

AGREEMENT

This Agreement ("Agreement") is entered into this 20th day of October, 2010, by and between the Attorney General for the State of Montana ("Attorney General"), the Montana Department of Labor and Industry ("MDLI") and the Montana Department of Revenue ("MDOR") (referred to collectively under this Agreement as the "State"), on the one hand, and FedEx Ground Package System, Inc. ("FXG"), on the other hand. The parties, seeking to resolve this dispute without litigation, hereby agree to the following terms and conditions set forth herein.

A. THE PARTIES

1. FXG is a wholly owned subsidiary of FedEx Corporation, is a licensed motor carrier with headquarters in Moon Township, Pennsylvania, and is registered with the Montana Secretary of State to do business in Montana.

2. The MDLI and the MDOR are government agencies within the State of Montana. Steve Bullock is the Montana Attorney General representing the State of Montana, MDLI, and MDOR in these negotiations.

3. The parties acknowledge that the FXG Drivers (as defined below) whose work relationships with FXG are at issue are not parties to this Agreement.

B. DEFINITIONS

Unless otherwise indicated, these terms have the following meanings as they are used in this Agreement:

1. Pick-up and Delivery Contractor(s)("P&D Contractor(s)"): The term P&D Contractor(s) shall mean individuals and entities that have contracted with, and been engaged by,

FXG to provide package pick-up and delivery service from FXG terminals or stations located within the State of Montana under the Existing Business Model (as defined below) pursuant to either a FXG Ground Pick-up and Delivery Contractor Operating Agreement or a FedEx Home Delivery Standard Contractor Operating Agreement (“Operating Agreement(s)”).

2. Linehaul Contractor(s): The term Linehaul Contractor shall mean individuals and entities that have contracted with, and been engaged by, FXG to provide transportation services and are based out of FXG terminals or stations located within the State of Montana pursuant to a FXG Linehaul Contractor Operating Agreement (“Linehaul Operating Agreement”).

3. Driver/Drivers: The term Driver or Drivers includes FXG P&D Contractors, FXG Linehaul Contractors, and individuals retained by those P&D and Linehaul Contractors who provided services to FXG which originate from FXG terminals or stations located within the State of Montana.

4. Temporary Drivers: The term Temporary Drivers shall mean persons provided to FXG from a “Temporary Service Contractor,” as that term is defined in Section 39-71-116 (34), MCA, to perform pick-up and delivery services for FXG in Montana.

5. Existing Business Model: FXG’s existing pick-up and delivery business model (“Existing Business Model”) is based on P&D Contractor Operating Agreements and their addenda, and is a subject of the Audit issued by the MDLI on October 14, 2009.

6. New Business Model: FXG’s new pick-up and delivery business model (“New Business Model”), also known as the Independent Service Provider (ISP) model, will be Implemented (as defined below) by FXG in place of the Existing Business Model. The stated purpose of the New Business Model is to address concerns identified in the audit [¶¶ C (1), (2), infra] that led MDLI to conclude that P&D Contractors and individuals retained by P&D

Contractors were employees of FXG.

7. Implement/Implementation: The term “Implement” or “Implementation” as it relates to the New Business Model means that: (a) FXG has negotiated ISP contracts with prospective ISP contractors; (b) FXG has received signed contracts from the ISP contractors; and (c) FXG has supplied to MDLI the names of the ISP contractors with signed ISP contracts and their federal employment identification numbers (FEIN). At the time of Implementation of the New Business Model, P&D Contractors whose current Operating Agreements do not expire until after the agreed upon date for Implementation as set forth in Paragraph F.6. below, will have the contractual right to continue under the terms of their current Operating Agreement until the specified contract period ends. FXG agrees that it will not renew any such Operating Agreement at the end of its contract term.

C. BACKGROUND INFORMATION/RECITALS

1. On October 20, 2009, the Montana Attorney General gave written notice of his intent to bring suit against FXG for alleged state labor law violations and unfair business practices based on a finding by the MDLI of employee misclassification by FXG in Montana. Montana’s letter was prompted by the investigation and audit issued by MDLI on October 14, 2009 (“2009 Audit”) in which the MDLI found that Drivers were FXG employees.

2. In the 2009 Audit, the MDLI found that FXG Drivers and other miscellaneous workers should be classified as employees of FXG and assessed unemployment taxes, penalties, and interest due based on a review of FXG financial and business records with Drivers, from January 2004 through June 2006. The 2009 Audit and a cover letter explaining the audit findings were sent to FXG on October 14, 2009. FXG acknowledges receipt of the 2009 Audit.

