

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

DERRICK SATCHELL, KALINI BOYKIN,
VALERIE BROWN, RICK GONZALES,
CYNTHIA GUERRERO, RACHEL HUTCHINS,
TYRONE MERRIT, KELVIN SMITH, SR., and
KEN STEVENSON, on behalf of themselves and
all others similarly situated,

Plaintiffs,

vs.

FEDERAL EXPRESS CORPORATION, a
Delaware Corporation,

Defendant.

Case No.: C03-2659 SI; C 03-2878 SI

CLASS ACTION

**[PROPOSED] ORDER (1)
PRELIMINARILY APPROVING CLASS
ACTION SETTLEMENT, (2)
PROVISIONALLY CERTIFYING
SETTLEMENT CLASSES, (3) DIRECTING
DISTRIBUTION OF NOTICE OF THE
SETTLEMENT, AND (4) SETTING A
SCHEDULE FOR THE FINAL
SETTLEMENT APPROVAL PROCESS**

I. INTRODUCTION

The Court certified this case as a class action on September 28, 2005, and the parties completed substantially all pre-trial preparation. Under the supervision of a mediator, Plaintiffs and Defendant FedEx Express ("FedEx Express") (collectively, the "Parties") engaged in lengthy settlement discussions over the course of several months in order to negotiate a settlement of this litigation. The terms of the proposed settlement ("Settlement") are set forth in this Preliminary Approval Order, which has been jointly approved and proposed by both Parties, and in the [Proposed] Consent Decree ("Decree") (attached hereto as Exhibit 1).

On April 9, 2007, the parties jointly submitted this [Proposed] Order, and Plaintiffs filed a Motion for an Order Preliminarily Approving Class Action Settlement, Provisionally Certifying Settlement Classes, Directing Distribution of Notice of the Settlement, and Setting a Schedule for the Final Settlement Approval Process. In their Motion, Plaintiffs requested that the Court grant conditional certification of settlement classes of African American and Latino hourly employees and African American Operations Managers under Rule 23(b)(3) for monetary relief (with a right to opt out of the settlement pursuant to Fed.R.Civ.Proc. 23(e)(3)) and under Rule 23(b)(2) for injunctive relief (with no opt out right). Plaintiffs also requested that the Court grant preliminary approval to the [Proposed] Consent Decree, including the injunctive relief, proposed plan of allocation to class members, and service payments to Class Representatives and 18 additional declarants ("Declarants"). Plaintiffs also requested that the Court approve a proposed Notice of Proposed Settlement of Class Action Lawsuit and Fairness Hearing ("Class Notice," attached hereto as Exhibit 2) and a proposed Claim Form (attached hereto as Exhibit 3).

Having reviewed the [Proposed] Consent Decree and Motion, along with the files and records of this case, the Court now FINDS, CONCLUDES, and ORDERS as follows:

II. LITIGATION BACKGROUND

On December 12, 2002, Plaintiffs filed the *Satchell* case in the Alameda County Superior

1 Court, which they amended on May 18, 2003. On June 6, 2003, Defendants removed the case to the
2 Northern District of California pursuant to 28 U.S.C. §§ 1332 and 1441(b). On June 19, 2003,
3 Plaintiffs filed the *Caldwell* case in the Northern District of California alleging that FedEx Express
4 violated 42 U.S.C. § 1981 and Title VII of the Civil Rights Act of 1964 by discriminating against its
5 African American and Latino employees on the basis of race and national origin. On September 25,
6 2003, the Court issued an order relating the *Caldwell* and *Satchell* cases, and on November 13, 2003,
7 pursuant to a stipulation of the parties, the cases were consolidated for all purposes.

8 Plaintiffs' First Consolidated Amended Complaint was filed on November 12, 2003, and the
9 operative Third Amended Consolidated Complaint was filed on November 14, 2006. The named
10 plaintiffs are Derrick Satchell, Kalini Boykin, Valerie Brown, Rick Gonzales, Cynthia Guerrero,
11 Rachel Hutchins, Tyrone Merritt, Kelvin Smith, Sr., and Ken Stevenson. Plaintiffs allege that, in
12 violation of Title VII and Section 1981, FedEx Express discriminates against its African American and
13 Latino hourly employees with respect to promotions, compensation, and discipline, and discriminates
14 against its African American Operations Managers with respect to compensation and discipline.
15 Specifically, Plaintiffs allege that FedEx Express's use of the Basic Skills Test ("BST") as a selection
16 device for certain hourly jobs violates Title VII because the test has a disparate impact on African
17 Americans and Latinos and cannot be justified by business necessity, and that FedEx Express uses
18 overly subjective practices with respect to promotions, compensation, and discipline that both allow
19 intentional discrimination against African Americans and Latinos and have a disparate impact on
20 African Americans and Latinos which cannot be justified by business necessity.

23 FedEx Express denied, and continues to deny, all of the allegations in the complaint, and
24 specifically denies that it has discriminated against its African American and Latino employees, or that
25 it has any liability in this matter.

26 On September 28, 2005, the Court certified two classes:
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1. A "Minority Employee Class" consisting of all African-American and Latino Handlers, Freight Handlers, Material Handlers, Checker-Sorters, Customer Service Agents, Couriers, Swing Drivers, Ramp Transport Drivers, Ramp Area Drivers, Shuttle Drivers, Dangerous Goods Agents, Information Agents, Operations Agents, Ramp Agents, Service Assurance Agents, Truck Control Agents, Trace Representatives, Input Auditors, Team Leaders, and Dispatchers, working in defendant's Western Region, who are or were employed during the class period, who allege claims of employment discrimination in violation of Title VII of the Civil Rights Act of 1964 (both disparate impact and disparate treatment), 42 U.S.C. § 1981, and for those class members working, or who worked, in California, the California Fair Employment and Housing Act; and

2. An "African-American Lower-Level Manager Class" consisting of all African-American Operations Managers working in defendant's Western Region during the class period who allege claims of employment discrimination in violation of Title VII of the Civil Rights Act of 1964 (both disparate impact and disparate treatment), 42 U.S.C. § 1981, and for those class members working, or who worked, in California, the California Fair Employment and Housing Act.

The parties vigorously litigated the case, including filing numerous motions to compel discovery, summary judgment motions against six of the Class Representatives, and 21 motions *in limine*. The parties also substantially completed pretrial preparation, including the exchange of proposed exhibits and verdict forms.

III. CERTIFICATION OF SETTLEMENT CLASSES

For settlement purposes only, the Parties have proposed conditional certification of the following settlement classes:

For purposes of the injunctive and declaratory relief provided in the Decree, injunctive-relief classes certified under Federal Rule of Civil Procedure 23(b)(2) and consisting of:

1. All Minority employees of the AGFS or DGO Divisions of FedEx Express who are or were employed in the position of Handlers, Freight Handlers, Material Handlers, Checker-Sorters, Customer Service Agents, Couriers, Swing Drivers, Ramp Transport Drivers, Ramp Area Drivers, Shuttle Drivers, Dangerous Goods Agents, Information Agents, Operations Agents, Ramp Agents, Service Assurance Agents, Truck Control Agents, Trace Representatives, Import Auditors,

1 Team Leaders, and Dispatchers in the COMATs that comprise the Western Region at any time
2 between October 17, 1999, and the end of the Decree.

3 2. All African American employees of the AGFS and DGO Divisions of FedEx
4 Express who are or were employed in the position of Operations Managers in the COMATs that
5 comprise the Western Region at any time between October 17, 1999, and the end of the Decree.

6 For purposes of the monetary relief provided in the Decree, a Settlement Class certified under
7 Federal Rule of Civil Procedure 23(b)(3) and consisting of:

8 3. All Minority employees of the AGFS or DGO Divisions of FedEx Express who
9 are or were employed in the position of Handlers, Freight Handlers, Material Handlers, Checker-
10 Sorters, Customer Service Agents, Couriers, Swing Drivers, Ramp Transport Drivers, Ramp Area
11 Drivers, Shuttle Drivers, Dangerous Goods Agents, Information Agents, Operations Agents, Ramp
12 Agents, Service Assurance Agents, Truck Control Agents, Trace Representatives, Import Auditor,
13 Team Leaders, and Dispatchers in the COMATs that comprised the Western Region at any time
14 between October 17, 1999, and the Preliminary Approval Date, who do not timely opt out.
15 All African American employees of the AGFS or DGO Divisions of FedEx Express who are or were
16 employed in the position of Operations Managers in the COMATs that comprised the Western Region
17 at any time between October 17, 1999, and the Preliminary Approval Date who do not timely opt out.

18 The Court previously considered and ruled upon Plaintiffs' Motion for Class Certification, and
19 found that the classes proposed by Plaintiffs satisfied all requirements of Rule 23(a) and Rule 23(b)(2).
20 The differences between the classes certified by the Court in September 2005 and the Classes certified
21 by this order are that (1) the Classes certified by this order are divided into (a) opt-out Settlement
22 Classes under Rule 23(b)(3) for monetary relief and (b) non-opt-out Classes under Rule 23(b)(2) with
23 respect to injunctive relief; and (2) the Class Periods for membership in the respective Classes are
24 defined as (a) October 17, 1999 through the date of Preliminary Approval for the Monetary Relief
25 Settlement Class, and (b) October 17, 1999 through the end of the term of the Consent Decree for the
26 Injunctive Relief Classes.

1 As with the Classes certified on September 27, 2005, the proposed injunctive-relief and
2 Settlement Classes allege claims for race and national origin discrimination brought under the Civil
3 Rights Act of 1964 (both disparate impact and disparate treatment), 42 U.S.C. §1981, and, for those
4 Class Members working, or who worked, in California, the California fair Employment and Housing
5 Act.

6 Based on the previously filed class certification papers, and this Court's prior findings and
7 rulings thereon, the Court hereby FINDS and CONCLUDES that the injunctive-relief classes set forth
8 above satisfy all of the requirements for certification under Rule 23(a) and Rule 23(b)(2), and the
9 COURT hereby CERTIFIES those injunctive-relief classes.

10 Based on the previously filed class certification papers, and this Court's prior findings and
11 rulings thereon, the Court also hereby FINDS and CONCLUDES that the monetary-relief Settlement
12 Class described above satisfies all of the requirements for certification under Rule 23(a). In addition,
13 having carefully considered the papers filed in connection with this motion, the entire record in this
14 case, the arguments of counsel, and the requirements of Rule 23(b)(3), the Court FINDS and
15 CONCLUDES that the monetary-relief Settlement Class satisfies the requirements for certification
16 under Rule 23(b)(3). Questions of law or fact common to the class predominate over individualized
17 issues, and a class action is superior to other available methods for the fair and efficient adjudication of
18 the controversy. Because certification of the monetary-relief Settlement Class is proposed in the
19 context of a settlement, the Court need not inquire whether the case, if tried as a class action, would
20 present intractable management problems. The Court hereby CERTIFIES the monetary-relief
21 Settlement Class as set forth above.

22 **IV. APPOINTMENT OF CLASS REPRESENTATIVES AND CLASS COUNSEL**

23 The Court previously found eight of the Class Representatives to be typical and adequate, and
24 appointed them as Class Representatives. In its Class Certification Order, the Court ordered Plaintiffs
25 to add a Class Representative who had a claim regarding the BST, and Plaintiff did so. The Court
26 hereby finds that the newly-named Class Representative, Tyrone Merritt, is also typical and adequate,
27 and may serve as a Class Representative. Accordingly, for settlement purposes, this Court hereby
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1 appoints Derrick Satchell and Kalini Boykin as Class Representatives for the Operations Manager
 2 Class and Valerie Brown, Rick Gonzales, Cynthia Guerrero, Rachel Hutchins, Tyrone Merritt, Kelvin
 3 Smith, Sr., and Ken Stevenson as Class Representatives for the Minority Employee Class.

4 This Court previously appointed seven law firms as Class Counsel. Plaintiffs have proposed
 5 that Barry Goldstein be appointed additional Class Counsel. Mr. Goldstein has extensive experience
 6 and expertise in litigating, settling, and monitoring cases of this sort. Accordingly, for purposes of
 7 settlement and conditional certification of the Settlement Class, the following are appointed Class
 8 Counsel: Altshuler Berzon LLP; Barry Goldstein, of counsel to Goldstein, Demchak, Baller, Borgen,
 9 and Dardarian; Law Office of John Burris; Law Offices of Michael S. Davis; Law Offices of Waukeen
 10 McCoy; Law Offices of Kay McKenzie Parker; Lieff, Cabraser, Heimann & Bernstein, LLP; and
 11 Schneider & Wallace.

12 13 **V. PRELIMINARY APPROVAL OF CONSENT DECREE**

14 The Court has reviewed the terms of the [Proposed] Consent Decree attached as Exhibit 1,
 15 including specifically the injunctive relief provisions and the plan of allocation, and the Plaintiffs'
 16 description of the settlement in the Motion papers. The Court has also read and considered the
 17 declarations of James M. Finberg and Barry Goldstein in support of preliminary approval. Based on
 18 review of those papers, and the Court's familiarity with this case, the Court concludes that the
 19 settlement and Consent Decree are the result of extensive, arms'- length negotiations between the
 20 Parties after lengthy and exhaustive litigation, including thorough discovery and extensive motion
 21 practice and pre-trial preparation. The assistance of an experienced mediator in the settlement process
 22 confirms that the settlement is non-collusive. Based on that review, and the Court's familiarity with
 23 the issues in the case, the Court concludes that the proposed Consent Decree has no obvious defects
 24 and is within the range of possible settlement approval, such that notice to the Class is appropriate.

25 IT IS THEREFORE ORDERED THAT:

26 1. The [Proposed] Consent Decree and the settlement it embodies are hereby
 27 PRELIMINARILY APPROVED. Final approval and entry of the Consent Decree is subject to the
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1 hearing of any objections of members of the Settlement Class to the proposed settlement embodied in
2 the Consent Decree.

3 2. Pending the determination of the fairness of the Consent Decree, all further litigation of
4 this action is hereby STAYED, the trial scheduled to begin on May 7, 2007 is POSTPONED
5 indefinitely and all rulings on all pending motions before the Court are hereby DEFERRED.

6
7 **VI. APPROVAL OF THE FORM AND MANNER OF DISTRIBUTING CLASS**
8 **NOTICE AND CLAIM FORM**

9 The Parties have also submitted for this Court's approval a proposed Class Notice and a
10 proposed Claim Form, which the Court has carefully reviewed.

11 The proposed Class Notice appears to be the best notice practical under the circumstances and
12 appears to allow Class Members a full and fair opportunity to consider the proposed Settlement and
13 develop a response. The proposed plan for distributing the Class Notice and Claim Form, which is to
14 be attached to the Class Notice, likewise appears to be a reasonable method calculated to reach all
15 members of the Class who would be bound by the Settlement. Under this plan, the Claims
16 Administrator will distribute the Class Notice to Settlement Class Members by first class U.S. Mail.
17 There appears to be no additional method of distribution that would be reasonably likely to notify
18 Class Members who may not receive notice pursuant to the proposed distribution plan.

19 The Class Notice fairly, plainly, accurately, and reasonably informs Class Members of:
20 (1) appropriate information about the nature of this litigation, the settlement class, the identity of Class
21 Counsel, and the essential terms of the Settlement and Decree, including injunctive relief and the plan
22 of allocation; (2) appropriate information about Class Counsel's forthcoming application for attorneys'
23 fees, the proposed service payments to Class Representatives and Declarants, and other payments that
24 will be deducted from the settlement fund; (3) appropriate information about how to participate in the
25 Settlement; (4) appropriate information about this Court's procedures for final approval of the
26 Settlement Agreement and Settlement, and about class members' right to appear through counsel if
27 they desire; (5) appropriate information about how to challenge or opt-out of the Settlement, if they
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1 wish to do so; and (6) appropriate instructions as to how to obtain additional information regarding this
2 litigation, the Settlement, and the Decree.

3 Similarly, the proposed Claim Form appears to allow members of the Settlement Classes a full
4 and fair opportunity to submit a claim for proceeds in connection with the Settlement. Moreover, the
5 Claim Form fairly, accurately, and reasonably informs Settlement Class Members that failure to
6 complete and submit a Claim Form, in the manner and time specified, shall constitute a waiver of any
7 right to obtain any share of the Settlement Payment.

8 The Court, having reviewed the proposed Class Notice and Claim Form (collectively "Notice
9 Materials"), finds and concludes that the proposed plan for distributing them will provide the best
10 notice practicable, satisfies the notice requirements of Rule 23(e), and satisfies all other legal and due
11 process requirements. Accordingly, the Court hereby ORDERS as follows:

12 A. The form and manner of distributing the proposed Notice
13 Materials are hereby approved.
14

15 B. Promptly following the entry of this Order, the Claims
16 Administrator shall prepare final versions of the Notice Materials, incorporating into the
17 Notice the relevant dates and deadlines set forth in this Order.

18 C. Within twenty days following the Preliminary Approval Date,
19 FedEx Express shall provide the Claims Administrator with computer readable information, in
20 a format acceptable to the Claims Administrator, that contains the full names, social security
21 numbers, FedEx Express employee ID, last known addresses and phone numbers, start dates
22 and, as applicable, end dates of employment with FedEx Express from October 17, 1999 to the
23 date of Preliminary Approval in class positions, class positions held (and date for each
24 position, and status as casual, part-time, or full time), first date that the employee took and
25 failed at least one portion of the BST, and the date of any subsequent passage of all portions of
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1 the BST.

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3 D. Within twenty days following the Preliminary Approval Date,
4 Class Counsel shall provide the Claims Administrator with a computer readable list of all
5 known potential Settlement Class members and their mailing addresses. Prior to the mailing
6 of the Notices, the Claims Administrator will combine these lists of potential Settlement Class
7 members received from FedEx Express and Class Counsel and update any new address
8 information for potential class members as may be available through the National Change of
9 Address ("NCOA") system.

10
11 E. Within 40 days of the Preliminary Approval Date, the Claims
12 Administrator shall mail, via first class postage, the Notice Materials to all known potential
13 Settlement Class members at their last known address or at the most recent address that may
14 have been obtained through the NCOA. The Claims Administrator will trace all returned
15 undeliverable notices and re-mail to the most recent address available.

16
17 F. The Claims Administrator shall take all reasonable steps to
18 obtain the correct address of any Class Members for whom the notice is returned by the post
19 office as undeliverable and otherwise to provide the Class Notice. The Claims Administrator
20 shall notify Class Counsel of any mail sent to Class Members that is returned as undeliverable
21 after the first mailing as well as any such mail returned as undeliverable after any subsequent
22 mailing(s).

23
24 G. The Claims Administrator shall take all other actions in
25 furtherance of claims administration as are specified in the Decree.

VII. Procedures For Final Approval Of The Settlement

A. Fairness Hearing

The Court hereby schedules a hearing to determine whether to grant final certification of the Settlement Classes, and final approval of the Consent Decree (including the proposed plan of allocation, injunctive relief, payment of attorneys' fees and costs, and service payments to the Class Representatives and the Declarants) (the "Fairness Hearing") for August 9, 2007 (date) at 3:30 p.m. (time) [August 10, 2007, at 9:00 am, or another day and time approximately 100 days from Preliminary Approval Date]. If any attorney will be representing a class member objecting to the Consent Decree, the attorney shall file a notice of appearance with the Court and serve counsel for all parties at least 14 days before the Fairness Hearing.

B. Deadline To Request Exclusion From The Settlement

Class members may exclude themselves, or opt-out, of the monetary relief provisions of the class settlement. Any request for exclusion must be in the form of a written "opt-out" statement sent to the Claims Administrator. Information on how to opt-out of the settlement shall be made available by the Claims Administrator. A person wishing to opt-out must sign a statement which includes the following language:

I understand that I am requesting to be excluded from the class monetary settlement and that I will receive no money from the settlement fund created under the Consent Decree entered into by FedEx Express. I understand that if I am excluded from the class monetary settlement, I may bring a separate legal action seeking damages, but may receive nothing or less than what I would have received if I had filed a claim under the class monetary settlement procedure in this case. I also understand that I may not seek exclusion from the class for injunctive relief and that I am bound by the injunctive provisions of the Consent Decree entered into by FedEx Express.

To be effective, any opt-out statement must be sent to the Claims Administrator at the address provided in the Class Notice via First Class United States Mail, postmarked no later than 45 days after the Claims Administrator first mails the Class Notice to the Class. Only those class members who request exclusion in the time and manner set forth herein shall be excluded from the class for monetary relief purposes. Pursuant to Federal Rules of Civil Procedure 23(b)(3) and (c)(2), the terms and

1 provisions of the Consent Decree concerning monetary relief shall have no binding effect on any
2 person who makes a timely request for exclusion in the manner required by this Order.

3 The Claims Administrator shall date stamp the original of any opt-out statement and serve
4 copies on both FedEx Express and Class Counsel via facsimile and overnight delivery within two (2)
5 business days of receipt of such statement. The Claims Administrator will also file the original opt-out
6 statements with the Clerk of the Court no later than five (5) days prior to the scheduled Fairness
7 Hearing date. The Claims Administrator shall retain copies of all opt-out statements until such time as
8 it has completed its duties and responsibilities under this Decree.

9 Class members shall be permitted to withdraw or rescind their opt-out statements by submitting
10 a "rescission of opt-out" statement to the Claims Administrator. The rescission of opt-out statement
11 shall include the following language:

12 I previously submitted an opt-out statement seeking exclusion from the class monetary
13 settlement. I have reconsidered and wish to withdraw my opt-out statement. I
14 understand that by rescinding my opt-out I may be eligible to receive an award from the
15 claims settlement fund and may not bring a separate legal action against FedEx Express
seeking damages with respect to the Released Claims.

16 A class member wishing to submit such a rescission statement shall sign and date the statement
17 and cause it to be delivered to the Claims Administrator no later than 52 days after the Claims
18 Administrator first mails Class Notice.

19 The Claims Administrator shall stamp the date received on the original of any rescission of opt-
20 out statement and serve copies to counsel for FedEx Express and Class Counsel via facsimile and
21 overnight mail no later than two business days after receipt thereof and shall file the date-stamped
22 originals with the Clerk of the Court no later than five business days prior to the date of the Fairness
23 Hearing. The Claims Administrator shall retain copies of all rescissions of opt-out statements until
24 such time as the Claims Administrator is relieved of its duties and responsibilities under this Decree.

25 **C. Defendant's Right to Rescind Agreement**

26 If the number of individuals who opt out of the Settlement Class in the manner provided in this
27 Order exceeds 50 (not including persons who have, before April 6, 2007, filed and served lawsuits,
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1 other than the Satchell and Caldwell lawsuits, alleging race or national origin discrimination in
2 compensation, promotion, or discipline that allegedly occurred during the Class Period), then FedEx
3 Express, at its sole option, shall have the right to void the Settlement on the fifth business day after the
4 Court requires individuals to return rescission of class member opt-outs. If FedEx Express exercises
5 this option, all of FedEx Express's obligations under the Consent Decree shall cease to be of any force
6 and effect, and the Consent Decree and any orders entered in connection therewith shall be vacated,
7 rescinded, canceled, and annulled, and the parties shall return to the status quo in the Civil Action as if
8 the parties had not entered into the Consent Decree. In addition, in such event, the Consent Decree and
9 all negotiations, court orders, and proceedings relating thereto shall be without prejudice to the rights
10 of any and all parties thereto, and evidence relating to the Consent Decree and all negotiations shall not
11 be admissible or discoverable in the Civil Action or otherwise.

12 **D. Deadline for Filing Objections to Settlement and [Proposed] Consent Decree**

13 Any Class Member who wishes to object to the fairness, reasonableness or adequacy of the
14 Settlement Agreement or the Settlement must do so in writing, although Class Members objecting to
15 the Settlement may also appear at the Fairness Hearing. To be considered, any objection to the final
16 approval of the Consent Decree must state the basis for the objection and must be timely filed in
17 writing, along with any other papers the class member wishes the Court to consider, with the Claims
18 Administrator, at the address provided in the Class Notice, via First-Class United States mail, postage
19 prepaid, postmarked no later than no later than 45 days after the date that Class Notice is first mailed
20 by the Claims Administrator. An objector who wishes to appear at the Fairness Hearing, either in
21 person or through counsel hired by the objector, must state his or her intention to do so at the time the
22 objector submits his/her written objections. Any member of the class who does not timely file and
23 serve such a written objection shall not be permitted to raise such objection, except for good cause
24 shown, and any member of the class who fails to object in the manner prescribed herein shall be
25 deemed to have waived, and shall be foreclosed from raising, any such objection.

26 The Claims Administrator shall stamp the date received on the original of any objection and
27 send copies of each objection to the Parties by facsimile and overnight delivery not later than two
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1 business days after receipt thereof. The Claims Administrator shall also file the date-stamped originals
 2 of any objections with the Clerk of Court within three business days after the time for filing objections
 3 ends.

4 If objections are filed, Class Counsel or counsel for FedEx Express may engage in discovery
 5 concerning the filed objections prior to the Fairness Hearing.

6 **E. Deadline For Submitting Claims Form**

7 A Class Member who does not opt out will be eligible to receive his or her proportionate share
 8 of the settlement benefit. To receive this share, such a Class Member must properly and timely
 9 complete a Claim Form in accordance with the terms of the Consent Decree. To be effective, the
 10 Claim Form must be sent to the Claims Administrator at the address provided in the Class Notice by
 11 First Class United States Mail, postage prepaid, postmarked no later than 70 days after the initial
 12 mailing of the Class Notice to class members. Failure to postmark a completed Claim Form by the
 13 Claim Filing Deadline shall bar the Settlement Class member from receiving any monetary award
 14 pursuant to the proposed Consent Decree. Settlement Class members who do not file timely and valid
 15 Claim Forms shall nonetheless be bound by the judgment and release in this action as set forth in the
 16 proposed Consent Decree, unless that Settlement Class member timely opts-out of the Settlement.

17 It shall be the sole responsibility of each member of the Settlement Class who seeks a monetary
 18 award to notify the Claims Administrator if the class member changes his or her address. Failure of a
 19 Settlement Class member to keep the Claims Administrator apprised of his or her address may result in
 20 the claim being denied or forfeited.

21 **F. Deadline for Submitting Motion Seeking Final Approval.**

22 No later than 35 days before the Fairness Hearing, Plaintiffs shall file a Motion for Final
 23 Approval of the Settlement and Consent Decree. On or before one week before the Fairness Hearing,
 24 the Parties may file with the Court a reply brief responding to any filed objections.

25 **G. Deadline For Petition for Attorneys Fees**

26 Class Counsel shall file with this Court their petition for an award of attorneys' fees and
 27 reimbursement of expenses no later than ^{June 22, 2007} ~~35 days before the Fairness Hearing~~. Class Counsel may file
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a reply to any opposition memorandum filed by any objector no later than one week before the Fairness Hearing.

H. Deadline for Petition For Approval Of Service Payments

Class Counsel shall file with this Court their petition for an award of service payments to the nine Class Representatives and to the 18 Declarants no later than 35 days before the Fairness Hearing. Class Counsel may file a reply to any opposition memorandum filed by an objector no later than one week before the Fairness Hearing.

VIII. PLAINTIFFS' AND CLASS MEMBERS' RELEASE

If, at the Fairness Hearing, this Court grants Final Approval to the Settlement and Consent Decree, Named Plaintiffs and each individual Settlement Class Member who does not timely opt out will release claims, as set forth in Section VIII of the Consent Decree, by operation of this Court's entry of the Judgment and Final Approval, regardless of whether he or she submits a Claim Form or receives any share of the Settlement Fund.

IX. APPOINTMENT OF CLAIMS ADMINISTRATOR

Settlement Services, Inc. of Tallahassee, Florida is hereby appointed Claims Administrator to carry out the duties set forth in this Order and the Consent Decree.

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X. DISPOSITION IF SETTLEMENT DOES NOT BECOME FINAL

Should this Court or any reviewing court on direct appeal and/or on writ of *certiorari* to the Supreme Court of the United States from a direct appeal to the U.S. Court of Appeals for the Ninth Circuit refuse to approve this Consent Decree or require modification to this Decree, the Decree (and the stipulated certification of settlement classes) shall be null and void, inadmissible and unusable in any future proceeding and the Decree shall not be considered a binding settlement agreement, unless Plaintiffs and FedEx Express each expressly and voluntarily approve in writing any such required modification by this Court or by the reviewing Court.

IT IS SO ORDERED.

