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November 2, 2015

Captain Charles W. Dyer
Chairman, FedEx Master Executive Council
Air Line Pilots Association, International
1770 Kirby Parkway, Suite 300
Memphis, TN 38138

RE: Lump Sum Payment Distribution

Captain Dyer:

The purpose of this letter is to confirm the details of the lump sum payment, which is part of the tentative agreement and is, of course, subject to member ratification and the ALPA Lump Sum Allocation Policy ("Policy"), found in ALPA Administrative Manual Section 40.3.J., which is referred to below, and incorporated by reference herein.

Eligibility

A pilot employed by the Company between February 25, 2013 and August 19, 2015 ("the amendable period") shall be eligible to receive a lump sum payment as set forth below. The use of the term "pilot" in this letter is as defined by the basic Agreement, and shall include pilots described in Section 10 of the basic Agreement.

Amount of Lump Sum Payment

The estimated amount of a pilot's total lump sum payment will be based on the following chart:

Wide Body Captain	\$35,000
Narrow Body Captain	\$30,000
Wide Body First Officer	\$23,500
Narrow Body First Officer	\$20,000
Wide Body Second Officer	\$20,000
Narrow Body Second Officer	\$20,000

Each pilot's lump sum payment category shall be determined by the highest crew status in which he was active during the amendable period. Pilots who received passover pay during the amendable period will receive a lump sum payment based on their highest active crew status or the crew status to which they received passover pay.

Proration of Lump Sum Payment

A pilot who was employed by the Company on August 19, 2015, and who was in an active status throughout the amendable period shall receive the full amount of the appropriate lump sum payment shown in the table above.

A pilot who was employed by the Company on August 19, 2015, but was not in an active status throughout the entire amendable period (e.g., a pilot hired during the amendable period or a pilot on a leave of absence, other than a long-term military leave of absence, during some portion of the amendable period) shall receive a prorated lump sum payment based on the number of months that he was in active status during the amendable period. This shall include a pilot who incurred a disciplinary suspension during the amendable period. Unless otherwise excluded, a pilot hired during the amendable period shall be deemed active on his Date of Hire as a pilot.

For purposes of the proration, a pilot who was in an inactive status during the amendable period due to a long-term military leave of absence shall be treated as if he were in an active status during his long-term military leave of absence. If the position selected by the pilot upon his return from long-term military leave of absence (consistent with the process described in Paragraph 1.a. and b. of the Settlement Agreement regarding the Effect of Potential Crew Status Changes on Imputed Earnings and Signing Bonus Calculation, dated December 9, 2008) represents the highest crew status the pilot would have held on a Posting conducted during the amendable period, that crew status shall be the pilot's lump sum payment category.

A pilot who was employed by the Company on August 19, 2015, but who had not yet activated in his first crew position with the Company, i.e., a "student," shall receive a prorated lump sum payment taking into account the pilot's active service from his Date of Hire as a pilot to August 19, 2015 (e.g., a pilot hired on July 1, 2015 who activates in his first crew position on October 31, 2015 will have two months credit toward his prorated bonus).

A pilot who died, voluntarily resigned from his employment with the Company, or retired between February 25, 2013 and August 19, 2015 shall receive a prorated lump sum payment based on the number of months that he was in active status during the amendable period.

A pilot who was terminated for "just cause" between February 25, 2013 and August 19, 2015 shall not be eligible for a lump sum payment. In the event that such a pilot is reinstated, he shall be entitled to a lump sum payment per the terms of this agreement.

Data Verification

Pursuant to ALPA Policy Section 40.3.J.3.e., an expedited data verification process will be created by the FedEx Express Master Executive Council (MEC) to help ensure that the relevant pilot data necessary for the calculations in the table above is as accurate as possible. The Company agrees to cooperate with the relevant MEC representatives in providing necessary data to accomplish this expedited data verification process.

Disputes

Any disputes by pilots concerning the allocation methodology, or amount of payments they are to receive thereunder, as described above, shall be subject to the mandatory, expedited dispute resolution procedures set forth in ALPA Policy, Section 40.3.J.4-9 and 11.

Timing, Procedures for Payments, and Holdback Amount

The lump sum payment shall be distributed in two primary installments, consistent with the requirements of ALPA Policy. The first installment shall represent 55% of the estimated lump sum payment and shall occur no later than December 15, 2015. The second installment shall represent 40% of the estimated lump sum payment and shall occur no later than June 15, 2016. The Association shall provide direction to the Company for the distribution of these payments pursuant to the procedures of ALPA Policy Section 40.3.J.10.a-b. Notwithstanding the distribution dates listed above, in the absence of such direction, the Company shall not make any distribution.

There will be retained from the total estimated payment, a sufficient reserve holdback, as required by ALPA Policy Section 40.3.J.3.f., of five percent (5%) of the total estimated payment. These holdback funds will be retained by the Company and distributed after direction from the Association, pursuant to the procedures of ALPA Policy Section 40.3.J.10.b-c. Excess residual holdback funds that remain which are not needed for corrective purposes or otherwise under the terms of this letter and ALPA Policy shall be allocated and distributed at the direction of the Association in the same manner and with the same payment ratios and allocation terms as above.

Retirement Plan Treatment of Lump Sum Payment

The lump sum payment will be paid in cash and will be treated as pensionable wages for the year in which it was paid. The lump sum payment will also be eligible for B-plan contributions, subject to applicable contractual and Internal Revenue Code limitations.

Sincerely,

FEDERAL EXPRESS CORPORATION



John D. Maxwell
Vice President, Labor Relations