3. The 2009 Audit followed a previous negotiated settlement between MDLI and

FXG in 2006 (“2006 Negotiated Settlement”). The 2006 Negotiated Settlement agreement was executed in May 2006. The 2006 Negotiated Settlement was the result of findings in 2003 by MDLI, through its Independent Contractor Central Unit (ICCU), that all P&D Contractors were employees of FXG (“2003 ICCU Misclassification Determination.”). The 2003 ICCU Misclassification Determination was issued on December 22, 2003. FXG acknowledges receipt of the December 22, 2003 Determination. As part of the 2006 Negotiated Settlement, FXG agreed to furnish Montana P&D Contractors with a copy of new statutory provisions and information relative to the Independent Contractor Exemption Certificate (ICEC) program.

4. As a result of the 2009 Audit, the MDLI found that none of the P&D Contractors or Linehaul Contractors would be eligible to receive an ICEC because they do not meet the independent contractor requirements of Montana law.

5. Following issuance of the 2009 Audit, FXG disputed the findings of the Audit and appealed the employment status findings pursuant to Mont. Code Ann. § 39-51-1109. The ICCU issued a formal determination on that appeal (“2009 ICCU Misclassification Determination”) that all P&D and Linehaul Contractors classified as independent contractors by FXG are employees of FXG. The 2009 ICCU Misclassification Determination was issued on December 31, 2009. FXG acknowledges receipt of the December 31, 2009 Determination.

6. FXG disputed the findings of the 2009 ICCU Misclassification Determination and filed an appeal pursuant to Mont. Code Ann. § 39-71-415. This appeal remains pending.

7. On May 5, 2010, the MDLI, through its Unemployment Insurance (“UI”) Division, issued a separate written determination relating to Temporary Drivers (“2010 UI Temporary Driver Determination”) finding that Temporary Drivers are employees of FXG rather than employees of Temporary Service Contractors Kelly Services and Adecco, and must be

reclassified. FXG acknowledges receipt of the 2010 UI Temporary Driver Determination. FXG disputed the findings and appealed the 2010 UI Temporary Driver Determination. This appeal remains pending.

8. The 2010 UI Temporary Driver Determination also alleged that because the ICCU determination found all P&D Contractors and Linehaul Contractors classified by FXG as independent contractors to be employees, the individuals retained by those P&D Contractors and Linehaul Contractors are also employees of FXG. In appealing the 2010 UI Temporary Driver Determination, which appeal is currently pending, FXG also appealed the determination that individuals retained by P&D Contractors and Linehaul Contractors were FXG employees.

9. On August 17, 2010, the ICCU issued a separate written determination regarding miscellaneous workers (“2010 UI Miscellaneous Worker Determination”), in which the ICCU found that some of the workers providing non-driver related services were independent contractors and others, including some providing driver-related services, were employees of FXG. FXG acknowledges receipt of the 2010 UI Miscellaneous Worker Determination. FXG disputed the findings and appealed the 2010 UI Miscellaneous Worker Determination. This appeal remains pending.

10. On May 20, 2010, FXG announced to all P&D Contractors and Linehaul Contractors that it would only contract with incorporated business entities in the future and set forth a schedule in which this transition would take place.

11. The 2009 Audit, the 2006 Negotiated Settlement, and all Determinations by the ICCU and the UI Division referenced in paragraphs C(1) to C(9) are incorporated by reference herein.

D. CURRENT SETTLEMENT NEGOTIATIONS

1. The parties have engaged in extensive negotiations relating to the 2009 and 2010 misclassification determinations. FXG's appeals have been stayed pending the outcome of these negotiations.

2. FXG has indicated that it will Implement the New Business Model in Montana. A version of this New Business Model has already been implemented in New Hampshire and Maryland.

3. FXG represents that the New Business Model shall be a business model substantially similar to the ISP model previously implemented in New Hampshire and Maryland by FXG, as described in materials which FXG has provided to the State. Each ISP will be an independent incorporated business in which all personnel providing services under the ISP contract will be treated as employees and provided with unemployment insurance and workers' compensation insurance coverage by the ISP. Each ISP will contract with FXG for the pick-up and delivery of packages, and take responsibility for the hiring, training, and supervising of its employees and ensuring compliance with all applicable laws and regulations, as well as all of its contractual obligations as negotiated between the ISP and FXG.

