

SECTION 17

PRISONER OF WAR OR HOSTAGE BENEFITS

- A. A pilot who, while on a trip or on other Company business, and as a result of war, rebellion, insurrection, terrorist act or action of a foreign government, becomes missing or interned, or is hijacked, or taken a prisoner of war by a foreign government, shall continue to accrue seniority and longevity during the period of his absence.
- B. The Company shall provide such pilot with the following benefits until the date of release, the official date of death or, if the pilot's whereabouts are unknown, the expiration of 5 years after the pilot's disappearance or captivity, whichever occurs earliest:
 - 1. Bid period compensation equal to the pilot's average credit hours per bid period during the last 12 bid periods (including credit hours earned in VLT, DRF, etc.), considering only those bid periods during which the pilot flew, or was compensated as if he had flown, for an entire bid period multiplied by the pay rate in his current crew position.
 - 2. Applicable insurance benefits and other benefits attendant to his employment status.
 - 3. Accruals and contributions normally made by the pilot and/or the Company.
 - 4. Continuation of insurance benefits for spouse and/or eligible dependents of the pilot.
- C. The benefits described in Section 17.A., shall not apply to:
 - 1. conduct relating to the operation of a Company aircraft that would constitute just cause for termination, if established; or
 - 2. conduct not relating to operation of Company aircraft that would constitute just cause for termination or which could have led to the pilot's imprisonment for more than 30 days under Federal law or the laws of the State of Tennessee, if established. The benefits described in Section 17.A., shall not be withheld pursuant to this paragraph until the Company has presented the pilot with notice of its intent to apply this paragraph, and has allowed the pilot to respond.
- D. Compensation and other benefits payable under this Section shall be provided to the beneficiaries indicated by the pilot in his Beneficiary Designation Form. In the absence of a completed beneficiary designation form, the Company shall deposit all applicable benefits in trust for the pilot until his status has been legally determined. The trustee shall invest such funds in accordance with applicable fiduciary responsibilities.
- E. Should the pilot's spouse and/or eligible dependents wish to continue health coverage beyond the end of the appropriate benefit continuation period provided in Section 17.A., they may do so under the provisions of COBRA. Pilots and their spouses and/or eligible dependents needing more information regarding COBRA (including time limits) should refer to Section 27 of this Agreement.
- F. The Company shall provide each pilot with a beneficiary designation form in the manner described below. Each pilot shall submit such designation form to the designated Company official within 30 days of the pilot's date of hire.

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**PRISONER OF WAR OR HOSTAGE BENEFITS
BENEFICIARY DESIGNATION**

To: Federal Express Corporation

You are hereby directed to pay all monthly compensation allowable to me under Section 17 and any other benefits due under the provisions of this Agreement while missing or resulting from death or any other condition which causes direct payment to be impossible as follows:

_____ % of my monthly pay to

(name)

(address)

as long as living, thereafter to

(name)

(address)

as long as living.

The balance, if any, and any amounts accrued after the death of all persons named in the above designation shall be held for me, or in the event of my death before receipt thereof, shall be paid to the legal representative of my estate.

The foregoing direction may be modified from time to time by letter signed by the undersigned, and any such modification shall become effective upon receipt of such letter by you.

Payments made by the Company pursuant to this direction shall fully release the Company from the obligation of making any further payments with respect thereto.

(Pilot's Signature)

(Print Name) - (Emp. #) - (Date)