

## ATLAS AIR WORLDWIDE HOLDINGS, INC.

### CORPORATE GOVERNANCE PRINCIPLES

The Board of Directors ("Board") of Atlas Air Worldwide Holdings, Inc. (the "Company") believes that sound corporate governance practices provide an important framework to assist the Board in fulfilling its responsibilities. Accordingly, the Board has formally adopted these Corporate Governance Principles ("Principles") relating to its functions, structure and operations, among other things. These Principles are set forth below.

#### 1. Powers and Responsibilities of the Board of Directors

a. General. Each of the Directors has a responsibility to exercise his or her business judgment to act in what is reasonably believed to be the best interests of the Company and its stockholders. In discharging its most basic duty, the Board owes additional duties of care, loyalty and candor to the Company and its stockholders. It is expected that the Board will function as a collegial body and the Directors at all times will respect the confidentiality of all deliberations of the Board, including general Board and Committee meetings, executive sessions and communications of the Board.

b. Codes of Conduct. The Board is subject to all codes of conduct adopted by the Company and made applicable to the Board, including the Company's Code of Ethics Applicable to the Chief Executive Officer, Senior Financial Officers and Members of the Board of Directors and such other codes relating to ethics, integrity, conflicts of interest, confidentiality and public disclosure, as applicable.

c. Duties. The Board, in its entirety, should consider all major decisions.

i. Business Plans. The Board will fashion and implement a corporate philosophy and will review and, when appropriate, approve management's strategic and business plans. Such review includes evaluations of the Company's financial objectives and monitoring corporate performance against the strategic and business plans, including studying the operating results on a regular basis to evaluate whether the business is being properly managed.

ii. Transactions. The Board will periodically review the Company's transactions approval procedures.

iii. The Performance of Senior Management. The Board will select, monitor and, subject to the Nominating and Governance Committee charter, evaluate at least annually the job performance of the CEO. The Board will also select and monitor the other senior executives and the other elected corporate officers, and will evaluate with the CEO the job performance of such executives and other officers at the time of such CEO evaluation. Additionally, subject to the Compensation Committee charter, the Compensation Committee's annual compensation recommendations of the CEO and other senior executives shall be reviewed and approved by a panel consisting of the independent directors of the Board. Directors who do not meet all of the independence requirements for Compensation Committee

membership may participate in such panel discussions, but shall not be present or vote on whether to approve the Compensation Committee's recommendations.

iv. Annual Performance Evaluation. The Board of Directors will conduct an annual self-evaluation in executive session to determine whether the Board and its committees are functioning effectively, subject to the process as may be established from time to time by the Nominating and Governance Committee.

v. Corporate Governance. The Board will also review and assess any changes to these Principles proposed by the Nominating and Governance Committee.

d. Conflicts of Interest.

i. Conflict of Interest. If a Director develops an actual, apparent or potential conflict of interest with the Company, the Director should report the matter promptly to the Chairman of the Board, Chairman of the Audit Committee and the General Counsel.

ii. Personal Interest. If a Director has a direct or indirect personal interest in a matter before the Board, the Director shall disclose such interest to the full Board. No Board resolution regarding such matter shall be approved unless the resolution receives the affirmative vote of a majority of disinterested directors or the appropriate committee who have no direct or indirect personal interests in the matter.

2. **Director Nominations and Qualifications, Certain Other Board Matters**

a. Board. Except as otherwise provided in the Certificate of Incorporation and the By-Laws, the Board may exercise any and all of the authority and power which are not by the General Corporation Law of the State of Delaware, the Certificate of Incorporation or the By-Laws required to be exercised by the stockholders.