4. The State of Montana makes no representations regarding the proposed New Business Model and whether it complies with state law. Any compliance determination would be premature at this point because a determination of employment status for contractors under the New Business Model will depend on several factors, including whether FXG (a) exerts substantial control over the ISP or its employees, (b) improperly interferes with the ISP's business interest, or (c) does not allow the ISP to engage in meaningful, individual negotiations for the ISP contract. Those factors cannot be determined until the State has had an opportunity to evaluate the New Business Model in practice.

5. Section 39-71-117(4), MCA, requires that “An interstate or intrastate common or contract motor carrier that maintains a place of business in this state and uses an employee or worker in this state is considered the employer of that employee, is liable for workers' compensation premiums, and is subject to loss experience rating in this state unless:

- a. the worker in this state is certified as an independent contractor as provided in 39-71-417; or
- b. the person, association, contractor, firm, limited liability company, limited liability partnership, or corporation furnishing employees or workers in this state to a motor carrier has obtained Montana workers' compensation insurance on the employees or workers in Montana both at the inception of employment and during all phases of the work performed.”

Pursuant to this statute, every individual providing services to FXG must be either individually covered by a workers' compensation policy or individually obtain an Independent Contractor Exemption Certificate (ICEC) under 39-71-417, MCA. For unemployment insurance purposes, all individuals providing services to FXG are required to be covered by unemployment insurance coverage, even those individuals who choose to and successfully obtain an ICEC, as the ICEC does not, under Mont. Code Ann. § 39-51-204(2)(b), exempt the associated corporation from the requirement to provide unemployment insurance on its corporate officers under 39-51-203, MCA. As set forth in Paragraph D.6., officers and managers of the ISP or Linehaul Contractor corporations are required to maintain workers compensation coverage on all employees, including themselves, regardless of whether they elect to obtain an ICEC. Nothing in this Agreement is intended to imply that ISP or Linehaul Contractors are required to obtain the ICEC if they are personally covered by a workers compensation policy.

6. In addition to the transition to the New Business Model, FXG made a business decision to contract only with ISP and Linehaul Contractors that are incorporated entities which agree to ensure that all individuals performing package pick-up, delivery and transportation services for their respective corporations are treated as employees, and that all of these employees will be provided with workers' compensation and unemployment insurance coverage by the ISP or Linehaul Contractor. The only exceptions to this requirement will be those P&D Contractors identified in Paragraph B.7. who elect to complete the term of an Operating Agreement which was executed prior to the date of this Agreement, and Linehaul Contractors to the extent they have until June 30, 2011 to incorporate. Nothing in this Agreement is intended to imply Montana's approval of FXG's business decision, or otherwise limit Montana's future authority to audit or challenge the question of employment classification except as provided in Paragraph F.7.

E. OBJECTIVES

The purpose of this Agreement is to:

1. Provide compensation to the State of Montana for losses it claims to have suffered as a result of FXG's alleged misclassification of employees, including unemployment insurance taxes owed, damages for failing to withhold tax on wages, additional damages and potential civil penalties, and costs and fees associated with this Agreement.
2. Ensure that individuals working with FXG have the protections and benefits of the law to which they are entitled, either as independent contractors or employees.
3. Release FXG from liability under the Existing Business Model, including but not limited to alleged violations of state employment laws, state tax laws, and the Montana False Claims Act.
4. Provide a date certain by which FXG will Implement the New Business Model

and provide a period of repose during which time Montana will not initiate legal action against FXG.

5. Settle all audit findings, determinations and pending appeals referenced in Section C.

F. TERMS AND CONDITIONS

To accomplish the foregoing purposes, the parties agree to the following terms and conditions:

1. Financial Terms of Settlement: FXG will pay to the State of Montana a total of \$2.3 million in settlement. This amount includes an estimated \$73,204 for unemployment taxes allegedly due from January 2010 to September 1, 2011; that amount is subject to adjustment based on the actual amount due as determined by the MDLI following receipt of quarterly reports, the Implementation date of the New Business Model, and the Forms 1099 for the applicable period. FXG will pay the State of Montana \$2 million within 10 days of the full execution of this Agreement in the manner set forth in Paragraph F.4. below.

2. State Discretionary Fund: Subject to Paragraph F.12. infra, FXG will pay to the State of Montana \$100,000 as part of the \$2.3 million total, to be deposited in an account designated by MDLI. The funds will be distributed equally among all P&D Contractors who had a valid Operating Agreement in effect at the time of execution of this Agreement. Payment to the State of this \$100,000 will be made within 10 days of the full execution of this Agreement.

