FEDEX CORP
Form DEF 14A
August 17, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

FEDEX CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held September 28, 2009

To Our Stockholders:

We cordially invite you to attend the 2009 annual meeting of FedEx's stockholders. The meeting will take place in The Grand Ballroom at The Peabody Hotel, 149 Union Avenue, Memphis, Tennessee 38103, on Monday, September 28, 2009, at 10:00 a.m. local time. We look forward to your attendance either in person or by proxy.

The purpose of the meeting is to:

1. Elect twelve directors;

2. Ratify the appointment of Ernst & Young LLP as FedEx's independent registered public accounting firm for fiscal year 2010;

3. Act upon four stockholder proposals, if properly presented at the meeting; and

4. Transact any other business that may properly come before the meeting.

Only stockholders of record at the close of business on August 3, 2009, may vote at the meeting or any postponements or adjournments of the meeting.

By order of the Board of Directors,

CHRISTINE P. RICHARDS
Executive Vice President, General Counsel
and Secretary

August 17, 2009

HOW TO VOTE: Please complete, date, sign and return the accompanying proxy card or voting instruction card, or vote electronically via the Internet or by telephone. The enclosed return envelope requires no additional postage if mailed in the United States.

REDUCE MAILING COSTS: If you vote on the Internet, you may elect to have next year's proxy statement and annual report to stockholders delivered to you electronically. We strongly encourage you to enroll in electronic delivery. It is a cost-effective way for us to provide you with proxy materials and annual reports.

ANNUAL MEETING ADMISSION: If you attend the annual meeting in person, you will need to present your admission ticket, or an account statement showing your ownership of FedEx common stock as of the record date, and a valid government-issued photo identification. The indicated portion of your proxy card or the ticket accompanying your voting instruction card will serve as your admission ticket. If you are a registered stockholder and receive your proxy materials electronically, you should follow the instructions provided to print a paper admission ticket.

Your vote is very important. Please vote whether or not you plan to attend the meeting.

Table of Contents

2009 PROXY STATEMENT

TABLE OF CONTENTS

Table of Contents

TABLE OF CONTENTS
(continued)

Table of Contents

FedEx Corporation

942 South Shady Grove Road
Memphis, Tennessee 38120

2009 PROXY STATEMENT

FedEx's Board of Directors is furnishing you this proxy statement in connection with the solicitation of proxies on its behalf for the 2009 Annual Meeting of Stockholders. The meeting will take place in The Grand Ballroom at The Peabody Hotel, 149 Union Avenue, Memphis, Tennessee 38103, on Monday, September 28, 2009, at 10:00 a.m. local time. At the meeting, stockholders will vote on the election of twelve directors, the ratification of FedEx's independent registered public accounting firm and, if properly presented at the meeting, four stockholder proposals. Stockholders also will consider any other matters that may properly come before the meeting, although we know of no other business to be presented.

By submitting your proxy (either by signing and returning the enclosed proxy card or by voting electronically on the Internet or by telephone), you authorize Christine P. Richards, FedEx's Executive Vice President, General Counsel and Secretary, and Alan B. Graf, Jr., FedEx's Executive Vice President and Chief Financial Officer, to represent you and vote your shares at the meeting in accordance with your instructions. They also may vote your shares to adjourn the meeting and will be authorized to vote your shares at any postponements or adjournments of the meeting.

FedEx's Annual Report to Stockholders for the fiscal year ended May 31, 2009, which includes FedEx's fiscal 2009 audited consolidated financial statements, accompanies this proxy statement. Although the Annual Report is being distributed with this proxy statement, it does not constitute a part of the proxy solicitation materials and is not incorporated by reference into this proxy statement.

We are first sending the proxy statement, form of proxy and accompanying materials to stockholders on or about August 17, 2009.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON SEPTEMBER 28, 2009: The following materials are available on the Investor Relations page of the FedEx Web site at *http://www.fedex.com/us/investorrelations:*

- **The Notice of Annual Meeting of Stockholders To Be Held September 28, 2009;**
- **This proxy statement; and**
- **FedEx's Annual Report to Stockholders for the fiscal year ended May 31, 2009.**

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE PROMPTLY VOTE YOUR SHARES EITHER BY MAIL, VIA THE INTERNET OR BY TELEPHONE.

