



## **Atlas Air Worldwide Holdings, Inc. and Subsidiaries**

### **United Kingdom Tax Policy Statement**

Financial year ended December 31, 2018

Atlas Air Worldwide Holdings, Inc. (“AAWW” or “the Company”) is a public corporation headquartered in the United States and is the ultimate parent of two UK subsidiaries (“the UK Group”), two wholly owned US airlines, and one partially owned US airline. The airlines operate in multiple jurisdictions around the world, including in the UK. The Company’s primary business is to provide global cargo and passenger aircraft operating solutions to customers. The Company manages a fleet of over 100 aircraft in nearly 100 different countries. The UK Group operates only in the UK, and its principal trade is the leasing of cargo aircraft to airlines.

The UK Group publishes this Tax Policy Statement in compliance with Section 161 and Schedule 19 of the UK Finance Act 2016.

### **Governance and Risk Management**

The Company has responsibility for the UK Group policies and procedures, which include a framework of internal controls, managed by a dedicated in-house tax team based in the US. The Company is committed to acting with integrity in its tax affairs. The Company’s focus is to be transparent and compliant with tax requirements in all jurisdictions where it operates.

The Company maintains a network of tax and finance professionals who are knowledgeable about direct and indirect UK taxes and who monitor ongoing tax law changes that may affect the UK Group. This network, along with an internal framework of policies and controls, seeks to assure the complete and accurate communication of UK tax positions and risks to the Company’s leadership through established governance and reporting processes.

The Company also monitors the tax risks facing the UK Group, both from a financial and reputational standpoint. The Company ensures that management receives regular updates of UK tax matters, including tax planning strategies, compliance, and new legislation. The Company and the UK Group engage external advisors to assist with these UK tax matters.

### **Tax Planning**

The Company’s publicly available Code of Ethics sets out the Company’s policy to ensure compliance with applicable laws, regulations, and reporting requirements. The Company applies this policy to its tax-planning initiatives.

The Company considers prudent and feasible tax planning strategies that align with its business objectives. The Company consults with external tax advisors with respect to these strategies, where appropriate. The Company does not engage in aggressive strategies that are contrary to applicable tax laws, regulations or relevant authoritative guidance.



### **Tax Risk**

The UK Group does not engage in UK tax planning and does not participate in tax planning strategies with material UK tax risk. The UK Group often consults with reputable third-party advisors to ensure the Company is aware of UK tax risk. Operations of the Company's two UK subsidiaries are limited in scope and are fully subject to UK corporation tax. By contrast, operations of the Company's US airlines are broader in scope but are not subject to UK corporation tax under Article 8 of the Income Tax Convention between the United States and United Kingdom. As a result, management believes that the Company and the UK Group do not experience material UK tax risk.

### **Relationship with Her Majesty's Revenue and Customs (HMRC)**

The UK Group endeavors to report and pay applicable UK taxes when due. In addition, the UK Group endeavors to file applicable statutory audit reports and tax returns when due. The nature of the UK Group's operations in the UK do not require frequent or regular communication with HMRC. When deemed appropriate, the UK Group will employ the services of external tax advisors to act as agents, and in some cases, they may liaise directly with HMRC.