April 13, 2007

Dated: _____



The Honorable Susan Illston
United States District Judge

Exhibit 1

Part 1

[Names and addresses of counsel listed in signature page]

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

DERRICK SATCHELL, KALINI BOYKIN,
VALERIE BROWN, RICK GONZALES,
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CLASS ACTION

[Proposed] Consent Decree

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I. INTRODUCTION

As a result of negotiations supervised by a mediator, the parties have reached a voluntary agreement that is contained in this Consent Decree.

II. LITIGATION BACKGROUND

A. The Satchell Litigation

On December 12, 2002, Plaintiffs filed the *Satchell* case in the Alameda County Superior Court alleging violations of the California Fair Employment and Housing Act (FEHA) and the California Equal Pay Act, and asserting various common law causes of action. The Complaint was brought on behalf of a putative class of women and minority individuals in California who alleged that defendant FedEx Express (Defendant) and related entities and individual managers discriminate against women and minorities on the basis of sex, race, color, and/or national origin, with respect to job assignment, compensation, promotion and other terms and conditions of employment, by maintaining a system for making decisions about promotions, assignments, transfers, discipline and compensation which is excessively subjective and which has had a disparate impact on non-Caucasian employees, and through which defendants discriminate against women and minority employees by denying them the same opportunities for job assignments, upward mobility and compensation afforded to similarly situated Caucasian and male employees.

On May 18, 2003, Plaintiffs filed their First Amended Complaint eliminating the statutory claims of discrimination on the basis of sex, as well as several of the common law claims, and dropping the individual defendants named in the original complaint.

On June 6, 2003, Defendants removed the case to the Northern District of California pursuant to 28 U.S.C. §§ 1332 and 1441(b).

B. The Caldwell Litigation

On June 19, 2003, Plaintiffs filed the *Caldwell* case in the Northern District of California alleging violations of 42 U.S.C. § 1981 and Title VII of the Civil Rights Act of 1964. Eight named plaintiffs brought the Complaint on behalf of a putative class of African American and Latino individuals and made similar allegations to those in the *Satchell* complaint, but asserted that

Defendants maintained their discriminatory policies on a nationwide basis. On June 25, 2003, Plaintiffs filed their First Amended Complaint in the *Caldwell* case, adding as class representatives six of the *Satchell* plaintiffs, all African American or Latino, and twenty-four additional named plaintiffs. In addition, the First Amended Complaint asserted claims under FEHA on behalf of class members who worked for Defendant in California.

C. The Consolidated Proceedings

On September 25, 2003, the Court issued an order relating the *Caldwell* and *Satchell* cases, and on November 13, 2003, pursuant to a stipulation of the parties, the cases were consolidated for all purposes.

Plaintiffs' First Consolidated Amended Complaint was filed on November 12, 2003. The Consolidated Complaint dropped all plaintiffs with claims arising outside the State of California, retained nine named class representatives, and dropped all defendants except FedEx Express. The named plaintiffs were Derrick Satchell, Kalini Boykin, Valerie Brown, Rick Gonzales, Cynthia Guerrero, Rachel Hutchins, Daniel Sherman, Kelvin Smith, Sr., and Ken Stevenson.¹ In addition, the Consolidated Complaint limited its claims and the scope of the putative class to Defendant's Western Region. The Consolidated Complaint asserted claims on behalf of two classes, a class of hourly employees and a class of salaried low-level managerial employees.

Throughout the first half of 2004, the parties conducted discovery relating to class certification issues. Plaintiffs took the depositions of approximately 43 30(b)(6) designees and managers. Defendant deposed the eight class representatives in the consolidated action.

On September 11, 2004, Plaintiffs filed their motion for class certification. Plaintiffs supported their motion with, inter alia, declarations of class representatives and putative class members, excerpts of deposition testimony from FedEx Express managers, documents obtained from FedEx Express during discovery, and three declarations from expert witnesses. Among other evidence, Plaintiffs presented an expert analysis of Defendant's "Basic Skills Tests" (BST) passage of which was a

¹ On March 19, 2004, plaintiff Daniel Sherman voluntarily dismissed his claims without prejudice.

prerequisite to advancement to certain positions at FedEx Express. Plaintiffs' expert sought to show that the BST was not job related and had disproportionately excluded African Americans and Latinos from opportunities for advancement based on factors unrelated to their ability to perform. Defendant vigorously opposed Plaintiffs' class certification motion. The parties filed numerous briefs and supplemental briefs.

While the class certification motion was pending, Defendant separately sought summary judgment as to six of the named plaintiffs,² asserting that there was insufficient evidence in the record to support their claims. These motions were litigated throughout the fall of 2004 and winter of 2005. Plaintiffs moved to compel discovery, and sought relief from the motions pending further discovery under Fed. R. Civ. P. 56(f).

On January 19, 2005, the Court heard argument on the motion for class certification, some of the motions for summary judgment, and the rule 56(f) motion.

On March 21, 2005, the Court granted Plaintiffs' motion to compel and Rule 56(f) motion.

On September 28, 2005, the Court issued orders granting class certification and denying Defendant's motions for Summary Judgment pending further discovery. In its class certification order, the court certified two classes:

1. A "Minority Employee Class" consisting of all African-American and Latino Handlers, Freight Handlers, Material Handlers, Checker-Sorters, Customer Service Agents, Couriers, Swing Drivers, Ramp Transport Drivers, Ramp Area Drivers, Shuttle Drivers, Dangerous Goods Agents, Information Agents, Operations Agents, Ramp Agents, Service Assurance Agents, Truck Control Agents, Trace Representatives, Input Auditors, Team Leaders, and Dispatchers, working in defendant's Western Region³, who are or were employed during the class period, who allege claims of employment discrimination in violation of Title VII of the

² Defendant did not seek summary judgment as to the claims of Plaintiffs Derrick Satchell and Rachel Hutchins.

³ As set forth in Footnote 6 of the court's class certification order, the Western Region is comprised of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, part of Texas, Utah, Washington, and Wyoming. From 1999 to on or about November 2003, the Western Region was comprised of only six states: California, Hawaii, parts of Washington, Oregon, Alaska, and Nevada.

1 Civil Rights Act of 1964 (both disparate impact and disparate treatment), 42 U.S.C. § 1981, and
2 for those class members working, or who worked, in California, the California Fair
Employment and Housing Act; and

3 2. An "African-American Lower-Level Manager Class" consisting of all African-American
4 Operations Managers working in defendant's Western Region during the class period who
5 allege claims of employment discrimination in violation of Title VII of the Civil Rights Act of
6 1964 (both disparate impact and disparate treatment), 42 U.S.C. § 1981, and for those class
members working, or who worked, in California, the California Fair Employment and Housing
Act.

7 The court certified Plaintiffs' Title VII, § 1981, and FEHA claims for class treatment, and set forth the
8 following liability periods for each claim for each certified class: for Plaintiffs' Title VII claims, a
9 class period beginning June 20, 2002 for the Minority Employee Class and a class period beginning
10 July 10, 2002 for the African-American Lower Manager Class; for Plaintiffs' FEHA claims, a class
11 period beginning June 13, 2001 for the Minority Employee Class and a class period beginning July 31,
12 2001 for the African-American Lower Manager Class; for Plaintiffs' claims under Section 1981, a
13 class period beginning October 17, 1999 for both classes with respect to compensation claims; a class
14 period beginning October 17, 1999 for promotion claims by class members alleging denial of
15 promotion from one permanent hourly position to another permanent hourly position; a class period
16 beginning January 1, 2002 for promotion claims by class members alleging denial of promotion from
17 casual positions to permanent positions; and a class period beginning January 1, 2002 for promotion
18 claims by class members alleging denial of promotion from permanent hourly positions to permanent
19 salaried positions. In addition, the Court instructed Plaintiffs to amend the complaint to add a class
20 representative who had failed the BST.

21 On October 12, 2005, Plaintiffs filed their Second Consolidated Amended Complaint. In
22 compliance with the Court's class certification order, the Complaint added Tyrone Merritt, who had
23 failed the BST, as a class representative of those who had failed the BST.

24 On October 26, 2005, Defendant filed its Answer to the Complaint, denying all allegations of
25 discrimination and disparate impact.

26 Defendant sought to appeal the Court's class certification order to the Ninth Circuit Court of
27 Appeals pursuant to Fed. Rule Civ. P. 23(f), and, on October 14, 2005, sought a stay of the district
28

1 court proceedings pending the outcome of that appeal. The Court denied the motion for a stay on
2 November 23, 2005. The Ninth Circuit Court of Appeals denied the Rule 23(f) petition on December
3 12, 2005.

4 Throughout the end of 2005 and all of 2006 the parties conducted discovery concerning the
5 merits of Plaintiffs' individual and class claims. The discovery was broad, extensive, and thorough.
6 The discovery included requests for production of documents, interrogatories, contention
7 interrogatories, requests for admissions, disclosures pursuant to Rule 26, and extensive expert
8 discovery.

9
10 Discovery included the production of extensive documents from Plaintiffs and Defendant
11 including production of computerized personnel and payroll data from 1997 through 2006, relating to
12 Defendant's Western Region. In addition to the volumes of computer data, several hundreds of
13 thousands of pages of documents were produced.

14 Deposition discovery was extensive. Between them, the Parties took approximately 193
15 depositions, including the Class Representatives, class members, and FedEx Express managers.
16 Pursuant to Rule 30(b)(6), Class Counsel deposed Defendant through its designated representatives on
17 a variety of topics, including Defendant's (1) personnel policies, (2) evaluations, (3) training,
18 (4) computerized records, (5) retention of documents, (6) the BST, and (7) the reasons for employment
19 actions against specified class members.
20

21 In June, September, and December 2006, and January 2007, the parties served and filed expert
22 reports, rebuttal expert reports, and surrebuttal expert reports. Plaintiffs submitted expert reports from
23 Dr. Richard Drogin, a statistician; Dr. Nita French, an industrial organizational psychologist;
24 Dr. William Bielby, a sociologist; Dr. Anthony Greenwald, a social psychologist, Dr. Sheldon Zedeck,
25 an industrial organizational psychologist; and Dr. Marc Bendick, a labor economist. Defendant
26 submitted expert reports from Dr. Mary Baker, a labor economist and statistician, Dr. Michael
27 Champion, an industrial organizational psychologist; Dr. Philip Tetlock, a psychologist; Dr. Nancy
28

1 Tippins, an industrial and organizational psychologist, and Jan Duffy, a management practices
2 specialist. There was extensive expert discovery.

3 On September 19, 2006, the Court granted Plaintiffs' motion to amend the class certification
4 order with respect to the scope of the promotion claims. On November 30, 2006, Plaintiffs filed a
5 Statement Regarding Promotions Claims to be litigated.

6 On November 14, 2006, the Court granted Plaintiffs' motion for leave to file a Third
7 Consolidated Amended Complaint. This Complaint eliminated the Class FEHA claim and broke the
8 Title VII cause of action into separate claims for disparate impact and disparate treatment.

9 In the winter of 2006, the parties exchanged lists of trial exhibits. The parties also exchanged
10 proposed jury verdict forms. In December 2006 and January 2007, the parties briefed numerous
11 motions in limine.

12 The Plaintiffs have vigorously prosecuted this case, and Defendant has vigorously contested it.
13 All pretrial discovery was completed, numerous pre-trial motions were ruled upon, and the parties
14 were prepared for trial. As a result, the parties were able to assess reliably the relative merits of the
15 claims of the Plaintiffs and the certified Classes, and of Defendant's defenses.

16 At the instruction of the Court, the parties participated in negotiations with the assistance of an
17 experienced mediator: Hunter Hughes of Atlanta, Georgia. The parties had face-to-face sessions in
18 April 2006, December 2006, February 2007, and March 2007. Under the supervision of the mediator,
19 these negotiations have been conducted at arms length and without collusion. These efforts resulted in
20 an agreement to settle this action. The terms of the parties' agreement are contained in this Consent
21 Decree.

22 The parties agree that the formal and informal discovery conducted in this action — the
23 depositions taken by both sides, the documents produced, the expert witness reports, and the
24 information exchanged during mediation — are sufficient to assess reliably the merits of the respective
25

parties' positions and to compromise the issues on a fair and equitable basis. As reflected by the signatures of counsel at the end of this document, the parties have consented to the entry of this Decree.

III. PURPOSES OF THE CONSENT DECREE

The parties have entered into the Consent Decree for the following purposes:

- A. To resolve all disputes covered by this Consent Decree in such a way as to avoid further expensive and protracted litigation;
- B. To use Best Efforts to achieve equal employment opportunity for African Americans and Latinos working within the DGO and AGFS Divisions of FedEx Express' Western Region;
- C. To use Best Efforts within the DGO and AGFS Divisions of FedEx Express' Western Region to compensate, discipline, evaluate, and promote African Americans and Latinos on a non-discriminatory basis;
- D. To create an expedited procedure for distributing a monetary settlement to eligible members of the Settlement Class and for implementing equitable relief pursuant to the terms of this Decree; and
- E. To provide finality to the resolution of all class claims and defenses asserted in this action.

IV. DEFINITIONS

- A. "Adverse Impact" shall be defined in a manner consistent with Title VII law.
- B. "African American" means all persons having origins in any of the black racial groups of Africa.
- C. "Approval Date" means the date upon which the Court signs this Decree after having determined that it is fair, adequate and reasonable, not to be earlier than One Hundred days following the Preliminary Approval.
- D. "Best Efforts" means all reasonable steps necessary to comply with the specific objective to which the Best Efforts are directed.
- E. "Civil Action" means Satchell v. FedEx Express, Case Nos. C03-2659 SI and Caldwell

1 v. FedEx Express C03-2878 SI, N. D. Cal.

2 F. "Claims Administrator" means Settlement Services, Inc. of Tallahassee, Florida.

3 G. "Class" is used interchangeably with Settlement Class and has the same meaning.

4 "Settlement Class" is defined in Section VII of this Consent Decree.

5 H. "Class Counsel" means Altshuler Berzon LLP; Lieff, Cabraser, Heimann & Bernstein,
6 LLP; Law Offices of John L. Burris; Law Offices of Kay McKenzie Parker; Law Offices of Waukeen
7 McCoy; Law Offices of Michael S. Davis; Schneider and Wallace; and Barry Goldstein, of counsel to
8 Goldstein, Demchak, Baller, Borgen & Dardarian.

9 I. "Class Member Hourly Position" means any of the following jobs: Handlers, Freight
10 Handlers, Material Handlers, Checker-Sorters, Customer Service Agents, Couriers, Swing Drivers,
11 Ramp Transport Drivers, Ramp Area Drivers, Shuttle Drivers, Dangerous Goods Agents, Information
12 Agents, Operations Agents, Ramp Agents, Service Assurance Agents, Truck Control Agents, Trace
13 Representatives, Import Auditors, Team Leaders, and Dispatchers in the Western Region.

14 J. "Class Representatives" or "Plaintiffs" means Derrick Satchell, Kalini Boykin, Valerie
15 Brown, Rick Gonzales, Cynthia Guerrero, Rachel Hutchins, Tyrone Merritt, Kelvin Smith, Sr., and
16 Ken Stevenson.

17 K. "COMATS" are the AGFS and DGO locations that comprise the Western Region for
18 purposes of this Decree. A list of Western Region COMATS is attached as Appendix A. Those in
19 Arizona, Colorado, Idaho, Montana, New Mexico, Texas, Utah, and Wyoming became part of the
20 Western Region on or about October 12, 2003.

21 L. "Courier" includes Courier/DOT; Courier/Handler; Courier/Handler/Non-DOT;
22 Courier/Non-Driver; Courier Feeder Agent DOT; Courier/Swing Driver/CDL; Courier/Non-DOT;
23 Courier Feeder Agent Non-DOT; Courier/Handler DOT/CDL; Courier/DOT/CDL; Courier Feeder
24 DOT/CDL; Courier/Ramp Agent/Non-DOT; Courier/Ramp Agent/CDL; and Courier/Ramp
25 Agent/DOT.

26 M. "Court" means the United States District Court for the Northern District of California,
27 San Francisco Division.

28 N. "Decree Year" means the one-year period from the Approval Date or the anniversary of

the Approval Date until the next anniversary of the Approval Date. For example, "Decree Year One" would be the one-year period from the Approval Date until the first anniversary of the Approval Date.

O. "Fairness Hearing" shall be the hearing at which the Court decides whether or not to grant final approval to the Consent Decree.

P. "FedEx Express" or "Company" means Federal Express Corporation.

Q. "Final Approval" means the signing of this Decree on the Approval Date by the Court, and, if any objection to this Consent Decree is timely filed by any member of the Settlement Class, (1) the expiration of the time for filing of a direct appeal from the Court's approval of the Decree without the filing of a notice of appeal, or (2) if a timely direct appeal is filed, the final resolution of that appeal (including any requests for rehearing and/or petitions for writ of certiorari), resulting in the final judicial approval of the Consent Decree.

R. "Handler" includes Handler/DOT; Handler/non-DOT; and Handler DOT/CDL.

S. "Latino" means all persons of Mexican, Puerto Rican, Cuban, Central American, South American or other Spanish culture or origin, regardless of race.

T. "Management Rationale," in the context of a Guaranteed Fair Treatment proceeding, means the documentation submitted by management to the relevant GFTP decision-maker(s), which sets forth the facts, circumstances, policies and other relevant information upon which management based the challenged employment decision.

U. "Manager" includes Manager BSC, Manager Dispatch, Manager Remote Ops/CDL, Manager Dispatch/A, Manager Hub Operations, Manager Ramp Operations/Prm/AGFS/CDL, Manager Hub International Outbound Operations, Manager Station Operations/Prm/DOT/CDL, Manager Ram Operations/AGFS Prm/CDL, Manager Regional Sort Operations/Prem, Manager Station Operations/CDL, Manager Ramp Operations/CDL, Manager Dispatch Prem Loc, Manager Station Operations/Non-DOT/Prem, Manager Station Operations/Non-DOT, Manager Ramp Operations/Non-DOT, Manager Ramp Operations/Premium/CDL, Manager BSC/Premium Loc, Manager Station/Ramp Operations/CDL, Manager Dispatch/AGT&T, Manager Hub Operations/non-DOT, Manager Station Operations/CDL/Vol, Manager Station Operations/Non-DOT/Vol, Manager Retail Operations, Manager Sort/Support Operations, Manager Station Operations/CDL.

V. "Minority" means all African Americans and Latinos.

W. "Monitoring Counsel" means John Burris, James Finberg, Barry Goldstein, and Guy Wallace. That group of lawyers will have sole and exclusive authority to act on behalf of the Class on matters of compliance or non-compliance with this Decree.

X. "Monitoring Panel" means the group described in Section XVII of the Decree.

Y. "OLCC" means any On Line Compliment/Counseling electronically recorded in FedEx Express's PRISM database.

Z. "Party" or "Parties" means the named Class Representatives and Federal Express Corporation, d/b/a FedEx Express.

AA. "Preliminary Approval Date" means the date upon which the Court enters an Order preliminarily approving this Decree, directing notice and an opportunity for persons falling within the definition of the Settlement Class to opt out of the Settlement Class or submit an objection to the Decree, and setting a fairness hearing.

BB. "Release" means the Release of claims set forth in Section VIII of the Decree.

CC. "Scheduled Reports" means the progress reports described in Section XVIII.D on the schedule set forth in Section XVIII.C.

DD. "Service Agent" includes Service Agent/DOT; Service Agent/Non-DOT; Senior Service Agent/DOT; Senior Service Agent/non-DOT; Service Agent/Non-DOT/non-IPP; and Senior Service Agent/Non-DOT/non-IPP.

EE. "Settlement Class" is defined in Section VII of the Decree.

FF. "Term of the Decree" means the period described in Section VI of the Decree.

GG. "Uniform Guidelines" means uniform guidelines for employee selection procedures, 29 CFR Section 1607.

V. JURISDICTION

The Court has jurisdiction over the parties and subject matter of this Civil Action. The Third Amended Complaint in this action asserts claims that, if proved, would authorize the Court to grant the equitable and monetary relief set forth in this Decree. Venue is proper in this Court. The Court shall

1 retain jurisdiction of this Civil Action during the Term of the Decree for the purpose of entering all
 2 orders authorized by the Decree, which may be necessary to implement the relief provided in the
 3 Decree or to enforce the provisions of the Decree.

4 **VI. TERM OF DECREE**

5 A. Unless provided otherwise, the equitable provisions in this Decree are effective
 6 immediately upon the Approval Date, provided, however, that in the event that this Decree ultimately
 7 does not receive Final Approval, then any prior contempt finding which may have been entered shall
 8 be vacated by the Court.

9 B. Except as otherwise provided herein, the provisions of this Decree and the agreements
 10 contained herein shall remain in effect for a period of four years from the Approval Date.

11 **VII. SETTLEMENT CLASSES AND INJUNCTIVE RELIEF CLASSES**

12 A. For purposes of the monetary relief provided in this Decree, the Settlement Class is
 13 certified under Federal Rule of Civil Procedure 23(b)(3) and consists of:

14 1. A Minority Employee Settlement Class of all Minority employees of the AGFS
 15 or DGO Divisions of FedEx Express who are or were employed in the position of Handlers, Freight
 16 Handlers, Material Handlers, Checker-Sorters, Customer Service Agents, Couriers, Swing Drivers,
 17 Ramp Transport Drivers, Ramp Area Drivers, Shuttle Drivers, Dangerous Goods Agents, Information
 18 Agents, Operations Agents, Ramp Agents, Service Assurance Agents, Truck Control Agents, Trace
 19 Representatives, Import Auditor, Team Leaders, and Dispatchers in the COMATs that comprised the
 20 Western Region at any time between October 17, 1999, and the Preliminary Approval Date, who do
 21 not timely opt out.

22 2. An African-American Operations Manager Settlement Class of all African
 23 American employees of the AGFS or DGO Divisions of FedEx Express who are or were employed in
 24 the position of Operations Managers in the COMATs that comprised the Western Region at any time
 25 between October 17, 1999, and the Preliminary Approval Date, who do not timely opt out.

26 B. For purposes of the injunctive and declaratory relief provided in this Decree, the
 27 following classes are certified under Federal Rule of Civil Procedure 23(b)(2):
 28

1. A Minority Employee Class of all Minority employees of the AGFS or DGO Divisions of FedEx Express who are or were employed in the position of Handlers, Freight Handlers, Material Handlers, Checker-Sorters, Customer Service Agents, Couriers, Swing Drivers, Ramp Transport Drivers, Ramp Area Drivers, Shuttle Drivers, Dangerous Goods Agents, Information Agents, Operations Agents, Ramp Agents, Service Assurance Agents, Truck Control Agents, Trace Representatives, Import Auditors, Team Leaders, and Dispatchers in the COMATs that comprise the Western Region at any time between October 17, 1999, and the end of the Decree.

2. An African-American Operations Manager Class of all African American employees of the AGFS and DGO Divisions of FedEx Express who are or were employed in the position of Operations Managers in the COMATs that comprise the Western Region at any time between October 17, 1999, and the end of the Decree.

C. Settlement Class Members who have filed a timely request to opt out of the monetary relief provisions shall not be held to release any claims for individual relief.

D. In the event that Final Approval is not obtained, nothing in this Decree shall be deemed to waive FedEx Express's objections and defenses to class certification, liability, or entitlement to monetary or equitable relief, or any other issue in the Civil Action and this Decree shall then be deemed null and void and not admissible in any court regarding the propriety of class certification, liability, or entitlement to monetary or equitable relief, or any other issue in the Civil Action.

VIII. RELEASE OF CLAIMS

A. Release of Claims by Settlement Class.

Upon Final Approval of the Consent Decree, all Settlement Class Members who do not timely opt out will release all race and national origin discrimination claims against FedEx Express under federal and state laws that were certified by the Court on September 27, 2005, for the liability period of October 17, 1999 through the Preliminary Approval Date.

The Court certified on September 27, 2005, claims of the Minority Employee Settlement Class concerning race or national origin discrimination in promotions, compensation, and discipline. The Minority Employee Settlement Class will release claims, arising during the Class Period, under any

1 federal or state legal theory, for race and national origin discrimination in compensation, promotions
 2 identified in plaintiffs' statement regarding promotion claims filed on November 30, 2006, i.e., (1)
 3 promotions in the Western Region of the AGFS and DGO Divisions from any casual Class Member
 4 Hourly Position to any permanent hourly position, (2) promotions from any permanent Class Member
 5 Hourly Position to any other permanent hourly position, (3) promotions of Latinos from a Class
 6 Member Hourly Position to operations manager positions, (4) promotion from Class Member Hourly
 7 Positions to customer representative positions from the beginning of the class period until June 1,
 8 2006, and in the allegedly discriminatory issuance of performance reminders or warning letters, to the
 9 extent that the issuance of such discipline had an impact on an active employee's compensation or
 10 ability to promote.
 11

12 The Court certified on September 27, 2005, claims of the African-American Operations
 13 Manager Settlement Class of race and national origin discrimination claims concerning compensation
 14 and discipline. The African-American Operations Manager Settlement Class will release claims,
 15 arising during the Class Period, under any federal or state legal theory, for race and national origin
 16 discrimination in compensation and the allegedly discriminatory issuance of performance reminders or
 17 warning letters to the extent that the issuance of such discipline had an impact on an active employee's
 18 compensation or ability to promote.
 19

20 **B. Individual Claims of Class Representatives.**

21 This Decree does not release the non-class claims asserted by the Class Representatives
 22 individually, as set forth in the Third Amended Complaint, paragraphs 77-81, 88-90, 98-100, 109-111,
 23 117-119, 130-134, 141-143, 154-162, 181-185, 203-218, 226-253, 254-257.
 24

25 **C. No Bar to Future Claims.**

26 Nothing in the Decree shall be construed to bar any claims of members of the Settlement Class
 27 or Plaintiffs that arise from conduct occurring after the Preliminary Approval Date.
 28

IX. MISCELLANEOUS PROVISIONS

A. No Admission of Liability.

This Consent Decree does not constitute and shall not be deemed to be a finding or determination by the Court, nor an admission by any party, regarding the merits, validity or accuracy of any of the allegations, claims or defenses. This Decree represents the compromise of disputed claims that the parties recognize would require protracted and costly litigation to determine. FedEx Express denies that it has engaged in any policy or pattern or practice of unlawful discrimination, or that it has engaged in any other unlawful conduct as alleged in the Civil Action, and FedEx Express's entry into this Decree is not and may not be used by any person in any proceeding as an admission or evidence that FedEx Express and/or its employees, managers, and/or attorneys have on any occasion engaged in discriminatory employment practices or any other unlawful conduct, such being expressly denied. FedEx Express has voluntarily entered into this Decree because it believes the actions it has agreed to undertake demonstrate its strong commitment to diversity and equal employment opportunity. Neither the Decree nor any compliance reports, filings, data, or other compliance information arising out of or related to the Decree shall be discoverable, or admissible in any proceeding other than one relating to the enforcement of this Decree.

B. No Employment Contract.

Nothing in this Consent Decree creates contractual employment rights or otherwise modifies the "at will" nature of the employment of employees of FedEx Express.

C. Modification and Severability of the Consent Decree.

1. Whenever possible, each provision and term of this Decree shall be interpreted in such a manner as to be valid and enforceable; provided, however, that in the event that after Final Approval hereof any provision or term of this Decree should be determined to be or rendered unenforceable on collateral review, all other provisions and terms of this Decree and the application thereof to all persons and circumstances subject thereto shall remain unaffected to the extent permitted by law. If any application of any provisions or term of this Decree to any specific person or circumstance should

1 be determined to be invalid or unenforceable, the application of such provision or term to other persons
2 or circumstances shall remain unaffected to the extent permitted by law.

3 2. Monitoring Counsel and FedEx Express may jointly agree to modify the Decree in writing
4 signed by both Monitoring Counsel and FedEx Express.

5 3. In the event that changed or other circumstances make a modification of the Decree
6 necessary to ensure its purposes are fully effectuated, but good faith negotiations seeking such
7 modifications are unsuccessful, any party to the Decree shall have the right to move the Court to
8 modify this Decree. Such motion shall be granted only upon the movant proving to the Court by clear
9 and convincing evidence that changed or other circumstances make such modification necessary. In
10 determining the specific modification to order, the Court shall consider whether there is an equally
11 effective modification that would not materially increase the burden of compliance and/or cost to
12 FedEx Express of compliance (out-of-pocket or otherwise). Any such modification to this Decree by
13 the Court shall be ordered in such a fashion as will limit the burden of compliance and/or the cost to
14 FedEx Express (out-of-pocket or otherwise) to the extent possible consistent with effectuating the
15 purposes of this Decree. The procedures for negotiations to modify this Decree (and, if necessary, for
16 resolution of disputes) shall be the same as those set forth in Section XIX regarding Decree
17 enforcement.

