

# FedEx Corporation

## CORPORATE GOVERNANCE GUIDELINES

The Board of Directors has adopted these Guidelines to further its longstanding goal of providing effective governance of the Company's business and affairs for the long-term benefit of the Company's stockholders. These Guidelines are reviewed periodically and revised as appropriate to ensure the effective functioning of the Board of Directors and high-quality corporate governance.

### Board Responsibilities

1. Basic Responsibilities of Board Members. The fundamental responsibility of members of the Company's Board of Directors is to promote the best interests of the Company and its stockholders by overseeing the management of the Company's business and affairs. In doing so, Board members have two basic legal obligations to the Company and its stockholders: (a) the duty of care, which generally requires that Board members exercise appropriate diligence in making decisions and in overseeing management of the Company, and (b) the duty of loyalty, which generally requires that Board members make decisions based on the best interests of the Company and its stockholders and without regard to any personal interest.

2. Conflicts of Interest and Related Person Transactions; Corporate Opportunities. Procedures for the review and preapproval of related person transactions are set forth in the policy attached hereto as Appendix A. If a Board member develops an actual or potential conflict of interest with the Company that is not covered by the attached policy, he or she should immediately notify the Executive Vice President, General Counsel and Secretary or his or her designee of all material facts and circumstances regarding the conflict. Any significant conflict must be resolved, or the Board member should resign. In addition, if a Board member becomes aware of a corporate opportunity that could benefit the Company, he or she must first present the opportunity to the Board of Directors for consideration and not attempt to personally profit from the opportunity unless the Company declines to pursue it.

3. Board Risk Oversight. The Board of Directors has ultimate responsibility for risk oversight. While management has day-to-day responsibility for assessing and managing the Company's risk exposure, the Board of Directors and its committees provide oversight in connection with those efforts, with particular focus on ensuring that the Company's risk management practices are adequate and regularly reviewing the most significant risks facing the Company. The Board of Directors has delegated to each of its committees responsibility for the oversight of specific risks that fall within the committee's areas of responsibility.

4. Corporate Integrity and Compliance. The Board of Directors is responsible for monitoring the Company's compliance with legal and regulatory requirements and overseeing the Company's corporate integrity and compliance programs. The Board has delegated much of this responsibility to the Audit Committee. In furtherance of this responsibility, the Audit Committee will periodically discuss the implementation and effectiveness of the Company's corporate integrity and compliance programs with the Company's Executive Vice President,

General Counsel and Secretary and its Corporate Vice President and Global Chief Compliance & Governance Officer. In addition, the Audit Committee will periodically review the Company's Code of Business Conduct and Ethics, which sets forth the basic ethical principles all Board members, officers, employees and contractors must follow, and recommend any proposed changes to the Board of Directors for approval.

## **Board Composition**

5. Majority Voting for Director Elections; Modification of Holdover Rule. The Company's bylaws provide for a majority-voting standard to be used in all director elections other than at a contested election meeting (as defined therein). Pursuant to this standard, a director nominee must receive more votes cast "for" than "against" his or her election in order to be elected to the Board of Directors. The bylaws provide that the Board shall not change this majority-voting standard to a plurality-voting standard without stockholder approval.

The Company's bylaws also address the so-called "holdover" rule of Delaware law, under which a director who fails to receive the required votes for reelection remains in office until his or her disqualification, death, resignation or removal. In particular, as permitted by Delaware law, the bylaws contain provisions to ensure that any candidate for reelection to the Board will have already tendered an irrevocable resignation conditioned upon failure to receive the required vote. The bylaws require the Board, within 90 days after certification of the election results, to accept any such resignation unless there is a compelling reason not to do so and to promptly disclose its decision (including, if applicable, the reasons for rejecting the resignation) in a filing with the Securities and Exchange Commission. Accordingly, absent a compelling and publicly disclosed reason, no Board member who fails to receive a majority vote will remain in office.

If a Board member fails to receive the required vote for reelection, the Nominating & Governance Committee will promptly consider whether the Board member's resignation should be accepted and recommend a course of action to the Board of Directors. The Board member whose resignation is under consideration should not participate in any recommendation or decision regarding that resignation.

While the determination of whether there is a compelling reason to reject a Board member's resignation is ordinarily a director-by-director, fact-specific inquiry, a situation in which no director nominee receives a majority vote would constitute a compelling reason for a Board member to remain in office, as the absence of a Board of Directors would cause significant uncertainty and disruption to the Company.