b. Nominations. Prospective nominees for election as a director will be recommended to the Board by the Nominating and Governance Committee for nomination for election to fill a new or existing vacancy (or for nomination for election at the annual meeting of stockholders) by the Board, as further provided in the Nominating and Governance Committee Charter. The invitation to join the Board should be extended by the Chairman of the Board. As further provided in the Nominating and Governance Committee Charter, it is expected that the Nominating and Governance Committee shall review annually with the Board the requisite skills and characteristics for the continuation of directors as members of the Board, the selection of new members of the Board and the composition of the Board, all in the context of the needs of the Company. A list of the Board skills and characteristics currently identified is set forth in the Nominating Committee Charter. Nothing herein is intended to affect the right of a stockholder to include a nominee for director in the Company's proxy statement pursuant to the provisions of Rule 14a-11 under the Securities Exchange Act of 1934.

c. Independent Directors. The Board shall be comprised of a majority of directors who meet the "independence" criteria established by the NASDAQ National Stock Market or such other primary trading market or securities exchange on which the Company's

securities are then traded (NASDAQ or such other market or exchange being referred to as the "Listing Entity"), as further provided in the Nominating Committee Charter. As applicable, the Board shall make an affirmative determination as to the "independence" of each director pursuant to the independence criteria of the Listing Entity. The Board has established standards to assist it in making such determinations. Such standards are set forth in the Nominating and Governance Committee Charter.

d. Serving on Other Boards and Committees. Prior to accepting an invitation to serve on another public company board or its audit or compensation committee, a Director will advise the Chairman of the Board, the Chairman of the Nominating and Governance Committee and the CEO.

e. Size of Board. The Nominating and Governance Committee may make recommendations to the Board concerning the appropriate size of the Board, subject to the requirements contained in the By-Laws. The Board believes that the quality of individuals serving on the Board and the overall balance of the Board are more important than the number of members who serve. Nonetheless, the Board believes that there should be a minimum of five (5) directors to help ensure the proper functioning of the Board.

f. Term Limits. The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increased insight into the Company and its operations and, therefore, provide an increased contribution to the Board as a whole. As an alternative to term limits, the Nominating and Governance Committee will review each director's continuation on the Board every two years. This will afford each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board.

g. Chairman: Separation of Chairman and CEO Positions. Unless a Chairman of the Board is designated by the stockholders, the Chairman of the Board shall be designated by the Board at the annual organizational meeting of the Board or at such other times as determined by the Board. The Board has no policy with respect to the separation of the offices of Chairman and Chief Executive Officer. The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company and its stockholders for the Board to make a determination regarding this matter each time it elects a new Chief Executive Officer.

### **3. Board Committees**

a. General. Committees support the role of the Board on issues that benefit from consideration by a smaller, more focused subset of directors. The Board may delegate responsibilities to committees. Such delegation must be in accordance with state corporation laws, securities laws, auditing and accounting principles, the Listing Entity rules and the Company's governing documents.

b. Required and Optional Committees. The Board shall have at all times an Audit Committee, a Compensation Committee and a Nominating and Governance Committee.

As further provided in the Company's By-Laws, the Board may, at its discretion, have an Executive Committee, and may, from time to time, establish or maintain additional standing or special committees as necessary or appropriate.

c. Criteria for Committee Members. The members of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee shall consist only of those directors whom the Board determines meet the independence criteria of the Listing Entity and who meet the additional requirements for committee membership of the Listing Entity and other applicable laws, rules and regulations and the committee charters.

d. Selection of Committee Members. Committee members will be appointed by the Board with consideration of the desires of individual directors, all as may be recommended by the Nominating and Governance Committee.

e. Charters. Each standing committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of each standing committee, as well as procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each standing committee must annually evaluate its performance. Notwithstanding the provisions contained in any committee charter, all committee charters and material changes thereto must be approved by the Board.

f. Rotation. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not believe that rotation should be mandated as a matter of policy.

g. Related Party Transactions. The Audit Committee shall approve all related party transactions, as provided in the Audit Committee charter and as may be otherwise required by the rules of the Listing Entity or the Securities and Exchange Commission.

h. Meetings.

i. Frequency and Length. The Chair of each committee, in consultation with the committee's members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter.