18 **D. Duty To Support and Defend the Decree.**

19 Class Representatives, Class Counsel and FedEx Express each agree to abide by all of the terms
20 of this Decree in good faith and to support it fully, and shall use Best Efforts to defend this Decree
21 from any legal challenge, whether by appeal or collateral attack.

22 **E. Execution In Counterparts.**

23 The parties agree that the Decree may be executed in counterparts, each of which shall be
24 deemed to be an original and all of which together shall be deemed to be part of the same Decree.

25 **X. GENERAL EQUITABLE PROVISIONS**

26 1. Subject to the provisions of Paragraphs 2 and 3 hereof:
27
28

1 a. FedEx Express shall maintain and enforce its non-discrimination and anti-retaliation
2 policies designed to assure equal employment opportunity.

3 b. In accordance with its non-discrimination policies and its obligations under the law,
4 FedEx Express shall not knowingly maintain or enact any policy or practice that has the purpose or
5 effect of unlawfully discriminating against any member of the Minority Hourly Employee Class on the
6 basis of race (African-American) or national origin (Latino), or any member of the African-American
7 Operations Manager Class on the basis of race (African-American).

8 c. In accordance with its anti-retaliation policies and its obligations under the law,
9 FedEx Express shall not retaliate against any member of the Minority Hourly Employee Class or any
10 member of the African-American Operations Manager Class because he or she opposed discrimination
11 on the basis of race or national origin, testified, furnished information or participated in any
12 investigation, proceeding, or hearing in connection with this lawsuit or any charge or complaint of
13 discrimination on which this lawsuit is based; testified, furnished information or participated in
14 connection with the monitoring or implementation of this Decree; or sought and/or received monetary
15 and/or non-monetary relief pursuant to this Decree.

16 d. In accordance with its non-discrimination policies and its obligations under the law,
17 FedEx Express shall make available to African-American and Latino employees and African-
18 American Operations Managers the same opportunities and terms and conditions of employment as
19 FedEx Express affords similarly situated white employees and Operations Managers.

20 2. FedEx Express employees complaining of alleged unfair or unlawful treatment may use
21 FedEx Express's internal complaint procedure or may file charges with the EEOC, or the state or local
22 fair employment practices ("FEP") agency. However, the parties mutually intend that the enforcement
23 provisions of this Decree shall not be used as an alternative method for class members or any other
24 FedEx Express employee to litigate entitlement to individual relief for claims of alleged race or
25 national origin discrimination or retaliation. Individual complaints of such alleged violations, as
26 distinguished from pattern or practice allegations, shall not be considered to raise an issue of
27 compliance or non-compliance with this Decree.

3. Monitoring Counsel will have sole and exclusive authority to act for the Class on issues of compliance or non-compliance with this Decree.

4. As of the Approval Date, and pursuant to the Court's authority under the All Writs Act and the Anti-Injunction Act, and Fed.R.Civ.P. 23, each and every Class Representative and each and every Settlement Class member who does not file a timely request to opt out shall be permanently enjoined from bringing claims released as part of the Class Settlement.

XI. SELECTION PRACTICES

A. Elimination of the Basic Skills Test.

1. Within three months of the Approval Date, FedEx Express will discontinue use of the Basic Skills Test ("BST") as a requirement for awarding Courier, Ramp Transport Driver, or Service Agent positions, without requiring passage of an alternative cognitive ability test as a condition precedent to being offered one of these positions during the period of the Decree.

2. If FedEx Express chooses to implement a new selection device or test for the positions of Courier, Ramp Transport Driver, or Service Agent, it will monitor whether such selection device or test has adverse impact with respect to African-Americans or Latinos. FedEx Express will report the results of those adverse impact analyses to Monitoring Counsel and the Special Master. If there is adverse impact, FedEx Express will, after consultation with Monitoring Counsel and the Special Master, take appropriate steps, in accordance with the Uniform Guidelines on Employee Selection Procedures.

B. Casual Employees.

FedEx Express has revised its Categories of Employment policy to eliminate the casual category. FedEx Express will create a new category of employment for "retiree casuals" which will be limited to employees who have retired from FedEx Express but wish to maintain some limited working relationship with the Company. By the approval date, FedEx Express will offer existing casual employees upgrades to permanent status based on location availability and most recent hire date. Casual employees who are not upgraded will be advised of the opportunity to apply for available permanent positions through www.fedex.com.

C. Posting of and Applying for Hourly Positions.

1. FedEx Express will make a computer or terminal reasonably available for employees to review posted Career Opportunities. (If the workplace is not of sufficient size to have a computer or terminal in its break room, then FedEx Express will establish reasonable procedures by which affected employees will be advised of the times and places that computers or terminals will be reasonably available for reviewing Career Opportunities.)

2. FedEx Express will continue to provide employees access to the Job Change Application Tracking System by logging in with their IMS password.

3. FedEx Express will continue to post all replacements, additions, and new permanent positions in the Career Opportunities Postings unless a posting exception is approved as set forth in Policy 4-15 of the FedEx People Manual attached to this Decree as Appendix B. Within one month of the Approval Date, Local Department/Station postings will also be included in the Career Opportunities postings with a post note indicating that actual location experience is a minimum requirement for the position.

4. Within one month of the Approval Date, FedEx Express will replace references to manager "recommendation" with references to manager "verification" in its Career Opportunities policy to more accurately reflect the role of managers in the internal application process.

5. Within one month of the Approval Date, FedEx Express will update and distribute the employee and manager job aids related to Career Opportunities.

6. Subject to very limited authorized exceptions, hourly positions posted in Career Opportunities are to be filled only through the JCAT system. Hourly positions posted in Career Opportunities may be filled with an internal candidate through the processing of a paper Prism Authorization Form ["PAF"] only under the following circumstances, which must be documented on the PAF and confirmed by the matrix Human Resources Manager: compliance with legal requirements governing return from military, medical, or family leave; compliance with FedEx Express policy regarding personal leave; reinstatement; voluntary demotion of a manager; accommodation of an employee's disability; involuntary demotion of an hourly employee; other unique circumstances which

1 must be documented and approved by the Human Resources Manager. The Monitoring Panel
 2 described in Section XVII herein will develop and review reports to help ensure the foregoing. The
 3 monitoring reports will be provided to Monitoring Counsel and the Special Master in accordance with
 4 the schedule set forth in Section XVIII.C.

5 **D. Promotion to Management.**

6 1. The FedEx Express intranet (which will be reasonably accessible to employees, see supra)
 7 will contain information about the ASPIRE (Assessment of Skills, Performance and Interests Required
 8 for Entry into Management) process for each Division.

9 2. FedEx Express will, within three months of the Approval Date, also develop and distribute
 10 offline materials that outline the ASPIRE (Assessment of Skills, Performance and Interests Required
 11 for Entry into Management) process for each Division.

12 3. FedEx Express will allow enrollment in the available ASPIRE to Management classes upon
 13 verification by the employee's manager that the employee meets the objective eligibility requirements,
 14 i.e., the employee has no active warning letter, has a satisfactory rating in all performance review
 15 categories and a satisfactory overall performance review score, has two years of college credit or
 16 equivalent work experience and has four (4) years of work experience in addition to the experience, if
 17 any, used for college credit equivalent.

18 **E. Role of Managers in the Promotion Process for Hourly Positions**

19 1. For JCATS positions, the manager will not approve, but only "verify" whether an employee
 20 has met the minimum objective requirements, i.e., a performance review score of 5 or above, time in
 21 station/department, no active warning letter, no performance reminder letters concerning performance
 22 areas that are the same as the requirement for the new position. FedEx Express will reprogram JCATS
 23 within one month of the Approval Date to reflect this change.

24 2. Within one month of the Approval Date, FedEx Express will reprogram JCATS so that if a
 25 manager fails to take the action required to timely verify that an employee meets the minimum
 26 objective requirements, the employee's name will be included on the list of eligible applicants for
 27
 28

consideration by the hiring manager. The hiring manager will verify the employee's eligibility before the employee may be offered the position.

F. Adherence to Rules regarding Priority Group and CEV Score

FedEx Express will revise its Candidate Selection and Internal Applicant Processing policies to subject managers to discipline up to and including termination when they fail to fill positions according to Company policy, including selection policies relating to priority groups and CEV scores.

XII. PERFORMANCE EVALUATIONS

1. Within one month of the Approval Date, FedEx Express will expand the character capacity for Online Performance Review ["OLPR"] categories to accommodate additional anchor statements, descriptions, and guidelines to assist managers in evaluating employee performance, particularly with respect to the subjective categories.

2. FedEx Express will continue to provide rating scales which managers will be required to use in setting scores for objective OLPR categories.

3. Within one month of the Approval Date, FedEx Express will develop and communicate to managers clear guidelines setting forth when an exception to the rating scale can be given. Exception scores will be appropriate for:

- a. active warning or reminder letters;
- b. compliance with FMLA, military leave laws, state workers comp laws, or other federal, state or local laws;
- c. adding bonus points for perfect attendance and/or perfect punctuality;
- d. consideration of documented events such as severe weather conditions or traffic situation that impacted a significant number of employees on the same date in the same location;
- e. consideration of documented staffing shortages that impacted categories such as Quality (i.e., service levels) or Efficiency (i.e., actual hours versus plan hours);
- f. consideration of other documented circumstances that justify exceptions in compliance with policy and after consultation with Human Resources and the location Senior Manager.

1 4. FedEx Express will maintain and enforce its written requirements that all exception scores
2 are approved by the location Senior Manager and that the reason for all exception scores is
3 documented in the comments section of the performance review.

4 5. Within one month of the Approval Date, FedEx Express will add a performance review
5 item to its location audit process to audit a sample of performance reviews for hourly employees to
6 ensure that the guidelines and rating scales for the objective scores are followed and any exception
7 ratings are fully-documented and approved as required by policy.

8 6. Within six months of the Approval Date, FedEx Express will develop an interactive
9 mandatory training module to assist managers in conducting performance reviews in an accurate and
10 consistent manner that will include a focus on the items set forth in this section.

11 7. Within three months of the Approval Date, FedEx Express will establish a procedure by
12 which it will monitor whether the subjective components of its Courier and Handler performance
13 evaluations (that is, all categories other than attendance, punctuality, worker safety for Handlers and
14 Couriers; and vehicle safety, scan compliance, service level, and route efficiency for Couriers) for
15 Handler and Courier produce more than 2 negative standard deviations of disparity between African-
16 American or Latino and white employees in the same job code, organization code, COMAT, time-in-
17 position, and length of FedEx Express service. FedEx Express will conduct regression analyses for
18 Handlers and Couriers in the Western Region of the AGFS and DGO Divisions, aggregating data by
19 (1) Handlers in AGFS; (2) Couriers in AGFS; (3) Handlers in DGO; and (4) Couriers in DGO. Within
20 three months of the Approval Date, FedEx Express will establish a procedure by which it will monitor
21 whether the subjective components of its performance evaluations for Operations Manager produce
22 more than 2 negative standard deviations of disparity between African-American and white employees
23 in the same job code, organization code, COMAT, time-in-position, time-in-management and length of
24 FedEx Express service. FedEx Express will conduct a regression analysis, aggregating all data from
25 (1) the Western Region of the AGFS Division, and (2) the Western Region of the DGO Division.
26 FedEx Express will report the results of those impact analyses to Monitoring Counsel and the Special
27 Master; and if for any year during the term of the Decree, there is adverse impact as to either African-
28 Americans or Latinos, FedEx Express shall validate in accordance with the Uniform Guidelines the

subjective portions of the performance evaluation and associated processes used for the positions for which a statistically significant disparity was found.

XIII. MANAGER EVALUATION ON EEO

FedEx Express will maintain the categories on the Manager performance review that measure the manager's performance in **Employee Selection, Development, Affirmative Action** (with anchors including considering affirmative action plan when making selection/promotion decisions; fully supporting the ASPIRE process; identifying training, job assignments, and special programs to develop employees for promotional opportunities, with special emphasis on development of minorities and females; and treating each subordinate individually); **Leadership** (with anchors including demonstrating a belief in the value of each individual regardless of their background, race, sex, ethnic group, education level, or position); and **Judgment and Decision-Making** (with anchors including applying FedEx Express policy regarding promotion, compensation, and discipline in a consistent fashion).

XIV. DISCIPLINE

A. **Discipline Policies and Procedures.**

1. FedEx Express has revised its Acceptable Conduct and Performance Improvement Policies to provide for greater consistency in the use of disciplinary tools such as warning letters and performance reminders as follows:

a. Added language that clarifies that an OLCC is not considered discipline but can be considered when determining whether discipline is required and when identifying patterns of conduct or performance issues that may warrant discipline; and

b. Merged the separate categories of "documented verbal counselings" and "documented written counselings" into the single category of "documented counselings," and require that all counselings be "documented" as an OLCC, regardless of whether a separate memo or written synopsis of the counseling is given to the employee.

2. By the Approval Date, FedEx Express will revise, and thereafter continue to maintain and enforce, Policy 2-5 (attached as Appendix C, and incorporated herein by reference), to reflect that

management “must,” completely document all actions taken related to discipline for misconduct, including notifying the employee of the date of the infraction, the facts supporting the discipline, the policy violated, and a reference to the employee’s privilege to pursue internal review of the decision through the Guaranteed Fair Treatment Procedure.

3. By the Approval Date, FedEx Express will revise, and thereafter continue to maintain and enforce Policy 2-50, (attached as Appendix D, and incorporated herein by reference), to reflect that management “must” review thoroughly the circumstances surrounding any incident to determine whether a reminder is warranted, and that performance reminders must include the date(s) of the performance problem; the policy violated; the facts supporting the performance problem; the action plan jointly-developed and documented by the employee and manager to correct the employee’s performance problem(s); an established follow-up date; and a reference to the employee’s right to pursue internal review of the decision through the Guaranteed Fair Treatment Procedure.

4. Within six months of the Approval Date, FedEx Express will develop an interactive mandatory training module to assist managers with understanding and applying the Acceptable Conduct and Performance Improvement policies for greater consistency and neutrality. The training module will include information to assist with identifying and thoroughly investigating performance and conduct problems.

XV. COMPLAINT PROCEDURES/RELATED ISSUES

1. FedEx Express shall maintain and enforce Policy 5-5 Guaranteed Fair Treatment Procedure/EEO Complaint Process (attached as Appendix E, and incorporated by reference), as revised pursuant to Section XVI herein.

2. Within one month of the Approval Date, FedEx Express shall prepare a complaint tracking spreadsheet recording pertinent information regarding complaints in the Western Region of alleged discrimination on the basis of race (African American) or national origin (Latino) or retaliation against Class Members. Pertinent information shall include the following:

- i. a designation regarding whether the complaint was one of race or national origin discrimination in the Western Region, or both;

- ii. the name, job classification, and work location of the complainant(s);
- and
- iii. the results of the investigation undertaken in response to such complaint, including the corrective action imposed, if any, and the name of the manager(s) or other employee(s) disciplined.

3. FedEx Express shall provide the complaint tracking spreadsheets on a semi-annual basis for the term hereof to the Monitoring Panel established pursuant to Section XVII and to Monitoring Counsel.

4. During the course of the Decree, FedEx Express shall, on a semi-annual basis, provide the Monitoring Panel and Monitoring Counsel with three (3) employee complaints (as selected by the Monitoring Panel from the complaint tracking spreadsheet), along with all related non-privileged investigative files, and non-privileged written reports summarizing the investigation and remedial actions taken or proposed by FedEx Express relative to each such complaint, for the purpose of reviewing the propriety and justness of the resolution of such complaints.

5. The Monitoring Panel will review FedEx Express' investigation of each such complaint and, where appropriate, may make recommendations to FedEx Express regarding the investigation and resolution of complaints. The Monitoring Panel may recommend the Company take additional investigative steps including, without limitation, re-interview of the complaining party and other persons of interest with respect to any complaint. In addition, if such additional investigative steps do not fully resolve any concerns the Monitoring Panel may have regarding the matter, they may take any other investigative actions as they may deem appropriate.

6. In carrying out its monitoring duties, the Monitoring Panel may seek nonprivileged backup or further documents or information regarding any complaint identified on the tracking spreadsheet in order to, among other things, review the propriety and justness of the resolution of any such complaint.

XVI. GUARANTEED FAIR TREATMENT SYSTEM

Within one month of the Approval Date, FedEx Express will revise its Guaranteed Fair Treatment (“GFT”) process as follows:

1. To modify the steps for initiating a GFT to encourage, rather than require, employees to engage in an open and frank discussion with the decision-maker before the GFT; and
2. To allow the employee a reasonable amount of time prior to the GFT hearing to review and respond to the Management Rationale submitted in support of the employment decision which is the subject of the GFT complaint.

XVII. INTERNAL COMPLIANCE/MONITORING PANEL

1. Within two (2) weeks of the Approval Date, FedEx Express shall establish a three-member Monitoring Panel which shall be charged with the overall responsibility for monitoring compliance with the terms of the Decree. The Panel shall be comprised of an attorney from the FedEx Express Labor and Employment Group, an attorney from the FedEx Express Litigation Group, and a Managing Director from the FedEx Express Human Resources Division. The Monitoring Panel will report directly to the Chief Diversity Officer and the Legal Department Vice President member of the FedEx Express Officer Diversity Council.

2. In the event that a member of the Monitoring Panel ceases to function in that role, the Company shall designate a replacement member of the Monitoring Panel as soon as practicable but no later than (30) days after the Monitoring Panel member ceases to function in that role.

3. The following procedure shall apply in selecting the members of the Monitoring Panel:

- a. The Company shall use its Best Efforts to appoint individuals who will be effective in carrying out its duties and responsibilities.
- b. Prior to appointing an individual for the Monitoring Panel position, FedEx Express shall provide Monitoring Counsel with a resume including the identity, background, experience and qualifications of the individual that FedEx Express intends to appoint to the position. FedEx Express also shall provide Monitoring Counsel with a description of the reasons why it designated this individual. Within ten (10) days of receiving the resume and description of the basis for the selection,

1 Monitoring Counsel may interview the designated individual and provide their views as to the
 2 individual's qualifications and suitability for the Monitoring Panel position.

3 4. The Monitoring Panel shall use its Best Efforts to ensure the Company's implementation of
 4 and compliance with the provisions of this Decree. FedEx Express shall provide such support staff,
 5 funds and other resources as may be reasonably necessary to discharge FedEx Express's obligations
 6 under the Decree.

7 XVIII. REPORTING AND RECORDKEEPING

8 1. The parties agree to appointment of Hunter Hughes as Special Master. The Special Master
 9 may be removed at the joint written request of Class Counsel and FedEx Express, or by order of the
 10 Court upon motion of any Party and a showing of good cause that Hunter Hughes should no longer
 11 serve as Special Master. In the event that Hunter Hughes becomes unavailable to serve as Special
 12 Master for any reason, Class Counsel and FedEx Express will make a good faith effort to select on a
 13 joint basis a new Special Master. If Class Counsel and FedEx Express are unable to reach agreement
 14 as to a successor Special Master within forty-five (45) days following the date Hunter Hughes becomes
 15 unavailable to serve as Special Master, the Court shall appoint a successor Special Master upon motion
 16 of Class Counsel or FedEx Express. Class Counsel or FedEx Express may nominate to the Court
 17 persons for consideration as a successor Special Master. Class Counsel and FedEx Express shall each
 18 have the right to interview any nominated person, and to present argument and evidence to the Court
 19 regarding the selection of the successor Special Master.

20 2. Monitoring Counsel and the Special Master will receive the Scheduled Reports set forth in
 21 Sections XVIII.D on the Schedule set forth in Section XVIII.C. The Special Master will meet with the
 22 Monitoring Counsel and the appropriate representatives of FedEx Express as deemed necessary, but at
 23 least annually.

24 A. Documents to Be Preserved for the Duration of the Decree.

25 1. FedEx Express shall retain the following employment-related records for the duration of the
 26 Decree or as required by state or federal law, whichever is longer:
 27
 28

a. A computer readable database or databases containing computerized payroll and personnel information for employees in the Western Region of AGFS and DGO Divisions for the time period covered by the Decree. The payroll and personnel information contained in the database or databases shall include the information currently contained in FedEx Express's PRISM, JCATS, FAMIS, and payroll databases.

b. Records of who registers for the ASPIRE to Management classes during the time period covered by the Decree.

c. Records of all jobs that are posted in the JCATS system and a record of how those jobs are filled, if they are during the time period covered by the Decree.

d. Performance evaluation forms for all employees, including Operations and Senior Managers, completed during the time period covered by the Decree.

e. All formal internal complaints filed during the time period covered by the Decree pursuant to Section XV, regarding alleged Race or National Origin discrimination, and the non-privileged written findings of the investigation.

f. All documents expressly required to be created by this Decree.

2. Nothing in this Decree shall be interpreted to relieve FedEx Express of any recordkeeping requirements otherwise imposed by applicable Federal or State law.

B. Access to Documents.

1. Monitoring Counsel shall, upon reasonable notice, be entitled to review all documents required to be maintained or created by the express terms of this Decree, except, however, that Monitoring Counsel shall not be entitled to review any such documents that are protected by attorney-client or work product privilege. FedEx Express may object that the production of certain documents is unreasonable, and the Special Master shall decide, whether Monitoring Counsel have a reasonable basis for receiving the documents.

2. All documents required to be maintained by the express terms of the Decree are and shall be treated as confidential business records. In light of Monitoring Counsel's continuing role in the administration of this Decree, Monitoring Counsel will be provided access to such documents on a

confidential basis in order to investigate and resolve potential non-compliance with the Decree. Monitoring Counsel and Class Counsel (with whom Monitoring Counsel can share these documents) shall not divulge any such documents to any third party (except any expert retained in connection with Decree enforcement who agrees to be bound by the Decree's confidentiality provisions), unless so ordered by the Court after notice to FedEx Express and an opportunity for FedEx Express to object to such disclosure and be heard. Upon expiration of this Decree, Monitoring Counsel and Class Counsel shall promptly return to FedEx Express any and all documents FedEx Express furnished under this Decree. Neither Monitoring Counsel nor Class Counsel shall use these documents for any purpose other than enforcing the terms of this Consent Decree.

C. Reporting Schedule.

FedEx Express shall provide Progress Reports to Monitoring Counsel and the Special Master on the Company's compliance with the Decree's requirements 30 days after the close of the five (5) following reporting periods: months 1 through 12; months 10 through 21; months 19 through 30; months 28 through 39; and months 37 through 45.

D. Contents of the Progress Reports.

The Progress Reports shall include the following information:

- a. Adverse impact analyses of any selection device implemented by FedEx Express after the Approval Date, used to select employees as Couriers, RTDs, or Service Agents, and any documents relating to validation of, or attempts to validate any such devices, in accordance with Section XI.A.
- b. Report of location audit of performance reviews, as provided for in Section XII.7, to make sure guidelines and rating scales for objective measures are followed and that exception rating documentation process is followed;
- c. Adverse impact analysis of subjective measures of performance reviews, and any analysis relating to the validation of performance evaluation measures or attempts to validate such measures, as set forth in Section XII.7.
- d. Complaint tracking spreadsheet as set forth in Section XV.2.

e. Three Complaints per quarter, as chosen by the Monitoring Panel, plus all, non-privileged back up materials as set forth in Section XV.4.

f. Computer-readable data of all discipline imposed (warning letters and performance reminders), facility, race, and job title of employee, and reason codes;

g. Monitoring reports to assure that all hourly jobs (with very limited exceptions spelled out in the Decree) are filled through JCATS, as provided in Section XI.C.6.

h. Reports of the Monitoring Panel to ensure that CEV rules are followed for hourly promotions, in accordance with the requirement in Section XI.F.

i. A chart or charts displaying the number and percentage of White, African American, and Latino employees who applied for Courier, Ramp Transport Driver, Customer Service Agent, or Operations Manager positions, and the number and percentage of White, African American, and Latino employees who met the Minimum Qualifications for each position. This information shall be reported on a Western Region-wide basis for the AGFS and DGO Divisions, by affirmative action plan.

j. A chart or charts displaying the number and percentage of White, African American, and Latino employees who were promoted to Courier, Ramp Transport Driver, Customer Service Agent, or Operations Manager during a reporting period. This information shall be reported on a Western Region-wide basis for the AGFS and DGO Divisions, by affirmative action plan.

k. A description of the implementation and delivery of the training required by Sections XII.3, XII.7, XIV.4, and lists of those in attendance.

l. Copies of all training materials used by the Company during the reporting period to train managers and Human Resources personnel regarding equal employment opportunity, pursuant to Section XXI.

m. An organizational chart or charts, which lists all Human Resource staff who have substantive responsibilities for the Western Region of the AGFS and DGO Divisions.

n. Certification by the Monitoring Panel that it has used Best Efforts to see that the Notice and Summary of Consent Decree as described in Section XX has been provided to employees as required by the Decree.

o. A summary of the formal internal complaints received during the reporting period alleging race or national origin discrimination in the Western Region as described in Section XV.2. This summary shall be kept confidential and shall not be provided to any person or entity not a party to this Consent Decree.

XIX. DISPUTE RESOLUTION AND ENFORCEMENT PROCEDURES

1. The Special Master appointed pursuant to Section XVIII shall have authority to resolve all disputes arising under the Decree, subject to limitations and standards set forth in the Decree.

2. At the request of Monitoring Counsel or FedEx Express, the parties shall use Best Efforts to resolve promptly any differences or any disputes regarding the interpretation or implementation of the Consent Decree.

3. Monitoring Counsel or FedEx Express shall have the right to initiate steps to resolve any dispute or issue of compliance regarding any provision of the Decree subject to limitations and standards set forth in the Decree.

a. If Monitoring Counsel or FedEx Express has good reason to believe that a legitimate dispute exists, the initiating party shall first promptly give written notice to the other party including: (a) a reference to all specific provisions of the Decree that are involved; (b) a statement of the issue; (c) a statement of the remedial action sought by the initiating party; and (d) a brief statement of the specific facts, circumstances and any other arguments supporting the position of the initiating party;

b. Within thirty (30) days after receiving such notice, the non-initiating party shall respond in writing to the statement of facts and arguments set forth in the notice and shall provide its written position, including the facts and arguments upon which it relies in support of its position;

c. Monitoring Counsel and FedEx Express shall undertake good-faith negotiations, including meeting or conferring by telephone or in person and exchanging relevant documents and/or other information, to attempt to resolve the issues in dispute or alleged noncompliance;

d. The Special Master, upon motion, may permit Monitoring Counsel or FedEx Express to take post-settlement discovery as provided by the Federal Rules of Civil Procedure, but

only as to matters relevant to the underlying claim of breach, if the Special Master determines that the informal exchange of documents or information has not been sufficient to allow Monitoring Counsel or FedEx Express to present the dispute upon a factual record adequate for a fair determination of the issue;

e. If the parties' good-faith efforts to resolve the matter have failed, and after written notice of an impasse by the moving party to the non-initiating party or parties, Monitoring Counsel or FedEx Express may file a motion with the Special Master, with a supporting brief, requesting resolution of the dispute or the issues of non-compliance, provided however, that such motion shall be limited to the dispute(s) and/or issue(s) as to which the parties have met and conferred as described in this Section;

f. The non-moving parties will have fifteen (15) days to respond to any such motions;

g. The Special Master shall attempt within fifteen (15) days after filing of the final brief to resolve the dispute and may schedule a hearing or other proceeding, including an evidentiary hearing, to resolve the matter; and

h. Within thirty (30) days of any hearing, the Special Master shall issue a written determination, including findings of fact if requested by any Party.

4. The provisions of this Section do not prevent Monitoring Counsel or FedEx Express from promptly bringing an issue directly before the Court when exigent facts or circumstances require immediate Court action to prevent a serious violation of the terms of this Decree, which otherwise would be without meaningful remedy. The moving papers shall explain the facts and circumstances that allegedly necessitate immediate action by the Court. Absent a showing of exigent facts or circumstances, the Court shall refer the matter to the Special Master to resolve in accordance with procedures set forth above. If any such matter is brought before the Court requesting immediate action, the other party shall be provided with appropriate actual notice, and an opportunity to be heard on the motion, under the Local Rules of the Court and the Federal Rules of Civil Procedure. The Court in its discretion may set such procedure for emergency consideration as are appropriate to the particular facts or circumstances, but no such matter may be heard or considered on an ex parte basis.

1 5. All fees and expenses of the Special Master shall be paid as provided in Section XXIII. A,
2 infra.