6. Chairman of the Board and Chief Executive Officer. The Chairman of the Board is responsible for management of the Board's affairs, including ensuring the Board is organized properly, functions effectively and fulfills its responsibilities, and will preside at all meetings of the stockholders and the Board of Directors, unless the Chairman of the Board designates the Lead Independent Director to preside at any such meeting or the Chairman of the Board is not present at a meeting of the Board of Directors, in which case the Lead Independent Director will preside. The Chief Executive Officer is responsible to the Board of Directors for the day-to-day

management of the Company's business and affairs. The Company's bylaws provide that the Chairman of the Board shall be the Chief Executive Officer, unless the Board of Directors decides otherwise. The Board believes that the Company has been and continues to be well served by having the Company's founder serve as both Chairman of the Board and Chief Executive Officer.

7. Lead Director. So long as the Chairman of the Board is the Chief Executive Officer, the chairperson of the Nominating & Governance Committee will be the Lead Independent Director. The Lead Independent Director will have the following responsibilities and authority:

- Preside at all meetings of the Board of Directors at which the Chairman of the Board and Chief Executive Officer is not present, including executive sessions of the independent Board members;
- Serve as a liaison between the Chairman of the Board and Chief Executive Officer and independent Board members, it being understood that all Board members have complete and open access to any member of management;
- Review and approve Board meeting agendas and Board meeting schedules and consult with the Chairman of the Board and Chief Executive Officer with regard to other information sent to the Board of Directors in connection with Board meetings or other Board action, it being understood that all Board members may place items on the agenda for Board meetings;
- Call meetings of the independent Board members, as necessary or appropriate; and
- Communicate with stockholders of the Company, as appropriate, if requested by such stockholders.

8. Size of Board. The Company's bylaws provide that the Board of Directors shall consist of not more than fifteen members (with the exact number to be determined by the Board). The Board should be neither too small to maintain the needed expertise and independence, nor too large to function effectively. The Board of Directors currently believes that the optimal number of Board members is between eleven and fourteen, allowing, however, for changing circumstances that may warrant a higher or lower number from time to time.

9. Selection of New Director Candidates. The Board of Directors has a duty to the Company's stockholders to identify the most qualified candidates to serve as Board members. The Board is responsible for recommending director candidates for election by the stockholders and for electing directors to fill vacancies or newly created directorships. The Board has delegated the screening and evaluation process for director candidates to the Nominating & Governance Committee, which will identify, evaluate and recruit highly qualified director candidates and recommend them to the Board.

10. Recommendation of Director Candidates by Stockholders. The Nominating & Governance Committee will consider director candidates proposed by the Company's stockholders. To recommend a prospective director candidate for the Nominating & Governance Committee's consideration, stockholders may submit the candidate's name, qualifications, including whether the candidate satisfies the requirements set forth in these Guidelines, and other

relevant biographical information in writing to: FedEx Corporation Nominating & Governance Committee, c/o Corporate Secretary, 942 South Shady Grove Road, Memphis, Tennessee 38120.

11. *Board Membership Criteria.* The Nominating & Governance Committee is responsible for establishing and reviewing with the Board annually the criteria for Board membership. Candidates nominated for election or reelection to the Board of Directors must possess the following minimum qualifications:

- The highest level of personal and professional ethics, integrity and values;
- An inquiring and independent mind;
- Practical wisdom and mature judgment;
- Broad training and experience at the policy-making level in business, finance and accounting, government, education or technology;
- Expertise that is useful to the Company and complementary to the background and experience of other Board members, so that an optimal balance of Board members can be achieved and maintained;
- Willingness to devote the required time to carrying out the duties and responsibilities of Board membership;
- Commitment to serve on the Board for several years to develop knowledge about the Company's business;
- Willingness to represent the best interests of all stockholders and objectively appraise management performance; and
- Involvement only in activities or interests that do not conflict with the director's responsibilities to the Company and its stockholders.

In addition, it is desirable that the following qualities or skills be possessed by one or more of the Company's Board members: transportation industry experience; international experience; financial expertise; marketing expertise; technological expertise; energy expertise; and government experience. We are also committed to diversity and inclusion and are always looking for highly qualified candidates, including women and minorities, who meet our criteria. The Board seeks a diverse blend of experience and perspectives, institutional knowledge and personal chemistry, and directors who will provide sound and prudent guidance with respect to all of the Company's operations and interests.

12. *Director Independence.* The Board of Directors will have a majority of members who are independent and who meet the applicable independence requirements of the New York Stock Exchange, the Securities Exchange Act of 1934 and any other applicable law. The Board will affirmatively determine, and the Company will disclose as required, as to each Board member whether he or she is independent. The Board will make each such independence determination following the receipt of the recommendation and findings of the Nominating & Governance Committee. The Board's standards for determining director independence are attached hereto as Appendix B.

