



Policy on Political Contributions

FedEx actively participates in the political process with the ultimate goal of promoting and protecting the economic future of the company and our stockholders and employees. We are subject to extensive regulation at the federal and state levels and are involved in a number of legislative initiatives in a broad spectrum of policy areas that can have an immediate and dramatic effect on our operations. Through our participation and that of our employees, we promote legislative and regulatory actions that further the business objectives of FedEx and attempt to protect FedEx from unreasonable, unnecessary or burdensome legislative or regulatory actions at all levels of government.

Political Contributions

One way to participate effectively in the political process is by making prudent political contributions in compliance with applicable laws and reporting requirements. Political contributions of all types are subject to extensive governmental regulation and public disclosure requirements, and FedEx is fully committed to complying with all applicable campaign finance laws. For example, under U.S. federal law, FedEx is not allowed to support candidates for federal office, so we do not. In addition, while some U.S. states allow corporate contributions to state and local candidates or ballot issue campaigns, it is FedEx's policy not to make such contributions. FedEx also does not make corporate contributions to groups organized under section 527 of the Internal Revenue Code, except to the organizational committees of the Democratic and Republican national party conventions and the annual Democratic and Republican Governor's conferences. These limited corporate political contributions are approved by the Corporate Vice President of Government Affairs, in consultation with appropriate members of FedEx senior management. The Executive Vice President and General Counsel provides periodic updates to the Board of Directors on FedEx's political activities, including corporate contributions.

Voluntary Political Participation by Employees

FedEx values the right and responsibility of our employees to participate in the political process. Such participation is entirely a matter of personal choice. Employees are free to support the political process in a variety of ways, such as through personal contributions or by volunteering their personal time to candidates or organizations of their choice. These activities, however, must not suggest FedEx's support and must not be conducted on company time or involve the use of any company resources, such as telephones, computers or supplies. In addition, employees may not make or commit to political contributions on behalf of FedEx, and FedEx will not reimburse or otherwise compensate an employee for his or her personal political contributions.

FedEx provides an opportunity for our employees to voluntarily participate in the political process by joining the company's non-partisan political action committee, the FedExPAC. The FedExPAC keeps employees aware of important issues and decisions made by government officials that can affect our business, and allows our employees to pool their financial resources to support political candidates, campaigns and committees in furtherance of the interests of the company and our stockholders and employees.

The political contributions made by the FedExPAC are funded entirely by the voluntary contributions of our employees (no corporate funds are used), and decisions about membership in the FedExPAC have no bearing on an employee's career at FedEx. Moreover, the FedExPAC's activities are subject to comprehensive regulation by the federal government, including detailed disclosure requirements, such as monthly reports with the Federal Election Commission. These reports are publicly available (see <http://images.nictusa.com/cgi-bin/fecimg/?C00068692>) and include an itemization of the FedExPAC's receipts and disbursements, including any political contributions, over a certain amount (currently, \$200).

Requests for the FedExPAC to make a political contribution must be forwarded to the Staff Vice President of Government Affairs or her designee. A committee composed of appropriate members of FedEx senior management decides which candidates, campaigns and committees the FedExPAC will support based on a nonpartisan effort to advance and protect the interests of the company and our stockholders and employees. The FedExPAC contributes to the campaigns of candidates who share the company's views on public policy, serve as congressional or legislative leaders, represent geographical areas where FedEx has a major business presence, or serve on committees with jurisdiction over legislation important to the company. Other contribution considerations include prior voting records, prior committee assignments, contribution history and the type of political race (e.g., primary or general election).