3 6. Monitoring Counsel or FedEx Express may appeal a decision of the Special Master to the
4 Court provided that such an appeal is made within fourteen (14) days of receipt of notice of the
5 decision by the Special Master. Any such appeal shall be brought by motion under the Local Rules of
6 the Court and Federal Rules of Civil Procedure. The decision rendered by the Special Master shall be
7 affirmed unless the Court determines that the Special Master made clearly erroneous findings of fact or
8 wrongly interpreted or applied the Consent Decree. A party may seek on appeal any remedy provided
9 by law, provided that such remedy is consistent with the provisions of this Decree.

10 7. Only Monitoring Counsel or FedEx Express shall have standing to move the Court to
11 enforce, apply, or modify this Decree. Any individual concerned about FedEx Express's compliance
12 with this Decree may so notify Monitoring Counsel and request that they examine FedEx Express's
13 compliance and seek such relief, if any, as may be appropriate.

14 8. In the event that any party seeks to utilize the dispute resolution procedure set forth in
15 Section XIX, then each party shall bear its own attorneys' fees, costs and expenses for all work
16 performed through resolution by the Special Master (although Monitoring Counsel may be paid from
17 the Settlement Fund Account as described in Section XXXIII.C, to the extent it remains). In the event
18 that any party seeks to appeal any decision of the Special Master, then the prevailing party in such
19 matter shall be entitled to recover reasonable attorneys' fees, costs and expenses incurred in such
20 appeal from the other party, consistent with applicable standards under Title VII. Whether and to what
21 extent any party is a prevailing party entitled to an award of fees and expenses shall be determined in
22 the sole and absolute discretion of the Court.

23 9. The dispute resolution provisions set forth in Section XIX are not intended to be an
24 exclusive mechanism for resolution of complaints of discrimination by FedEx Express. FedEx Express
25 employees complaining of violations of state and/or federal law prohibiting discrimination in
26 employment may use FedEx Express's internal complaint procedure or may file charges with the
27 EEOC, or the state or local fair employment agency, even where such violations, if proven, might also
28 constitute violations of the provisions in this Consent Decree. The parties mutually intend that the

1 enforcement provisions of this Decree shall not be used as an alternative method for Class Members to
 2 litigate entitlement to individual relief for claims of alleged race or national origin discrimination or
 3 retaliation. Individual complaints for such alleged violations, as distinguished from pattern or practice
 4 allegations, shall not be considered to raise an issue of compliance or non-compliance with this
 5 Decree.

6 **XX. IMPLEMENTATION AND COMMUNICATION OF COMMITMENT**
 7 **TO DIVERSITY, EQUAL EMPLOYMENT OPPORTUNITY AND**
 8 **REQUIREMENTS OF CONSENT DECREE**

9 Not later than thirty days after the Approval Date, FedEx Express shall provide to each of its
 10 Western Region officers, managers, and employees a written communication that reflects the
 11 Company's commitment to diversity, equal employment opportunity, and implementation of the non-
 12 monetary provisions of the Consent Decree, a copy of which has been provided to Class Counsel. At
 13 least once during each Decree Year thereafter, FedEx Express shall provide a similar communication
 14 to each of its Western Region officers, managers, and employees after first providing a copy and
 15 reasonable opportunity for comment to Monitoring Counsel. The communications will be signed and
 16 issued by the Chief Executive Officer of FedEx Express.

17 **XXI. TRAINING OF MANAGEMENT REGARDING EEO**

18 FedEx Express will maintain its training of managers and Human Resources personnel
 19 regarding EEO issues and harassment.

20 FedEx Express will continue to provide each new employee and manager in the Western
 21 Region of its AGFS and DGO Divisions, as part of his/her new employee orientation, with the
 22 Company's commitment to equal opportunity and the expectation of compliance with that
 23 commitment.

24 Within three months of the Approval Date, FedEx Express will develop an interactive
 25 mandatory diversity training module to help managers identify barriers that inhibit valuing race and
 26 ethnic diversity, understand why race and ethnic diversity awareness and acceptance is important to
 27 FedEx Express' growth and future, learn how race and ethnic stereotypes hinder effective
 28 communication and workplace interactions, learn how to recognize differences and how those

1 differences can enhance the workgroup.

2 **XXII. MONETARY RELIEF, NOTICE AND CLAIMS PROCEDURE**

3 **A. Payment of the Settlement Fund.**

4 1. FedEx Express will pay a monetary amount according to the formula set forth in this
 5 section XXII.A.1 for the purpose of providing individual monetary awards to the Class Representatives
 6 and other eligible members of the Settlement Class, payment of attorneys' fees, litigation expenses,
 7 and costs, as provided in Section XXIII.B and XXIII.C, funding of the settlement administration
 8 expenses, payment of payroll taxes pursuant to Section XXII.M, payment of fees and costs of the
 9 Special Master in accordance with the provisions of Section XXIII.A and payment of the fees and
 10 costs of the Claims Administrator in accordance with the provisions of Section XXII.E. The precise
 11 amount to be paid by FedEx will be calculated as follows:

- 12 (1) \$53,500,000.00, plus
- 13 (2) either 5% [.05] or the United States Treasury Bill percentage rate
 14 as established on the tenth (10th) business day after Preliminary
 15 Approval, whichever is lower, multiplied by \$53,300,000 less the
 16 amount of the incremental payments for the period between the tenth
 17 (10th) business day after Preliminary Approval and the date FedEx
 18 Express wire transfers incremental payments to the Settlement Fund
 19 Account as and at the times required under this Consent Decree. Any
 20 opt-out credits due, pursuant to Section XXII.D.4. shall be deducted
 21 from the final payment before calculation of the lower of the 5% or the
 22 United States Treasury Bill rate.

23 2. The Claims Administrator will open and administer an interest-bearing account
 24 ("Settlement Fund Account") approved by Class Counsel with a unique Tax Payer Identification
 25 Number. The monetary payments described above shall be made into this Settlement Fund Account.
 26 Payments will be made by FedEx Express to the Settlement Fund Account as follows:

27 a. Within ten business days of the Preliminary Approval Date, FedEx Express will wire
 28 \$200,000 to the Settlement Fund Account. This amount is intended to cover costs of the mailed
 notices and expenses associated with the claims procedure.

b. If there is no Final Approval, then within seven business days of the court declining
 Final Approval the Claims Administrator shall return to FedEx Express any funds remaining in the

1 Settlement Fund Account, in the event that the funds wired for notice as provided in Section
2 XXII.A.2.a. exceeded the actual cost of notice.

3 c. Within seven business days of Final Approval, FedEx Express will wire \$360,000 to
4 the Settlement Fund Account, or such amount as is approved by the Court, to be distributed by the
5 Claims Administrator to the Class Representatives and Declarant/Deponents as Service Awards as set
6 forth in Section XXII.B.1.

7 d. After Final Approval, and within seven business days after the Claims Administrator
8 has informed FedEx Express in writing that it is prepared to distribute monetary awards to the eligible
9 members of the Settlement Class, FedEx Express will wire the balance of money due pursuant to
10 Section XXII.A.1 above, except that FedEx Express will wire Class Counsel's attorneys' fees,
11 litigation expenses, and costs to the Settlement Fund Account within seven business days after Final
12 Approval or the issuance of a court order approving Class Counsel's attorneys' fees, litigation
13 expenses, and costs, whichever is later, as provided in Section XXIII.B.3. After Final Approval, and
14 within seven business days after the Claims Administrator has informed FedEx Express in writing that
15 it is prepared to distribute monetary awards to the eligible members of the Settlement Class, FedEx
16 Express will also wire to the Settlement Fund Account one half of the employer's share of all
17 applicable payroll taxes, on amounts treated as wages.

18 Upon payment of the amounts sets forth in Sections XXII.A.2.a, XXII.A.2.c and XXII.A.2.d to
19 the Settlement Fund Account and in Section XXII.B.2 to Class Counsel as provided in Section
20 XXIII.B.3 FedEx Express will have no further monetary obligation hereunder to Class
21 Representatives, members of the Settlement Class, or Class Counsel, including no obligation to pay
22 any funds for distribution to Class Representatives or members of the Settlement Class; no obligation
23 to pay costs of mailed notices and expenses associated with the claims procedure; no obligation to pay
24 any other settlement costs; no obligation to pay any fees or costs for the Special Master; no obligation
25 to pay any fees and costs for the Claims Administrator; no obligation to pay any taxes associated with
26 the Settlement Fund Account or distributions from the Settlement Fund Account; and no obligation to
27
28

1 pay any fees or costs to Class Counsel or Monitoring Counsel. Provided however the Court may order
2 FedEx Express to pay fees and costs as a nonprevailing party pursuant to Section XIX.8.

3
4 Nothing herein shall be deemed to require FedEx Express to separate or segregate its assets into
5 a restricted fund. The Settlement Fund Account will constitute a qualified settlement fund and it will
6 be created, managed and disbursed by the Claims Administrator under the supervision of Class
7 Counsel. FedEx Express will have no responsibilities or liabilities with respect to the Settlement Fund
8 Account, its administration, or distribution therefrom.

9 **B. Distribution of Settlement Fund.**

10 **1. Class Representatives and Declarant-Deponents.**

11 Each Class Representative shall receive a Service Award in the liquidated amount of \$30,000,
12 or such amount as is approved by the Court, not to exceed \$30,000 per Class Representative. Each of
13 eighteen class members who signed a declaration and whose deposition was taken by FedEx Express
14 shall receive a Service Award in the liquidated amount of \$5,000, or such amount as is approved by the
15 Court, not to exceed \$5,000 per Declarant/Deponent. A list of these individuals is contained in
16 Appendix F. This liquidated amount will compensate the Class Representatives and
17 Declarant/Deponents in consideration for the time and effort expended in these proceedings. Payment
18 of these sums, not to exceed a total of \$360,000, shall be made by the Claims Administrator no later
19 than seven (7) calendar days after receipt of the funds described in Section XXII.A.c

20 **2. Settlement Class.**

21 The Claims Administrator will distribute from the Settlement Fund Account the sum of
22 \$38,500,000, less all opt-out credits, any notice payments, and Service Awards approved by the Court
23 for Class Representatives and Declarants/Deponents to eligible members of the Settlement Class who
24 do not opt out based on a formula set out in the allocation plan as set forth in Section XXII. L.

25 **C. Notice.**

26 Within twenty days following the Preliminary Approval Date, FedEx Express shall provide the
27 Claims Administrator with a computer disk containing the full names, social security numbers, last
28

known addresses and phone numbers, start dates and, as applicable, end dates of employment with FedEx Express and BST status for all employees employed by FedEx Express through the Preliminary Approval Date who are potential Settlement Class members. Within twenty days following the Preliminary Approval Date, Class Counsel shall provide the Claims Administrator with a computer readable list of all known potential Settlement Class members and their mailing addresses. Prior to the mailing of the Notices, the Claims Administrator will combine these lists of potential Settlement Class members received from FedEx Express and Class Counsel and update any new address information for potential class members as may be available through the National Change of Address ("NCOA") system. Within 40 days of the Preliminary Approval Date, the Claims Administrator shall mail, via first class postage, Notices of Class Settlement, and Claim Forms, all in the form approved by the Court in the Preliminary Approval Order, to all known potential Settlement Class members at their last known address or at the most recent address that may have been obtained through the NCOA. The Claims Administrator will trace all returned undeliverable notices and re-mail to the most recent address available.

D. Objections and Opt-Outs.

Class members may object to or opt-out of the class settlement.

1. Objections.

Class members objecting to the terms of the settlement must do so in writing; the written objection must be sent to the Claims Administrator on or before the date specified in the Preliminary Approval Order. The Claims Administrator will record the date of receipt of the objection and forward it, by e-mail as a PDF attachment, to both FedEx Express and Class Counsel within two (2) business days following receipt. The Claims Administrator will also file the original objections with the Clerk of the Court no later than five (5) days prior to the scheduled Fairness Hearing date. The Claims Administrator shall retain copies of all written objections until such time as it has completed its duties and responsibilities under this Decree.

2. Opt-Outs.

Class members may exclude themselves, or opt-out, of the monetary relief provisions of the

1 class settlement. Any request for exclusion must be in the form of a written "opt-out" statement sent to
 2 the Claims Administrator. Information on how to opt-out of the settlement shall be made available by
 3 the Claims Administrator. A person wishing to opt-out must sign a statement which includes the
 4 following language:

5 I understand that I am requesting to be excluded from the class monetary settlement and
 6 that I will receive no money from the settlement fund created under the Consent Decree
 7 entered into by FedEx Express. I understand that if I am excluded from the class
 8 monetary settlement, I may bring a separate legal action seeking damages, but may
 9 receive nothing or less than what I would have received if I had filed a claim under the
 10 class monetary settlement procedure in this case. I also understand that I may not seek
 11 exclusion from the class for injunctive relief and that I am bound by the injunctive
 12 provisions of the Consent Decree entered into by FedEx Express.

13 A class member submitting an Opt-out statement shall sign and date the statement and deliver it
 14 to the Claims Administrator by the date specified in the Preliminary Approval Order.

15 The Claims Administrator shall date stamp the original of any Opt-out statement and serve
 16 copies on both FedEx Express and Class Counsel by email as a PDF attachment within two (2)
 17 business days of receipt of such statement. The Claims Administrator will also file the original Opt-
 18 out statements with the Clerk of the Court no later than five (5) days prior to the scheduled Fairness
 19 Hearing date. The Claims Administrator shall retain copies of all Opt-out statements until such time as
 20 it has completed its duties and responsibilities under this Decree.

21 **3. Rescission of Class Member Opt-Outs.**

22 The parties recognize that some class members who initially submit Opt-out statements seeking
 23 exclusion may, upon further reflection, wish to withdraw or rescind such Opt-out statements. The
 24 parties agree that class members shall be permitted to withdraw or rescind their Opt-out statements by
 25 submitting a "Rescission of Opt-out" statement to the Claims Administrator. The Rescission of Opt-
 26 out statement shall include the following language:

27 I previously submitted an Opt-out statement seeking exclusion from the class monetary
 28 settlement. I have reconsidered and wish to withdraw my Opt-out statement. I
 understand that by rescinding my Opt-out I may be eligible to receive an award from
 the claims settlement fund and may not bring a separate legal action against FedEx
 Express seeking damages with respect to the Released Claims.

1 A class member submitting such a rescission statement shall sign and date the statement and
2 cause it to be delivered to the Claims Administrator no later than the deadline for the claims filing
3 period specified in the Preliminary Approval Order.

4 The Claims Administrator shall stamp the date received on the original of any Rescission of
5 Opt-out statement and serve copies to counsel for FedEx Express and Class Counsel by email as a PDF
6 attachment no later than (2) days after receipt thereof and shall file the date-stamped originals with the
7 Clerk of the Court no later than five (5) business days prior to the date of the Fairness Hearing. The
8 Claims Administrator shall retain copies of all Rescissions of Opt-out statements until such time as the
9 Claims Administrator is relieved of its duties and responsibilities under this Decree.

10 **4. Opt-Out Credits.**

11 In the event any Settlement Class member elects to opt-out in the time and manner set forth in
12 Section XXII. D, and does not rescind it, FedEx Express shall be entitled to a credit for each such opt-
13 out. The credit amount will be 100% of the average settlement award of all class members eligible to
14 participate in the monetary settlement fund as determined by the Allocation Plan, Section XXII. L.
15 The aggregate credit for each opt-out shall be calculated and deducted from the final payment to be
16 made to the Settlement Fund Account prior to the wire transfer of those funds as set forth in Section
17 XXII.A.2.d.

18 **E. Claims Administration.**

19 The Claims Administrator shall (1) prepare and mail settlement notices and claim forms to
20 class members; (2) establish and operate a website designed to provide information to and
21 communication with class members; (3) receive and evaluate claims eligibility; (4) seek additional
22 information from claimants, when appropriate; (5) receive, serve, and file opt-out statements,
23 rescission of opt-out statements, and objections; (6) respond to questions from potential class
24 members; (7) implement the allocation plan; (8) maintain a toll-free number for communicating with
25 class members; and (9) any other duties necessary to carry out its responsibilities set forth in this
26 Decree.

27 The Claims Administrator shall make claim forms available to potential class members who
28

1 submit oral, e-mail, or written requests for claim forms. The Claims Administrator shall mail the
2 requested claim form via first class postage within two (2) business days after receiving a request. If
3 FedEx Express, or its counsel, receives requests for claim forms or for information regarding the class
4 settlement, it shall refer such requestors to the toll-free number established by the Claims
5 Administrator for the purpose of administering this settlement. The requestors shall be informed that
6 any requests for claim forms or information should be directed to the Claims Administrator. The
7 Claims Administrator shall retain copies of all written requests for claim forms and all records of oral
8 or e-mail requests for claim forms until such time as it has completed its duties and responsibilities
9 under this Decree.

10 The fees, costs, and expenses of the Claims Administrator shall be paid from the Settlement
11 Fund Account. All payments to the Claims Administrator shall be approved by Class Counsel.

12 **F. Submission of Claim Forms.**

13 Class members who seek recovery of monetary compensation must complete a claim form and
14 cause it to be filed with the Claims Administrator by the claim filing deadline set forth in the
15 Preliminary Approval Order. The claim form must be postmarked on or before such date in order to be
16 considered timely. All claim forms must be signed under penalty of perjury to be considered. Failure
17 to file a timely claim form, for any reason whatsoever, shall bar the potential class member from
18 having his or her claim considered and from receiving monetary compensation from the Settlement
19 Fund Account. Class members who file a claim form must notify the Claims Administrator of any
20 change of address. A failure to notify the Claims Administrator of a change of address may result in
21 the forfeiture of a monetary award. The Claims Administrator shall be available through the toll-free
22 telephone number and via e-mail through the Claims Website to respond to requests from class
23 members for assistance in completing and filing claim forms. Class Counsel shall also be available to
24 consult with and provide assistance to potential class members who request assistance in completing
25 their claims forms.

26 **G. Deceased Claimants.**

27 Claims may be filed by deceased claimants through representatives of their estate if appropriate
28

1 documentation is provided. Claim payments shall be made payable to the estate of the deceased
2 claimant.

3 **H. Determining Eligibility.**

4 The Claims Administrator shall make the determination as to whether a claim form is complete.
5 If it is not complete, the Claims Administrator shall request additional information from the claimant,
6 if it appears that such additional information would complete the Claim Form. Such requests for
7 information shall be in writing and shall specify the information necessary to complete the claim form.
8 The request for information will be sent via first class mail and inform the claimant that a response
9 must be returned no later than thirty days from the date the request for information was mailed. The
10 claimant must provide the requested information, signed under penalty of perjury, to the Claims
11 Administrator by mail with a postmark no later than thirty days from the date of the mailed request for
12 information. Such additional information shall be considered part of the original claim form and will
13 relate back to the original filing date. The failure of a claimant to timely respond to the request for
14 information may result in the denial of the claim.

15 **I. Late-Filed Claims.**

16 For claims received after the filing deadline, the Claims Administrator shall notify late-filing
17 claimants that their claims are untimely and that they are not eligible for any monetary award. The
18 Claims Administrator shall also inform late-filing claimants that they may seek a review of the
19 determination that they filed untimely by requesting the Claims Administrator to reconsider its
20 determination. The Claims Administrator may reverse its determination that a claim was not timely
21 filed only if the claimants proves that the claim form was postmarked on or before the postmark filing
22 deadline and that the untimeliness determination is erroneous.

23 **J. Appeals of Claims Eligibility.**

24 Within ninety days of the close of the claims filing period, all ineligible claimants shall receive
25 written notice of their ineligibility for monetary relief. Any claimants wishing to seek review of their
26 ineligibility determinations must do so by returning a written request for review to the Claims
27 Administrator by mail with a postmark no later than twenty-one days from the date of the notice of
28

1 claim ineligibility. Failure to file a timely request for review shall bar a claimant from challenging a
 2 determination of ineligibility.

3 The Claims Administrator shall resolve the requests for review based on the written request for
 4 review and any other documentation or written information submitted by the claimant, or deemed
 5 necessary by the Claims Administrator. The Claims Administrator may seek further written
 6 information from the claimant as to the basis of their request and may consider the written arguments
 7 of Class Counsel or FedEx Express.

8 The Claims Administrator shall attempt to expeditiously resolve any request for review within
 9 sixty days after the filing of the request for review. The Claims Administrator's decisions shall be
 10 communicated to the claimant in writing and shall be final, binding and non-appealable.

11 **K. Claimant Information Provided by FedEx Express.**

12 The parties understand and agree that FedEx Express may possess information that may assist
 13 in the determination of eligibility of potential class members for monetary compensation. FedEx
 14 Express shall reasonably cooperate in providing such information which Class Counsel or the Claims
 15 Administrator deems reasonably necessary to assist in determining the eligibility of any class member
 16 for monetary relief. FedEx Express shall attempt to provide such information within fourteen days of
 17 any written request for the information, although FedEx Express may object that the production of any
 18 such information is unreasonable, and the Special Master shall decide whether Class Counsel and/or
 19 the Claims Administrator have a reasonable basis for receiving the information. Neither Class Counsel
 20 nor the Claims Administrator shall be entitled to receive information that is protected by attorney-
 21 client or work product privilege.

22 **L. Allocation Plan.**

23 Each class member, including Class Representatives, who seeks to receive an award must fill
 24 out the claim form and supply information related to his or her claim. On the basis of a review of the
 25 information supplied, the Claims Administrator shall allocate a certain number of points based upon
 26 specific factors related to the claims. For those eligible African American and Latino members in the
 27 Settlement Class who work or worked in hourly paid jobs the specific factors include length of service
 28

1 in those jobs, status as a full-time or part-time employees, and whether the class member failed the
2 BST. For those eligible African American members in the Settlement Class who work or worked as
3 operations managers the specific factor is length of service as an operations manager. The Claims
4 Administrator shall total the points applicable to all eligible claimants, determine each eligible
5 claimant's proportionate share of the total points, and allocate each eligible claimant's proportionate
6 share of the Settlement Fund Account.

7 For example, if the amount available for distribution from the Settlement Fund Account to
8 eligible class member is \$1,000,000.00, and the Claims Administrator has awarded 10,000 points to
9 eligible class members and if an eligible class member were awarded 10 points, then that class member
10 would receive an award of \$1,000.00 since each point would be worth \$100.00 ($\$1,000,000.00 \div$
11 $10,000$).

12 **M. Distribution of the Monetary Awards.**

13 As soon as practicable after making the calculations required by the allocation plan set forth in
14 Section XXII.L, the Claims Administrator shall distribute the monetary awards to eligible class
15 members via first class mail. The Claims Administrator shall only issue the checks in the name of the
16 eligible class members unless Section XXII.G is applicable. The checks shall be invalid if not cashed
17 within 90 days of the date issue.

18 Any amounts allocated to lost wages shall be subject to withholding for federal and state
19 income and payroll taxes. Each Class Member will be responsible for all income taxes on his or her
20 monetary award, and the Company shall be responsible for one half of the employer's share of all
21 applicable payroll taxes. The Claims Administrator will inform FedEx Express of the amount that is
22 one half of the employer's share of the payroll taxes to be paid by the Company and such payment
23 shall be made as provided in Section XXII.A.2.d. The other half of the employer's share of payroll
24 taxes shall be paid by the Claims Administrator out of the Settlement Fund Account. Any amounts
25 designated as interest shall not be subject to withholding and shall be reported, if required, to the IRS
26 on Form 1099-INT. The amounts paid for emotional distress shall not be subject to withholding and
27 shall be reported to the IRS on Form 1099-MISC.
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1 Included with the check due to the eligible claimant will be a statement showing the gross
2 amount of the payment and an itemized statement of all deductions made. Flat rate deductions from
3 gross amounts that are determined to be wage payments will be made for federal and state income
4 taxes. The employee's share of social security and medicare tax, and any local income or payroll taxes
5 will be based on the rates in effect with the federal and local governments.

6 The Claims Administrator will be responsible for preparing the filing of all appropriate tax
7 filings and reports including, but not limited to, W-2 and 1099 forms for all eligible claimants and
8 Class Representatives for their payments from the Settlement Fund Account, as well as any required
9 for the Settlement Fund Account. The Claims Administrator will also be responsible for reporting and
10 remitting to the appropriate taxing authorities the employer's and employees' shares of payroll taxes.

11 **N. Allocation of Monetary Awards.**

12 The monetary awards to eligible class members shall be allocated to lost wages, compensatory
13 damages, and interest with 20% allocated to lost wages, 60% allocated to compensatory damages, and
14 20% allocated to interest.

15 **O. Confidentiality of Claimant Information.**

16 FedEx Express' counsel and payroll department will only be provided with the names and
17 social security numbers of class members who filed claims on a need-to-know basis. The identity of
18 the claimants will not be disclosed to anyone else at FedEx Express.

19 **P. Cy Pres Fund.**

20 It is the intention of the parties to distribute completely the funds in the Settlement Fund
21 Account. The Claims Administrator will use SSNs to attempt to get better addresses for any class
22 members whose checks are returned, and will remail the uncashed checks to the new addresses. The
23 Claims Administrator will also attempt to telephone any class member who has not cashed a check of
24 at least \$2,000. If, despite those efforts, checks remain uncashed after they have become invalid, the
25 remaining sum shall become part of a *cy pres* fund to be distributed to one or more charitable
26 organizations selected by the Parties. If the Parties cannot agree, they will each submit two possible *cy*
27 *pres* beneficiaries to the Court, which shall determine the distribution of remaining funds.
28

1 **Q. Report from Claims Administrator.**

2 Within thirty days of the distribution of the monies from the Settlement Fund to the eligible
3 Class members, the Claims Administrator shall furnish an accounting of the distributions from the
4 Settlement Fund to the Court with copies to Class Counsel and FedEx Express. Within thirty days of
5 the completion of the Term of the Decree the Claims Administrator shall furnish a final accounting of
6 all the distribution from the Settlement Fund Account to the Court, Class Counsel and FedEx Express.

7 **XXIII. PAYMENT OF FEES AND COSTS TO SPECIAL MASTER,
8 MONITORING COUNSEL AND CLASS COUNSEL**

9 **A. Payments to Special Master.**

10 1. Payments to the Special Master will be made from the Settlement Fund Account by the
11 Claims Administrator. The Special Master will receive payment on the basis of his or her standard
12 hourly rates and reimbursement for out-of-pocket expenses within thirty days of submitting to the
13 Claims Administrator a bill including an itemized statement of time spent and work performed and
14 expenses and costs incurred. Copies of any bill submitted shall be sent to FedEx Express and Class
15 Counsel.

16 2. In order to manage effectively the Settlement Fund Account the Claims Administrator
17 may request the Special Master to provide an estimate of fees and costs that he or she anticipates
18 incurring.

19 **B. Award of Fees, Costs and Expenses to Class Counsel.**

20 1. As part of the settlement underlying this Consent Decree, FedEx Express has agreed to
21 pay to Class Counsel, on behalf of the Class Representatives and the Settlement Class, reasonable
22 attorneys' fees, litigation expenses, and costs.

23 2. After Final Approval of the Decree and court approval of Class Counsel's attorneys'
24 fees, litigation expenses and costs, FedEx Express has agreed to pay Class Counsel an award of
25 reasonable attorneys' fees, litigation expenses, and costs in the amount of \$15,000,000 for work
26 performed and costs and expenses incurred through and including the Approval Date. Included in this
27 amount is approximately \$2,575,000 for litigation costs and expenses incurred by Class Counsel. This
28 amount fully satisfies any obligation that FedEx Express may have to pay attorneys' fees, litigation

1 expenses, and costs for and on behalf of the Class Representatives and the Settlement Class for any and
 2 all work performed and costs and expenses incurred through and including the Approval Date. This
 3 amount is part of, and not in addition to, the Settlement Fund specified in Section XXII. A.

4 3. The award of attorneys' fees, litigation expenses and costs shall be paid as follows:

5 Within seven business days following Final Approval or the issuance of an order
 6 approving attorneys' fees, litigation expenses and costs, whichever is later, FedEx Express will wire
 7 the amount of the fees, litigation expenses, and costs approved by the Court to the Settlement Fund
 8 Account, to hold in trust for Class Counsel. If the amount of attorneys' fees, litigation expenses, and
 9 costs approved by the Court is less than \$15,000,000, the difference shall be added to the amount
 10 distributed to the Settlement Class pursuant to Section XXII.A.2.d.