13. *Extending Invitation to Potential Director to Join Board.* Once the Board of Directors, upon the recommendation of the Nominating & Governance Committee, determines to elect or nominate a new Board member, the formal invitation to the prospective Board member

to join the Board of Directors will be extended, on behalf of the Board, by the Chairman of the Board and Chief Executive Officer.

14. *Mandatory Retirement.* A Board member must retire immediately before the Company's annual meeting of stockholders during the calendar year in which he or she attains age 75. No Board member may be nominated to a new term if he or she would be age 75 or older at the end of the calendar year in which the election is held.

15. *Mandatory Offer of Resignation Upon Change of Status.* Board members who are also officers of the Company must submit to the Chairman of the Board and Chief Executive Officer a letter of resignation as a director upon any termination of employment as an officer of the Company, and Board members who are not officers of the Company must submit a letter of resignation to the Chairman of the Board and Chief Executive Officer in the event of any significant change in that Board member's personal or professional circumstances (as determined by the Nominating & Governance Committee), including a change in his or her principal employment or job responsibilities. In each case, the Nominating & Governance Committee will review whether such change in circumstances is consistent with the criteria for Board membership, and will recommend a course of action to the Board of Directors.

16. *Term Limits.* There are no term limits for service on the Board of Directors. The absence of term limits allows the Company to retain Board members who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

17. *Limit on Number of Other Directorships and Other Commitments.* Service as a member of the Company's Board of Directors is a significant commitment in terms of both time and responsibility. Accordingly, each Board member is encouraged to limit the number of other boards on which he or she serves and be mindful of his or her other existing and planned future commitments, so that such other directorships and commitments do not materially interfere with his or her service as an effective and active member of the Company's Board. Specifically, Board members should not sit on more than four other public company boards, and Board members who are executive officers of public companies should not sit on more than one other public company board. Board members must advise the Chairman of the Board and Chief Executive Officer and the chairperson of the Nominating & Governance Committee in advance of accepting an invitation to serve on another board.

In addition, given the significant time demands and responsibilities of serving on a public company audit committee, no member of the Audit Committee may serve on more than two other public company audit committees.

## **Board Operation**

18. *Scheduling Board Meetings.* The Chairman of the Board and Chief Executive Officer, in consultation with other Board members, will propose the timing and length of Board meetings, which the Lead Independent Director will review and approve. The Board expects that six regular meetings per year at appropriate intervals are in general desirable for the performance

of the Board's responsibilities. In addition to regularly scheduled meetings, special Board meetings may be called upon appropriate notice at any time to address specific needs of the Company.

19. *Selecting Agenda Items for Board Meetings.* The Chairman of the Board and Chief Executive Officer will propose the agenda for each Board meeting to the Lead Independent Director for review and approval before distribution to the Board members. Each Board member is encouraged to suggest the inclusion of items on the agenda, request the presence of or a report by any member of the Company's management, or raise at any Board meeting subjects that are not on the agenda for that meeting. During at least one meeting each year, the Board will review and approve the Company's annual business plan. The Board also will review, from time to time, the Company's long-term outlook and strategic direction.

20. *Meeting Attendance and Preparation.* Board members are expected to attend all Board meetings and meetings of committees on which they serve, to spend the time needed to review materials in advance of such meetings, to participate in such meetings, and to meet as frequently as necessary to properly discharge their responsibilities. In advance of each Board meeting and Board committee meeting, Board members will receive the proposed agenda and other materials important to the Board's understanding of the matters to be considered. In addition, every week Board members will receive and should review materials designed to keep them well informed as to the most significant aspects of the Company's business, performance and prospects.

21. *Board Access to Management.* Each Board member has complete and open access to any member of the Company's management. In addition, members of the Company's senior management routinely attend Board meetings and Board committee meetings and, together with other managers, brief the Board and its committees on particular topics. The Board encourages the Company's senior management to offer presentations at such meetings by managers who can provide additional insight into items being considered or who have potential for greater responsibility and should be given exposure to the Board.

22. *Board Access to Independent Advisors.* The Board of Directors and each Board committee (consistent with such committee's charter) have the authority, to the extent they deem necessary or appropriate to carry out their respective duties, to retain independent legal, financial or other advisors and to approve each such advisor's fees and other retention terms.