Table of Contents

INFORMATION ABOUT THE ANNUAL MEETING

What is the purpose of the annual meeting?

At the annual meeting, the stockholders will be asked to:

- elect twelve directors;
- ratify the appointment of Ernst & Young LLP as FedEx's independent registered public accounting firm; and
- act on four stockholder proposals, if properly presented.

Stockholders also will transact any other business that may properly come before the meeting. Members of FedEx's management team will be present at the meeting to respond to appropriate questions from stockholders.

Who is entitled to vote?

The record date for the meeting is August 3, 2009. Only stockholders of record at the close of business on that date are entitled to vote at the meeting. The only class of stock entitled to be voted at the meeting is FedEx common stock. Each outstanding share of common stock is entitled to one vote for all matters before the meeting. At the close of business on the record date there were 312,387,969 shares of FedEx common stock outstanding.

Am I entitled to vote if my shares are held in "street name"?

If your shares are held by a bank, brokerage firm or other nominee, you are considered the "beneficial owner" of shares held in "street name." If your shares are held in street name, these proxy materials are being forwarded to you by your bank, brokerage firm or other nominee (the "record holder"), along with a voting instruction card. As the beneficial owner, you have the right to direct your record holder how to vote your shares, and the record holder is required to vote your shares in accordance with your instructions. If you do not give voting instructions, your record holder will nevertheless be entitled to vote your shares in its discretion on the election of directors (Proposal 1) and the ratification of the appointment of the independent registered public accounting firm (Proposal 2). Absent your instructions, the record holder will not be permitted, however, to vote your shares on the adoption of the four stockholder proposals (Proposals 3 through 6) and your shares will be considered "broker non-votes" on those proposals. See "How will broker non-votes be treated?" on page 5.

As the beneficial owner of shares, you are invited to attend the annual meeting. If you are a beneficial owner, however, you may not vote your shares in person at the meeting unless you obtain a legal proxy, executed in your favor, from the record holder of your shares.

How many shares must be present to hold the meeting?

A quorum must be present at the meeting for any business to be conducted. The presence at the meeting, in person or represented by proxy, of the holders of a majority of the shares of common stock outstanding on the record date will constitute a quorum. Proxies received but marked as abstentions or treated as broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting.

What if a quorum is not present at the meeting?

If a quorum is not present at the meeting, the holders of a majority of the shares entitled to vote at the meeting who are present, in person or represented by proxy, or the chairman of the meeting, may adjourn the meeting until a quorum is present. The time and place of the adjourned meeting will be announced at the time the adjournment is taken, and no other notice will be given.

2

Table of Contents

How do I vote?

1. *YOU MAY VOTE BY MAIL.* If you properly complete, sign and date the accompanying proxy card or voting instruction card and return it in the enclosed envelope, it will be voted in accordance with your instructions. The enclosed envelope requires no additional postage if mailed in the United States.

2. *YOU MAY VOTE BY TELEPHONE OR ON THE INTERNET.* If you are a registered stockholder (that is, if you hold your stock directly and not in street name), you may vote by telephone or on the Internet by following the instructions included on the proxy card. If you vote by telephone or on the Internet, you do not have to mail in your proxy card. If you wish to attend the meeting in person, however, you will need to bring your admission ticket. Internet and telephone voting are available 24 hours a day. Votes submitted through the Internet or by telephone must be received by 11:59 p.m. Eastern time on September 27, 2009.

If you are the beneficial owner of shares held in street name, you still may be able to vote your shares electronically by telephone or on the Internet. The availability of telephone and Internet voting will depend on the voting process of the record holder of your shares. We recommend that you follow the instructions set forth on the voting instruction card provided to you.

> **NOTE: If you vote on the Internet, you may elect to have next year's proxy statement and annual report to stockholders delivered to you electronically. We strongly encourage you to enroll in electronic delivery. It is a cost-effective way for us to provide you with proxy materials and annual reports.**

3. *YOU MAY VOTE IN PERSON AT THE MEETING.* If you are a registered stockholder and attend the meeting, you may deliver your completed proxy card in person. Additionally, we will pass out ballots to registered stockholders who wish to vote in person at the meeting. If you are a beneficial owner of shares held in street name who wishes to vote at the meeting, you will need to obtain a legal proxy from your record holder and bring it with you to the meeting.