11 4. Once FedEx Express makes the payments sets forth in Section XXIII.B.3 to the
 12 Settlement Fund Account, no Class Counsel may assert any claim for such payments from FedEx
 13 Express.

14 **C. Payment of Fees, Expenses and Costs for Work Performed after Approval Date.**

15 1. Class Counsel may receive payment for work performed and expenses incurred after the
 16 Approval Date relating to the defense of the Decree, monitoring, administration and implementation of
 17 the Decree, including but not limited to evaluating and enforcing compliance with the Decree,
 18 including the retention of experts to assist in evaluating and enforcing the Decree on the following
 19 basis:

20 a. Except as provided in Section XIX, all payments shall be made from the
 21 Settlement Fund Account with FedEx Express having no responsibility for making such payments after
 22 it has paid the Settlement Fund Account as provided in Section XXII. A.

23 b. All requests for payment shall be made at the discretion of Class Counsel who,
 24 as appropriate, may make requests for payment to experts.

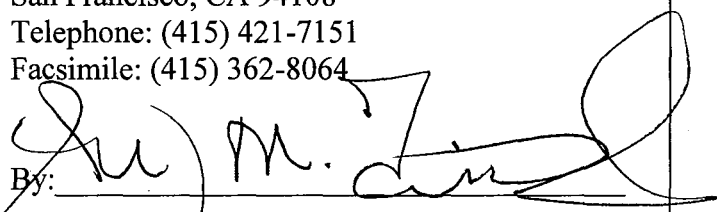
25 c. Class Counsel shall receive payment on the basis of their hourly rates and
 26 reimbursement for out-of-pocket expenses. Class Counsel shall submit to the Claims Administrator a
 27 bill including an itemized statement of time, work performed and expenses and costs incurred. Class
 28

1 Counsel shall be paid at the hourly rate schedule attached hereto as Appendix G, plus reasonable
2 annual rate increases.

3 The Claims Administrator shall pay the amounts requested by Class Counsel that meet the
4 requirements set forth in Section XXIII.C.1 within ten days of receipt of any such request, provided
5 that there are sufficient funds available in the Settlement Fund Account including sufficient funds to
6 pay the estimated costs of the claims and allocation processes and the estimated payments that may be
7 due to the Special Master. If after all payments have been made to the Class Representatives,
8 Declarant/Deponents and Settlement Class pursuant to Section XXII.B.1 and XXII.B.2 to Class
9 Counsel pursuant to Section XXIII.B, to the Claims Administrator, to the taxing authorities for all
10 applicable taxes, to the Special Master, and to Monitoring Counsel at their hourly rates for the
11 monitoring of the Decree, there are funds remaining in the Settlement Fund Account, then any
12 remaining amount will be distributed to Monitoring Counsel in recognition of their having taken the
13 risk that there would be insufficient funds in the Settlement Fund Account to pay Monitoring Counsel
14 at their hourly rates for monitoring the Decree.

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21 Dated: April 6, 2007

James M. Finberg (SBN 114850)
Eve H. Cervantez (SBN 164709)
Claire Prestel (SBN 235649)
Chimene I. Keitner (SBN 226948)
ALTSHULER BERZON LLP
177 Post Street, Suite 300
San Francisco, CA 94108
Telephone: (415) 421-7151
Facsimile: (415) 362-8064

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27 By: 
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Michael S. Davis

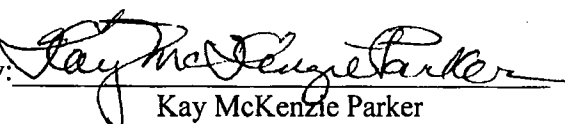
Barry Goldstein (SBN 141868)
GOLDSTEIN, DEMCHAK, BALLER, BORGEN
& DARDARIAN
300 Lakeside Drive, Suite 1000
Oakland, CA 94612
Telephone: (510) 763-9800
Facsimile: (510) 835-1417

By: _____
Barry Goldstein

Waukeen Q. McCoy (SBN 168228)
LAW OFFICES OF WAUKEEN Q. McCOY
703 Market Street, Suite 1407
San Francisco, CA 94103
Telephone (415) 675-7705
Facsimile: (415) 675-2530

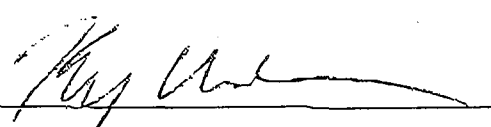
By: _____
Waukeen Q. McCoy

Kay McKenzie Parker (SBN 143140)
LAW OFFICES OF KAY McKENZIE PARKER
225 Bush Street, 16th Floor
San Francisco, CA 94104
Telephone: (415) 227-9622
Facsimile: (415) 227-4522

By: 
Kay McKenzie Parker

Attorneys for the Plaintiffs

Kelly M. Dermody (SBN 171716)
Daniel E. Barenbaum (SBN 209261)
LIEFF, CABRASER, HEIMANN &
BERNSTEIN, LLP
275 Battery Street, 30th Floor
San Francisco, CA 94111-3339
Telephone: (415) 956-1000
Facsimile: (415) 956-1008

By: 

John L. Burris (SBN 69888)
LAW OFFICES OF JOHN L. BURRIS
7677 Oakport Street, Suite 1120
Oakland, CA 94612
Telephone: (510) 839-5200 ext. 67
Facsimile: (510) 839-3882

By: _____

John L. Burris

Guy B. Wallace (SBN 17615)
Todd M. Schneider (SBN 158253)
Joshua Konecky (SBN 182897)
SCHNEIDER & WALLACE
180 Montgomery Street, Suite 2000
San Francisco, CA 94104
Telephone: (415) 421-7100
Facsimile: (415) 421-7105

By: _____

Dated: April _____, 2007

Michael S. Davis (SBN 160045)
LAW OFFICES OF MICHAEL S. DAVIS
345 Hill Street
San Francisco, CA
Telephone: (415) 282-4315
Facsimile: (415) 358-5576

By: _____

Michael S. Davis

Kelly M. Dermody (SBN 171716)
Daniel E. Barenbaum (SBN 209261)
LIEFF, CABRASER, HEIMANN &
BERNSTEIN, LLP
275 Battery Street, 30th Floor
San Francisco, CA 94111-3339
Telephone: (415) 956-1000
Facsimile: (415) 956-1008

By: _____

John L. Burris (SBN 69888)
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7677 Oakport Street, Suite 1120
Oakland, CA 94612
Telephone: (510) 839-5200 ext. 67
Facsimile: (510) 839-3882

By: _____

John L. Burris

Todd M. Schneider (SBN 158253)
Guy B. Wallace (SBN 176151)
Joshua Konecky (SBN 182897)
SCNEIDER & WALLACE
180 Montgomery Street, Suite 2000
San Francisco, CA 94104
Telephone: (415) 421-7100
Facsimile: (415) 421-7105

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345 Hill Street
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BERNSTEIN, LLP
275 Battery Street, 30th Floor
San Francisco, CA 94111-3339
Telephone: (415) 956-1000
Facsimile: (415) 956-1008

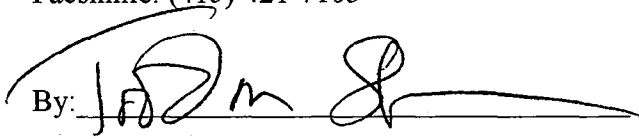
By: _____

John L. Burris (SBN 69888)
LAW OFFICES OF JOHN L. BURRIS
7677 Oakport Street, Suite 1120
Oakland, CA 94612
Telephone: (510) 839-5200 ext. 67
Facsimile: (510) 839-3882

By: _____

John L. Burris

Todd M. Schneider (SBN 158253)
Guy B. Wallace (SBN 176151)
Joshua Konecky (SBN 182897)
SCHNEIDER & WALLACE
180 Montgomery Street, Suite 2000
San Francisco, CA 94104
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Facsimile: (415) 421-7105

By:  _____

Dated: April ____, 2007

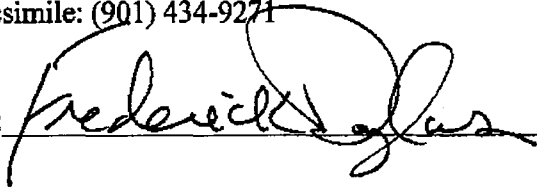
Michael S. Davis (SBN 160045)
LAW OFFICES OF MICHAEL S. DAVIS
345 Hill Street
San Francisco, CA
Telephone: (415) 282-4315
Facsimile: (415) 358-5576

By: _____

Michael S. Davis

1 Dated: April 9, 2007

2 Jeana M. Littrell
3 Frederick L. Douglas
4 FEDERAL EXPRESS CORPORATION
5 3620 Hacks Cross Road, Bldg. B, 3rd Floor
6 Memphis, TN 38125-8800
7 Telephone: (901) 434-8519
8 Facsimile: (901) 434-9271

9 By: 

10 *Attorneys for the Defendant*

11 IT IS SO ORDERED.

12 Signed: _____

13 The Hon. Susan Illston

14 Dated: _____

1 Dated: April _____, 2007

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3 Frederick L. Douglas
4 FEDERAL EXPRESS CORPORATION
5 3620 Hacks Cross Road, Bldg. B, 3rd Floor
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8 Facsimile: (901) 434-9271

9 By: _____

10 *Attorneys for the Defendant*

11 IT IS SO ORDERED.

12 Signed: _____ Dated: _____
13 The Hon. Susan Illston

Exhibit 1

Part 2

**Satchell v. FedEx Express
Consent Decree Appendices**

- Appendix A: COMATs for FedEx Express Domestic Ground Operations (DGO) and Air Ground Freight Services (AGFS) within Western Region within Class period. (pg. 8 of Consent Decree) – FedEx Express will provide.
- Appendix B: FedEx Express People Manual Policy 4-15 (pg 18) - attached
- Appendix C: FedEx Express People Manual Policy 2-5 (pg 22) – attached
- Appendix D: FedEx Express People Manual Policy 2-50 (pg 23) – attached
- Appendix E: FedEx Express People Manual Policy 5-5 (pg 23) – attached
- Appendix F: List of 18 class members who signed a declaration and were deposed by FedEx Express and will receive a service award (pg 36) – attached
- Appendix G: Class Counsel hourly rate schedule (pg 47) - attached

Appendix A

Listing of Relevant Comats

Comat	Comat Description
591010000	BILA/BILLINGS, MT
592010000	GTFRD/WOLF POINT, MT
593010000	BILRA/MILES CITY, MT
593300000	BILDA/GLENDIVE, MT
594010000	GTFA/GREAT FALLS, MT
594010001	GTFR/GREAT FALLS, MT
594010002	GTFR/GREAT FALLS, MT
594170000	GTFRD/BROWNING, MT
594570000	GTFR/LAWISTOWN, MT
595010000	GTFRB/HAVRE, MT
596010000	HLNA/HELENA, MT
597010000	BTMS/BUTTE, MT
597010002	BTMA/BUTTE, MT
597140000	BZNA/BELGRADE, MT
598020000	MSOA/MISSOULA, MT
598400000	MSODA/HAMILTON, MT
599010000	FCAA/KALISPELL, MT
799020000	ELPK/EL PASO, TX
799060000	ELP/EL PASO, TX
799060001	ELPR/EL PASO, TX
799060002	UVA/EL PASO, TX
799250000	ELP/EL PASO, TX
799250001	ELPR/EL PASO, TX
799250002	ELPA/EL PASO, TX
799360000	ELPKA/EL PASO, TX
800020000	WHHA/ARVADA, CO
800110000	DENRT/AURORA, CO
801100000	BJCA/ENGLEWOOD, CO
801110000	APAC/GREENWOOD VILLAGE
801110001	APAHQ/ENGLEWOOD, CO
801110002	APAHQ/GREENWOOD VILLAGE
801120000	APAA/ENGLEWOOD, CO
801120001	APAWR/ENGLEWOOD, CO
801120002	APA/CENTENNIAL, CO
801200000	BJCA/LITTLETON, CO
802160001	BKFA/DENVER, CO
802390000	BKFC/DENVER, CO
802390001	DENA/DENVER, CO
802490000	DENR/DENVER, CO
802490001	DENMX/DENVER, CO
803010000	FNLA/BOULDER, CO
804770000	SBSA/STEAMBOAT SPRINGS
804770001	SBSA/STEAMBOAT SPRINGS
804980000	EGEA/SILVERTHORNE, CO
805240000	FTCC/FORT COLLINS, CO
805250000	FTCB/FORT COLLINS, CO
806310000	GXYA/GREELEY, CO
807510000	DENRA/STERLING, CO
808280000	DENRB/LIMON, CO

Listing of Relevant Comats

Comat	Comat Description
809160000	COSR/COLORADO SPRINGS,
809190000	COSSD/COLORADO SPRINGS
809190001	COSA/COLORADO SPRINGS,
810080000	PUBA/PUEBLO, CO
810520000	PUBRC/LAMAR, CO
810820000	PUBRB/TRINIDAD, CO
811010000	PUBRA/ALAMOSA, CO
811470000	DRODA/PAGOSA SPRINGS,
812010000	PUBRD/SALIDA, CO
812300000	MTJDA/GUNNISON, CO
813010000	DROA/DURANGO, CO
814010000	MTJA/MONTROSE, CO
815060000	GJTA/GRAND JUNCTION, C
815060002	GJTR/GRAND JUNCTION, C
816210000	ASEA/BASALT, CO
816310000	GWSA/EAGLE, CO
820010000	CYSA/CHEYENNE, WY
820700000	CYSDA/LARAMIE, WY
824140000	RIWDA/CODY, WY
825010000	RIWA/RIVERTON, WY
826010000	CPRA/CASPER, WY
826040000	CPRR/CASPER, WY
827180000	GCCA/GILLETTE, WY
828010000	SHRA/SHERIDAN, WY
829010000	RKSA/ROCK SPRINGS, WY
829310000	SLCRE/EVANSTON, WY
829410000	RKSDA/PINEDALE, WY
830010000	JACA/JACKSON HOLE, WY
831270000	JACDA/THAYNE, WY
832010000	PIHA/POCATELLO, ID
832260000	IDADB/CHALLIS, ID
832540000	PIHDA/MONTPELIER, ID
833010000	TWFA/TWIN FALLS, ID
833330000	SUNA/HAILEY, ID
834020000	IDAA/IDAHO FALLS, ID
834670000	IDADA/SALMON, ID
835010001	LWSA/LEWISTON, ID
835300000	LWSRA/GRANGEVILLE, ID
836060000	BOIDB/CALDWELL, ID
836380000	BOIDC/MC CALL, ID
836470000	BOIDA/MOUNTAIN HOME, I
837050000	BOVMX/BOISE, ID
837050001	BOIA/BOISE, ID
838140000	COEA/COEUR D'ALENE, ID
838150000	COEA/COEUR D'ALENE, ID
840320000	SLCRB/HEBER CITY, UT
840470000	BTFHQ/MIDVALE, UT
840570000	PVUA/OREM, UT
840780000	SLCRA/VERNAL, UT

Listing of Relevant Comats

Comat	Comat Description
841010000	SLCC/SALT LAKE CITY, U
841040000	SLCRT/SALT LAKE CITY,
841170000	BTFK/SALT LAKE CITY, U
841190000	BTFW/WEST VALLEY CITY,
841220000	SLCA/SALT LAKE CITY, U
841220002	SLCR/SALT LAKE CITY, U
843210000	LGUDA/LOGAN, UT
844050000	OGDA/OGDEN, UT
845010000	PVURC/PRICE, UT
845320000	CNYA/MOAB, UT
846480000	PVUDB/NEPHI, UT
847010000	PVURB/RICHFIELD, UT
847200000	CDCA/CEDAR CITY, UT
847410000	SGUDB/KANAB, UT
847700000	SGUA/ST GEORGE, UT
850180000	ZSYA/PHOENIX, AZ
850310000	LUFA/PHOENIX, AZ
850340000	PHXRC/PHOENIX, AZ
850340001	PHXR/PHOENIX, AZ
850340002	PHX/PHOENIX, AZ
850430001	PHX/PHOENIX, AZ
852040000	MSCHQ/MESA, AZ
852540000	SCFB/SCOTTSDALE, AZ
852570000	SCF/SCOTTSDALE, AZ
852810000	DGLA/TEMPE, AZ
852810001	PHXA/TEMPE, AZ
852810003	DGLA/TEMPE, AZ
852820000	MSCB/TEMPE, AZ
852820001	MSCHQ/TEMPE, AZ
852840000	MSCA/TEMPE, AZ
853640000	YUMA/YUMA, AZ
855410000	PAYRD/PAYSON, AZ
855460000	AWWDD/SAFFORD, AZ
856350000	AWWA/SIERRA VISTA, AZ
857060000	TUSA/TUCSON, AZ
857060001	TUSR/TUCSON, AZ
857140000	TUSA/TUCSON, AZ
857140001	TUSA/TUCSON, AZ
859010000	PHXRB/SHOW LOW, AZ
860010000	FLGA/FLAGSTAFF, AZ
863140000	PRCA/PRESCOTT VALLEY,
863220000	FLGDA/CAMP VERDE, AZ
864010000	LHURA/KINGMAN, AZ
864030000	LHUA/LAKE HAVASU CITY,
864290000	IFPA/BULLHEAD CITY, AZ
871060000	ABQR/ALBUQUERQUE, NM
871060001	ABQMX/ALBUQUERQUE, NM
871070000	ABQA/ALBUQUERQUE, NM
871070001	ABQA/ALBUQUERQUE, NM

Listing of Relevant Comats

Comat	Comat Description
873010000	GUPA/GALLUP, NM
874010000	FMNA/FARMINGTON, NM
874010001	FMN/FARMINGTON, NM
875010000	SAFA/SANTA FE, NM
875050000	SAFA/SANTA FE, NM
880050000	LRUA/LAS CRUCES, NM
890300000	VGTA/NORTH LAS VEGAS,
890490000	VGTD/TONOPAH, NV
891090000	LASRT/LAS VEGAS, NV
891190000	LASA/LAS VEGAS, NV
893010000	SLCD/ELY, NV
894060000	RNODC/FALLON, NV
894310000	RNOA/SPARKS, NV
894450000	RNODB/WINNEMUCCA, NV
894490000	CSNDA/STATELINE, NV
895020000	RNOR/RENO, NV
895020001	RNOMX/RENO, NV
895020002	RNOA/RENO, NV
897010000	CSN/CARSON CITY, NV
898010000	EKOA/ELKO, NV
900070000	SPQA/LOS ANGELES, CA
900070001	SPQHT/LOS ANGELES, CA
900100000	SPQC/LOS ANGELES, CA
900100001	SPQC/LOS ANGELES, CA
900120000	EMTA/LOS ANGELES, CA
900170001	EMTD/LOS ANGELES, CA
900170002	EMTB/LOS ANGELES, CA
900170003	EMTHQ/LOS ANGELES, CA
900210000	EMT/EL MONTE, CA (DELETED)
900240000	SMOB/LOS ANGELES, CA
900280000	CVRD/HOLLYWOOD, CA
900340000	CCDA/CULVER CITY, CA
900350000	CCDTA/LOS ANGELES, CA
900360000	CCDK/LOS ANGELES, CA
900380000	CVRA/HOLLYWOOD, CA
900400001	EMTJ/CITY OF COMMERCE,
900450000	HHRB/LOS ANGELES, CA
900450001	HHRB/LOS ANGELES, CA
900450009	LAXRI/LOS ANGELES, CA
900450011	LAXMX/LOS ANGELES, CA
900450016	LAXAC/LOS ANGELES, CA
900450020	LAXMG/LOS ANGELES, CA
900450023	LAXWSC/LOS ANGELES, CA
900450030	LAX/LOS ANGELES, CA
900450034	LAXTR/LOS ANGELES, CA
900450036	LAXPER/LOS ANGELES, CA
900450038	LAX/LOS ANGELES, CA
900450039	LAXSRT/LOS ANGELES, CA
900450049	LAX/LOS ANGELES, CA

Listing of Relevant Comats

Comat	Comat Description
900450066	LAX/LOS ANGELES, CA
900450068	LAXVP/LOS ANGELES, CA
900455202	LAXSST/LOS ANGELES, CA
900480001	CCDB/LOS ANGELES, CA
900650000	JGXA/LOS ANGELES, CA
900670000	CCDC/LOS ANGELES, CA
900670002	CCDE/LOS ANGELES, CA
900680000	CVRC/LOS ANGELES, CA
900690000	CVRB/WEST HOLLYWOOD, C
900710001	EMTE/LOS ANGELES, CA
900710002	EMTV/LOS ANGELES, CA
900710003	EMTH/LOS ANGELES, CA
900710004	EMTF/LOS ANGELES, CA
900790000	EMTC/LOS ANGELES, CA
902100001	CCDD/BEVERLY HILLS, CA
902110000	CCDH/BEVERLY HILLS, CA
902200000	LAXRT/COMPTON, CA
902300000	CCD/CULVER CITY, CA
902300001	SMOF/CULVER CITY, CA
902410000	JDYKA/DOWNEY, CA
902450000	HHRA/EL SEGUNDO, CA
902450003	HHRC/EL SEGUNDO, CA
902450004	LAXRC/EL SEGUNDO, CA
902450008	LAXBC/EL SEGUNDO, CA
902480000	TOAA/GARDENA, CA
902500000	HHRA/HAWTHORNE, CA
902920000	SMOA/MARINA DEL REY, C
903010000	LAXRP/INGLEWOOD, CA
903010060	LAXRT/INGLEWOOD, CA (DELETED)
904010000	SMOC/SANTA MONICA, CA
904050000	SMOTA/SANTA MONICA, CA
905030000	TOAC/TORRANCE, CA
906030000	JDYA/WHITTIER, CA
906230000	JDYB/LA PALMA, CA
906700000	JDYA/SANTA FE SPRINGS,
907460000	TOATC/CARSON, CA
907460001	TOAA/GARDENA, CA
908020000	LGBB/LONG BEACH, CA
908060000	LGBA/LONG BEACH, CA
908060001	LGBE/LONG BEACH, CA
908060002	LGBR/LONG BEACH, CA
910160000	JGXX/MONROVIA, CA
911010000	JGXC/PASADENA, CA
911010001	JGXA/PASADENA, CA
911070000	JGXTD/PASADENA, CA
912030000	JGXB/GLENDALE, CA
913020000	JSNB/CALABASAS, CA
913030000	JSNA/CANOGA PARK, CA
913210000	VNYTA/NEWHALL, CA

Listing of Relevant Comats

Comat	Comat Description
913430000	VNYA/NORTH HILLS, CA
913520000	BURA/SUN VALLEY, CA
913520001	BURB/SUN VALLEY, CA
913550000	VNYB/VALENCIA, CA
913610000	SFRC/WESTLAKE VILLAGE,
913670000	SFRB/WOODLAND HILLS, C
914060000	VNYA/VAN NUYS, CA
914110000	VNYK/VAN NUYS, CA
914360000	VNYC/ENCINO, CA
915020000	BURK/BURBANK, CA
915050001	BURB/BURBANK, CA
915050002	BURC/BURBANK, CA
916040000	BURKA/STUDIO CITY, CA
916080000	BURHQ/UNIVERSAL CITY,
917200000	ONTTB/CORONA, CA
917310000	POCB/EL MONTE, CA
917460000	POCTA/CITY OF INDUSTRY
917480000	POCA/CITY OF INDUSTRY,
917610000	ONTA/ONTARIO, CA
917610001	ONTTA/ONTARIO, CA
917610003	ONTRT/ONTARIO, CA
917610004	ONTR/ONTARIO, CA
917610005	ONTC/ONTARIO, CA
920080000	CLDTA/CARLSBAD, CA
920080001	CLDA/CARLSBAD, CA
920090000	CLDHQ/CARLSBAD, CA
920200000	MYFD/EL CAJON, CA
920240000	CLDK/ENCINITAS, CA
920290000	CLDKA/ESCONDIDO, CA
920370000	MYFC/LA JOLLA, CA
920540000	CLDB/OCEANSIDE, CA
920690000	CLDA/SAN MARCOS, CA
921010000	SANA/SAN DIEGO, CA
921010001	SANC/SAN DIEGO, CA
921020000	SDMA/SAN DIEGO, CA
921020001	SDMS/SAN DIEGO, CA
921080000	MYFB/SAN DIEGO, CA
921080001	MYFK/SAN DIEGO, CA
921100000	SANB/SAN DIEGO, CA
921100001	SANR/SAN DIEGO, CA
921100002	SANB/SAN DIEGO, CA
921210000	MYFE/SAN DIEGO, CA
921210001	SANRT/SAN DIEGO, CA
921210002	SANA/SAN DIEGO, CA
921230000	MYFA/SAN DIEGO, CA
921230001	MYFTA/SAN DIEGO, CA
921270000	CLDHQ/SAN DIEGO, CA
921280000	CLDTC/RANCHO BERNARDO,
921540000	SDMB/SAN DIEGO, CA

Listing of Relevant Comats

Comat	Comat Description
921730000	SDMB/OTAY MESA, CA
922250000	LHURB/BLYTHE, CA
922510001	IPLA/IMPERIAL, CA
922620000	PSPA/PALM SPRINGS, CA
923760000	RIVA/RIALTO, CA
923920000	DAGA/VICTORVILLE, CA
924080000	RIVB/SAN BERNARDINO, C
925900000	HMTA/TEMECULA, CA
926120000	APVA/IRVINE, CA
926140000	APVHQ/IRVINE, CA
926140001	SNAB/IRVINE, CA
926140002	APVK/IRVINE, CA
926180000	NZJA/IRVINE, CA
926180001	APVF/IRVINE, CA
926210000	FULTA/BREA, CA
926260000	NUC/COSTA MESA, CA
926260001	NUCE/COSTA MESA, CA
926300000	APVB/EL TORO, CA
926310001	FULA/FULLERTON, CA
926410000	LGBB/GARDEN GROVE, CA
926410001	LGBC/GARDEN GROVE, CA
926470000	JLBK/HUNTINGTON BEACH,
926480000	NUCHQ/HUNTINGTON BEACH
926490000	JLBA/HUNTINGTON BEACH,
926530000	APVD/LAGUNA HILLS, CA
926600000	NUCC/NEWPORT BEACH, CA
926600001	NUCD/NEWPORT BEACH, CA
926600002	NUCHQ/NEWPORT BEACH; C
926750000	APVE/SAN JUAN CAPISTR
926800000	SNAG/TUSTIN, CA
926880000	NZJA/RANCHO SANTA MARG
927050000	SNAASANTA ANA, CA
927070000	SNAR/SANTA ANA, CA
927150000	APVA/IRVINE, CA
927180000	APVF/IRVINE, CA
928060000	FULB/ANAHEIM, CA
928310000	FULRC/FULLERTON, CA
930300000	OXRA/OXNARD, CA
930650000	SFRK/SIMI VALLEY, CA
931050000	SBAK/SANTA BARBARA, CA
931170000	SBAA/GOLETA, CA
932400000	BFLDA/LAKE ISABELLA, C
932770000	VISA/VISALIA, CA
933080000	BFLA/BAKERSFIELD, CA
934010002	SBPA/SAN LUIS OBISPO,
934460000	SMXRA/PASO ROBLES, CA
934550000	SMXA/SANTA MARIA, CA
935140000	IYKDA/BISHOP, CA
935350000	WJFA/LANCASTER, CA

