

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC., SOUTHERN AIR INC.**  
**And**  
**THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS, AIRLINE DIVISION,**  
**AIRLINE PROFESSIONALS ASSOCIATION OF THE INTERNATIONAL**  
**BROTHERHOOD OF TEAMSTERS, LOCAL UNION NO. 1224**

**Agreement for Voluntary Joint Collective Bargaining Agreement Negotiation Process**

This LETTER OF AGREEMENT (hereinafter, "Agreement") is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between Atlas Air, Inc. ("Atlas") and Southern Air Inc. ("Southern") (collectively, the "Company") and the International Brotherhood of Teamsters, Airline Division ("IBTAD") and the Airline Professionals Association of the International Brotherhood of Teamsters, Local Union No. 1224 ("Local 1224") (collectively, the "Union") (the Company and the Union, each a "Party").

WHEREAS, subject to the non-waiver and reservation of rights and arguments provisions outlined in paragraph 1 below, the Parties have agreed upon a voluntary joint collective bargaining agreement ("JCBA") negotiation process as set forth in this Agreement that is intended as a second independent attempt to facilitate the completion of the joint collective bargaining negotiations that had taken place under the parties' prior framework agreement and the amendment thereto;

NOW THEREFORE, it is AGREED, as follows:

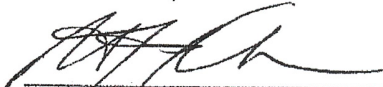
1. Pending resolution of the management grievance arbitrations that were heard in October 2018, and of *Atlas Air, Inc., et al., v. International Brotherhood of Teamsters, Airline Division, et al.*, Case No. 18-1086 (2d Cir.), the Parties agree to voluntarily meet to negotiate a JCBA. Such voluntary JCBA negotiations shall commence as soon as feasible, without pre-required structure or time limitations on the negotiations, except that all tentative agreements on JCBA articles reached prior to the date of this Agreement and all tentative agreements reached during the voluntary JCBA negotiations provided for in this Agreement will be maintained and carried forward. By engaging in such voluntary JCBA negotiations, the Parties will not waive, and will expressly reserve, all rights and arguments that have been asserted before the National Mediation Board (NMB) and in the pending management grievances and federal court litigation. These voluntary negotiations for a JCBA shall not be governed by the dispute resolution procedures set forth in RLA Section 6 and 5.
2. The dates and locations for the voluntary JCBA negotiations will be mutually agreed in advance to meet the convenience of both Parties. The parties agree that they both strongly prefer to hold all such negotiations in the Metropolitan Washington Area. If it is, or

becomes, impracticable to conduct one or more of the negotiation sessions in the Metropolitan Washington Area, then those negotiations will be held in New York, New York or any other location mutually-agreed by the Parties. If either the Company or the Union cancels a scheduled meeting with less than ten (10) days' advance written notice to the other, the cancelling Party shall reimburse the other, on request, for any travel-related expenses incurred as a result thereof.

3. Either Party may terminate the voluntary JCBA negotiations governed by this Agreement upon advance written notice to the other Party, provided, however, that such termination is effectuated consistent with the provisions of paragraph 2, above. Such termination may occur for any reason at either Party's discretion, including but not limited to if/when the Parties receive decisions in the pending management grievance arbitrations and/or federal court litigation.
4. Commencing with the period covering the first month of negotiations conducted pursuant to this Agreement, Atlas, on its behalf and on behalf of Southern, will provide a credit to the monthly flight pay loss invoices for Atlas-IBT negotiators and Southern-IBT negotiators plus the applicable benefit override for each of the Atlas and Southern Air IBT negotiators. The monthly credit will be 200 hours for the union negotiators at Atlas and 200 hours for the union negotiators at Southern. The credit shall be applied using the weighted average pay rate applicable to all individuals on the respective ExCo's monthly flight pay loss invoice. The credit shall be applied per week of scheduled negotiations between the parties. This credit will continue through the completion or termination of the voluntary JCBA negotiation process described in this Agreement.
5. The Parties will conduct all negotiations based on mutual respect and will abide by the terms of this Letter of Agreement.
6. This Agreement, and any related bargaining history and proposals made in negotiations thereunder, will be admissible in any future interest arbitration proceeding regarding the JCBA; provided, however, that a proposal designated by a party as a "supposal" during such negotiations, including any related bargaining history regarding such "supposal," shall not be admissible or referable in any future interest arbitration proceeding regarding the JCBA. This Agreement, and any related bargaining history and proposals or supposals made in negotiations thereunder, will not be admissible in either the pending management grievance arbitrations before Arbitrators Bloch and Nicolau or in the pending litigation in the U.S. Court of Appeals for the Second Circuit regarding the management grievances. If a JCBA is mutually negotiated and ratified pursuant to this Agreement without interest arbitration, any and all bargaining history, including proposals and supposals, made in negotiations for the JCBA will be admissible before any System Board of Adjustment to interpret or apply the JCBA, and before any federal court to enforce the JCBA.

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement on February \_\_, 2019.

For The Union;



Robert Kirchner, ExCo Chairman  
Atlas



Bryan Holmberg, ExCo Chairman  
Southern

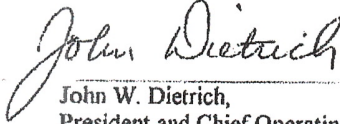


Daniel Wells, President  
APA Teamsters Local 1224



David Bourne, Director  
IBT Airline Division

For Atlas Air, Inc. and Southern Air Inc.;



John W. Dietrich,  
President and Chief Operating Officer,  
Atlas Air, Inc.  
President and Chief Executive Officer,  
Southern Air Inc.



Captain Jeffrey Carlson,  
Senior Vice President, Operations,  
Atlas Air, Inc. and Southern Air Inc.

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