23. *Executive Sessions of Non-Management and Independent Directors.* Non-management Board members will meet without management present at regularly scheduled executive sessions in conjunction with each in-person meeting of the Board of Directors and at such other times as they may deem necessary or appropriate. The Lead Independent Director will preside at these meetings and may call such meetings as he or she deems necessary or appropriate. At least once a year, such meetings will include only those Board members who meet the applicable independence requirements of the New York Stock Exchange and any other applicable law.

24. Communications with Board Members. Stockholders and other interested parties may communicate directly with any Board member or any group of Board members by writing to the FedEx Corporation Board of Directors, c/o Corporate Secretary, 942 South Shady Grove Road, Memphis, Tennessee 38120 and specifying to whom the correspondence should be directed. The Corporate Secretary of the Company will review all such correspondence and regularly forward to the Board a summary of all such correspondence and copies of all correspondence that, in the opinion of the Corporate Secretary, deals with the functions of the Board or its committees or that he or she otherwise determines requires the attention of any member, group or committee of the Board of Directors. Board members may at any time review a log of all correspondence received by the Company that is addressed to Board members and request copies of any such correspondence.

## **Board Committees**

25. Delegation to Committees; Types and Responsibilities of Committees; Board Access to Committee Chairpersons. The Board of Directors may exercise its authority through Board committees in accordance with the Company's bylaws. The Board of Directors will at all times have an Audit Committee, a Compensation Committee, a Nominating & Governance Committee and an Information Technology Oversight Committee, each consisting of at least three members. The Board of Directors may, from time to time, establish or maintain additional committees as necessary or appropriate. Each standing committee will have a charter that sets forth the purpose and responsibilities of the committee. Each Board member has complete and open access to the chairperson of each Board committee for the purpose of discussing any matter related to the work of such committee.

26. Assignment of Committee Members and Designation of Committee Chairpersons. The Board of Directors, upon the recommendation of the Nominating & Governance Committee, will annually appoint committee members and chairpersons. In making its recommendation to the Board, the Nominating & Governance Committee will consider several factors, such as (a) each Board member's desires, tenure and subject-matter expertise, (b) the need for both continuity and fresh ideas and perspectives, and (c) applicable Securities and Exchange Commission, Internal Revenue Service, New York Stock Exchange and other legal requirements. In addition, the chairperson of the Nominating & Governance Committee will be annually elected by a majority of the independent Board members then serving on the Board of Directors.

27. Independence and Qualification. Each member of the Audit Committee, Compensation Committee and Nominating & Governance Committee will meet the applicable independence and qualification requirements of the New York Stock Exchange, the Securities Exchange Act of 1934, and any other applicable law.

28. Committee Meeting Rules and Procedures. The chairperson of each Board committee, in consultation with the committee members and appropriate members of management, will (a) determine the rules and procedures for the conduct of business at each committee meeting, including the length of the meeting, and (b) develop the agenda for each committee meeting. Unless otherwise requested by the committee, the committee meeting will be held with the Executive Vice President, General Counsel and Secretary or his or her designee

present to record the minutes, which will then be approved by the committee at the next regularly scheduled committee meeting.

29. *Special Committee Meetings.* If a committee member wants to convene a special committee meeting, he or she should make a request of the committee chairperson. If the committee chairperson agrees, he or she will then contact the Executive Vice President, General Counsel and Secretary to arrange a special committee meeting. The Executive Vice President, General Counsel and Secretary will inform the Chairman of the Board and Chief Executive Officer of the meeting request and work with the committee members to coordinate a mutually acceptable date and time for the meeting. The Executive Vice President, General Counsel and Secretary will provide each committee member with the required notice of the meeting, including the meeting date and time and any other logistical matters, such as conference call dial-in information.

### **Director and Executive Officer Compensation**

30. *Director Compensation.* The Board of Directors, upon the recommendation of the Compensation Committee, will establish the form and amount of compensation paid to non-management Board members. Board members who are also employees of the Company receive no additional compensation for serving on the Board of Directors. The Compensation Committee will conduct an annual review of Board compensation, which will include information obtained from one or more third-party reports or surveys in order to compare the Company's Board compensation practices with those of other public companies of comparable size. In making its recommendation to the Board, the Compensation Committee will consider that Board members' independence may be jeopardized if Board compensation exceeds appropriate levels.

31. *Compensation of the Chairman of the Board and Chief Executive Officer and Other Members of Executive Management.* The independent members of the Board of Directors, upon the recommendation of the Compensation Committee, will approve each element of the compensation of the Chairman of the Board and Chief Executive Officer, and the Compensation Committee will approve (and, if applicable, recommend to the Board for approval) each element of the compensation of the other members of executive management.