Listing of Relevant Comats

Comat	Comat Description
93550000	PMD/PALMDALE, CA
935550001	IYKA/RIDGECREST, CA
936120000	FATA/CLOVIS, CA
937270000	FATA/FRESNO, CA
937270001	FATRT/FRESNO, CA
939400000	MRYA/MONTEREY, CA
940100000	SQLC/BURLINGAME, CA
940250000	PAOA/MENLO PARK, CA
940250001	PAOA/MENLO PARK, CA
940400000	COAD/MOUNTAIN VIEW, CA
940630000	PAOD/REDWOOD CITY, CA
940800001	SQLA/SOUTH SAN FRANCISCO
940800002	SQLLS/SOUTH SAN FRANCISCO
940800003	SQLA/SOUTH SAN FRANCISCO
940850000	COAB/SUNNYVALE, CA
940860000	COAB/SUNNYVALE, CA
940890000	COAA/SUNNYVALE, CA
940890001	COAA/SUNNYVALE, CA
941020000	SFO/SAN FRANCISCO, CA
941020001	SFO/SAN FRANCISCO, CA
941030000	SFOA/SAN FRANCISCO, CA
941030001	NDB/SAN FRANCISCO, CA
941030002	SFOM/SAN FRANCISCO, CA
941040000	JCCA/SAN FRANCISCO, CA
941040001	APC/SAN FRANCISCO, CA
941040002	JCCB/SAN FRANCISCO, CA
941040003	SFOG/SAN FRANCISCO, CA
941040004	SFOD/SAN FRANCISCO, CA
941050000	NDBI/SAN FRANCISCO, CA
941050001	NDBB/SAN FRANCISCO, CA
941080000	SFOL/SAN FRANCISCO, CA
941110000	SFOC/SAN FRANCISCO, CA
941110001	SFOJ/SAN FRANCISCO, CA
941110002	APCA/SAN FRANCISCO, CA
941110003	SFOK/SAN FRANCISCO, CA
941240001	SFOA/SAN FRANCISCO, CA
941280000	SFOR/SAN FRANCISCO, CA
941280002	JMCBA/SAN FRANCISCO, CA
943010000	PAOG/PALO ALTO, CA
943060000	PAOB/PALO ALTO, CA
944040000	SQLF/FOSTER CITY, CA
944040001	SQLHQ/FOSTER CITY, CA
944040007	SQLHQ/FOSTER CITY, CA
945200000	CCR/CONCORD, CA (DELETED)
945330000	RHVTB/FAIRFIELD, CA
945390000	HWDC/FREMONT, CA
945450000	HWDB/HAYWARD, CA
945450001	JCEA/HAYWARD, CA
945530000	CCRA/PACHECO, CA

Listing of Relevant Comats

Comat	Comat Description
945680000	LVKA/DUBLIN, CA
945770000	OAKRT/SAN LEANDRO, CA
945770001	OAKSC/SAN LEANDRO, CA
945830000	LVKHQ/SAN RAMON, CA
945830001	LVKHQ/SAN RAMON, CA
945870000	HWDA/UNION CITY, CA
945870001	HWDA/UNION CITY, CA
945880000	LVKD/PLEASANTON, CA
945880001	LVKBC/PLEASANTON, CA
945880002	LVKA/PLEASANTON, CA
945960001	CCRB/WALNUT CREEK, CA
946030000	OAKRT/OAKLAND, CA
946030001	OAKRS/OAKLAND, CA
946030002	OAKRT/OAKLAND, CA
946080000	JEME/EMERYVILLE, CA
946080001	JEMA/EMERYVILLE, CA
946080002	JEME/EMERYVILLE, CA
946120000	OAKB/OAKLAND, CA
946210000	OAKA/OAKLAND, CA
946210001	OAKHQ/OAKLAND, CA
946210002	OAKH/OAKLAND, CA
946210003	OAKH/OAKLAND, CA
946210004	OAKR/OAKLAND, CA
946210005	OAKIP/OAKLAND, CA
946210006	OAKRE/OAKLAND, CA
946210007	OAKRE/OAKLAND, CA
946210008	OAKA/OAKLAND, CA
949010000	SRFA/SAN RAFAEL, CA
949010001	SRFA/SAN RAFAEL, CA
949390000	SRFB/LARKSPUR, CA
949540000	NOTA/PETALUMA, CA
950140000	COAC/CUPERTINO, CA
950500000	SJCC/SANTA CLARA, CA
950500001	SJCA/SANTA CLARA, CA
950500002	SJCRT/SANTA CLARA, CA
950500003	SJCRT/SANTA CLARA, CA
950500004	SJCA/SANTA CLARA, CA
950540001	COAE/SANTA CLARA, CA
950730000	SRUA/SOQUEL, CA
951100000	SJCH/SAN JOSE, CA
951100001	SJCR/SAN JOSE, CA
951130000	SJCG/SAN JOSE, CA
951310000	RHVA/SAN JOSE, CA
951310001	SJCBA/SAN JOSE, CA
951310002	RHVA/SAN JOSE, CA
952050000	SCKA/STOCKTON, CA
952060000	SCKA/STOCKTON, CA
952220000	SCKRA/ANGELS CAMP, CA
953400000	MCEA/MERCED, CA

Listing of Relevant Comats

Comat	Comat Description
953510000	MODA/MODESTO, CA
953510001	MODA/MODESTO, CA
953700000	MODRA/SONORA, CA
954030000	STSA/SANTA ROSA, CA
954820000	UKIA/UKIAH, CA
955010001	EKAA/EUREKA, CA
955310000	CECA/CRESCENT CITY, CA
956280000	MHRB/FAIR OAKS, CA
956700000	MHRA/RANCHO CORDOVA, C
956780000	AUNA/ROCKLIN, CA
957650000	AUNA/ROCKLIN, CA
958140000	SMFB/SACRAMENTO, CA
958140001	SMFRT/SACRAMENTO, CA
958150000	SMFRC/SACRAMENTO, CA
958150001	SMF/SACRAMENTO, CA
958150002	SMFC/SACRAMENTO, CA
958260000	MHRHQ/SACRAMENTO, CA
958260002	MHRHQ/SACRAMENTO, CA
958370000	SMFE/SACRAMENTO, CA
958370001	SMF/SACRAMENTO, CA
958380000	SMFA/SACRAMENTO, CA
958380001	SMFD/SACRAMENTO, CA
959260001	CICA/CHICO, CA
959450000	OVEA/GRASS VALLEY, CA
959910000	MYVA/YUBA CITY, CA
960020000	RDDA/REDDING, CA
960020001	Rddb/REDDING, CA
960200000	CICRA/CHESTER, CA
960670000	RDDDA/MOUNT SHASTA, CA
960930000	RDDA/WEAVERVILLE, CA
960970000	RDDDA/YREKA, CA
961010000	RDDD/ALTURAS, CA
961300000	RNODA/SUSANVILLE, CA
961600000	RNODB/TRUCKEE, CA
967200000	ITOA/HILO, HI
967320000	OGGA/KAHULUI, HI
967320001	JHMA/KAHULUI, HI
967400000	KOAA/KAILUA KONA, HI
967610000	JHMDA/LAHAINA, HI
967660000	LIH/LIHUE, HI
968190000	HNLA/HONOLULU, HI
968190001	HIKA/HONOLULU, HI
968190002	HNLH/HONOLULU, HI
968250000	HNLRC/HONOLULU, HI
970050000	HIOB/BEAVERTON, OR
970310000	PDXDA/HOOD RIVER, OR
970620000	BNOA/TUALATIN, OR
971030000	MRIDB/ASTORIA, OR
971380000	MRIDA/SEASIDE, OR

Listing of Relevant Comats

Comat	Comat Description
972040000	PDXB/PORTLAND, OR
972040001	PDXC/PORTLAND, OR
972170000	MRIA/PORTLAND, OR
972170002	MRIB/PORTLAND, OR
972180000	PDXA/PORTLAND, OR
972180001	LOGA/PORTLAND, OR
972180002	PDXR/PORTLAND, OR
972230000	HIOA/TIGARD, OR
973020000	SLEA/SALEM, OR
973330000	CVOA/CORVALLIS, OR
973650000	CVODB/NEWPORT, OR
973670000	SLEDA/LINCOLN CITY, OR
974020000	EUGA/EUGENE, OR
974390000	EUGDA/FLORENCE, OR
974590000	OTHDA/NORTH BEND, OR
974700000	RBGA/ROSEBURG, OR
974770000	EUGA/SPRINGFIELD, OR
975040000	MFRA/MEDFORD, OR
976030000	LMT/KLAMATH FALLS, OR
977010000	RDMA/BEND, OR
977200000	RDMRA/BURNS, OR
978010000	PDTA/PENDLETON, OR
978450000	RDMRB/JOHN DAY, OR
978500000	PDTDA/LA GRANDE, OR
980040000	BVUHQ/BELLEVUE, WA
980040001	BVUC/BELLEVUE, WA
980040002	BVUHQ/BELLEVUE, WA
980050000	BVUTA/BELLEVUE, WA
980050001	BVUA/BELLEVUE, WA
980210000	PAEA/BOTHELL, WA
980290000	BVUA/ISSAQUAH, WA
980320000	SEAA/KENT, WA
981010000	BFIB/SEATTLE, WA
981010001	LKEKA/SEATTLE, WA
981040001	BFID/SEATTLE, WA
981040002	BFIC/SEATTLE, WA
981080000	BFIA/SEATTLE, WA
981080001	BFIS/SEATTLE, WA
981080002	BFIA/SEATTLE, WA
981090000	BFIK/SEATTLE, WA
981340000	LKEA/SEATTLE, WA
981580000	SEAR/SEATTLE, WA
981580001	SEART/SEATTLE, WA
982230000	PAEDA/ARLINGTON, WA
982260000	BLIA/BELLINGHAM, WA
982330000	ODWA/BURLINGTON, WA
982450000	FHRB/EASTSOUND, WA
982500000	FHRDA/FRIDAY HARBOR, W
983620000	CLMA/PORT ANGELES, WA

Listing of Relevant Comats

Comat	Comat Description
983660000	PWTA/PORT ORCHARD, WA
984240000	TCMA/TACOMA, WA
985010001	OLMA/OLYMPIA, WA
985200000	OLMRC/ABERDEEN, WA
986320000	LOGDA/LONGVIEW, WA
988010000	EATA/EAST WENATCHEE, W
988370000	MWH/MOSES LAKE, WA
988410000	OMKA/OMAK, WA
989030000	YKMA/YAKIMA, WA
991140000	GEGRB/COLVILLE, WA
991630000	LWSDB/PULLMAN, WA
992020000	GEGA/SPOKANE, WA
992040000	GEGR/SPOKANE, WA
992240000	GEGR/SPOKANE, WA
993010000	PSCA/PASCO, WA
995010000	ANCHH/ANCHORAGE, AK
995020000	ANCA/ANCHORAGE, AK
995020001	ANCB/ANCHORAGE, AK
995020002	ANCFT/ANCHORAGE, AK
995020003	ANCIP/ANCHORAGE, AK
995020008	ANCRT/ANCHORAGE, AK
995770000	BMX/EAGLE RIVER, AK
996030000	HOMA/HOMER, AK
996110000	ENAA/KENAI, AK
996150000	ADQA/KODIAK, AK
996540000	WWAA/WASILLA, AK
996640000	SWDA/SEWARD, AK
996860000	VDZA/VALDEZ, AK
997010000	FAIA/FAIRBANKS, AK
998010000	JNUA/JUNEAU, AK
998350000	JNUDC/SITKA, AK
999010000	JNUDC/KETCHIKAN, AK

Source: Data provided by FedEx Express.

Appendix B

**4-15 Career Opportunity**

(Last Revised 24 July 2005)

Policy

FedEx Express provides career development opportunities to its employees by systematically informing them about position openings throughout the Corporation. This policy supports the Company's people-first philosophy and encourages qualified employees to seek open positions.

Scope

All permanent FedEx Express employees in the United States and Puerto Rico. Employees who are covered by Corporate-approved handbooks and standard operating procedures should refer to those guidelines.

NOTE: Information addressing movement between FedEx companies is available in the e-mail bulletin board POLICY-CURRENT-QA, Inter-Company Movement. It is also available on the FedEx Intranet at http://hronline.corp.fedex.com/jobajds/ee_intercompany.shtml.

Guidelines**General**

FedEx Express believes that the Company's work force is a viable recruitment source. Accordingly, FedEx Express is committed to filling open positions, whenever possible, with qualified candidates from within its workforce.

Affirmative Action/Equal Opportunity

Affirmative Action Plan goals are to be used as guidelines to ensure that the Company is making sufficient efforts to recruit minorities and females in order to increase the diversity of available qualified candidates seeking positions.

All considerations that affect selections are made without regard to race, color, religion, sex, sexual orientation, national origin, citizenship, handicap, status as a Vietnam-era or special disabled veteran, or age (except for bona fide occupational qualifications). Selection for positions under this policy is based on job requirements reflecting those qualifications as outlined in Corporate job descriptions.

Definitions (For Purposes of this Policy)

Department. All employee groups working under a member of management who reports directly to a Corporate officer. This definition applies unless the senior division head, with the approval of the matrix Human Resources managing director, defines the term differently.

Lateral Transfers. Movement from one job in a general job classification to another job in the same general job classification, in another location, department, or station within the same division (e.g. courier to courier, manager to manager).

Managing Director Positions

When managing director positions are available, notification is sent to the officers and managing directors of the Corporation. These officers and managing directors normally have 10 calendar days to submit candidate recommendations in writing to the recruiting Human Resources manager. Managing director positions may also be posted on the Career Opportunity Posting at the hiring officer's discretion.

Career Opportunity Posting Time Requirements

All properly authorized requests for Career Opportunity Postings must be received by Employment Services, Human Resources Division/MEM, by noon on Tuesday to ensure that the position appears on the weekly Career Opportunity Posting. No additions or changes are made in the announcement after noon on Tuesday.

REFER TO the Personnel Requisition Approval Procedure contained in the *The Profit Manual* for additional information.

Posting Requirements

All replacements, additions, and new permanent positions must be posted on the Career Opportunities Posting unless local posting is authorized in the Local Department/Station Posting guideline or a posting exception is approved.

Posting Exceptions

Corporatewide posting is not required in the following instances if the appropriate matrix Human Resources manager approves the exception:

- The position is a managing director or above position.
- The position opening is filled by laterally transferring a salaried employee in the same job title, grade, and status (full-time or part-time) within the division or an hourly employee in the same job title, grade, and status (full-time or part-time) in the same department/station. The resulting vacated position must be posted.

- The position results from a reorganization with no additional head count and is filled by an employee who meets or exceeds the position requirements for a lateral transfer, downbid, or demotion. The placement should not result in a promotion.
- The position is filled by an employee who has been affected by **4-75 Staffing Effectiveness**.
- The position is filled by an incumbent in a management position who is required or elects to step down from a managerial position.
- Forecasting procedures are used.
- External recruitment is necessary to alleviate significant underutilization of minorities and/or females, as determined by the Corporation's Equal Employment Opportunity staff and Legal Department.
- Another position opens that reports to the same department, at the same location, and that has the same job title as a position previously posted within the preceding 12 weeks. In this case, the hiring manager may either post the new position or make a selection from the previously screened and qualified internal applicants. If no one applied for the previously posted position, or there were no qualified internal applicants, the hiring manager may either post the new position or recruit internally and/or externally for the new position. The manager should note the recruitment method to be used on the Human Resources Requisition.

NOTE: Positions posted in JCAs do not require an exception form. JCAJOB (a JCAs screen) is programmed to automatically select as long as the selection or approved Position Control Number (PCN) is within a 12-week period.

- If an original position remains open and there are no qualified applicants in the original pool of candidates, the manager may repost or recruit internally/externally.
- Position is filled in accordance with **1-6 Leave of Absence (Medical)—Exempt/Nonexempt Salaried** or **1-8 Leave of Absence (Medical)—Merit Hourly** in support of the Human Capital Management Program (HCMP).
- The chief executive officer (CEO) or chief human resources officer (CHRO) may waive the requirement to post or route requests in order to support special Corporate programs (e.g., placement of returning expatriates) or to meet critical operational needs as approved.

Local Department/Station Posting

A local department/station posting may be used rather than Corporatewide posting under any of the following conditions:

- Actual departmental work experience is specified as a minimum requirement on the Position Description.
- The position is filled through the approved normal line of progression within the department (e.g., Treasury Agent III, Treasury Agent IV).
- A divisional staffing agreement has been approved to upgrade the status of part-time employees to full-time in the same job group classification within a specified ratio to balance the workload among existing employees, with no addition to head count.
- The position opening is filled by laterally transferring a salaried employee within the department in the same grade for career development purposes. The resulting vacated position must be posted Corporatewide.
- A departmental reorganization or work realignment occurs.

Application procedures and eligibility requirements are the same for departmental and Corporatewide postings to ensure proper documentation of selection decisions.

General Eligibility Criteria

Employees applying for or recruited internally for posted career opportunities and/or open positions must meet the following criteria by the end of the application period.

The general criteria are as follows:

- Employees are limited to two active JCAs except under the following circumstances:
 - applications for forecast postings
 - applications solicited through internal recruitment
- Employees with active warning letters based on a behavioral deficiency may not submit JCAs.
- Employees with performance reminders may submit a JCA if the noted problem areas are different from the requirements of the posted position.

REFER TO **Manager's Responsibilities** guideline of this policy.

Appendix C



The People Manual (USA)



Chapters

2-5 Acceptable Conduct

(Last Revised 01 April 2007)

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Policy

FedEx Express expects all employees to demonstrate the highest degree of integrity, responsibility, and professional conduct at all times.

Scope

All FedEx Express employees

Guidelines

General

All employees are FedEx Express representatives whether on or off duty. This is particularly important for the employee to remember when wearing a FedEx Express badge or uniform.

Conduct Expectations

Acceptable conduct involves not only sincere respect for the rights and feelings of others but the assurance that personal conduct in both business and personal life avoids any action that might (1) be harmful to the employee, other employees, the Company, or (2) cause any unfavorable reaction from current or potential customers.

Tape Recording Prohibited

Except for employees covered by a collective bargaining agreement, tape recording manager/employee conversations, meetings, or other interactions is prohibited unless approved and implemented by divisional guidelines (e.g., customer representative quality process), or the tape recording is done by Security personnel in the course of a Security investigation. Employees and managers are required to adhere to the "no recording" rule. Failure to adhere may be considered insubordination as outlined below.

Workplace Violence

Violent or threatening behavior is not tolerated in the workplace. All employees are responsible for advising management, the FedEx Express Security Department, Human Resources, or People Help of any actual or potentially serious or violent situations as stated in the Workplace Violence guideline of 8-80 Security.

Misconduct

FedEx Express requires a high degree of personal integrity and responsibility of its employees. Violations of Company or departmental rules may constitute misconduct for which an employee may be immediately suspended with pay, pending a complete investigation. All alleged violations should be thoroughly investigated and documented. Disciplinary decisions should be based on a logical analysis of the evidence.

Although the following list is not all-inclusive, the following specific violations may result in severe disciplinary action up to and including termination for employees or dismissal for vendors. This list is not all-inclusive.

- Conviction of, or a plea of "no contest" to, a crime involving job-related conduct
- Fraudulent activities
- Repeated incidents of losing ID badges, possession of more than one ID badge, a copy of an ID badge used to secure access to FedEx facilities, or failure to report a missing or stolen ID badge
- Possession of more than one ID badge is a security violation that results in discipline up to and including termination for employees or dismissal for vendors.
- Theft, including unauthorized possession of Company or customer property or the property of other employees
- Failure to report an aircraft strike or ground damage
- Failure to report a vehicle accident or occurrence in accordance with 8-90 Vehicle Accidents/Occurrences and 4-48 Driving Qualifications
- Disruptive conduct while on duty or while on Company property
- Insubordination or refusal to follow instructions or perform assigned work in a timely manner without valid reason
- Threatening, intimidating, coercing, directing abusive language, or displaying blatant or public disrespect toward any employee or customer while on duty, on Company property, at collection sites, or at off-site Company meetings and functions
- Openly making or publishing false, vicious, or malicious statements concerning the Company, any employee, or customer
- Unprofessional or rude conduct towards any customer while on duty, or in FedEx Express uniform
- Fighting while on duty, at Company functions/Company property
- Damage, destruction, interruption of use, or defacement of Company property, facilities, information systems and applications, or equipment as a result of deliberate or negligent action

- Unauthorized use of Company facilities, assets, or systems, including but not limited to
 - Personal use of COMAIL
 - Use of Company long distance telephone facilities for personal calls
 - Personal or other improper use of the corporate name, proprietary logo, or various trademarks
- Misuse of the Internet or Intranet or other violations of the Information Security Standards
- Violation of corporate safety regulations including
 - Failure to wear/use protective equipment/devices when provided and/or required (e.g., seatbelts, safety shoes, ear and eye protection)
 - Requiring or allowing subordinates to perform work activities in an unsafe manner or under unsafe and/or unhealthy conditions
 - Failure to ensure subordinates attend required safety training
 - Failure to have the driver-side sliding door or the bulkhead door closed when the vehicle is in motion
 - Failure to have the passenger-side sliding door closed when the vehicle is moving with a passenger on board. The only times the passenger side door may be open is when the vehicle is in motion with no passenger, and when the vehicle is not in motion and is actually being loaded or unloaded.
- Violation of guidelines and policy for employee reduced-rate shipping, nonrevenue shipping, interline travel, or jumpseat privileges
- Wearing unauthorized badges, insignias, pins, or other devices while on duty or on Company property
- Solicitation or distribution in violation of 10-55 Solicitation and Distribution
- Leadership failure of a member of management
- Any other act obviously and significantly detrimental to the best interest of FedEx Express and/or fellow employees as determined by management

Discharge Offense

While any violation of the Acceptable Conduct policy could potentially result in termination of employment, an employee normally will be dismissed upon completion of an investigation confirming violations related to

- Deliberate falsification of Company documents including but not limited to business reports, delivery records, timecards, benefits eligibility forms, expense reports and employment applications.
- Unauthorized possession of firearms or other dangerous weapons on Company property, as specified in **8-10 Firearms/Weapons**.



Termination for violating 8-10 is normally warranted; however, lesser discipline may be issued in extraordinary cases with approval of the vice presidents of Legal, Security, and Human Resources. Requests for these approvals should be forwarded to the Employee Relations Department.

- Drugs and alcohol as specified in **2-10 Alcohol and Drug-Free Workplace**.



Employees who access the GFTP process upon termination for drugs or alcohol should proceed directly to Step 2.

- Violation of the **Confidentiality** guideline for the survey questionnaire as specified in **5-70 Survey/Feedback/Action (SFA) Program**.

Investigative/Disciplinary Suspensions

Investigative Suspension

Investigative suspensions provide time for management to further investigate a violation. The employee receives pay while on investigative suspension. Management should hold the employee's I.D. badge while the employee is on an investigative or disciplinary suspension. The employee receives notice of the suspension in writing. An investigative suspension may be changed to a disciplinary suspension without pay as outlined in the **Disciplinary Suspension** section below and in the **Warning Letter/ Recurrent Patterns** guideline.



The Matrix HR Manager and Legal must be consulted before changing a paid suspension to an unpaid suspension.

Investigative suspensions should be completed as soon as possible, normally within seven calendar days. The employee **normally should be** informed of the decision within seven calendar days of the completion of the investigation.

Disciplinary Suspension

If a manager decides not to terminate an employee for a serious policy violation, the manager may issue a warning letter and a disciplinary suspension without pay. When appropriate, managers may change an **investigative** suspension to a **disciplinary** suspension without pay. Disciplinary suspensions are given only when they are deemed to be in the best interest of the Company and the infraction is of a severe nature. A disciplinary suspension must be in writing in the form of a warning letter outlining the reasons for the suspension and the applicable dates.

Documented Counselings

Even if management's investigation does not conclude that a policy violation has occurred that would warrant discipline such as a warning letter, disciplinary suspension or termination, management may choose to counsel the employee about acceptable conduct. When an employee receives counseling, the manager should enter the information into the Online Documented Compliment/Counseling (OLCC) system in PRISM. After its entry, the employee must log onto the Online Documented Compliment/Counseling Acknowledgment (OLCCACK) PRISM screen and verify his/her knowledge of the entry. If the employee refuses to acknowledge a counseling, a witness (another member of management, a Human Resources representative, or a Human Resources manager) must immediately log onto the PRISM Online Documented Compliment/Counseling Acknowledgment (OLCCACK) system to witness the counseling. Managers have the option of issuing a separate written memo to assist in communicating expectations and to memorialize the discussion. However, counselings must be documented in the PRISM OLCC screen even if no separate written memo or synopsis of the discussion was prepared by the manager.

 Documented counselings are ineligible for the GFTP process because they are not disciplinary in nature. (See 5-5 Guaranteed Fair Treatment Procedure/EEO Complaint Process.)

A documented counseling/OLCC entry is not disciplinary in nature, but it may be considered as a factor when determining whether discipline (i.e. warning letter, performance reminder, termination, etc.), is warranted. It may also be considered when reviewing an employee's work history to identify patterns of conduct, performance issues or recurrent problems.

Warning Letter/ Recurrent Patterns

 All disciplinary actions normally should be initiated within seven calendar days of the conclusion of the investigation.

Warning Letter

Based upon the results of the investigative suspension, management may return the employee to work and issue a warning letter as a means of discipline for the policy violation. See Documentation guideline and Figure 1, Sample Warning Letter. Warning letters serve as a notification of behavioral deficiency, and are active in PRISM and prohibit JCA/JCATS submissions for 12 months from the date a warning letter is issued. (This time period is adjusted forward for the number of days an employee spends on a leave of absence.) Disciplinary Suspensions may be given when appropriate and must be outlined in a warning letter. See Investigative/Disciplinary Suspensions guideline.

Recurrent Patterns

Recurrent patterns of misconduct cannot be tolerated. Normally, a recurrent pattern of misconduct consists of at least two occurrences of the same or similar conduct in the past 5 years. However, an employee's entire employment history is reviewed and taken into consideration when evaluating patterns of misconduct. Issuance of a warning letter for a deficiency which has been addressed previously through 2-5 Acceptable Conduct can result in more severe action up through termination. However, progressive discipline is not required and issuance of a warning letter is not a prerequisite for termination.

 When an employee receives a second deficiency notification within 12 months (e.g., a warning letter and/or performance reminder), the second deficiency notification should advise the employee that termination normally occurs if a third notification is received within a 12-month period, regardless of the type of the third notification.

 A Decision Day is only initiated when the second notification qualifies as a performance reminder.
(See 2-50 Performance Improvement.)

Any time a third discipline/deficiency notification of any type, i.e., reminder or warning letter, is entered in PRISM, an alert "notify" will be sent to the employee's senior manager and managing director and the matrix Human Resources representative. The "notify" will advise that the employee has three notifications, and the employee's history will be audited.

The receipt of three notifications of deficiency within a 12-month period normally results in termination. However, an employee's entire employment history should be reviewed. Based on the severity of the occurrence an employee may be terminated with less than three notifications of deficiency within a 12-month period. Management should consider the relative nature of all infractions for disciplinary purposes.

Termination Option Exercised

Failure to correct behavioral deficiencies will result in termination by the Company. Management is responsible for reviewing an employee's disciplinary record and exercising judgment in determining appropriate action.

Discharge Approval

Two levels of management and a matrix Human Resources staff member must approve all terminations based on misconduct when the individual holds a managing director or below position. For positions above managing director, the matrix Human Resources managing director should be consulted.

Termination Letters

REFER TO 4-90 Termination, Termination Letter
guideline.

Termination Option Not Exercised

If a manager chooses not to discharge an employee who has three notifications of deficiency, the manager must prepare a written explanation of the rationale and maintain it permanently in a department/station file. An information copy must be sent to the matrix Human Resources manager.

Documentation

Management should completely document all actions taken by management related to misconduct. All notifications of deficiency (i.e., warning letters and disciplinary suspension documents) should contain information such as

- date of infraction
- facts supporting the suspension, warning letter, reminder, and/or

termination

- policy violated
- the warning letter must contain a reference to the employee's privilege to pursue the procedure in 5-5 Guaranteed Fair Treatment Procedure/EEO Complaint Process

Verification/Retention of Disciplinary Notifications

An employee's signature confirms receipt of any disciplinary letter. When an employee refuses to sign a disciplinary letter, a witness (preferably another manager) must confirm receipt or the receipt should be verified through some other means (e.g., proof of delivery). The manager must

- retain all documents
- provide a copy to the employee and matrix Human Resources representative
- forward a copy to the Human Resources Information Operations Support (HRIS) for retention in the employee's personnel file

Criminal Charges

Employee Responsibility

All employees are responsible for immediately notifying their manager no later than the next day the employee is scheduled to work if they have been charged or indicted for any criminal (felony or misdemeanor) offense. This includes reporting driving violations and accidents as outlined in 4-48 Driving Qualifications and 8-90 Vehicle Accidents/Occurrences when your position is covered by these policies. However, when there is a resulting criminal charge from an accident, all employees must report the charge. Failure to do so may result in disciplinary action, up to and including termination.

Management Responsibility/Employee Suspension

Upon notification that an employee has been charged or indicted for a criminal offense, management should immediately take the employee's written statement in order to begin an investigation. Once the written statement is received, management should obtain the employee's identification badge and place the employee on investigative suspension with pay so an investigation into the job-relatedness of the conduct underlying the criminal offense may be completed. With assistance from the matrix Human Resources representative, and the Security and Legal departments, management's investigation should include the employee's written statement, a copy of the arrest record or police report or any other official documentation, and witness statements (when applicable).



A written statement from the employee is not required if the employee is incarcerated.

