

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.

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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 Corporate Opportunities.](#)

If a Board member develops an actual or potential conflict of interest with the Company, he or she should report the conflict immediately to the Chairman of the Board and Chief Executive Officer and the Chairman of the Nominating & Governance Committee. A significant conflict must be resolved, or the Board member should resign. If a Board member (or any member of his or her immediate family) has a personal interest in a matter before the Board, he or she must disclose to the full Board the material facts as to his or her relationship or interest. 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. [Delegation to Committees.](#)

The Board of Directors may exercise its authority through Board committees in accordance with the Company's bylaws.

Board Composition

4. [Chairman of the Board and Chief Executive Officer.](#)

The Company's bylaws provide that the Chairman of the Board and the Chief Executive Officer shall be one office, chosen by the Board of Directors. The Chairman of the Board and Chief Executive Officer is responsible to the Board of Directors for the overall management of the Company's business and affairs, and will preside at all meetings of the stockholders and the Board of Directors.

5. [Size of Board.](#)

[Note: At the September 2004 annual meeting the Board of Directors will submit to stockholders a proposal to amend the Company's bylaws to require each director to stand for election annually. Approval of the proposed bylaw amendment will require an 80 percent stockholder vote.] The Company's bylaws provide that the Board of Directors shall consist of not fewer than nine or 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.

6. [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.

7. [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.

8. [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 expected that the following qualities or skills be possessed by one or more of the Company's Board members: transportation industry experience; financial expertise; marketing expertise; technological expertise; and government experience.

9. [Majority of Independent Directors.](#)

The Board of Directors will have a majority of members who meet the applicable independence requirements of the New York Stock Exchange and any other 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.

10. [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. In addition, the Board will assume that each of the following relationships 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 affiliated with or employed by the Company's independent auditor, and over five years have passed since such employment, affiliation or auditing relationship ended.
- **Prior Employment of Immediate Family Member.** An immediate family member was an officer of the Company or was affiliated with or employed by the Company's independent auditor in a professional capacity, and over five years have passed since such employment, affiliation 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 employed by the Company's independent auditor in a non-professional capacity.
- **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.
- **Business Relationships.** A Board member or an immediate family member is a partner, greater than 10% shareholder, director or officer of a for-profit company that makes or has made payments to, or receives or has received payments 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.** A 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.** A Board member is a trustee, fiduciary, director or officer of a charitable organization to which the Company contributes, and the contributions to such organization by the Company are less than one percent (or \$250,000, whichever is greater) of such organization's total annual charitable receipts.

An "immediate family member" includes a Board member's spouse, parents, children, siblings, mother- and father-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares such Board member's home.

If the Board determines that a Board member who has a relationship with the Company that 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. Board members have an affirmative obligation to inform the Board of any changes in their circumstances or relationships that may impact their designation by the Board as "independent."

11. Extending Invitation to Potential Director to Join Board.

The invitation to a 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 of the Company.

12. 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 72. No Board member may be nominated to a new term if he or she would be age 72 or older at the end of the calendar year in which the election is held.

13. Mandatory Offer of Resignation.

The Company's bylaws require (a) Board members who are also officers of the Company to submit to the Board of Directors a letter of resignation as a director upon any termination of employment as an officer of the Company, and (b) Board members who are not officers of the Company to submit a letter of resignation to the Board of Directors upon any change in that Board member's principal business or other activity in which the Board member was engaged at the time of his or her election. In each case, the Nominating & Governance Committee will review whether the termination of employment or new principal business or other activity is consistent with the criteria for Board membership, and will recommend a course of action to the Board of Directors.

14. 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.

15. 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 five other public company boards. Board members must advise the Chairman of the Board and Chief Executive Officer and the Chairman of the Nominating & Governance Committee in advance of accepting an invitation to serve on another board.

Board Operation

16. Scheduling Board Meetings.

The Chairman of the Board and Chief Executive Officer, in consultation with other Board members, will determine the timing and length of Board meetings. 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.

17. Selecting Agenda Items for Board Meetings.

The Chairman of the Board and Chief Executive Officer will establish the agenda for each Board meeting. Each Board member is free 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 strategic direction.

18. 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.

19. Board Access to Management.

The Board 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.

20. **Board Access to Independent Advisors.**
The Board of Directors and each Board committee 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.
 21. **Executive Sessions of Non-Management and Independent Directors.**
Non-management Board members will meet without management present at least twice annually at regularly scheduled executive sessions and at such other times as they may deem necessary or appropriate. The Chairman of the Nominating & Governance Committee will preside at these meetings. 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 law.
 22. **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.
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Board Committees

23. **Types and Responsibilities of Committees.**
The Board of Directors will at all times have an Audit Committee, a Compensation Committee and a Nominating & Governance 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, such as the existing Information Technology Oversight Committee. Each committee will have a charter that sets forth the purpose and responsibilities of the committee.
 24. **Assignment of Committee Members.**
The Board of Directors, upon the recommendation of the Nominating & Governance Committee, will appoint committee members. 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.
 25. **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.
 26. **Limit on Number of Outside Audit Committee Memberships.**
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.
 27. **Committee Meeting Frequency, Length and Agendas.**
The Chairman of each Board committee, in consultation with the committee members and appropriate members of management, will (a) determine the frequency and length of committee meetings, and (b) develop the agenda for each committee meeting.
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Board and CEO Compensation

28. **Board 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, if the Company makes substantial charitable contributions to organizations with which a Board member is affiliated, or if the Company enters into material consulting arrangements with (or provides other indirect forms of compensation to) a Board member or an organization with which a Board member is affiliated.
 29. **Compensation of the Chairman of the Board and Chief Executive Officer.**
The independent members of the Board of the Directors, upon the recommendation of the Compensation Committee, will approve the compensation level of the Chairman of the Board and Chief Executive Officer.
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Management Review

30. **Formal Evaluation of Executive Management.**
The Compensation Committee will conduct an annual performance review of the Chairman of the Board and Chief Executive Officer. The Nominating & Governance Committee will oversee the processes by which the Chairman of the Board and Chief Executive Officer and executive management are evaluated.
 31. **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 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. The Chairman of the Board and Chief Executive Officer will at all times make available his recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.
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Other Practices

32. **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 executive management.
33. **No Repricing of Stock Options.**
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).
34. **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) within three years after joining the Board, each non-management Board member own Company shares valued at three times his or her annual retainer fee, and (b) within four years after being appointed to his or her position, each member of senior management own the following number of Company shares:

- President and Chief Executive Officer of FedEx Corporation - 100,000 shares;
- Executive Vice Presidents of FedEx Corporation and Presidents and Chief Executive Officers of core operating companies - 30,000 shares;
- Executive Vice Presidents of core operating companies - 15,000 shares; and
- Presidents and Chief Executive Officers of non-core operating companies, Corporate Vice Presidents of FedEx Corporation and Senior Vice Presidents of all operating companies - 9,000 shares.

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 "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.

35. 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.

36. 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 the participation of all Board members in relevant continuing education programs.

37. 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 report the results of these evaluations to the Board of Directors and identify opportunities to improve the effectiveness of the Board and its Committees.

38. Interaction with Institutional Investors, Press, Customers and Other Stakeholders.

The Board of Directors 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 the Chairman of the Board and Chief Executive Officer and, absent unusual circumstances, only at the request of the Chairman of the Board and Chief Executive Officer.

39. Board Member Attendance at Annual Meetings.

Board members are expected to attend annual meetings of the Company's stockholders.

Amended March 15, 2004