How do I vote my shares held in a FedEx benefit plan?

If you own shares of FedEx common stock through a FedEx or subsidiary benefit plan, you can direct the trustee or the record holder to vote the shares held in your account in accordance with your instructions by completing the proxy card and returning it in the enclosed envelope or by registering your instructions via the Internet or telephone as directed on the proxy card. If you register your voting instructions by telephone or on the Internet, you do not have to mail in the proxy card. If you wish to attend the meeting in person, however, you will need to bring the admission ticket attached to the proxy card with you. In order to instruct a plan trustee or record holder on the voting of shares held in your account, your instructions must be received by September 23, 2009. If your voting instructions are not received by that date, each plan trustee will vote your shares in the same proportion as the plan shares for which voting instructions have been received.

Who can attend the meeting?

Only stockholders eligible to vote or their authorized representatives will be admitted to the meeting. If you plan to attend the meeting, detach and bring with you the stub portion of your proxy card, which is marked "Admission Ticket." You also must bring a valid government-issued photo identification, such as a driver's license or a passport. If you received your proxy materials through the Internet, you should follow the instructions provided to print a paper admission ticket.

If your shares are held in street name, you must bring the "Admission Ticket" that accompanies your voting instruction card. Alternatively, you may bring other proof of ownership, such as a brokerage account statement, which clearly shows your ownership of FedEx common stock as of the record date. In addition, you must bring a valid government-issued photo identification, such as a driver's license or a passport.

Security measures will be in place at the meeting to help ensure the safety of attendees. Metal detectors similar to those used in airports will be located at the entrance to the meeting room and briefcases, handbags and packages will be inspected. No cameras or recording devices of any kind, or signs, placards, banners or similar materials, may be brought into the meeting. Anyone who refuses to comply with these requirements will not be admitted.

Table of Contents

Can I change my vote after I submit my proxy?

Yes, if you are a registered stockholder you may revoke your proxy and change your vote by:

- submitting a valid, later-dated proxy card or a later-dated vote by telephone or on the Internet (the latest-dated, properly completed proxy that you submit, whether by mail, by telephone or on the Internet, will count as your vote); or
- giving written notice of such revocation to the Secretary of FedEx prior to or at the meeting or by voting in person at the meeting.

Your attendance at the meeting itself will not revoke your proxy unless you give written notice of revocation to the Secretary before your proxy is voted or you vote in person at the meeting.

If your shares are held in street name, you should contact the record holder of your shares and follow its procedures for changing your voting instructions. You may also vote in person at the meeting if you obtain a legal proxy from your record holder.

Will my vote be kept confidential?

Yes, your vote will be kept confidential and not disclosed to FedEx unless:

- required by law;
- you expressly request disclosure on your proxy; or
- there is a proxy contest.

Who will count the votes?

FedEx's transfer agent, Computershare Trust Company, N.A., will tabulate and certify the votes. A representative of the transfer agent will serve as the inspector of election.

How does the Board of Directors recommend I vote on the proposals?

Your Board recommends that you vote:

- FOR the election of each of the twelve nominees to the Board of Directors;
- FOR the ratification of the appointment of Ernst & Young LLP as FedEx's independent registered public accounting firm; and
- AGAINST each of the stockholder proposals.

What if I do not specify how my shares are to be voted?

If you submit a proxy but do not indicate any voting instructions, your shares will be voted:

- FOR the election of each of the twelve nominees to the Board of Directors;
- FOR the ratification of the appointment of Ernst & Young LLP as FedEx's independent registered public accounting firm; and
- AGAINST each of the stockholder proposals.

Will any other business be conducted at the meeting?

We know of no other business to be conducted at the meeting. FedEx's Bylaws require stockholders to give advance notice of any proposal intended to be presented at the meeting. The deadline for this notice has passed and we did not receive any such notice. If any other matter properly comes before the stockholders for a vote at the meeting, the proxy holders will vote your shares in accordance with their best judgment.

How many votes are required to elect each director nominee?

A nominee will be elected to the Board of Directors if the number of votes cast "for" such nominee's election exceeds the number of votes cast "against" such nominee's election. See "Corporate Governance Matters   Majority-Voting Standard for Director Elections" on page 11.

What happens if a director nominee does not receive the required majority vote?

