

**Settlement Agreement Between ABX Air, Inc. (“ABX,” the “Company,” or “Plaintiff”) and
International Brotherhood of Teamsters (“IBT”) and Airline Professionals Association of
the International Brotherhood of Teamsters, Local Union No. 1224 (“Local 1224”)
(collectively, “the Union”)**

Over the last several months three disputes arose between the Company and the Union (hereinafter, the “Parties”): (1) recently upgraded Captains were not afforded their alleged right to bid vacation periods in 2016 (the “Upgrading Captain Vacation Dispute”); (2) one trip, referenced by the Parties as the Rockford Trip, allegedly violated the day-night transition restrictions, as set forth in the ABX/IBT collective bargaining agreement (“CBA”) (the “Rockford Trip Day-Night Transition Dispute”); and (3) the Company issued Flight Crew Letter 16-93, which the Union alleges is unauthorized by the parties’ Contract and inconsistent with a “past practice” regarding when a Crewmember could contact the Company to identify a D6 Day (the “D6 Day Dispute”). The Union contends that the actions taken by the Company with respect to each of these three disputes constituted RLA status quo violations. The Company disagrees with the Union’s characterization, claiming that the disputes are minor disputes that are subject to the grievance and system board provisions of the CBA. The Union engaged in a strike, and the Company obtained a temporary restraining order and preliminary injunction enjoining the strike. In granting the TRO and preliminary injunction, the court determined that the disputes that gave rise to the strike were not status quo violations; the disputes had either been resolved, settled or constituted RLA minor disputes subject to the CBA’s grievance and arbitration provisions. The Union has appealed those rulings to the United States Court of Appeals for the Sixth Circuit.

The Parties hereby acknowledge that the Upgrading Captain Vacation Dispute and the Rockford Trip Day-Night Transition Dispute have been fully resolved to the satisfaction of both Parties. Specifically, the Company has dropped the Rockford trip and has awarded vacation periods to all affected Captains. The Union affirms that both of these matters are now settled and that in its view there no longer exists a status quo dispute regarding them. Accordingly, the Union will not file, advance, or pursue any grievance related to the Rockford Trip Day-Night Transition Dispute, or the Upgrading Captain Vacation Dispute. If any such grievance has been filed it will be withdrawn with prejudice.

Through this Settlement Agreement, the Company and Union set forth the terms by which the D6 Day Dispute, and the resulting litigation, shall be resolved. Accordingly, for and in full consideration of the mutual promises contained herein, the sufficiency of which is hereby acknowledged, ABX and the Union hereby agree as follows:

1. On or before Wednesday, February 22, 2017, the Parties will issue a joint communication to the Company’s crewmembers informing them that the Parties have reached an agreement whereby:

- a. all D6 Days (compensatory days off earned pursuant to Article 13.M. as replacement days off for emergency assignments in excess of six in a calendar year) existing on the date of execution of this Agreement, earned prior to 03:01 a.m. EST on February 1, 2017 (“Phase I D6 Days”), that are not used on or before February 27, 2017, will be bought by the Company at 9.0 hours per day (“pay in lieu of D6 Day”) or converted to vacation days that can be used during calendar years 2017 or 2018; and
- b. all D6 Days existing on the date of execution of this Agreement, earned between 03:01 a.m. EST on February 1 and 03:00 a.m. March 2, 2017 (“Phase II D6 Days”) that are not used on or before February 27, 2017, will be purchased by the Company at 9.0 hours per day or converted to vacation that can be used during calendar years 2017 or 2018.

Each pilot may choose either option or a combination thereof for all of his or her Phase I and/or Phase II D6 Days. (For example, a pilot with 10 Phase I accrued days may elect to be paid for three days and to convert the remaining seven days to vacation time.) Upon notice to the Crewmembers of this Agreement all existing Phase I or Phase II D6 Days, for which notice of usage has not already been provided, will be converted as provided herein and may not be used as replacement days off.

D6 Days earned after 03:00 a.m. on March 2, 2017; and D6 Days that were earned and used, or paid out, under the terms of the parties’ CBA before the date of execution of this Agreement, are not subject to this Agreement.

2. To implement paragraph 1.a., above, every crewmember who has one or more Phase I D6 Days must inform the Company by 5 pm EST on February 24, 2017, regarding how many of their Phase I D6 Days are to be sold to the Company and how many are to be converted to vacation days. Such notice will be provided to Crew Planning at crewplanning@abxair.com. A Phase I D6 Day will be considered to be purchased, or converted to vacation, as applicable, upon receipt by the Company of the crewmember’s election. If and to the extent notice is not received by the Company by 5 pm EST on February 24, 2017, the Company has discretion to decide how many of a crewmember’s Phase I D6 Days to buy, and how many to convert to vacation days. Payment for Phase I D6 Days bought by the Company pursuant to paragraph 1 will be made in the next bonus check payment on March 15, 2017.
3. All Phase II D6 Days earned and unused between February 1, 2017 and March 2, 2017 (inclusive) will be purchased by the Company at a rate of 9.0 hours per day or converted to vacation days that can be used during calendar year 2017 or 2018, at each crewmember’s option.