Incarceration

FedEx Express does not allow employees time off for time spent in jail. If an

employee is scheduled to work and calls in requesting time off while incarcerated, the employee should be considered as unavailable for work and appropriately disciplined, up to and including termination.

Job-Relatedness Determination/Procedure

The crime's classification (i.e., felony or misdemeanor) is not as important an issue as the underlying conduct itself. For example, crimes that are related to illegal use and possession of drugs are considered job-related based on Corporate policy, regardless of whether the crime is classified as a felony or misdemeanor. However, a DUI charge in which an employee is in his private vehicle is not job-related unless the individual holds a position that requires driving a Company vehicle. Crimes such as shoplifting and theft should be thoroughly evaluated for job-relatedness and discussed with the matrix Human Resources staff. Each charge must be considered on a case-by-case basis. Table 1 outlines the procedure to be followed when an employee has been charged or indicted for a criminal offense.

If it is determined that the conduct underlying the criminal offense is job-related, and the employee either admits to engaging in the conduct or the evidence clearly establishes the employee engaged in the conduct, the employee is disciplined or terminated as appropriate.

If it is determined that the conduct underlying the criminal offense is job-related, but it cannot be concluded that the employee engaged in the conduct, then the employee's paid suspension is converted to a suspension without pay pending resolution of the charges against the employee or the acquisition of additional information that will allow management to make a final decision. (See Table 1.)

It is the employee's responsibility to provide management with the disposition/resolution of the criminal matter. If the criminal charges are not resolved within 18 months of the original charge, the status of the criminal proceeding will be reviewed by the manager, Human Resources representative, and the Legal Department to determine action to be taken regarding the employee's employment status.

Table 1
Procedure When Employee Charged or Indicted for a Criminal Offense

Employee	1. Immediately notifies manager no later than the next day the employee is scheduled to work following the indictment or charge.
Manager	2. Upon discovery of or upon notification by the employee of an indictment, or charge, suspends employee with pay so an investigation can be conducted to determine the job-relatedness of the conduct. (See <u>Investigative/Disciplinary Suspensions</u> guideline.)
	3. With Security, Human Resources, and Legal departments, conducts investigation. a. If the conduct involved is determined to not be job-related, returns employee to work. b. If conduct is determined to be job-related and it is not known if the employee engaged in the conduct, suspends

Management	employee without pay pending resolution or more information. C. If conduct is determined to be job-related and it is confirmed that the employee did engage in the conduct, disciplines or terminates the employee.  See <u>Disposition and Employment/Pay</u> section below.
------------	---

Disposition and Employment/Pay

The disposition (conviction, "no contest" plea, acquittal, dismissal without prosecution or diversion) does not automatically determine whether an employee is retained or terminated. The decision to return the employee to active status or terminate depends upon the impact such disposition and the relevant facts have on other employees, the Company, and current or potential customers. Suspended employees who are permitted to return to work after resolution of the charge may be entitled to back pay, not to exceed a 90-day period. The issue of back pay is determined at the officer level of the division and each case is reviewed individually.

The decision to continue employment with the Company is made by management and matrix Human Resources upon consultation with the Legal Department. The decision should be based on

- The severity of the charge
- The employee's past work history
- The relationship of the charge to the present job function
- Other mitigating circumstances

Employment at Will

The employment relationship between the Company and any employee may be terminated at the will of either party as stated in the employment agreement signed upon application for employment. As described in that agreement, the policies and procedures set forth in this manual provide guidelines for management and employees during employment but do not create contractual rights regarding termination or otherwise.

Employee Response/Complaints

Any employee who feels he is the recipient of unwarranted discipline should discuss the problem informally with his manager and/or his matrix Human Resources staff, and/or use the procedure in 5-5 Guaranteed Fair Treatment Procedure/EEO Complaint Process.

Related Policies

- 1-5 Medical Absence Pay—Exempt and Nonexempt Salaried and Step

Progression

- **1-6 Leave of Absence (Medical)—Exempt/Nonexempt Salaried and Step Progression**
- **1-7 Medical Absence Pay—Merit Hourly**
- **1-8 Leave of Absence (Medical)—Merit Hourly**
- **1-20 Attendance**
- **1-45 Leave of Absence (Family)**
- **1-50 Leave of Absence (Military)**
- **1-55 Leave of Absence (Personal)**
- **2-10 Alcohol and Drug-Free Workplace**
- **2-50 Performance Improvement**
- **2-70 Code of Business Conduct**
- **4-15 Career Opportunity**
- **4-48 Driving Qualifications**
- **4-90 Termination**
- **5-5 Guaranteed Fair Treatment Procedure/EEO Complaint Process**
- **7-35 Reduced-rate Shipping and FedEx Kinko's Discount**
- **7-47 Jumpseat**
- **8-10 Firearms/Weapons**
- **8-30 Identification of Personnel**
- **8-80 Security**
- **8-90 Vehicle Accidents/Occurrences**
- **10-55 Solicitation and Distribution**

Related Publication

- ***The Profit Manual***

- [The Safety Manual](#)
- [The Information Security Standards](#)

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Appendix D



The People Manual (USA)

Chapters



2-50 Performance Improvement

(Last Revised 01 April 2007)

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Policy

FedEx Express promotes open communication concerning job performance. The Company uses a system of progressive notification to employees to correct performance problems.

Scope

All permanent employees

Guidelines

Basic Policy Intent

Mutual Responsibility for Performance Goals

Management and employees are mutually responsible for attaining the highest possible level of performance.

Improvement of Performance Problems

Employees are expected to correct performance problems for the duration of their employment, not just for a limited time as outlined in a performance planner or reminder.

Differentiation from Acceptable Conduct Policy

FedEx Express establishes and maintains standards of employee conduct that are separate from the standards that govern job performance. Conduct covers behavioral actions, whereas performance relates to the execution of assigned duties and responsibilities. Serious violation of Company or departmental rules may constitute misconduct for which an employee may be immediately suspended pending a complete investigation.

REFER TO 2-5 Acceptable Conduct for additional information regarding infractions considered to be misconduct and alternative management actions.

Mutual Responsibility

Management Responsibilities

Management is responsible for

counseling, a witness (another member of management, a Human Resources representative, or a Human Resources manager) must immediately log onto the PRISM Online Documented Compliment/Counseling Acknowledgment (OLCCACK) system to witness the counseling.



Documented counsellings are ineligible for the GFTP process **because they are not disciplinary in nature.** (See 5-5 Guaranteed Fair Treatment Procedure/EEO Complaint Process.)

Evaluation of Problem/Action

Contributing Factors

Before taking remedial action on an employee's performance problem, the manager should

- Evaluate the appropriateness of orientation, training, or accommodations provided the employee.
- Review previous counseling sessions to determine if the employee understood the nature of the deficiencies.
- Ensure that the noted problems are not a result of some **systemic** failure (e.g., tools, equipment, scheduling, prescribed methods).
- Consult with the employee to determine if any recent dramatic or traumatic events occurred.

Determination of Action

If it becomes apparent that the performance problem is not a result of any of the factors above, the following factors should be considered in determining appropriate action:

- severity of problem
- employee's previous work record
- previous action for similar problems within workgroup
- manager's judgment concerning actions most likely to change the employee's performance.

EXAMPLE

Conducting performance reviews more than once every 6 or 12 months as required.



Although it is not required, managers are urged to consult with their matrix Human Resources staff before taking action, particularly in unusual

circumstances. An objective review by an uninvolved staff consultant may reveal an inconsistency or other factors to be considered in the decision-making process.

Tools and Processes for Improving Performance

FedEx Express has identified certain tools useful in improving performance. They do not have to occur in sequential order and can be used at the discretion of the manager at any time. The tool selected depends on the nature and severity of the performance problem.

Documented Counseling

This is an open discussion between the manager and the employee. The discussion's purpose is to

- identify a performance problem
- clarify management's expectations
- determine possible solutions
- establish follow-up parameters

Managers must enter documented counselings into the PRISM OLCC screen and have the employee access the OLCCACK screen to enter a verification. See PRISM Entries and Verifications guidelines in this policy.

Option for Separate Written Memo

A written memo or synopsis of the discussion between the manager and the employee may be used to assist in communicating expectations and to memorialize the discussion. Counselings must be documented in the PRISM OLCC screen even if no separate written memo or synopsis of the discussion was prepared by the manager.

A documented counseling/OLCC entry is not disciplinary in nature, but it may be considered as a factor when determining whether discipline (i.e., warning letter, performance reminder, termination, etc.) is warranted. It also may be considered when reviewing an employee's work history to identify patterns of conduct or performance issues or recurrent problems.

Reminders with Action Plans

A written disciplinary notification that is normally warranted when:

- there is a severe performance problem
- or
- the same or similar performance problem has occurred on at least two or more occasions within the last 12 months

Management is expected to review thoroughly the circumstances surrounding any incident to determine whether a reminder is warranted. When evaluating a performance issue, management may always reference an employee's past performance.

When a reminder with an action plan is required, management must ensure that the action plan is developed and documented jointly by the manager and employee. See **Figure 2**. The action plan should address all actions related to an employee's performance problems. Once an employee receives a reminder, the manager must conduct a performance review with the employee every 6 months until the performance issue is resolved.

The reminder should include information such as:

- the date of performance problem or incident
- the policy violated (a copy of the violated policy should be attached to the reminder)
- the facts supporting the performance problem
- the action plan jointly developed to correct the problem.
- an established follow-up date
- the reminder must include a reference to employee's privilege to pursue the GFTP/EEO complaint process as documented in **5-5 Guaranteed Fair Treatment Procedure/EEO Complaint Process**
- see **Figure 2** for a sample Performance Reminder with Action Plan



All disciplinary actions should be initiated within seven calendar days of the completion of the investigation.

The manager must

- Retain an original of the reminder and action plan.
- Provide a copy for the employee's Personnel file in the Human Resources Information Control Center (HRICC) in Memphis.
- Give copies to the employee and to the matrix Human Resources representative.

Reminder Active Period

All reminders are active in PRISM and may prohibit Job Change Applications (JCAs)/JCATS submissions for 6 months from the date of issue.

Impact on Job Change Applications

Active reminders do not automatically prohibit an employee from submitting a

JCA if the skills required in the posted position are different from the problem areas noted in the current position. The Company recognizes that an individual may lack specific technical skills required in one position but be able to perform well in a different position that requires different skills. Employees must understand, however, that selection for open positions at FedEx Express is highly competitive and performance problems may reduce their probability of being the successful candidate.

The employee must attach copies of any reminders received within the last 6 months to the JCA. A JCA must be submitted to the manager for a recommendation in compliance with 4-15 Career Opportunity. The manager should recommend the employee only when the skills in the posted position are different from performance problems noted in the active reminder.

EXAMPLE

A requirement such as attendance is common to all jobs, and employees with an active notification of this type of deficiency must not be recommended.

Impact on Performance Review

If an employee has active formal discipline (warning letter or performance reminder) on file at the time of his performance review completion, this discipline should be reflected in the most appropriate category on the review. Under no circumstances should that associated performance review category be rated higher than satisfactory. Refer to 2-55 Performance Review (Individual Progress Discussion).

Performance Review as a Reminder

A less-than-satisfactory overall rating on the performance review serves as a reminder of a performance problem. The review itself **should** include facts identifying the performance problem, the action plan jointly developed to correct the problem, and an established follow-up date.

In addition, a less-than-satisfactory rating in any category may serve as the basis for a performance reminder and may require an agreed-upon action plan.



When a performance review qualifies as a reminder, it is entered and verified in PRISM as outlined in the PRISM Entries and Verifications guideline of this policy. A less than satisfactory overall rating on the performance review automatically generates a Reminder Letter in PRISM.

Although permanent employees must have a performance review on a scheduled basis, reviews should be conducted more often when warranted. Managers can set an early review date for an employee in the PRISM Review screen by entering an employee's next review date in the "Next Performance Review Due Date" field. Any date less than one year from the date of the last performance review entry will be accepted. PRISM will then notify the manager in advance of the employee's newly established review date.



Issuance of a performance reminder for a deficiency that has been addressed previously through 2-50

Performance Improvement can result in more severe action up through termination of employment.

All second disciplinary notifications (reminders or warning letters) **should** advise the employee that termination **normally occurs** if a third notification (regardless of the type of notification) is received within a 12-month period. This language **should** be included even if a decision day is not warranted.

Decision Day

A day off with pay granted to the employee to determine whether or not he desires to remain in the employment of FedEx Express. This type of performance improvement action is normally warranted when an employee fails to show improvement. The manager should meet with the employee to review the situation to determine if a decision day is appropriate.

If a decision day is necessary, it must be granted immediately. A reminder notification must be issued citing the employee's lack of improvement since the previous reminder and explaining the purpose and consequences of the decision day.



Decision days may be initiated after two deficiency notifications, but only when the last notification qualified as a performance reminder.

Table 1
Decision Day Conditions

Type of Deficiency Notification	Type of Deficiency Notification	Decision Day Conditions Met
Performance Reminder	Performance Reminder	Yes
Warning Letter	Performance Reminder	Yes
Performance Reminder	Warning Letter	No
Warning Letter	Warning Letter	No

When the performance problem is job specific (e.g. driving), the employee, together with the employee's manager, may consider an alternative position, in appropriate cases and where available, that does not require that specific skill.

Personal Performance Agreement

An employee who decides to remain with the Company must present a written personal performance agreement acceptable to the manager upon return from a decision day. The personal performance agreement outlines the commitment by the employee for performance improvement and a **desire to continue** employment. It should address the performance problems in a specific timeframe. This performance agreement must detail

- o specific actions and timetables to overcome the deficiency
- o the employee's personal commitment to abide by that agreement



Management should ensure that the employee understands what the agreement must contain. See **Figure 3** for a sample memo from the manager and **Figure 4** for a sample personal performance agreement.

The manager must

- Retain an original of the decision day reminder and the personal performance agreement.
- Provide a copy for the employee's Personnel file in the HRICC in Memphis.
- Give copies to the employee and to the matrix Human Resources representative.

Investigative Suspension

At management's discretion, an employee may be suspended with pay to provide additional time to conduct an investigation of the problem. Suspensions of this type normally should not exceed seven calendar days and should be completed as soon as possible. The employee **normally should be** informed of the decision within seven calendar days of the completion of the investigation. Any resulting disciplinary actions normally should start within seven calendar days of the investigation's completion.

Termination Criteria/Letters

Termination normally results upon receipt of

- three unsatisfactory performance reviews, or
- three performance reminders, or
- a combination of any type of notification (including warning letters for misconduct) totaling three within a 12-month period

Performance reminders do not have to relate to a common problem in order for termination to occur.

REFER TO Termination Option Exercised section.



Anytime a third discipline/deficiency notification of any type, i.e., reminder or warning letter, is entered in PRISM, an alert "notify" will be sent to the employee's senior manager and managing director and the matrix Human Resources representative. The "notify" will advise that the employee has three notifications, and the employee's history will be audited.

Termination Option Exercised

Failure to correct performance problems will result in either termination or acceptance of a letter of resignation by mutual agreement. Management is responsible for thoroughly reviewing an employee's work history and exercising judgment in determining appropriate action. Discharge based on performance problems normally is appropriate when a historical pattern of deficiencies exists. See Termination Criteria/Letters guideline.

Approvals Required

For positions of managing director and below, two levels of management must approve all discharges for performance problems. **Although it is not required, managers are urged to consult with their matrix Human Resources staff before taking action, particularly in unusual circumstances.** For positions above managing director, prior consultation with the Human Resources managing director is also encouraged.

Termination Letters

REFER TO 4-90 Termination

Termination Option Not Exercised

If a manager chooses not to discharge an employee who has three notifications of deficiency, the manager must prepare a written explanation of the rationale and maintain it in a department/station file. An information copy must be sent to the matrix Human Resources Manager.

Regulatory Mandates

In unusual circumstances, other types of corrective action mandated by governmental agencies, such as the Federal Aviation Administration (FAA), may be imposed as a result of performance failures related to regulatory compliance.

Employment at Will

The employment relationship between the Company and any employee may be terminated at the will of either party as stated in the employment agreement signed upon application for employment. As described in that agreement, the policies and procedures set forth in this manual provide guidelines for management and employees during employment but do not create contractual rights regarding termination or otherwise.

Complaint Process

Any employee who feels he is the recipient of unwarranted discipline should discuss the problem formally with his manager and/or matrix Human Resources representative and/or use the 5-5 Guaranteed Fair Treatment Procedure/EEO Complaint Process.

Related Policies

- 1-5 Medical Absence Pay—Exempt and Nonexempt Salaried and Step Progression
- 1-20 Attendance

- [1-45 Leave of Absence \(Family\)](#)
- [1-50 Leave of Absence \(Military\)](#)
- [1-55 Leave of Absence \(Personal\)](#)
- [2-5 Acceptable Conduct](#)
- [2-10 Alcohol and Drug-Free Workplace](#)
- [2-55 Performance Review \(Individual Progress Discussion\)](#)
- [4-15 Career Opportunity](#)
- [4-48 Driving Qualifications](#)
- [4-90 Termination](#)
- [5-5 Guaranteed Fair Treatment Procedure/EEO Complaint Process](#)
- [8-85 Unsafe Acts/Worker Injuries](#)
- [8-90 Vehicle Accidents/Occurrences](#)

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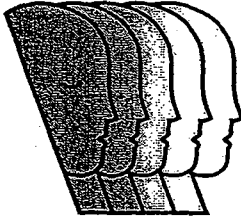
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Appendix E



FedEx Express (USA) Personnel Policy and Procedure Manual

June 2006

Publication Number 5524

Before the next complete revision of this publication, information may be updated through bulletins, e-mail, or other FedEx Express media. Users of printed publications are responsible for keeping track of change notifications issued between complete revisions. See Revision Highlights/What's New in Intranet publications for the latest updates. (See next page to learn how to access *The People Manual* online through the FedEx Express Intranet.)



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5-5 Guaranteed Fair Treatment Procedure/EEO Complaint Process

(Last Revised 01 April 2007)

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Policy

FedEx Express provides a procedure for handling employee complaints, problems, concerns, and allegations of employment discrimination.

An employee's right to participate within the guidelines of the process is guaranteed, although the outcome is not ensured to be in the employee's favor.

Scope

All permanent employees except employees represented by a collective bargaining agreement

Guidelines

Eligibility

All employees who receive discipline, including termination, or treatment that they believe to be unfair are eligible to participate in the GFTP/EEO process.

Eligible Issues

Issues eligible for consideration in the GFTP/EEO process include the following:

- selections
- application of compensation and benefit policies
- disciplinary actions, including terminations
- performance reviews
- all allegations of discriminatory employment practices based on an employee's race, color, sex, sexual orientation, religion, national origin, age, physical or mental handicap/disability, or veteran status including all allegations of sexual harassment
- Discipline resulting from an EEO investigation may proceed directly to GFT Step 2. Step 2 is the final step for discipline resulting from an EEO investigation.

 When an employee adds an allegation of discrimination or sexual harassment after entering the GFTP process, the GFTP is deferred until allegations of employment discrimination are resolved. The steps outlined in Table 2 should be followed. If an employee receives discipline as a result of the EEO investigation, the employee may proceed to Step 2 of the GFT Procedure as outlined in Table 1. Step 2 is the final step for discipline resulting from an EEO investigation.

 Employees terminated for drug, alcohol, falsification of the employment application related to a criminal event (arrest, conviction, etc.) or weapons violations should proceed to Step 2 of the GFTP process.

Ineligible Issues

Issues not eligible for consideration in the GFTP/EEO process are those seeking a change in or review of the following:

- work assignments
- hours of employment
- compensation rates and grade levels
- content of benefit policies
- content of Corporate policies and procedures
- decision to suspend with pay pending further investigation
- denial of a request for case review by the Accident/Occurrence Appeals Board
- discipline initiated by the Appeals Board
- documented counseling
- other issues defined as inappropriate by the Appeals Board
- clearance denial by the United States Postal Service for a position involving handling or access to U.S. mail and subsequent termination of a new hire because clearance was denied.
- clearance denial of an internal applicant by the USPS for a position involving handling or access to U.S. mail.

 Employees are permitted to utilize the GFTP process for resolution regarding work assignments that are presumed to be unsafe or where no training has

been provided.

Initiating a GFTP (Nondiscrimination) Complaint

Active Employees

Employees who wish to initiate a complaint to resolve a concern unrelated to alleged discrimination are possible with their immediate manager before entering the process.

If the complaint is with a member of management in another division, the employee is encouraged to have an open and frank discussion with a member of management in that division before entering the process.

If the discussion is unsatisfactory, the employee must submit an electronic GFTP request via the GFTP screen in PRISM within 5 calendar days of the occurrence of the eligible issue. The complaint will be forwarded automatically at each step to the appropriate members of management and matrix human resources. (See Table 1.)

EXCEPTION In situations where computer terminals are not available, employees may submit at each step a written complaint to the appropriate members of management, with a copy to the matrix Human Resources representative for entry into the GFTP monitoring and tracking system.

Terminated Employees.

At each step in the process, the appropriate GFTP bubble form and questionnaire for terminated employees must be completed and forwarded to FedEx Express, 3975 Airways, 2nd floor, Module E, HRIS-GFTP, Memphis, Tennessee 38116.

At each step in the process, all nondiscrimination complaints must be submitted within 5 calendar days of the occurrence of the eligible issues or receipt of GFTP response. (See Table 1.)

That division's chain of command should be followed throughout the process.

Benefits Related GFTP/EEO Process

When a GFT is filed that is related to benefits, (e.g., medical leave of absence) is not resolved at Step 2, Step 3 of the GFT process is delayed until resolution of the benefits issue through the benefits appeal process.

Steps in the GFTP/EEO Process

The GFTP/EEO process for nondiscrimination issues is a 3-step process that requires specific individuals to perform specific actions within a designated timeframe (see Table 1). The steps in the GFTP process for non-discrimination issues are:

1. Management review
2. Officer review
3. Appeals Board

Appeals Board

Participants

The Appeals Board consists of five management members.

The permanent members are:

1. the chief executive officer (CEO)
2. the executive vice president (EVP) and chief operating officer (COO)
3. the chief human resources officer (CHRO)

The rotating members are:

4. one senior vice president
5. one vice president

All permanent members should all be present at all Appeals Board meetings. If this is not possible, a permanent member is required to chair the board. Three members constitute a quorum.

In the absence of the CEO, the executive vice president and chief operating officer serves as chairman.

One senior vice president serves on the board on a 2-month rotation basis. The senior vice president can delegate to a vice president for an absence.

One vice president also serves on a 2-month rotation basis. Vice presidents who are selected to serve must live in Memphis, and have been a vice president for 12 months. The selected vice president must find a replacement when unavailable to attend the Appeals Board meeting. This replacement must be a vice president or a senior vice president.

Final Decisions

Since the Appeals Board is the last step in the GFTP, all of its decisions are final and binding on the Company and the employee. **However, no employee is prohibited from exercising his right to file a charge or participate in an administrative investigation or proceeding.**

Administrator

The Appeals Board administrator is responsible for the administrative function of the Appeals Board. At the board's direction, the administrator has the authority to act on their behalf and to carry out their instructions and decisions. A member of management in the HR Compliance Department signs the letters as administrator of the Appeals Board.

All resolution disputes arising during the GFTP/EEO process are referred to the

Appeals Board administrator for evaluation and final resolution by the Appeals Board. The Appeals Board administrator has the authority to remand cases to the lower levels for resolution.

Alternate Resolution Process

At the discretion of the Company, an Alternate Resolution Process may be used as part of the GFTP/EEO process in certain types of cases.

For more information on the Alternate Resolution Process, contact your matrix Human Resources representative or the HR Compliance Department.

Board of Review

The decision to initiate a Board of Review is within the sole discretion of the senior vice president/vice president at step 2 or the Appeals Board at step 3. **This is not a formal step in the appeal process but is an option available to the senior vice president/vice president or the Appeals Board.**



Discrimination and sexual harassment allegations are not eligible for consideration by a Board of Review. If allegations of employment discrimination surface during a Board of Review, notify the Appeals Board administrator. The board can proceed on the fair treatment issues.

Participants.

When initiated, a Board of Review is composed of

- a panel of five voting members
- a chairperson (nonvoting)
- an HR Compliance representative (nonvoting)
- a representative of matrix Human Resources (nonvoting)
- the complainant (nonvoting)
- the manager (nonvoting)
- witnesses (nonvoting)
- observers (nonvoting)

Observers must be FedEx Express employees. Their attendance at or removal from a Board of Review is at the chairperson's discretion.

If an employee is granted a Board of Review and is not present for the Board of Review, the case is automatically forfeited unless it is rescheduled by HR Compliance due to extenuating circumstances. Management is also required to be present.

Final Decisions

The decision of a Board of Review initiated at step 2 by a senior vice president may be appealed to the Appeals Board. However, the decision of a Board of Review initiated at step 3 by the Appeals Board may not be appealed. All Board of Review recommendations become final after confirmation by the Appeals Board.

For more information on the Board of Review process, contact the HR Compliance Department or the matrix Human Resources representative.

Initiating an Internal EEO Discrimination or Harassment Complaint

Employees who wish to initiate an employment discrimination or harassment complaint should discuss their concerns with a member of management, Human Resources, or HR Compliance. The employee will then receive an Employee Information Statement form to complete and return. All complaints will be promptly and thoroughly investigated in as confidential a manner as possible. If the complaint is submitted to a member of management, copies should be forwarded to the matrix Human Resources representative/management and HR Compliance within 48 hours.

Employees are protected by the Company and federal statutes from coercion, intimidation, retaliation, interference, or discrimination for filing a complaint or assisting in a complaint. FedEx Express specifically prohibits such action on the part of its management and other employees.

Before the resolution of any discrimination or harassment complaint, an employee may not be involuntarily transferred, reassigned, or subjected to any punitive action without concurrence of the matrix Human Resources management, HR Compliance, and the Legal Department.

Steps in the GFTP/EEO Internal EEO Discrimination or Harassment Procedure

The employment internal EEO discrimination or harassment complaint procedure is a 1-step process that requires specific actions to be performed by specific individuals. See Table 2.

Investigation Responsibilities.

An investigation is not initiated or discontinued without approval or concurrence from the Legal Department. An e-mail must be received from Legal before investigating or taking any disciplinary actions on all employment discrimination issues. The managing director may designate specific duties to matrix human resources and/or another member of management. The managing director is responsible for the content of the report and accountable for meeting the timeframes in the process.

Final Decisions

All decisions relating to employment discrimination complaints are final and binding on the Company and the employee.

For more information on the employment discrimination complaint process, contact the HR Compliance Department or the matrix Human Resources representative.

Exclusive Remedy

The GFTP/EEO process is the exclusive remedy for all disputes or work-related complaints arising from an employee's employment or termination from employment. As described in the employment agreement signed upon application for employment, the policies and procedures set forth by the Company provide guidelines for management and other employees during employment, but do not create contractual rights regarding termination or otherwise.

Maintaining Communication

Employees must keep management and HR Compliance advised of any change in their address or telephone number to maintain communication and timeliness throughout the GFTP/EEO process.

Confidential Communications/ Documents

All internal documents, including E-mails, investigative notes and materials generated in the course of the GFTP/EEO process, including without limitation, internal EEO and harassment investigations are confidential and subject to various legal privileges against disclosure. Circulation, distribution, or discussion of this information is strictly limited to those who have a need to know its content. Written or oral release of the contents of this information beyond this limited circulation must be approved by the Legal Department.

Third-party Representation

Attorneys are not permitted to serve as advocates on behalf of the Company or employees, nor to appear on behalf of employees or former employees or submit letters directly to the Company on behalf of employees or former employees in the GFTP/EEO process. Attorneys or other such representatives are directed to contact the Legal Department. No third party is permitted to participate in any manner in the GFTP/EEO procedure.