A nominee who is not already serving as a director and who fails to receive the required majority vote will not be elected and thus will not serve on the Board of Directors.

Each current director who is standing for reelection at the annual meeting has tendered an irrevocable resignation from the Board of Directors that will take effect if the nominee does not receive the required majority vote and the Board accepts the resignation. If the Board accepts the resignation, the nominee will no longer serve on the Board of Directors, and if the Board rejects the resignation, the nominee will continue to serve until his or her successor has been duly elected and qualified or until his or her earlier disqualification, death, resignation or removal. See "Corporate Governance Matters Majority-Voting Standard for Director Elections" on page 11.

What happens if a director nominee is unable to stand for election?

If a nominee is unable to stand for election, the Board of Directors may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the proxy holders may vote your shares for the substitute nominee.

How many votes are required to ratify the appointment of FedEx's independent registered public accounting firm?

The ratification of the appointment of Ernst & Young LLP as FedEx's independent registered public accounting firm requires the affirmative vote of a majority of the shares present at the meeting, in person or represented by proxy, and entitled to vote.

How many votes are required to approve each of the stockholder proposals?

If the stockholder proposal is properly presented at the meeting, approval of the proposal requires the affirmative vote of a majority of the shares present at the meeting, in person or represented by proxy, and entitled to vote. Approval of the stockholder proposal would merely serve as a recommendation to the Board to take the necessary steps to implement such proposal.

How will abstentions be treated?

Abstentions will have no effect on the election of directors (Proposal 1). For each of the other proposals, abstentions will be treated as shares present for quorum purposes and entitled to vote, so they will have the same practical effect as votes against the proposal.

How will broker non-votes be treated?

If your shares are held in street name and you do not give voting instructions, your record holder will be entitled to vote your shares in its discretion on the election of directors (Proposal 1) and the ratification of the appointment of the independent registered public accounting firm (Proposal 2). Your shares will be treated as broker non-votes on the other proposals.

Broker non-votes will be treated as shares present for quorum purposes, but not entitled to vote. Thus, absent voting instructions from you, the record holder of your shares may not vote your shares on the four stockholder proposals (Proposals 3 through 6). A broker non-vote with respect to these proposals will not affect their outcome.

Will the meeting be Webcast?

Yes, you are invited to visit the events section of the Investor Relations page of our Web site (*http://ir.fedex.com/events.cfm*) at 10:00 a.m., Central time, on September 28, 2009, to access the live Webcast of the meeting. An archived copy of the Webcast will be available on our Web site for at least one year. The information on FedEx's Web site, however, is not incorporated by reference in, and does not form part of, this proxy statement.

Table of Contents

STOCK OWNERSHIP

Directors and Executive Officers

The following table sets forth the amount of FedEx's common stock beneficially owned by each director or nominee, each named executive officer included in the Summary Compensation Table on page 39, and all directors, nominees and executive officers as a group, as of August 3, 2009. Unless otherwise indicated, beneficial ownership is direct and the person shown has sole voting and investment power.

	Common Stock Beneficially Owned		
Name of Beneficial Owner	**Number of Shares**	**Number of Option Shares(1)**	**Percent of Class(2)**
Frederick W. Smith	19,588,774(3)	2,226,037	6.93%
James L. Barksdale	46,800	31,600	*
John A. Edwardson	15,000	39,600	*
Judith L. Estrin	34,000	63,600	*
J.R. Hyde, III	132,000(4)	39,600	*
Shirley A. Jackson	7,000	33,600	*
Steven R. Loranger	7,800(5)	13,200	*
Gary W. Loveman	10,414	8,800	*
Susan C. Schwab	300		*
Joshua I. Smith	5,086	36,600	*
David P. Steiner			*
Paul S. Walsh	8,500	51,600	*
Peter S. Willmott	106,690(6)	39,600	*
David J. Bronczek	102,185(7)	356,888	*
T. Michael Glenn	201,162(8)	283,268	*
Alan B. Graf, Jr.	216,818(9)	331,393	*
Christine P. Richards	58,371	88,468	*
All directors, nominees and executive officers as a group (20 persons)	20,702,139(10)	4,035,713	7.82%

* Less than 1% of FedEx's outstanding common stock.