3. Supplemental Release Payment: Payment to the State of Montana for the remaining \$200,000, subject to adjustment for the unemployment taxes due prior to Implementation of the New Business Model as set forth in Paragraph F.1. above, shall be made within 10 days of receipt of the signed Supplemental Release, as set forth in Paragraph F.5.

below, with funds to be remitted in the same manner as set forth in Paragraph F.4. below.

4. Payment Method: Payment shall be remitted by electronic transfer to the escrow disbursement account for Cohen Milstein Sellers & Toll, PLLC.

5. Release from Liability: This Agreement constitutes a full and final settlement and release of FXG by the Attorney General, MDLI and MDOR from any and all claims, assessments, determinations and causes of action against FXG and its parent, affiliates, successors, assigns, subsidiaries and divisions, their officers, agents, directors, and employees for any cause of action asserted, or that could have been asserted, relating to FXG's classification of its P&D Contractors as independent contractors and the employment status of individuals retained by P&D Contractors under the Existing Business Model, FXG's classification of its Linehaul Contractors as independent contractors and the employment status of individuals retained by Linehaul Contractors, FXG's use of Temporary Drivers and FXG's use of other miscellaneous workers as identified in the 2009 Audit, including, but not limited to the allegations set forth in the 2009 Audit, the 2009 ICCU Misclassification Determination, the 2010 UI Temporary Driver Determination and the 2010 UI Miscellaneous Worker Determination. Within ten (10) days of Implementation of the New Business Model as required by Paragraph F.6. below, the State shall execute and transmit to FXG the Supplemental Release attached to this Agreement as Appendix "A."

6. Implementation of New Business Model: FXG will Implement its New Business Model in the State of Montana no later than June 4, 2011. Based on FXG's representations during these settlement negotiations, MDLI understands that the New Business Model will be Implemented and operated as described in ¶ D (3). Unless FXG is prohibited from Implementing the New Business Model by an order of a Montana court or an order of another Court that

applies to Montana on its face, failure to Implement the New Business Model by June 4, 2011, consistent with Paragraphs B.7., D.3. and D.6. above, would constitute a breach of this Agreement entitling Montana to reasonable damages. FXG agrees to submit to state court jurisdiction for purposes of enforcement of this Agreement.

7. Period of Repose: For a period of six months after the New Business Model is Implemented, the State of Montana will not initiate a cause of action, either administratively or in a state court of law, relative to questions of employment classification. The six month period may be extended by mutual agreement of the parties.

8. Tolling: During the six month period referenced in ¶ F.7., the statute of limitations for any and all causes of action arising under state law will be tolled.

9. Document Production and Other Information: FXG agrees to produce the documents set forth in Paragraphs 9.a.-c. to the State of Montana within the time periods provided below, in an electronic format:

a. Current Familiarization Guide made available by FXG to ISP candidates as part of the Implementation in Montana of the New Business Model. This document shall be provided by Jan. 1, 2011

b. Copies of the signed contracts between FXG and the ISPs. These documents shall be provided to the State by July 1, 2011. Any additional contracts between FXG and an ISP signed from June 4, 2011 through December 1, 2011, shall be provided to the State no later than January 2, 2012.

c. A copy of the initial announcement packet provided to Contractors providing pick-up and delivery services from FXG terminals and stations located within the State of Montana announcing the New Business Model. These documents shall be provided within

one week after FXG's announcement of the New Business Model.

For a period of one year after Implementation, FXG also agrees to produce within 30 days of a request from the State, the following:

d. All IRS written audit determinations relating to the classification of ISPs under the New Business Model;

e. Charge Statements showing amounts paid to ISP contractors in Montana;

f. ISP discussion records or similar information generated by station managers or other FXG personnel regarding communications with ISPs regarding ISP or ISP Employee performance;

g. Any manuals, guidelines, or videos provided by FXG to ISPs in Montana as part of the New Business Model, including, but not limited to, the Safety Information Guide, updates to the ISP Familiarization Guide described in 9.a above, and Mygroundbizaccount Technical Guide for ISPs.

h. Generally applicable correspondence sent to ISPs regarding transition to the New Business Model not previously produced pursuant to Paragraph 9.c.

Failure to produce the documents and information set forth in Paragraphs 9.a. through h., or otherwise to materially comply with this section, would constitute a breach of this Agreement entitling Montana to reasonable damages. FXG agrees to submit to state court jurisdiction for purposes of enforcement of this Agreement.