Related Policies

- 2-5 Acceptable Conduct
- 2-50 Performance Improvement
- 4-48 Driving Qualifications
- 4-90 Termination
- 5-15 External EEO Complaint Investigation
- 5-35 Disabled Individuals
- 5-40 Open Door
- 5-55 Anti-Harassment

- [5-70 Survey/Feedback/Action \(SFA\) Program](#)
- [8-90 Vehicle Accidents/Occurrences](#)

Related Publications

- *The Board of Review Manual*



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Appendix F

Satchell v. Federal Express

Appendix F - Class Members Receiving a Service Award

Sheila Akins
Virgil Banks
Yolanda Canela
Bonta P. Clarke
Eric Foreman
Maurice Griffin
Janet Haynes
Eric J. Hill
Brett Hoiland
Ingrid James
Zeno Latin
Venturi McCray Sr
Mitchell McCoy
Rose Moncrief
Antonio Norris
Rosalinda Olmos
Beverly Patterson
Mimi Steel

Appendix G

Appendix G - Class Counsel Hourly Rate Schedule

Altshuler Berzon LLP

James M. Finberg - \$700
Eve H. Cervantez - \$550
Rebekah B. Evenson - \$410
Danielle E. Leonard - \$350
Claire P. Prestel - \$325
Stuart Naifeh - \$275

Lieff, Cabraser, Heimann & Bernstein, LLP

Kelly M. Dermody - \$575
Daniel E. Barenbaum - \$425

Law Offices of John L. Burris

John L. Burris - \$650

Law Offices of Kay McKenzie Parker

Kay McKenzie Parker - \$475

Law Offices of Waukeen McCoy

Waukeen McCoy - \$525
Spencer Smith - \$325
Aldon Bolanos - \$325

Law Offices of Michael S. Davis

Michael S. Davis - \$525

Schneider and Wallace

Todd Schneider - \$525
Guy Wallace - \$525
William Willson - \$295
Nancy Park - \$275

Barry Goldstein, of counsel to Goldstein, Demchak, Baller, Borgen & Dardarian

Barry Goldstein - \$600

Exhibit 2

**THIS IS A NOTICE OF A PROPOSED CLASS ACTION SETTLEMENT
FROM THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

TO: (1) ALL AFRICAN AMERICANS AND LATINOS WHO WERE EMPLOYED AT FEDEX EXPRESS IN THE WESTERN REGION OF THE AGFS AND DGO DIVISIONS IN CERTAIN HOURLY POSITIONS, AND (2) ALL AFRICAN AMERICANS WHO WERE EMPLOYED AT FEDEX EXPRESS IN THE WESTERN REGION OF THE AGFS AND DGO DIVISIONS AS AN OPERATIONS MANAGER AT ANY TIME BETWEEN OCTOBER 17, 1999 AND [PRELIMINARY APPROVAL DATE]

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

DERRICK SATCHELL, KALINI BOYKIN,
VALERIE BROWN, RICK GONZALES,
CYNTHIA GUERRERO, RACHEL HUTCHINS,
TYRONE MERRIT, KELVIN SMITH, SR., and
KEN STEVENSON, on behalf of themselves and
all others similarly situated,

Plaintiffs,

vs.

FEDERAL EXPRESS CORPORATION, a
Delaware Corporation,

Defendant.

Case No.: C03-2659 SI; C 03-2878 SI

CLASS ACTION

**NOTICE OF CLASS ACTION
SETTLEMENT**

READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHTS.

This Notice is being sent to you, as ordered by the United States District Court for the Northern District of California, to advise you of the preliminary approval of the settlement of an employment discrimination class action against FedEx Express Corporation ("FedEx Express"). You have received this Notice because FedEx Express's records reflect that you are African American or Latino and were employed by FedEx Express in its Western Region as an hourly employee or an Operations Manager between October 17, 1999 and [preliminary approval date], and therefore may be a class member in the lawsuit. The purpose of this Notice is to provide you with a summary of the proposed settlement and Consent Decree, and to advise you of your rights with respect to the proposed settlement.

Important Deadlines

- **To participate in the monetary relief portion of the settlement, and receive any money to which you may be entitled, you must mail a Claim Form to the Claims Administrator postmarked no later than [claims deadline]. A Claim Form and return envelope are included in this Notice packet.**
- **If you want to exclude yourself from the Settlement (that is, not receive any monetary relief from the settlement, and not be bound by the judgment and release), you must mail an opt-out statement to the Claims Administrator post-marked by [opt out deadline].**
- **If you want to object to the settlement, or some part of the settlement, you must mail your written objection to the Claims Administrator post-marked by [objection deadline].**

A. Summary of Litigation

The Plaintiffs (i.e., the people who filed this lawsuit) claimed that FedEx Express discriminated against African Americans and Latinos employed in certain hourly positions in three main respects: (1) by paying African American and Latino class members less than white employees of similar experience and qualifications, (2) by disproportionately taking disciplinary action against African

American and Latino class members, and/or (3) by promoting white employees rather than greater or equally qualified African American and Latino class members, specifically with respect to promotions in the Western Region of the AGFS and DGO Divisions from any class member casual hourly position to any permanent hourly position, from any class member permanent hourly position to any other permanent hourly position, from any Latino class member hourly position to operations manager positions, and from class member hourly positions to customer representative positions (but only until June 1, 2006). Additionally, Plaintiffs allege that requiring employees to pass the Basic Skills Test ("BST") to work as a Courier, Ramp Transport Driver, Service Agent, or Customer Representative also discriminated against African American and Latino class members. In addition, Plaintiffs claimed that FedEx Express discriminated against African American Operations Managers by (1) paying them less than white employees of similar experience and qualifications, and/or by (2) disproportionately taking disciplinary action against African American class members.

B. Class Membership

If you are an African American or Latino, who worked at FedEx Express as a Freight Handler, Material Handler, Checker-Sorter, Customer Service Agent, Courier, Swing Driver, Ramp Transport Driver, Ramp Area Driver, Shuttle Driver, Dangerous Goods Agent, Information Agent, Operations Agent, Ramp Agent, Service Assurance Agent, Truck Control Agent, Trace Representative, Input Auditor, Team Leader, or Dispatcher in the Western Region of the AGFS and DGO Divisions at any time between October 17, 1999 and [the Preliminary Approval Date], then you are a member of the Hourly Employee Class, for purposes of monetary relief. If you are an African American who worked at FedEx Express as an Operations Manager in the Western Region of the AGFS and DGO Divisions at any time between October 17, 1999 and [the Preliminary Approval Date], then you are a member of the Operations Manager Class, for the purposes of monetary relief.

It is possible that you are a member of both classes (for example, if you held both an hourly position and an Operations Manager position in the Western Region of the AGFS and DGO Divisions at some time between October 17, 1999 and [the Preliminary Approval Date]). (Together, these two

1 classes are referred to in this Notice as “the Class” and members of either class are referred to as
2 “Class members”).

3 **C. Litigation Background**

4 In December 2002, Derrick Satchell and several others filed a class action lawsuit in Federal
5 Court in Northern California, alleging that FedEx Express discriminated against African Americans
6 and Latinos. They alleged that FedEx Express discriminated against its African American and Latino
7 employees with respect to promotions, pay, and discipline. Plaintiffs also alleged that FedEx
8 Express’s Basic Skills Test was biased against African Americans and Latinos. Over the course of the
9 next two years, Plaintiffs obtained and analyzed hundreds of thousands of pages of FedEx Express
10 documents, and took deposition testimony from key FedEx Express managers and former managers.
11 Both sides then produced reports from experts who reached different conclusions about whether FedEx
12 Express’s practices discriminatorily injured African Americans and Latinos. After a hearing, the Court
13 found that the case could proceed as a class action lawsuit—that is, that Mr. Satchell and the other
14 named plaintiffs could represent all African American and Latino FedEx Express employees claiming
15 that FedEx Express had discriminated against them on the basis of race or national origin with respect
16 to promotions, pay, and discipline. You probably received Notice in February 2006 that the Court had
17 certified the class.

18 After the Court certified the class, the parties began preparing for trial. Trial was originally set
19 for February 2007, and was later continued to May 2007. In the course of preparing for trial, Plaintiffs
20 obtained and reviewed many more documents, took many more depositions of key FedEx Express
21 witnesses, and submitted additional reports from experts. The parties exchanged trial exhibits and
22 proposed verdict forms, and filed numerous motions before the Court as both sides geared up for trial.
23 Shortly before the trial was scheduled to begin, in December 2006, the parties began a mediation, or
24 settlement, process. Numerous in-person meetings took place between December 2006 and March
25 2007. Mediation enabled the parties to better understand each other’s positions and, ultimately, to
26
27
28

1 reach an agreement to settle and resolve the original *Satchell* action, as well as the related *Caldwell v.*
 2 *FedEx Express Corporation* case.

3 After these discussions, the Plaintiffs and FedEx Express agreed to settle the litigation on the
 4 terms described below. Class Counsel have concluded that the terms of the settlement are fair,
 5 reasonable, adequate, and in the best interests of the Class. In reaching this conclusion, Class Counsel
 6 have analyzed the benefits of the settlement and the risk of an unfavorable outcome (i.e. losing), as
 7 well as the expense and length of continued proceedings necessary to prosecute this action through a
 8 trial and possible appeals. FedEx Express does not admit any wrongdoing or liability by entering into
 9 this settlement, and has agreed to these settlement terms because it wishes to avoid further costly,
 10 disruptive, and time-consuming litigation, and desires to obtain complete and final settlement of the
 11 claims of the Plaintiffs and Class members.

12 **D. Injunctive Relief--Summary of Employment Practices Affected by the Proposed**
 13 **Settlement with FedEx Express**

14 FedEx Express will agree to be bound by a Consent Decree for four years that will obligate it to
 15 implement a number of steps that affect the way it evaluates, pays, disciplines, and promotes its hourly
 16 employees and Operations Managers. The overall objective of this Decree, which is a type of court
 17 order, is to ensure equal employment opportunities for African Americans and Latinos who work for
 18 FedEx Express in the Western Region. In order to do so, FedEx Express has agreed to take many
 19 steps, including all of the following:

20 **Promotions To Hourly Positions**

- 21 (1) FedEx Express will discontinue use of the Basic Skills Test ("BST") as a requirement for
 22 awarding Courier, Ramp Transport Driver, or Service Agent positions.
- 23 (2) FedEx Express has eliminated the "casual" category of employees.
- 24 (3) FedEx Express will post all open positions on JCATS, and will fill job vacancies for
 25 hourly positions only through the JCATS system, subject to the limited policy exceptions
 26 noted in the Decree.
- 27 (4) FedEx Express will eliminate the step of manager "approval" to apply for a promotion
 28 through JCATS; instead, managers will only verify that employees meet all requirements

1 for the promotion.

2 **Promotions To Management**

- 3 (5) FedEx Express will provide information on its intranet and on paper that informs
4 employees about the ASPIRE system for entry into management positions, will allow all
5 eligible employees to enroll in available ASPIRE to Management classes, and will require
6 only that managers verify employees' eligibility for ASPIRE to Management, rather than
7 "approve" employees' requests for management classes.

8 **Performance Evaluations and Compensation**

- 9 (6) FedEx Express will provide training and specific guidelines for managers to use in the
10 performance evaluation process, will eliminate manager discretion to make "exceptions"
11 to performance review scores, except in clearly prescribed circumstances, and will
12 monitor the subjective criteria used in the performance review process to make sure that
13 subjective criteria are not used to give African Americans or Latinos disproportionately
14 low performance review scores.

15 **Discipline**

- 16 (7) FedEx Express will revise its discipline policy to ensure evenhanded enforcement of
17 disciplinary rules, including enforcing its requirement that the factual background and
18 reason for all discipline be documented in writing.

19 **Guaranteed Fair Treatment Policy**

- 20 (8) FedEx Express will revise its Guaranteed Fair Treatment ("GFT") policy to encourage,
21 rather than require, employees to engage in "open and frank" discussion with the
22 decision-maker prior to initiating the GFT process, and will provide the employee with
23 access to the Management Rationale for the challenged action and allow the employee
24 time to respond.

25 **Accountability**

- 26 (9) Managers will be evaluated on whether they follow FedEx Express's revised policies with
27 respect to promotions, pay, and discipline.
28 (10) FedEx Express will subject to discipline, up to and including termination, those managers

who fill positions without following FedEx Express's official procedures (such as failing to choose the person with the highest CEV points for a job).

Monitoring and Enforcement

- (11) FedEx Express will establish an internal Monitoring Panel to monitor and enforce these policies and practices and to ensure compliance with all terms of the Consent Decree. The Monitoring Panel will review reports of complaints of discrimination by FedEx Express employees, and will also receive and review other reports designed to insure that FedEx Express is following the new policies established through this Consent Decree.
- (12) Throughout the term of the Consent Decree (4 years), FedEx Express will provide regular progress reports to Counsel for the Plaintiffs. These reports will describe FedEx Express's progress in implementing the Decree, and include information about complaints of discrimination by African American and Latino employees, discipline imposed, and promotions granted. If Counsel for Plaintiffs believe that FedEx Express is disobeying its obligations under the Decree, Counsel may bring the matter to the attention of the Court or a Special Master.
- (13) A Court-appointed Special Master (an experienced lawyer who previously served as the parties' Mediator) will be authorized to resolve any disputes under the Consent Decree.

No Retaliation

- (14) FedEx Express will not retaliate in any way against the employees (or former employees) who sued it.

If, after the Consent Decree becomes effective, a Class member has reason to believe that FedEx Express is not fully complying with one of the terms of the Consent Decree, that Class Member can contact Class Counsel (See Section N) to provide the basis for that belief.

E. Money Being Paid by FedEx Express

In addition to the steps described above, FedEx Express has agreed to pay \$38.5 million to members of the Class who make a claim for past discrimination. From this \$38.5 million, the nine Class Representatives will each receive an award of \$30,000 (for a total of \$270,000), to compensate

1 them for their time involved in filing a lawsuit or charge against FedEx Express, and 18 individuals
 2 who submitted declarations in support of Plaintiffs' claims, all but one of whom were deposed, will
 3 each receive \$5,000 (for a total of \$90,000), designed to compensate them for the time involved in the
 4 case and in completing their depositions and/or declarations. Costs of providing notice to the class will
 5 also be paid from the \$38.5 million, and the fund will be reduced by a pro rata amount (returned to
 6 FedEx Express) based on the number of Settlement Class Members who opt out of the case. The
 7 remainder of the \$38.5 million will be used to pay class members who file timely claims.

8
 9 **F. Attorneys Fees and Reimbursement to Class Counsel of Out of Pocket Litigation Costs**

10 In addition to the injunctive relief described in Section D above and to the \$38.5 million
 11 described in Section E above, FedEx Express has agreed to pay Plaintiffs' counsel approximately
 12 \$2.575 million to reimburse them for out-of-pocket expenses they have advanced for the benefit of the
 13 class, and approximately \$12,425,000.00 in attorneys fees for legal services through the Final
 14 Approval process. This means that Class members will not have to pay anything to the lawyers.

15 Plaintiffs' counsel will file their fee application with the Court by June 22, 2007.

16 **G. How to Make A Claim for Money**

17 If you are a Class member, then you may be eligible to receive money from this settlement.
 18 **You will only receive money if you submit a written claim form to the Claims Administrator,**
 19 **signed under oath, and postmarked no later than [claim form deadline].** If you do not submit a
 20 claim form postmarked by [claim form deadline], then you will not receive any money from the
 21 settlement. However, even if you do not submit a claim form, you will still be bound by the settlement
 22 and release, unless you opt out, or exclude yourself, from the settlement.

23 A Claim Form and return envelope is included in this Notice Packet. You should review the
 24 information on the Claim Form carefully, and correct any information that is incorrect. Make sure to
 25 review and answer the questions in the Claims of Discrimination section. Finally, sign and date the
 26 Claim Form, and return it in the return envelope postmarked no later than [claim form deadline].
 27
 28

Those claim forms that are submitted on time will be evaluated by a Claims Administrator, and payments will be made to class members on the basis of (1) length of time working for FedEx Express in a class position during the class period; (2) casual, part-time, or full time status during this period; and (3) whether the class member failed the BST.

H. Release Of Claims

If the Court grants final approval of the Settlement, then all Class Members who do not opt out, see Section I below, will release FedEx Express for all claims certified by the Court in the lawsuit.

When claims are “released,” that means that a person covered by the release cannot sue FedEx Express for any of the claims that are covered by the release. Unless you opt out of the lawsuit, you will be covered by the release, even if you do not submit a claim form for money damages.

The exact terms of the Release are:

Upon Final Approval of the Consent Decree, all Settlement Class Members who do not timely opt out will release all race and national origin discrimination claims against FedEx Express under federal and state laws that were certified by the Court on September 27, 2005, for the liability period of October 17, 1999 through the Preliminary Approval Date.

The Court certified on September 27, 2005, claims of the Minority Employee Settlement Class concerning race or national origin discrimination in promotions, compensation, and discipline. The Minority Employee Settlement Class will release claims, arising during the Class Period, under any federal or state legal theory, for race and national origin discrimination in compensation, promotions identified in plaintiffs’ statement regarding promotion claims filed on November 30, 2006, i.e., (1) promotions in the Western Region of the AGFS and DGO Divisions from any casual Class Member Hourly Position to any permanent hourly position, (2) promotions from any permanent Class Member Hourly Position to any other permanent hourly position, (3) promotions of Latinos from a Class Member Hourly Position to operations manager positions, (4) promotion from Class Member Hourly Positions to customer representative positions from the beginning of the class period until June 1, 2006, and in the allegedly discriminatory issuance of performance reminders or warning letters, to the extent that the issuance of such discipline had an impact on an active employee’s compensation or ability to promote.

The Court certified on September 27, 2005, claims of the African-American Operations Manager Settlement Class of race and national origin discrimination claims concerning compensation and discipline. The African-American Operations Manager Settlement Class will release claims, arising during the Class Period, under any federal or state legal theory, for race and national origin discrimination in compensation and the allegedly discriminatory issuance of performance reminders or warning letters to the extent that the issuance of such discipline had an impact on an active employee’s compensation or ability to promote.

I. Can I “Opt-out” or Ask to Be Excluded, From The Monetary Relief Class?

With regard to injunctive relief and the steps FedEx Express must take as described in Section D below, you will remain a member of the Class. However, with respect to the claims for monetary damages, you have the option to opt out, or exclude yourself, from the settlement. If you opt-out of the Class, then you will not be bound by the release in this lawsuit, and will preserve the right to file your own lawsuit against FedEx Express, but you will not be able to make a claim for money as a part of this class-action lawsuit. If you start your own lawsuit against FedEx Express after you exclude yourself, you’ll have to represent yourself or hire and pay your own lawyer for that lawsuit, and you’ll have to prove your claims. If you do exclude yourself so you can start or continue a lawsuit against FedEx Express, you should talk to your own lawyer soon, because your claims may be subject to a time deadline (statute of limitations). Note that if you exclude yourself from this lawsuit, and you are currently employed by FedEx Express, any changes made to FedEx Express’s policies about the treatment of African Americans and Latinos would still apply to you. However, if you exclude yourself from this settlement, then you won’t get any money from the settlement of this class action lawsuit. On the other hand, if you remain in the class, you may be eligible to receive money, but **only** if you submit a claim form by [claim form deadline]. If you do nothing, then you will remain a part of the class. However, even as a Class member, you will not receive money unless you submit a claim form postmarked by [claim form deadline]

J. How Do I Ask the Court to Exclude Me from the Class?

To ask to be excluded, you must send a request for exclusion that contains the following language:

“I understand that I am requesting to be excluded from the class monetary settlement and that I will receive no money from the settlement fund created under the Consent Decree entered into by FedEx Express. I understand that if I am excluded from the class monetary settlement, I may bring a separate legal action seeking damages, but may receive nothing or less than what I would have received if I had filed a claim under the class monetary settlement procedure in this case. I also understand that I may not seek exclusion from the class for injunctive relief and that I am bound by the injunctive provisions of the Consent Decree entered into by FedEx Express.”

You must mail your request for exclusion postmarked no later than ____ to:

K. The Settlement Process and Final Fairness Hearing.

Every class action settlement must be approved by the court that presided over the class-action lawsuit. Thus far, Judge Susan Illston has only decided that the proposed settlement may be fair and, therefore, justifies the distribution of this Notice. In order to decide whether to give final approval to the proposed settlement, Judge Illston will consider related papers and comments submitted by the parties or others and hold a hearing in open court. A Final Fairness Hearing will be held on ____ at ____, in the Courtroom of Judge Susan Illston, U.S. District Court, Northern District of California, 450 Golden Gate Avenue, Courtroom 10, 19th Floor, San Francisco, CA 94102. You may, but are not required to, attend this hearing. You may also enter an appearance in the case through your own attorney, if you so desire.

L. Objecting To The Settlement

You may submit any objections to the proposed settlement in writing. For any such written objections to be considered, they must be mailed postmarked by ____.

Satchell v. FedEx Express Claims Administrator

XXXXX

XXXX, XX XXXXX

Please do not send any comments directly to the Court or attempt to reach Judge Illston in person. You may, however, review a copy of the Consent Decree at the Clerk's Office at the Federal Courthouse at 450 Golden Gate Avenue, San Francisco, CA 94102 or at www.FedEx Expressclaims.com. Any person who has filed a written objection to the Settlement may speak at the Final Fairness Hearing. If you seek to present any evidence or appear through a lawyer at the final fairness hearing, you must state your intention to do so in writing (sent to the post office box identified above) on or before ____ Additionally, any attorney who seeks to represent you at the Final Fairness Hearing must file a Notice of Appearance with the Court no later than ____.

M. If the Decree is Not Approved

If the Consent Decree is not approved by the Court, the conditional settlement will be voided, no money will be paid, and the case will proceed to trial. However, if that happens, there is no assurance: (a) that any decision at trial would be in favor of class members; (b) that a favorable trial

1 decision, if any, would be as favorable to the Class members as this settlement; or (c) that any such
2 favorable trial decision would be upheld if any appeal was filed.

3 **N. Class Counsel**

4 The Court has approved and appointed a number of firms to represent all members of the Class.
5 Class Counsel can be reached at the following telephone number: 1-888-xxx-xxx. Class Counsel are:

6 James M. Finberg
7 Eve H. Cervantez
8 Claire Prestel
9 ALTSHULER BERZON LLP
10 177 Post Street, Suite 300
11 San Francisco, CA 94108

12 Barry Goldstein
13 Of Counsel To
14 GOLDSTEIN, DEMCHAK, BALLER, BORGEN
15 & DARDARIAN
16 300 Lakeside Drive, Suite 1000
17 Oakland, CA 94612

18 John L. Burris (SBN 69888)
19 LAW OFFICES OF JOHN L. BURRIS
20 7677 Oakport Street, Suite 1120
21 Oakland, CA 94612

22 Michael S. Davis
23 LAW OFFICES OF MICHAEL S. DAVIS
24 345 Hill Street
25 San Francisco, CA

26 Waukeen Q. McCoy
27 LAW OFFICES OF WAUKEEN Q. McCOY
28 703 Market Street, Suite 1407
San Francisco, CA 94103

Kay McKenzie Parker
LAW OFFICES OF KAY McKENZIE PARKER
225 Bush Street, 16th Floor
San Francisco, CA 94104

1 Kelly M. Dermody
2 Daniel E. Barenbaum
3 LIEFF, CABRASER, HEIMANN &
4 BERNSTEIN, LLP
5 275 Battery Street, 30th Floor
6 San Francisco, CA 94111-3339

7 Todd M. Schneider
8 Guy B. Wallace
9 SCHNEIDER & WALLACE
10 180 Montgomery Street, Suite 2000
11 San Francisco, CA 94104

12 **O. Further Information About the Settlement**

13 If you have any questions concerning this settlement, or your options described in this Notice,
14 you may contact free of charge the Claims Administrator by (a) visiting [http://www.FedEx](http://www.FedExExpressclaims.com)
15 [Expressclaims.com](http://www.FedExExpressclaims.com), (b) calling toll-free (###) ###-####, or (c) writing Satchell v. FedEx Express
16 Claims Administrator, XXXX, XX XXXXX.

17 You may also call Plaintiffs' counsel at 1-888-xxx-xxxx.

18 Please do not contact FedEx Express Managers or H.R. Personnel with questions or concerns
19 about the Settlement.

20 **PLEASE DO NOT CONTACT THE COURT.**

21 /s/ **Hon. Susan Illston**

22 United States District Judge

Exhibit 3

CLAIM FORM
Satchell v. FedEx Express Corporation

IMPORTANT: To receive a payment from the distribution of the Settlement Fund, your Claim Form **MUST** be returned to the Claims Administrator **POSTMARKED** by _____.

INSTRUCTIONS

Submitting Your Claim Form

You may return your claim form using the enclosed self-addressed envelope or by mailing the form to:

Satchell v. FedEx Claims Administrator
Address
Address1
###/###-####

Signing Your Claim Form

In order for your claim to be processed, you must sign, under penalty of perjury, and date the Claim Form on page 4.

Confidentiality

The information you submit on this claim form, including your social security number, will be kept confidential by the claims administrator. Your social security number is required for your claim to be processed. It will be used solely for tax withholding purposes and for verification of your identity.

No Retaliation

The Court has issued an Order expressly forbidding any retaliation by FedEx against anyone who has filed a claim. The Claims Administrator will not send FedEx the list of persons who have filed claims.

Change of Address

If you file a Claim Form it is important that you notify the Claims Administrator by telephone, email or in writing of any change of your address. A failure to notify the Claims Administrator of a change of address may result in you not receiving your check. If you change your address after you have filed a Claim Form you should notify the Claims Administrator by telephone, email or mail:

Satchell v. FedEx, Claims Administrator

Questions and Assistance in Completing the Claim Form

If you have questions regarding the claims procedure or how to complete the Claim Form, you may contact the Claims Administrator at _____. There will be no charge for your call. You may also email your questions to: info@fedexclaims.com. You may contact class counsel at _____.

You should not ask any FedEx manager about the claims process. FedEx is not responsible for the claims process.

Completing Your Claim Form

Please review carefully the pre-printed information listed below regarding your employment with FedEx Express. This information is taken from FedEx Express's computer records. If any of the pre-printed information is incorrect, please cross out that incorrect information, and write the correct information above it.

If you make any corrections to the information below, please attach documentary evidence establishing the accuracy of the corrected information. For example, if the information concerning the dates of your employment is incorrect, you should attach W-2 forms or paystubs to establish the dates you actually worked.

PERSONAL INFORMATION

1. Name: **JOE EMPLOYEE**
2. Address: **4321 MAIN STREET**
3. City: **ANYTOWN** 4. State: **CA** 5. Zip: **94000**
6. Social Security No.: **999-99-9999**
7. Date of Birth: **01/01/1975**
8. Other names used while employed at FedEx:
Name:
Dates Used:
9. Race or Ethnicity: **AFRICAN AMERICAN**

Contact Information (Optional)

10. Home Phone: **(555) 555-1212** 11. Work Phone: **(415) 555-1212**
12. Cell Phone: **(510) 555-1212** 13. E-mail: **jemployee@fedex.com**

Employment Information

14. Positions Held at FedEx

Position: **HANDLER**

Status: **PART-TIME**

Dates: **JANUARY 3, 2003 - JUNE 15, 2004**

Position: **SWING DRIVER**

Status: **FULL-TIME**

Dates: **JUNE 16, 2004 - PRESENT**

Other positions held and dates:

15. Have you ever failed any part of the Basic Skills Test (regardless of whether you later passed)?:

☒ Yes ☐ No

If Yes:

Date you first failed any part of the BST: **MARCH 12, 2004**

Date you passed all parts of the BST:

CLAIMS OF DISCRIMINATION

Answer the following question if you worked for FedEx in an hourly position as Handler, Checker-Sorter, Customer Service Agent, Courier, Swing Driver, Ramp Transport Driver, Ramp Area Driver, Shuttle Driver, Dangerous Goods Agent, Information Agent, Operations Agent, Ramp Agent, Service

Assistance Agent, Truck Central Agent Trace Representative, Import Auditor, Team Leader or Dispatcher at any time between October 17, 1999 and [PRELIMINARY APPROVAL DATE]

1. I believe that I suffered discrimination on the basis of my race (African American) or national origin (Latino) in employment in promotion, compensation or discipline or because I failed the Basic Skills Test ("BST").

☐ Yes

☐ No

Answer the following question if you are African American and you worked for FedEx as an Operations Manager at any time between October 17, 1999 and [PRELIMINARY APPROVAL DATE].

2. I believe that I suffered discrimination on the basis of my race (African American) in employment in compensation or discipline.

☐ Yes

☐ No

If you are African American and you worked both in an hourly position and as an Operations Manager during the time period from October 17, 1999 to [the Preliminary Approval Date], please be sure to answer both questions.

CERTIFICATION

I, _____ declare under penalty of perjury that the information and facts listed above are true and accurate to the best of my personal knowledge. I understand that making a knowingly false statement may subject me to prosecution for perjury.

Date: _____

Signature of Claimant

Your Claim Form must be postmarked on or before _____. A self-addressed envelope has been enclosed for returning the Claim Form. The Claim Form must be mailed to:

Satchell v. FedEx Claims Administrator

Address

Address1

###/###-####