

Amendable Period Recovery Payments LOA (2026)

LETTER OF AGREEMENT
between
FEDERAL EXPRESS CORPORATION
and
THE AIR LINE PILOTS
in the service of
FEDERAL EXPRESS CORPORATION
as represented by
THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

Amendable Period Recovery Payments

This Letter of Agreement (“LOA”) is made and entered into in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between FEDERAL EXPRESS CORPORATION (hereinafter referred to as the “Company”) and the pilots in the service of FEDERAL EXPRESS CORPORATION, as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the “Association”).

WHEREAS, the Company and the Association are parties to a collective bargaining agreement setting forth the rates of pay, rules, and working conditions for the Company’s pilots (hereinafter referred to as the “basic Agreement”), effective on June 29, 2026, and

WHEREAS, pay rates under the amended Agreement will be effective on June 29, 2026, and

WHEREAS, the parties have agreed to one-time supplemental, Amendable Period Recovery Payments in recognition of service following the amendable date of the 2015 basic Agreement, and

WHEREAS, an efficient and straightforward approach to calculating and determining recovery payments will be based on amounts for each pilot that are consistent and proportionate,

NOW, THEREFORE, the parties agree as follows:

A. Definitions

1. Amendable Period

Beginning November 2, 2021, and ending June 28, 2026.

2. Eligible Pilot

A “pilot” (Section 2.106) who was an “active pilot” (Section 2.3) during the Amendable Period, and shall also include pilots described in Section 10. For a bid period, the pilot shall be an Eligible Pilot if the pilot was an “active pilot” during any portion of the bid period.

[Note: this language encompasses a new hire pilot on DOH]

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B. Calculation of Payments

1. An Eligible Pilot's Amendable Period Recovery Payment (APRP) shall be as follows:
 - a. For the November 2021 and December 2021 bid periods:
 - i. Captain: \$100 per bid period
 - ii. First Officer: \$69 per bid period
 - b. For the January 2022 bid period through the December 2022 bid period:
 - i. Captain: \$256 per bid period
 - ii. First Officer: \$176 per bid period
 - c. For the January 2023 bid period through the December 2023 bid period:
 - i. Captain: \$658 per bid period
 - ii. First Officer: \$452 per bid period
 - d. For the January 2024 bid period through the December 2024 bid period:
 - i. Captain: \$1,687 per bid period
 - ii. First Officer: \$1,158 per bid period
 - e. For the January 2025 bid period through the December 2025 bid period:
 - i. Captain: \$4,328 per bid period
 - ii. First Officer: \$2,971 per bid period
 - f. For the January 2026 bid period through the May 2026 bid period:
 - i. Captain: \$11,100 per bid period
 - ii. First Officer: \$7,597 per bid period
 - g. For the June 2026 bid period:
 - i. Captain: \$11,155
 - ii. First Officer: \$7,659
2. The eligibility for the applicable APRP for a bid period shall be determined by the pilot's "current crew position" (Section 2.35) in that bid period.

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3. For a bid period, the pilot's current crew position shall be the highest current crew position during any portion of the bid period.

4. Service in the Uniformed Services (More than 30 days)

A pilot who was not an "active pilot" during the Amendable Period due to service in the uniformed services shall be treated as if the pilot was an "active pilot" during that time period. If the crew position selected by the pilot upon the pilot's return is higher than the pilot's "current crew position" (Section 2.35), that higher crew position shall be used in calculating the pilot's APRP, with the pilot deemed to have changed crew positions on the date the first junior pilot from that System Bid (including new hires) activated in that crew position.

5. A former pilot who died or retired during the Amendable Period shall be considered an Eligible Pilot and entitled to the APRP through the last date of the former pilot's employment, unless otherwise excluded (e.g., the former pilot was not an "active pilot" in a specific bid period prior to the last date of employment).

6. A pilot who voluntarily resigned from their employment or was terminated for "just cause" during the Amendable Period is not an Eligible Pilot and not eligible for an APRP. In the event that such a pilot is reinstated, the pilot shall be entitled to the APRP.

C. Treatment of APRP

1. The APRP will be paid in cash and will be treated as pensionable wages for the year the APRP is paid. The APRP will also be considered eligible for PRSP non-elective contributions, subject to applicable contractual and Internal Revenue Code limitations.

2. Applicable federal, state, and local taxes as well as Association dues will be withheld from the APRP at the supplemental withholding rate.

D. Data, Distribution, and Disputes

1. Data

The Company will provide the relevant data to ALPA by August 2, 2026, which details each Eligible Pilot (with employee number) and projected APRP, with a breakout of applicable bid periods and current crew position for each of those bid periods. ALPA will facilitate distribution of the Company data to pilots in order to provide pilots an opportunity to review the data and allow the Company to correct any errors.

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2. Distribution

The APRP will be made in a single payment as soon as practicable following the effective date of the new amended Agreement, but no later than September 15, 2026.

For a pilot currently performing service in the uniformed services for more than 30 days (long term military leave), the pilot will receive an initial payment as described above as if the pilot was in an active status. Upon return to active status, the pilot will receive a final payment for a selected higher crew position (as provided in Paragraph B.4. of this LOA) within 60 days of the pilot's return.

There will be retained from the total estimated individual payments a sufficient reserve holdback of five percent (5%) of the sum of estimated individual payments to correct any inadvertent errors or omissions in the individual calculations and distributions, and to cover any litigation or other disputes. These holdback funds will be retained by the Company in an interest bearing escrow account and distributed as directed by written authorization of the MEC Chair and President (or their designees), after consultation with ALPA legal counsel. Excess residual holdback funds which remain that are not needed for corrective purposes and coverage of litigation or other disputes shall be proportionally distributed to each Eligible Pilot pursuant to the same formula above.

3. Disputes

- a. Disputes growing out of the application or execution of this LOA shall be subject to Section 20 of the basic Agreement. The Section 20.B.1. timeline for filing of a grievance shall not commence until 30 days from ALPA's distribution of APRP data to the pilots, or, for pilots returning from service in the uniformed services for more than 30 days (long term military leaves of absence) until 60 days from the pilot's return to active status. A single Section 20.D.1. hearing shall be held no later than 15 days (unless another date agreed to by the parties) for any disputes not involving a pilot(s) returning from service in the uniformed services for more than 30 days. For a dispute involving a pilot(s) returning from service in the uniformed services, the hearing shall be held out of order and without consideration of prior filed Section 20 grievances.
- b. A single, non-disciplinary Section 21.A.2. 3-person System Board shall have and retain jurisdiction for any Section 20.E. appeal from a decision rendered in a dispute as described in Paragraph D.3.a. above. Except for a dispute

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involving a pilot(s) returning from service in the uniformed services for more than 30 days, the disputes shall be consolidated for a single session (with continued settings if necessary). The Company and ALPA agree that the session will not “take a slot” of previously scheduled regular sessions, and will be held out of order and without consideration of “oldest cases first”. The parties will meet and confer to select a System Board Chairman and date at least 60 days prior to the 21.D. arbitration hearing.

- c. For a dispute involving a pilot(s) returning from service in the uniformed services, the same single, non-disciplinary Section 21.A.2. 3-person System Board shall have jurisdiction.

E. Effective Date and Duration

This LOA is effective on June 29, 2026, and shall remain in full force and effect concurrent with the basic Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Amendable Period Recovery Payments Letter of Agreement.