(1) Reflects the number of shares that can be acquired at August 3, 2009, or within 60 days thereafter through the exercise of stock options. These shares are excluded from the column headed "Number of Shares," but included in the ownership percentages reported in the column headed "Percent of Class."

(2) Based on 312,387,969 shares outstanding on August 3, 2009.

(3) Includes 15,341,535 shares owned by Mr. Smith (5,887,564 of such shares have been pledged as security by Mr. Smith), 4,141,280 shares owned by Frederick Smith Enterprise Company, Inc. ("Enterprise"), a family holding company (496,000 of such shares have been pledged as security by Enterprise), 736 shares owned by Mr. Smith's spouse and 102,928 shares held in trust for the benefit of Mr. Smith's child. Regions Morgan Keegan Trust, FSB, Memphis, Tennessee, as trustee of a trust of which Mr. Smith is the lifetime beneficiary, holds 55% of Enterprise's outstanding stock and Mr. Smith owns 45% directly. Includes 2,295 shares held in FedEx's retirement savings plan. Mr. Smith's business address is 942 South Shady Grove Road, Memphis, Tennessee 38120.

(4) Includes 100,000 shares pledged as security by Mr. Hyde.

(5) Owned by a family trust.

(6) Includes 106,690 shares pledged as security by Mr. Willmott.

(7) Includes 667 shares held in FedEx's retirement savings plan.

(8) Includes 88,750 shares owned by Glenn Family Partners, L.P. Mr. Glenn disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein. Also includes 548 shares held in FedEx's retirement savings plan.

(9) Includes 7,400 shares owned by a family trust and 428 shares held in FedEx's retirement savings plan.

(10) Includes 1,013 stock units held in a deferred compensation plan. These stock units are payable in shares of FedEx common stock on a one-for-one basis. Also includes an aggregate 4,782 shares held in FedEx's retirement savings plan.

Table of Contents

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires directors and certain officers of FedEx and persons who own more than ten percent of FedEx's common stock to file with the Securities and Exchange Commission initial reports of beneficial ownership (Form 3) and reports of subsequent changes in their beneficial ownership (Form 4 or Form 5) of FedEx's common stock. Such directors, officers and greater-than-ten-percent stockholders are required to furnish FedEx with copies of the Section 16(a) reports they file. The Securities and Exchange Commission has established specific due dates for these reports, and FedEx is required to disclose in this proxy statement any late filings or failures to file.

Based solely upon a review of the copies of the Section 16(a) reports (and any amendments thereto) furnished to FedEx and written representations from FedEx's directors and reporting officers that no additional reports were required, FedEx believes that its directors and reporting officers complied with all these filing requirements for the fiscal year ended May 31, 2009.

Significant Stockholders

The following table lists certain persons known by FedEx to own beneficially more than five percent of FedEx's outstanding shares of common stock as of March 31, 2009.

	Amount and Nature of Beneficial Ownership	Percent of Class
Dodge & Cox 555 California Street, 40th Floor San Francisco, California 94104	21,237,051(1)	6.82%
PRIMECAP Management Company 225 South Lake Avenue, Suite 400 Pasadena, California 91101	22,604,557(2)	7.26%

(1) Dodge & Cox, a registered investment advisor, had sole voting power over 19,998,259 shares and sole investment power over all 21,237,051 shares.

(2) PRIMECAP Management Company, a registered investment advisor, had sole voting power over 4,321,418 shares and sole investment power over all 22,604,557 shares.

CORPORATE GOVERNANCE MATTERS

Corporate Governance Documents

In furtherance of its longstanding goals of providing effective governance of FedEx's business and affairs for the long-term benefit of stockholders and promoting a culture and reputation of the highest ethics, integrity and reliability, the Board of Directors has adopted Corporate Governance Guidelines, charters for each of its Board committees and a Code of Business Conduct and Ethics for directors, officers and employees of FedEx. Each of these documents is available, free of charge, in print to any stockholder who requests it and in the corporate governance section of the Investor Relations page of our Web site at *http://ir.fedex.com/governance.cfm*. The information on FedEx's Web site, however, is not incorporated by reference in, and does not form part of, this proxy statement.