### **Management Review**

32. *Formal Evaluation of Executive Management.* The Compensation Committee, together with the other independent members of the Board of Directors, will conduct an annual performance review of the Chairman of the Board and Chief Executive Officer, assessing the company's financial and non-financial performance and the quality and effectiveness of his leadership. The Compensation Committee will review the performance evaluations of all other members of executive management, and the Nominating & Governance Committee will oversee the processes by which the Chairman of the Board and Chief Executive Officer and executive management are evaluated.



33. Succession Planning and Management Development. The Nominating & Governance Committee, in consultation with the Chairman of the Board and Chief Executive Officer, will make an annual report to the Board of Directors on executive management succession planning. The entire Board will work with the Nominating & Governance Committee and the Chairman of the Board and Chief Executive Officer to evaluate potential successors to the Chairman of the Board and Chief Executive Officer and other members of executive management. Through this process, the Board will receive presentations that include qualitative evaluations of potential successors to the Chairman of the Board and Chief Executive Officer and other executives. The Chairman of the Board and Chief Executive Officer will at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals. Additionally, the Board will periodically review and revise as necessary the Company's emergency management succession plan, which details the actions to be taken by specific individuals in the event a member of executive management suddenly dies or becomes incapacitated.

### **Other Practices**

34. Prohibition on Personal Loans. The Company will not extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any Board member or member of the Company's management.

35. No Repricing of Stock Options. Stock options are always granted with an exercise price that is not less than the fair market value (as defined in the relevant stock option plan) of the Company's common stock on the grant date. The Company will not reprice stock options for any reason (including, without limitation, by canceling an outstanding option and replacing such option with a new option with a lower exercise price).

36. Stock Ownership Goal. The Board believes that significant stock ownership by Board members and members of senior management further aligns their interests with the interests of the Company's stockholders. Accordingly, the Board has established a goal that (a) each non-management Board member serving as of March 13, 2017 own Company shares valued at (i) three times his or her annual retainer fee within four years after joining the Board and (ii) five times his or her annual retainer fee by December 31, 2020, (b) each non-management Board member who joins the Board after March 13, 2017 own Company shares valued at five times his or her annual retainer fee within five years after joining the Board, and (c) within five years after being appointed to his or her position, each member of senior management own Company shares valued at the following multiple of his or her annual base salary:

- 6x for the Chairman of the Board and Chief Executive Officer of FedEx Corporation;
- 5x for the President and Chief Operating Officer of FedEx Corporation;
- 3x for Executive Vice Presidents of FedEx Corporation and the Presidents and Chief Executive Officers of FedEx Express, FedEx Ground and FedEx Freight;
- 2x for Executive Vice Presidents of FedEx Express, FedEx Ground, FedEx Freight and FedEx Services ("core companies"); and

- 1x for Presidents and Chief Executive Officers of non-core companies, Corporate Vice Presidents of FedEx Corporation and Senior Vice Presidents of core companies.

For purposes of meeting this goal, unvested restricted stock is counted, but unexercised stock options are not. Until the goal is met, the Board member or officer should consider retaining (but is not required to retain) “net profit shares” resulting from the exercise of stock options granted under the Company’s equity compensation plans. Net profit shares are the shares remaining after the payment of the option exercise price and taxes owed upon the exercise of options.

37. *Policy Against Hedging and Pledging Transactions.* Company officers, employees and Board members are prohibited from engaging in the following transactions involving stock or other securities of the Company or any of its subsidiaries:

- Publicly traded (or exchange-traded) options, such as puts, calls and other derivative securities;
- Short sales, including “sales against the box”;
- Margin accounts and pledges; and
- Hedging or monetization transactions designed to limit the financial risk of ownership, including prepaid variable forward contracts, equity swaps, collars, exchange funds and other similar transactions.

However, the Lead Independent Director and the Executive Vice President, General Counsel and Secretary, acting together, may grant an exception to the prohibition against holding Company securities in a margin account or pledging Company securities on a case-by-case basis to any Board member or the Chairman of the Board and Chief Executive Officer if he or she clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities. The Executive Vice President, General Counsel and Secretary may grant case-by-case exceptions for other Company officers and employees.

38. *Confidential Voting.* All stockholder proxies, ballots and voting materials that identify the votes of specific stockholders will be kept confidential and not disclosed to the Company, unless (a) required by law, (b) a stockholder expressly requests disclosure of the stockholder’s vote, or (c) there is a proxy contest.

