satisfied	10.1	10.5
Warrants [Member]		
Antidilutive Securities Excluded From Computation Of Earnings Per Share [Line Items]		
Anti-dilutive shares excluded from the calculation of diluted EPS	7.8	15.5

Accumulated Other Comprehensive Income (Loss) - Components of Accumulated Other Comprehensive Income (Loss) (Details) - USD ($) $ in Thousands	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Accumulated Other Comprehensive Income Loss [Line Items]		
Beginning Balance	$ 2,261,539	$ 1,792,179
Reclassification to interest expense	268	308
Tax effect	(64)	(63)
Ending Balance	2,383,196	1,832,750
Interest Rate Derivatives [Member]		
Accumulated Other Comprehensive Income Loss [Line Items]		
Beginning Balance	(1,913)	(2,827)
Reclassification to interest expense	268	308
Tax effect	(64)	(63)
Ending Balance	(1,709)	(2,582)
Foreign Currency Translation [Member]		
Accumulated Other Comprehensive Income Loss [Line Items]		
Beginning Balance	9	9
Reclassification to interest expense	0	0
Tax effect	0	0
Ending Balance	9	9
Accumulated Other Comprehensive Income (Loss) [Member]		
Accumulated Other Comprehensive Income Loss [Line Items]		
Beginning Balance	(1,904)	(2,818)
Ending Balance	$ (1,700)	$ (2,573)

Accumulated Other Comprehensive Income (Loss) - Additional Information (Details) - USD ($) $ in Millions	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Accumulated Other Comprehensive Income Loss [Abstract]		
Unamortized realized loss in Accumulated other comprehensive income (loss) related to forward-starting interest rate swaps	$ 2.2	
Net realized losses reclassified into earnings	0.3	$ 0.3
Realized losses related to forward-starting interest rate swaps expected to be reclassified into earnings within the next 12 months	$ 1.0	