Director Independence

The Board of Directors has determined that each member of the Audit, Compensation and Nominating & Governance Committees and, with the exception of Frederick W. Smith, each of the Board's current members (James L. Barksdale, John A. Edwardson, Judith L. Estrin, J.R. Hyde, III, Shirley A. Jackson, Steven R. Loranger, Gary W. Loveman, Susan C. Schwab, Joshua I. Smith, Paul S. Walsh and Peter S. Willmott), as well as David P. Steiner, is independent and meets the applicable independence requirements of the New York Stock Exchange (including the additional requirements for Audit Committee members) and the Board's more stringent standards for determining director independence. Mr. Smith is FedEx's Chairman of the Board, President and Chief Executive Officer. Philip Greer and Charles T. Manatt retired as directors immediately before the 2008 annual meeting, and August A. Busch IV resigned as a director in January 2009. The Board of Directors had previously affirmatively determined that each of these former directors was independent.

Under the Board's standards of director independence, which are included in FedEx's Corporate Governance Guidelines, a director will be considered independent only if the Board affirmatively determines that the director has no direct or indirect material relationship with FedEx, other than as a director. The standards set forth certain categories or types of transactions, relationships or arrangements with FedEx, as follows, each of which (i) is deemed not to be a material relationship with FedEx, and thus (ii) will not, by itself, prevent a director from being considered independent:

Prior Employment of Director. The director was employed by FedEx or was personally working on FedEx's audit as an employee or partner of FedEx'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 FedEx or was personally working on FedEx's audit as an employee or partner of FedEx'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 FedEx in a non-officer position, or by FedEx's independent auditor not as a partner and not personally working on FedEx's audit.

Interlocking Directorships. An executive officer of FedEx served on the board of directors of a company that employed the director or employed an immediate family member as an executive officer, and over five years have passed since either such relationship ended.

Business Relationships. The director 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, FedEx 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 director or an immediate family member is a partner, greater than 10% shareholder, director or officer of a company that is indebted to FedEx or to which FedEx 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.

Table of Contents

Charitable Contributions. The director is a trustee, fiduciary, director or officer of a tax-exempt organization to which FedEx contributes, and the contributions to such organization by FedEx 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.

The Board broadly considered all relevant facts and circumstances, including the following immaterial transactions, relationships and arrangements:

Messrs. Barksdale and Willmott each served as officers of FedEx, but they left the company well over five years ago (Mr. Barksdale's employment at FedEx ended in 1992, and Mr. Willmott's employment at FedEx ended in 1983).

FedEx has made charitable contributions to tax-exempt organizations for which each of the following independent directors or their spouses serve as a trustee or director: Messrs. Barksdale, Hyde and Loranger. With the exception of the contributions to Memphis Tomorrow discussed below (see "Related Person Transactions"), the contributions by FedEx to each such organization have not within any of the other organization's three most recently completed fiscal years exceeded one percent (or $250,000, whichever is greater) of the other organization's consolidated gross revenues for such year. In addition, Mr. Hyde (or his wife) and certain FedEx executive officers are affiliated with several of the same Memphis-based non-profit organizations.

In the ordinary course of business, FedEx makes purchases from entities for which each of the following independent directors or director nominees serves as an officer: Messrs. Edwardson, Loranger and Steiner. The amount of the payments made by FedEx to each such entity has not within any of the other entity's three most recently completed fiscal years exceeded one percent (or $1 million, whichever is greater) of the other entity's consolidated gross revenues for such year.

Frederick W. Smith has made passive investments (holding debt and/or less-than-5% equity interests) in privately held entities with which each of the following independent directors is affiliated: Mr. Barksdale and Ms. Estrin.

Mr. Hyde and his wife together own a minority interest in the NBA Memphis Grizzlies professional basketball team, with which FedEx has a business relationship. The Hydes' ownership interest in the team declined significantly during fiscal 2008 from approximately 13% to 1%.

Audit Committee Financial Expert

The Board of Directors has determined that at least one member of the Audit Committee, John A. Edwardson, is an audit committee financial expert as such term is defined in Item 407(d)(5) of Regulation S-K, promulgated by the Securities and Exchange Commission.

Director Mandatory Retirement

A director must retire immediately before the annual meeting of FedEx's stockholders during the calendar year in which he or she attains age 72. Accordingly, Peter S. Willmott is retiring as a director immediately before this year's annual meeting.