39. *Orientation of New Directors; Continuing Education.* The Nominating & Governance Committee will develop and oversee an orientation program for new Board members. The orientation process will include providing new Board members with comprehensive information about the Company’s business and financial performance, as well as the policies, procedures and responsibilities of the Board and its committees. New Board members also will meet with senior management and will have the opportunity to visit Company facilities. In addition, the Company will facilitate and encourage the participation of Board committee chairpersons and other Board members in relevant continuing education programs and activities.

40. Annual Performance Evaluations. The Nominating & Governance Committee will establish appropriate performance criteria and processes for, and implement and oversee, an annual performance evaluation of each Board member, each committee of the Board and the Board of Directors as a whole. The Nominating & Governance Committee will review the results of each Board committee's evaluation. The chairperson of each Board committee will report the results of his or her committee's evaluation to the Board of Directors and identify opportunities to improve the effectiveness of the committee. The chairperson of the Nominating & Governance Committee also will report to the Board of Directors the results of the full Board and, as appropriate, individual director evaluations.

41. Confidentiality; Interaction with Institutional Investors, Press, Customers and Other Stakeholders. The proceedings and deliberations of the Board of Directors and its committees and advisers are confidential. Each Board member is expected to maintain the confidentiality of all information received in connection with his or her service as a director. In addition, the Board believes that it is Company management's responsibility to speak for the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board and Chief Executive Officer. In those instances in which it is necessary for an individual Board member to speak with outside constituencies, it is expected that he or she will do so only with the knowledge of, and, absent unusual circumstances, only at the request of, the Chairman of the Board and Chief Executive Officer or the Executive Vice President, General Counsel and Secretary.

42. Board Member Attendance at Annual Meetings. Board members are expected to attend annual meetings of the Company's stockholders.

43. Policy Statement on Poison Pills. The Company does not currently have a shareholder rights plan, or "poison pill." The Company's bylaws require that the Board obtain stockholder approval prior to adopting a poison pill unless the Board, including a majority of the independent members of the Board, in the exercise of its fiduciary responsibilities, determines that, under the circumstances then existing, it would be in the best interests of the Company and its stockholders to adopt a poison pill without prior stockholder approval. The bylaws provide that if a poison pill is adopted by the Board without prior stockholder approval, the poison pill must provide that it will expire within one year of adoption unless ratified by stockholders.

*Amended March 13, 2017*

**FedEx Corporation**

**Policy on Review and Preapproval of Related Person Transactions**

**Purpose**

The purpose of this policy is to set forth the procedures established by the Nominating & Governance Committee (the “Committee”) of the Board of Directors of FedEx Corporation (together with its subsidiaries and affiliates, “FedEx”) for the review and preapproval of related person transactions.

**Identification of Related Persons and Affiliated Entities**

Each director and executive officer of FedEx Corporation shall submit the following information to the FedEx Corporation Executive Vice President, General Counsel and Secretary or his or her designee (the “Legal Department”) on an annual basis at the beginning of each fiscal year:

- (a) a list of the immediate family members of the director or executive officer;
- (b) for the director and for each immediate family member of the director or executive officer, the person’s employer and job title (or brief job description); and
- (c) for the director or executive officer and for each immediate family member of the director or executive officer, each corporation, firm or other entity (including for-profit companies and tax-exempt, charitable and non-profit organizations) in which (i) such person is a partner, principal, director, officer, trustee or fiduciary, or (ii) such person and all other related persons, in the aggregate, have a ten percent (10%) or more beneficial ownership interest.

Any person who is to be elected or appointed as a new director or executive officer of FedEx Corporation shall submit the information described above to the Legal Department prior to such person’s nomination or appointment.

Throughout the year, each director and executive officer of FedEx Corporation shall promptly notify the Legal Department of any changes to the information described above.

**Master List of Related Persons and Affiliated Entities**

Based upon the information collected under the procedures described above, the Legal Department shall create, update and periodically distribute, as appropriate, a master list of related persons and the entities affiliated with such persons.

## **Duty to Report Proposed Transactions and Proposed Changes to Existing Transactions**

Prior to FedEx's participation in any transaction in which a related person has a direct or indirect interest, the related person and FedEx employees with knowledge of the transaction and interest shall provide notice to the Legal Department of all known material facts and circumstances regarding the transaction and interest. The Legal Department shall then assess whether the proposed transaction is a related person transaction for purposes of this policy, and if so, the transaction shall be presented to the Committee for review and preapproval.