FXG agrees not to interfere with the State's ability to independently obtain information from ISPs or their employees.

10. Future Use of Audit and Other Investigative Materials: While FXG admits no liability pursuant to this Agreement or otherwise as set forth in Paragraph F.15. below, the State

is not precluded by virtue of this Agreement from attempting to offer into evidence in any future cause of action, administrative proceeding or litigation, the 2009 Audit, the 2009 ICCU Misclassification Determination, the 2010 UI Temporary Driver Determination, the 2010 UI Miscellaneous Worker Determination, or any other information regarding the Existing Business Model received as part of the investigation of the classification question. Similarly, FXG is not precluded by virtue of this Agreement from objecting to the admission into evidence, or disputing the findings and conclusions, of the 2009 Audit, the 2009 ICCU Misclassification Determination, the 2010 UI Temporary Driver Determination, the 2010 UI Miscellaneous Worker Determination, or any other information regarding the Existing Business Model received as part of the investigation of the classification question. This Agreement does not alter in any way the rights under federal or state rules of evidence of any party to this Agreement to seek admission, or to object to the admission, of the above described materials or information.

11. Enforcement of Audit and Withdrawal of Appeal: Upon receipt of payment as set forth in Paragraph F.1. of this Agreement, the State will not enforce and agrees not to use the 2009 Audit determination and findings or the subsequent determinations made pursuant to FXG's appeals as a basis for initiating proceedings against FXG. FXG will withdraw its appeals of the 2009 Audit, including, 2009 ICCU Misclassification Determination, case number ICCU No. 09050UI, the 2010 UI Temporary Driver Determination and the 2010 UI Miscellaneous Worker Determination, case number ICCU No.10001-UI .

12. Statement of Non-Interference with Drivers' Private Lawsuits: Nothing herein is intended to affect, preclude, or interfere in any way with Drivers' private causes of action. FXG agrees it will not construe this Agreement against Drivers in their private lawsuits.

13. Good Faith Negotiations in Other States: FXG will continue to negotiate in good

faith with any other State who has initiated or initiates discussions regarding alleged misclassification of Drivers in those States. At the other State's request, FXG agrees to consider as part of its good faith obligations any of the non-financial terms agreed to herein, or other non-financial terms as determined to be appropriate by the other State.

14. Benefits Claims: FXG agrees that it will not contest claims filed in Montana for unemployment benefits or workers' compensation benefits by any Driver for claims arising in the time period previous to final implementation of the New Business Model on the basis that the Driver was not an employee of FXG. The State agrees not to offer into evidence or otherwise assert in any proceeding that any decision issued with respect to such Drivers' unemployment or workers' compensation benefits is evidence of misclassification by FXG or is otherwise binding upon FXG with respect to the issue of whether or not the individual is an employee of FXG. FXG expressly retains the right to contest any claim for unemployment or workers' compensation benefits during the time period covered by this provision on any and all other grounds, including, without limitation, the right to dispute or defend a workers' compensation claim from an employee of a P&D or Linehaul Contractor on the ground that workers' compensation insurance purchased by a P&D or Linehaul Contractor that meets the requirements of Montana law, is applicable to the claim at issue. Any failure by FXG to contest a claim shall not be deemed for any purpose an admission by FXG that the individual seeking benefits was an employee of FXG.

15. No Admissions: FXG expressly denies any liability or wrongdoing, and this Agreement is not intended to be and shall not in any event be construed or deemed to be, or represented or caused to be represented as such by any party hereto, an admission or concession or evidence of any liability or wrongdoing whatsoever on the part of FXG, or of any fact or any

violation of any law, rule, or obligation. This Agreement is made without trial or final adjudication of any alleged issue of fact or law or final determination of liability of any kind.

16. No Limitation of Claims or Defenses: This Agreement shall not be construed or used as a waiver or any limitation of any claim, allegation or defense otherwise available to FXG in any pending or future legal or administrative action or proceeding relating to FXG's conduct prior to the execution of this Agreement, or of FXG's right to defend itself from, or make any arguments in, any individual or class claims or suits relating to the existence, subject matter, or terms of this Agreement.