ii. Attendance. Directors are expected to attend meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. They are also expected to make themselves reasonably available for telephonic, video or other meetings necessary for the efficient conduct of Committee business.

iii. Agenda and Discussions. The Chair of each committee, in consultation with the appropriate members of the committee and management, will develop an agenda for each committee meeting. After each annual organizational meeting of the Board, each committee will establish, to the extent practicable, a schedule of agenda subjects to be discussed during the year, and the meeting at which such subjects shall be discussed (to the

degree that these can be foreseen). The schedule for each committee will be furnished to all directors. Prior to each committee meeting, the Chair and each committee member are free to suggest the inclusion of additional items on the agenda. Each Board member is free to raise at any committee meeting subjects that are not on the agenda for that meeting.

iv. Dissemination of Materials. Information and data that is important to the committee's understanding of the business to be conducted at a committee meeting should generally be distributed in writing to the committee members as soon as practicable before the meeting, and committee members should review these materials in advance of the meeting.

v. Minutes. Each Committee shall keep minutes of its meetings and other proceedings. It is expected that the secretary of each meeting will keep the only minutes or other records of that meeting and that, if a director desires to have an item recorded in the minutes, he or she will so advise the secretary at that time or prior to or upon review of the draft of such minutes submitted for approval at a subsequent meeting of the Committee.

i. Independent Advisors. Subject to the Audit Committee, Compensation Committee and Nominating and Governance Committee charters and any other committee protocols or rules, the Board or any Committee may retain independent legal, financial and other professional advisors as the Board or Committee deems necessary and appropriate, upon the approval of a majority of the members of the Board or respective Committee, as applicable.

**4. Director Compensation.** No compensation or perquisites should be provided to directors without full disclosure to (and, to the extent required by its charter, without prior approval by) the Compensation Committee. Any compensation or other benefit received by any director from any affiliated entities should also be fully disclosed to (and, to the extent required by its charter, first approved by) the Compensation Committee and reviewed to confirm compliance with applicable codes of conduct and applicable law.

**5. Director Access to Officers and Employees.**

a. Contact with an Officer or Other Employee. Subject to the Audit Committee, Compensation Committee and Nominating and Governance Committee charters and any other committee protocols or rules, if a Director wishes to initiate meetings or contacts with an officer or other employee, outside counsel, auditor or advisor of the Company, such contact should be authorized by and arranged through the Chairman of the Board, CEO, President or COO, or in certain circumstances arranged directly by such authorized Director.

b. Communication with an Officer or Other Employee. Subject to such committee charter and any other committee protocols or rules, and when so authorized as provided in the previous subsection, the Director will copy the CEO, General Counsel and Chairman of the Board on any written or electronic communications between himself or herself and any officer or other employee, outside counsel, auditor or advisor of the Company.

**6. Stockholder Communications with the Board.** Stockholders and other interested

parties who wish to communicate with the Board may do so by writing the Chairman, Board of Directors of Atlas Air Worldwide Holdings, Inc., 2000 Westchester Avenue, Purchase, New York, 10577.

**7. Financial Statements and Disclosure Matters.**

- a. Directors will decide, based upon recommendations from the Audit Committee and management, whether the audited annual financial statements are included on the Company's Annual Report on Form 10-K.
- b. Directors may review relevant information submitted by the Company to any governmental body or to the public.

**8. Conflicts; Waiver of Compliance.** If there is a conflict or inconsistency between these Principles and the General Corporation Law of the State of Delaware ("Law"), the Company's Certificate of Incorporation or By-Laws, then such Law, Certificate of Incorporation or By-Laws, as the case may be, shall govern. In addition, all of the above matters are subject to, and limited by, as appropriate, the requirements of laws and regulations, auditing and accounting principles and the rules of the Listing Entity. Subject to the limitation in the preceding sentences, the Chairman of the Nominating and Governance Committee may waive compliance with any of the provisions of these Principles, either prospectively or retrospectively.

As of October 1, 2010