

# **FedEx Corporation**

## **Policy on Engagement of Independent Auditor**

### **Purpose**

The purpose of this policy is to help ensure that the independent auditor of FedEx Corporation (together with its subsidiaries and affiliates, “FedEx”) maintains the highest level of independence from FedEx, in both appearance and fact.

### **Preapproval Requirement**

The Audit Committee of the Board of Directors of FedEx Corporation (the “Audit Committee”) is directly responsible for the appointment, compensation and oversight of the independent auditor. In this regard, the Audit Committee shall preapprove all audit services and non-audit services to be provided to FedEx by its independent auditor.

The Audit Committee may preapprove for up to one year in advance the provision of particular types of permissible routine and recurring audit-related, tax and other non-audit services, in each case described in reasonable detail and subject to a specific annual monetary limit also approved by the Audit Committee. The Audit Committee must be informed about each such service that is actually provided. In cases where a service is not covered by one of those approvals, the service must be specifically preapproved by the Audit Committee no earlier than one year prior to the commencement of the service.

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

Each audit or non-audit service that is approved by the Audit Committee (excluding tax services performed in the ordinary course of FedEx’s business and excluding other services for which the aggregate fees are expected to be less than \$50,000) shall be reflected in a written engagement letter or writing specifying the services to be performed and the cost of such services, which shall be signed by either a member of the Audit Committee or by an officer of FedEx authorized by the Audit Committee to sign on behalf of FedEx.

If the Audit Committee approves an audit service within the scope of the engagement of the independent auditor, such audit service will be deemed to have been approved for purposes of this policy.

The Audit Committee will not approve any non-audit service that individually or in the aggregate may impair, in the Audit Committee’s opinion, the independence of the independent auditor.

All proposals to engage the independent auditor to perform an audit or non-audit service shall be presented to, and approved by (in consultation with the FedEx Legal Department, as appropriate), the FedEx Corporation Executive Vice President and Chief Financial Officer, the Corporate Vice

President and Principal Accounting Officer, the Staff Vice President and Corporate Controller, or the Corporate Vice President, Tax, before the proposal is submitted to the Audit Committee for its approval.

### **Prohibited Non-Audit Services**

FedEx's independent auditor may not provide any of the following non-audit services:

1. bookkeeping or other services related to FedEx's accounting records or financial statements;
2. financial information systems design and implementation;
3. appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
4. actuarial services;
5. internal audit outsourcing services;
6. management functions or human resources;
7. broker or dealer, investment adviser, or investment banking services;
8. legal services and expert services unrelated to the audit;
9. services provided for a contingent fee or commission;
10. services related to marketing, planning or opining in favor of the tax treatment of (i) a confidential transaction, or (ii) an aggressive tax position transaction that was initially recommended, directly or indirectly, by the independent auditor; and
11. any other service that the Securities and Exchange Commission or the Public Company Accounting Oversight Board determines, by regulation, is impermissible.

In addition, FedEx's independent auditor may not provide any services, including financial counseling and tax services, to any FedEx officer, Audit Committee member or FedEx managing director (or its equivalent) in the Finance department or to any immediate family member of any such person.

### **Permitted Non-Audit Services**

FedEx's independent auditor may provide any non-audit services to FedEx, including tax services, other than the prohibited non-audit services described above, so long as the Audit Committee has approved such services in accordance with this policy. The Audit Committee's approval of any non-audit service shall be disclosed as required by law or regulation.

### **Preapproval of Permitted Tax Services and Non-Audit Services Related to Internal Control Over Financial Reporting — Independent Auditor's Responsibilities**

In connection with seeking the Audit Committee's preapproval of a permissible tax service or non-audit service related to internal control over financial reporting, FedEx's independent auditor shall: (i) provide to the Committee (or the Committee member to whom authority to approve the service has been delegated) a written description of the nature and scope of the service; (ii) discuss with the Committee the potential effects of the service on the firm's independence; and (iii) document the substance of its discussion with the Committee.

## **Competitive Bidding**

Any non-audit service for which the independent auditor will be considered as a service provider shall be competitively bid with other equally qualified vendors, if any, except for the following:

1. audit-related services;
2. tax services performed in the ordinary course of FedEx's business; and
3. any other non-audit services under \$500,000 per engagement.

## **Fees for Non-Audit Services**

No less than on an annual basis, financial management will report to the Audit Committee the non-audit services being performed by the independent auditor and the fees paid to the independent auditor for such services during the year.

## **Definitions**

The following definitions apply for purposes of this policy:

1. The term "aggressive tax position transaction" means a transaction that has tax avoidance as a significant purpose, unless the proposed tax treatment is at least more likely than not to be allowable under applicable tax laws, and includes without limitation a "listed transaction" as identified by the Internal Revenue Service under applicable Treasury regulations.
2. The term "audit" means an examination of the financial statements of FedEx Corporation by its independent auditor in accordance with the rules of the Public Company Accounting Oversight Board or the Securities and Exchange Commission, for the purpose of expressing an opinion on such financial statements.
3. The term "audit-related services" means assurance and related services (*e.g.*, due diligence services) that traditionally are performed by an independent auditor for its audit client. "Audit-related services" include, among other services: employee benefit plan audits, due diligence related to mergers and acquisitions, accounting consultations and audits in connection with acquisitions, internal control reviews, attest services that are not required by statute or regulation and consultation concerning financial accounting and reporting standards.
4. The term "audit services" means any services provided to FedEx by its independent auditor for the purpose of performing an audit or review of FedEx's financial statements, including those services performed by the independent auditor to fulfill its responsibilities under the standards of the Public Company Accounting Oversight Board. "Audit services" also include issuing comfort letters, statutory audits, attest services, consents and assistance with and review of documents filed with the Securities and Exchange Commission.

5. The term “confidential transaction” means a transaction for which FedEx pays an advisor a fee and in which the advisor places a limitation on disclosure by FedEx of the tax treatment or tax structure of the transaction and the limitation on disclosure protects the confidentiality of the advisor’s tax strategies.
6. The term “contingent fee” means any fee established for the sale of a product or the performance of any service pursuant to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such product or service; provided, however, that a fee is not a “contingent fee” if the amount is fixed by courts or other public authorities and not dependent on a finding or result.
7. The term “expert services” generally means providing expert opinions or other services to FedEx, or a legal representative of FedEx, for the purpose of advocating FedEx’s interests in litigation or in regulatory or administrative proceedings or investigations. In any litigation, investigation or proceeding, the independent auditor may, however, provide factual accounts or testimony describing work it performed and explain the positions taken or conclusions reached during the performance of any service provided by the independent auditor for FedEx.
8. The term “immediate family member” includes a person’s spouse, spousal equivalent and dependents.
9. The term “legal services” generally means any services that, under the circumstances in which any such service is provided to FedEx, could be provided only by someone licensed, admitted or otherwise qualified to practice law in the jurisdiction in which such service is provided.
10. The term “non-audit services” means any services provided to FedEx by its independent auditor other than audit services.
11. The term “tax services” means any services provided to FedEx by its independent auditor (other than those tax-related services included in “audit services”) related to tax compliance, tax planning and tax advice.

*Amended March 10, 2017*