Prior to any change to an existing related person transaction, the related person and FedEx employees with knowledge of the proposed change and the interest shall provide notice to the Legal Department of all known material facts and circumstances regarding the change. The Legal Department shall then assess whether the proposed change is material for purposes of this policy, and if so, the change shall be presented to the Committee for review and preapproval pursuant to this policy.

## **Preapproval Requirement**

FedEx shall not participate in any transaction that the Legal Department has determined to be a related person transaction unless such transaction is reviewed and preapproved by the Committee. If a director or an immediate family member of a director of FedEx Corporation has a direct or indirect material interest in the proposed transaction, the transaction shall also be reviewed and preapproved by the full Board of Directors of FedEx Corporation, and the interested director shall not participate in any recommendation or decision regarding the transaction.

No material change (as determined by the Legal Department) shall be made to any existing related person transaction unless such change is reviewed and preapproved by the Committee. If a director or an immediate family member of a director of FedEx Corporation has a direct or indirect material interest in the transaction, the proposed change shall also be reviewed and preapproved by the full Board of Directors of FedEx Corporation, and the interested director shall not participate in any recommendation or decision regarding the change.

The Committee may delegate to one or more of its members the authority to grant the Committee preapprovals required by this policy. The decision of any member to whom such authority is delegated shall be reported to the full Committee at its next scheduled meeting.

In connection with their review of a proposed related person transaction or material change to an existing related person transaction, the Committee and the Board of Directors shall be informed of all material facts and circumstances regarding the transaction or change and may consider any information or factors that they deem relevant in deciding whether to grant the necessary preapproval. While it may often be entirely appropriate for the Committee and the Board to preapprove a related person transaction or a material change to an existing related person transaction, they shall not preapprove any such transaction or change that would: (a) interfere with the objectivity and independence of any related person's judgment or conduct in carrying

out his or her duties and responsibilities to FedEx, (b) not be fair as to FedEx, or (c) otherwise be opposed to the best interests of FedEx Corporation and its stockholders.

### **Annual Review of Ongoing Transactions**

The Committee shall annually (a) review each existing related person transaction that has a remaining term of at least one year or remaining payments of at least \$120,000, including any changes thereto, and (b) determine, based upon all material facts and circumstances and taking into consideration FedEx's contractual obligations, whether it is in the best interests of FedEx Corporation and its stockholders to continue, modify or terminate the transaction or relationship.

### **Definitions**

The following definitions apply for purposes of this policy:

1. The term "amount involved" in a transaction means the United States dollar value of the amount involved in the transaction, which shall include:
  - (a) in the case of any lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments due on or after the beginning of FedEx Corporation's last fiscal year, including any required or optional payments due during or at the conclusion of the lease or other transaction providing for periodic payments or installments;
  - (b) in the case of indebtedness, the largest aggregate amount of all indebtedness outstanding at any time since the beginning of FedEx's last fiscal year and all amounts of interest payable on it during such fiscal year; provided, however, that the following items of indebtedness may be excluded from the calculation of the amount of indebtedness: amounts due from the related person for purchases of goods and services subject to usual trade terms, for ordinary business travel and expense payments and for other transactions in the ordinary course of business; and
  - (c) in the case of an employment relationship, total annual compensation.
2. The term "immediate family member" of a person means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such person, and any person (other than a tenant or household employee) sharing the household of such person.
3. The term "indirect interest" of a person in a transaction is an interest that arises from the person's position or relationship with a corporation, firm or other entity that has a direct interest in the transaction.

4. The term “related person” means:
- (a) any person who is, or at any time since the beginning of FedEx Corporation’s last fiscal year was, a director or executive officer of FedEx Corporation or a nominee to become a director of FedEx Corporation; and
  - (b) any immediate family member of any of the foregoing persons.
5. The term “related person transaction” means any transaction in which FedEx was, is or will be a participant and the amount involved exceeds \$120,000 and in which any related person had, has or will have a direct or indirect material interest; provided, however, that the term “related person transaction” shall not include:
- (a) The election or appointment of any director or the employment by FedEx of any executive officer who is not an immediate family member of another related person;
  - (b) A transaction in which the interest of the related person arises solely from the ownership of a class of equity securities of FedEx Corporation and all holders of such class of securities receive the same benefit on a pro rata basis (*e.g.*, pro rata dividends);
  - (c) A transaction in which the rates or charges involved in the transaction are determined by competitive bids;
  - (d) A transaction involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority; or
  - (e) A transaction involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture or similar services.