Stock Ownership Goal for Directors and Senior Officers

In order to encourage significant stock ownership by our directors and senior officers, and to further align their interests with the interests of FedEx's stockholders, the Board of Directors has established a goal that (i) within three years after joining the Board, each non-management director own FedEx shares valued at three times his or her annual retainer fee, and (ii) within four years after being appointed to his or her position, each member of senior management own FedEx shares valued at the following multiple of his or her annual base salary:

5x for the Chairman of the Board, President and Chief Executive Officer;

3x for the other FedEx executive officers;

2x for executive vice presidents of FedEx's core operating companies; and

Table of Contents

1x for certain other senior officers.

For purposes of meeting this goal, unvested restricted stock is counted, but unexercised stock options are not. The Board also recommends that each director and senior officer retain shares acquired upon stock option exercises until his or her goal is met. The stock ownership goal is included in FedEx's Corporate Governance Guidelines. As of August 3, 2009, each director (other than Susan C. Schwab, who joined the Board in June 2009) and executive officer owned sufficient shares to comply with this goal.

Policy on Poison Pills

The Board of Directors has adopted a policy requiring stockholder approval for any future "poison pill" prior to or within twelve months after adoption of the poison pill. (A poison pill is a device used to deter a hostile takeover. Note that FedEx does not currently have, nor have we ever had, a poison pill.) The policy on poison pills is included in FedEx's Bylaws and Corporate Governance Guidelines.

Executive Sessions of Non-Management Directors

Non-management Board members meet without management present at regularly scheduled executive sessions in conjunction with each in-person meeting of the Board of Directors. At least once a year, such meetings include only the independent members of the Board. The Chairman of the Nominating & Governance Committee presides over meetings of the non-employee and independent directors.

Communications with Directors

You may communicate directly with any member or committee of the Board of Directors by writing to: FedEx Corporation Board of Directors, c/o Corporate Secretary, 942 South Shady Grove Road, Memphis, Tennessee 38120. Please specify to whom your letter should be directed. The Corporate Secretary of FedEx will review all such correspondence and regularly forward to the Board a summary of all such correspondence and copies of all correspondence that, in her opinion, deals with the functions of the Board or its committees or that 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 FedEx that is addressed to Board members and request copies of any such correspondence.

Nomination of Director Candidates

The Nominating & Governance Committee will consider director nominees proposed by 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 below, 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. FedEx's Bylaws require stockholders to give advance notice of stockholder proposals, including nominations of director candidates. For more information, please see page 78, "Additional Information Stockholder Proposals for 2010 Annual Meeting."

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 identifies, evaluates and recruits highly qualified director candidates and recommends them to the Board. The Nominating & Governance Committee considers potential candidates for director, who may come to the attention of the Nominating & Governance Committee through current directors, management, professional search firms, stockholders or other persons. The Nominating & Governance Committee has engaged a third-party executive search firm to assist in identifying potential board candidates. The Nominating & Governance Committee considers and evaluates a director candidate recommended by a stockholder in the same manner as a nominee recommended by a Board member, management, search firm or other sources.

If the Nominating & Governance Committee determines that an additional or replacement director is necessary or advisable, the Nominating & Governance Committee may take such measures that it considers appropriate in connection with its evaluation of a potential director candidate, including interviewing the candidate, engaging an outside firm to gather additional information and making inquiries of persons with

knowledge of the candidate's qualifications and character. In its evaluation of potential director candidates, including the members of the Board of Directors eligible for reelection, the Nominating & Governance Committee considers the current size, composition and needs of the Board of Directors and each of its committees.

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 FedEx 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 FedEx'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 FedEx and its stockholders.

In addition, it is desirable that the following qualities or skills be possessed by one or more of FedEx's Board members: transportation industry experience; international experience; financial expertise; marketing expertise; technological expertise; energy expertise; and government experience.

David P. Steiner is the only director nominee who is not an executive officer of FedEx or a current director standing for reelection. The third-party executive search firm engaged by the Nominating & Governance Committee provided assistance in identifying Mr. Steiner as a potential Board candidate. Frederick W. Smith, FedEx's Chairman of the Board, President and Chief Executive Officer, and Peter S. Willmott, Chairman of the Nominating & Governance Committee of the Board, recommended Mr. Steiner as a nominee for election at the annual meeting.