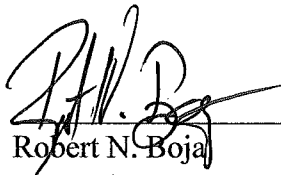
4. To implement paragraph 1.b. and 3, above, every crewmember who has one or more Phase II D6 Days must inform the Company by 5 pm EDT on March 3, 2017, regarding how many of their Phase II D6 Days are to be sold to the Company and how many are to be converted to vacation days. Such notice will be provided to Crew Planning at crewplanning@abxair.com. A Phase II D6 Day will be considered to be purchased, or converted to vacation, as applicable, upon receipt by the Company of the crewmember's election. If and to the extent notice is not received by the Company by 5 pm EDT on March 3, 2017, the Company has discretion to decide how many of a crewmember's Phase II D6 Days to buy, and how many to convert to vacation days. Payment for Phase II D6 Days bought by the Company pursuant to paragraph 3 will be made in the bonus check payment on March 15, 2017.
5. For conversion of D6 Days to vacation days:
 - a. March 17, 2017, ABX will post sufficient weeks of vacation – but no more than 20 weeks per seat position for 2017 - to allow Crewmembers, who convert Phase I and Phase II D6 Days into one or more seven (7) day vacation period(s), the ability to bid for full 7-day vacation periods to use in 2017. In addition, except for November and December 2017, Crewmembers may use D6 Days that have been converted to vacation days to add up to three days of vacation time adjacent to already scheduled vacation periods in 2017. The election to add these vacation days to already scheduled vacation periods shall be made at the same time the crewmember makes the election to turn the D6 days into vacation days and shall contain the exact days the crewmember wishes to add. This election will be made in lieu of bidding for a new vacation period.
 - b. If Crewmembers convert Phase I and Phase II D6 Days into more than 20 weeks of vacation, up to an additional 20 weeks of vacation per seat position will be made available for bid in 2018.
 - c. To the extent Crewmembers have less than seven vacation days or less than seven (7) remaining vacation days after application of paragraphs 2 and 4 , above, such vacation days will be handled in accordance with Article 10.E.6. of the CBA.
6. Any dispute regarding the number of D6 Days owed shall be promptly discussed between the Parties as soon as possible. Unresolved disputes are subject to Articles 5 and 6 of the CBA.
7. On February 28, 2017, ABX will rescind Flight Crew Letter 16-93. ABX further agrees that it will not attempt to reinstate unilaterally any time limits on pilots' requests to use D6 days (other than the previously agreed minimum of 24 hours' notice) pending resolution of the arbitration case before Arbitrator Eischen as described in paragraph 9.

8. In the joint communication provided for in paragraph 1, the Union and the Company will remind crewmembers that they have the right to: select replacement days off for each emergency assignment after the sixth occurrence in a year, except as limited by this Agreement; to bid for open flying as they see fit; and to sell back vacation time if they so choose.
9. On or before February 28, 2017, ABX will dismiss with prejudice its Complaint in Case No: 1:16-cv-1096 (ABX Air, Inc. v. International Brotherhood of Teamsters Airline Division, et al.). Upon dismissal of the District Court case, the Union will dismiss with prejudice the appeal currently pending in the Sixth Circuit, Case No. 16-4689.
10. The D6 Day dispute regarding the requirement in Flight Crew Letter 16-93, that crewmembers provide notice of utilization of a D6 Day no more than five (5) days prior to the day on which the crewmember elects to use a D6 Day, will be arbitrated by Arbitrator Dana Eischen as promptly as possible on dates to be determined that are mutually and reasonably agreeable for the Parties, and in any event no later than August 1, 2017. In view of the available dates provided by Arbitrator Eischen on December 15, 2016, the Parties agree to work with Arbitrator Eischen to identify mutually acceptable dates that open on his calendar before August 1, 2017. The Parties agree to ask Arbitrator Eischen for a decision within 30 days following submission of post-hearing briefs. The Parties further agree that during or in connection with the hearing before Arbitrator Eischen neither of them shall refer, or directly or indirectly cause reference to be made, to that the fact of this Settlement Agreement, the terms of this Settlement Agreement, or the withdrawal by the Company of Flight Crew Letter 16-93.
11. This Agreement is in resolution of disputed claims. This Agreement and compliance with this Agreement shall not be construed as an admission by the Company or the Union of any liability or as an admission by the Company or the Union of any violation of the parties' collective bargaining agreement or any order, law, statute (including, without limitation, the Railway Labor Act, 45 U.S.C. §§ 151 *et seq.*), duty or contract.
12. This Agreement is the product of joint drafting by the Parties and shall not be construed or interpreted in favor of, or against, either Party.
13. The preceding paragraphs constitute the entire agreement between ABX and the Union and supersede any and all prior agreements or understandings between the Parties pertaining to the subject matter of this Agreement. No amendment or modification of this Agreement will be valid unless made in writing and signed by the Parties.

Executed this 22nd day of February, 2017.



David Soaper
ABX Air, Inc.
President



Robert N. Boja
ABX Air, Inc.
Vice President of Flight Operations



Richard Ziebarth , ABX Executive Council Chairman
International Brotherhood of Teamsters, Local Union No. 1224



Daniel C. Wells, President
International Brotherhood of Teamsters, Local Union No. 1224



David Bourne, Director
International Brotherhood of Teamsters
Airline Division