17. Settlement Communications: The settlement negotiations resulting in this Agreement have been undertaken by FXG and the Attorney General, on behalf of the State, in good faith and for settlement purposes only, and no prior drafts or other evidence of negotiations or communications underlying this Agreement shall be offered into evidence by the parties in any action or proceeding for any purpose. Neither this Agreement nor any public discussions, statements, or comments with respect to this Agreement by the State or FXG shall be offered by the parties in evidence in any action or proceeding for any purpose other than in an action or proceeding between the parties arising under this Agreement or to rebut an allegation in relation to the Agreement or that a party has not acted in good faith. Communications between the parties made in furtherance of this Agreement shall be kept confidential to the fullest extent permitted by law and publicly disclosed only as required by law, except that such information, records, or documents may be used by the State in investigation of, or proceedings resulting from possible violation of this Agreement.

18. Entire Agreement: This Agreement is entered into by the parties as their own free and voluntary act and with full knowledge and understanding of the nature of the proceedings

and the obligations and duties imposed by this Agreement. This Agreement sets forth the entire agreement between the parties with respect to the matters discussed herein, and it shall not bind any other private party or non-Montana governmental entity, nor release FXG from liability for any other conduct not identified or described herein. There are no representations, agreements, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Agreement that are not fully expressed herein or attached hereto.

19. Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

20. Mutually Drafted: This Agreement shall be deemed to have been mutually drafted by the parties and shall not be construed against any party as the author thereof.

21. Titles and Headings: The titles and headings in this Agreement are for convenience purposes only and are not intended by the parties to lend meaning to the actual provisions of the Agreement.

22. Document Retention and Destruction: FXG agrees to preserve and maintain all records of the same type, nature or category as is currently maintained in New Hampshire and Maryland with respect to its ISPs for a period of three years from the date of the signing of this Agreement. FXG further agrees not to implement or execute any document destruction or deletion policies during this three-year time period with respect to ISP records.

23. Notices/Delivery of Documents:

Notice to the State or Attorney General. Any notices or other documents sent to the State, or the Attorney General pursuant to this Agreement shall be sent to:

Jennifer Anders, Assistant Attorney General
Office of the Montana Attorney General
215 North Sanders

P. O. Box 201401
Helena, MT 59620-1401
janders@mt.gov
Telephone Number: (406) 444-2026
Fax Number: (406) 444-2549

Notice to FedEx Ground. Any notices or other documents sent to FedEx Ground pursuant to this Agreement shall be sent to:

Clifford P. Johnson, Senior Vice President and General Counsel, or his successor.
FedEx Ground Package System, Inc.
1000 FedEx Drive
Moon Township, PA 15108
Telephone number: (412) 262-6290
Fax Number: (412) 859-5450

24. Mailing of Notices: All notices or other documents to be provided under this Agreement shall be sent by United States mail, certified mail, return receipt requested, or other nationally recognized courier service that provides for tracking services and identification of the person signing for the notice or document, and shall be deemed sent upon mailing. Any party may update its address by sending written notice to the other parties.

FOR THE STATE OF MONTANA:



Steve Bullock, Attorney General, on behalf of the Attorney General's Office, the MDLI and the MDOR

Date: Oct. 18, 2010

FOR FEDEX GROUND:

Date: _____

Appendix A

Supplemental Release

This Supplemental Release constitutes a full and final release by the Montana Attorney General, the Montana Department of Revenue, and the Montana Department of Labor and Industry from any and all claims, assessments, determinations and causes of action against FedEx Ground and its successors, assigns, subsidiaries and divisions, their officers, agents, directors, and employees for any cause of action asserted, or that could have been asserted, during the time period from the Agreement between the State of Montana and FedEx Ground, dated October 20, 2010, and the date of Implementation, as that term is defined in the Agreement, relating to FedEx Ground's classification of its P&D Contractors as independent contractors and the employment status of individuals employed by Contractors under the Existing Business Model, FedEx Ground's classification of its Linehaul Contractors, FedEx Ground's use of Temporary Drivers and FedEx Ground's use of other miscellaneous workers as identified in the 2009 Audit, including, but not limited to, the allegations set forth in the 2009 Audit, the 2009 ICCU Misclassification Determination, the 2010 UI Temporary Driver Determination and the 2010 Miscellaneous Worker Determination. This Supplemental Release supplements and incorporates by reference the terms of the Agreement as if fully set forth herein.

IN WITNESS WHEREOF, the Parties, through their fully authorized representatives, have agreed to this Agreement and Supplemental Release.

FedEx Ground Package System, Inc.

**Steve Bullock, Attorney General, on
behalf of the Attorney General's Office,
the MDLI and the MDOR**

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____