In addition, a person shall not be deemed to have a “material interest” where the interest arises only from:

- (a) such person’s position as a director of another corporation or organization that is a party to the transaction; the direct or indirect ownership by such person and all other related persons, in the aggregate, of less than a ten percent equity interest in another person (other than a partnership) which is a party to the transaction; or both such position and ownership;
- (b) such person’s position as a limited partner in a partnership in which the person and all other related persons, in the aggregate, have an interest of less than ten percent, and the person is not a general partner of and does not hold another position in the partnership;

- (c) such person's position as an officer (or as an officer and director) of another corporation or organization that is a party to the transaction so long as
    - (i) transaction payments have not exceeded, and are not expected to exceed, within any one year one percent (1%) (or \$1 million, whichever is greater) of the consolidated gross revenues of either FedEx or the other organization for such year, (ii) such person does not receive any special benefit from the transaction, and (iii) such person and all other related persons, in the aggregate, do not have a ten percent (10%) or more beneficial ownership interest in the other organization;or
  - (d) if the transaction is a charitable contribution or pledge to a tax-exempt organization, such person's position as a trustee, fiduciary, director or officer of the organization so long as (i) the contributions have not exceeded, and are not expected to exceed, within any one year one percent (1%) (or \$250,000, whichever is greater) of the organization's consolidated gross revenues for such year, and (ii) such person does not receive any special benefit from the transaction.
6. The term "transaction" includes, but is not limited to, any financial transaction, arrangement or relationship (including an employment relationship, a charitable contribution or pledge, indebtedness or a guarantee of indebtedness) or any series of similar transactions, arrangements or relationships.



## FedEx Corporation

### Standards of Director Independence

A Board member will be considered independent only if the Board affirmatively determines that the Board member has no direct or indirect material relationship with the Company, other than as a Board member. In making its independence determinations, the Board will broadly consider all relevant facts and circumstances. The Board will assume that each of the following relationships with the Company is not a “material relationship” and therefore will not, by itself, prevent a Board member from being considered “independent”:

- ***Prior Employment of Director.*** The Board member was employed by the Company or was personally working on the Company’s audit as an employee or partner of the Company’s independent auditor, and over five years have passed since such employment, partner or auditing relationship ended.
- ***Prior Employment of Immediate Family Member.*** An immediate family member was an officer of the Company or was personally working on the Company’s audit as an employee or partner of the Company’s independent auditor, and over five years have passed since such employment, partner or auditing relationship ended.
- ***Current Employment of Immediate Family Member.*** An immediate family member is employed by the Company in a non-officer position, or by the Company’s independent auditor not as a partner and not personally working on the Company’s audit.
- ***Interlocking Directorships.*** An executive officer of the Company served on the board of directors of a company that employed the Board member or employed an immediate family member as an executive officer, and over five years have passed since either such relationship ended.
- ***Transactions and Business Relationships.*** The Board member or an immediate family member is a partner, greater than 10% shareholder, director or officer of a company that makes or has made payments to, or receives or has received payments (other than contributions, if the company is a tax-exempt organization) from, the Company for property or services, and the amount of such payments has not within any of such other company’s three most recently completed fiscal years exceeded one percent (or \$1 million, whichever is greater) of such other company’s consolidated gross revenues for such year.
- ***Indebtedness.*** The Board member or an immediate family member is a partner, greater than 10% shareholder, director or officer of a company that is indebted to the Company or to which the Company is indebted, and the aggregate amount of such

debt is less than one percent (or \$1 million, whichever is greater) of the total consolidated assets of the indebted company.

- ***Charitable Contributions.*** The Board member is a trustee, fiduciary, director or officer of a tax-exempt organization to which the Company contributes, and the contributions to such organization by the Company have not within any of such organization's three most recently completed fiscal years exceeded one percent (or \$250,000, whichever is greater) of such organization's consolidated gross revenues for such year.

An "immediate family member" includes a Board member's spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and any person (other than a tenant or household employee) sharing the household of such Board member.

If the Board determines that a Board member who has a relationship with the Company that fits within, but does not satisfy, the above categorical standards is nonetheless "independent," the Board will disclose the basis for such determination in the Company's annual proxy statement.

The Board will continue to monitor the applicable independence requirements of the New York Stock Exchange and any other law and will ensure that these standards of director independence continue to be consistent with those requirements. As described in the Company's policy on review and preapproval of related person transactions, Board members have an affirmative obligation to promptly inform the Executive Vice President, General Counsel and Secretary or his or her designee of most changes in their circumstances, transactions or relationships, including any such changes that may impact their designation by the Board as "independent."