Majority-Voting Standard for Director Elections

FedEx's Bylaws require that we use a majority-voting standard in uncontested director elections and contain a resignation requirement for directors who fail to receive the required majority vote. The Bylaws also prohibit the Board from changing back to a plurality-voting standard without the approval of our stockholders. Under the majority-voting standard, a director nominee must receive more votes cast "for" than "against" his or her election in order to be elected to the Board. In accordance with the majority-voting standard and resignation requirement, each incumbent director who is standing for reelection at the annual meeting has tendered an irrevocable resignation from the Board of Directors that will take effect if (i) the director does not receive more votes cast "for" than "against" his or her election at the annual meeting, and (ii) the Board accepts the resignation. FedEx's Bylaws require the Board of Directors, within 90 days after certification of the election results, to accept the director's 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.

Policy on Review and Preapproval of Related Person Transactions

The Board of Directors has adopted a Policy on Review and Preapproval of Related Person Transactions, which is included in FedEx's Corporate Governance Guidelines. The policy requires that all proposed related person transactions (as defined in the policy) and all proposed material changes to existing related person transactions be reviewed and preapproved by the Nominating & Governance Committee. To the extent the related person (as defined in the policy) is a director or immediate family member of a director, the transaction or change must also be reviewed and preapproved by the full Board. The policy provides that a related person transaction or a material change to an existing related person transaction may not be preapproved if it would:

- 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;
- not be fair as to FedEx; or
- otherwise be opposed to the best interests of FedEx and its stockholders.

The policy requires the Nominating & Governance Committee to annually (i) review each existing related person transaction that has a remaining term of at least one year or remaining payments of at least $120,000, and (ii) determine, based upon all material facts and circumstances and taking into consideration our contractual obligations, whether it is in the best interests of FedEx and our stockholders to continue, modify or terminate the transaction or relationship.

Related Person Transactions

In accordance with the policy described above, the Nominating & Governance Committee has reviewed the following related person transactions and determined that they remain in the best interests of FedEx and our stockholders:

- In November 1999, FedEx entered into a multi-year, $205 million naming rights agreement with the NFL Washington Redskins professional football team. Under this agreement, FedEx has certain marketing rights, including the right to name the Redskins' stadium "FedExField." In August 2003, Frederick W. Smith acquired an approximate 10% ownership interest in the Washington Redskins and joined its Leadership Council, or board of directors.
- FedEx's policy on personal use of corporate aircraft requires officers to pay FedEx two times the cost of fuel, plus applicable passenger ticket taxes and fees, for personal trips. Pursuant to this requirement, Mr. Smith paid FedEx approximately $160,000 during fiscal 2009 in connection with certain personal use of corporate aircraft.
- J.R. Hyde, III and David J. Bronczek serve together on the board of Memphis Tomorrow, a non-profit organization. In fiscal 2009, FedEx contributed $1 million (the second installment of a five-year commitment for $5 million) to Memphis Tomorrow, which represents approximately 23% of the organization's annual revenues. The mission of Memphis Tomorrow is to bring top business leaders together with Memphis government and civic leaders to foster economic prosperity for the local community. The Board of Directors has determined that this relationship does not impair Mr. Hyde's independence because, among other things, he does not receive any special benefit from FedEx's contributions to the organization.
- David F. Rebholz is the President and Chief Executive Officer of FedEx Ground. Mr. Rebholz's brother is employed by FedEx Freight as a sales account executive in Missouri. His total annual compensation during fiscal 2009 was approximately $125,000.

Table of Contents

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

Meetings

During fiscal 2009, the Board of Directors held six regular meetings and one special meeting. Each incumbent director attended at least 75% of the meetings of the Board and any committees on which he or she served.

Committees

The Board of Directors has a standing Audit Committee, Compensation Committee, Information Technology Oversight Committee and Nominating & Governance Committee. Each committee's written charter, as adopted by the Board of Directors, is available on the FedEx Web site at *http://ir.fedex.com/com_charters.cfm*. Committee memberships are as follows:

Audit Committee	**Information Technology Oversight Committee**
John A. Edwardson (Chairman)	Judith L. Estrin (Chairwoman)
Gary W. Loveman	James L. Barksdale
Joshua I. Smith	J.R. Hyde, III
Peter S. Willmott	Gary W. Loveman

Compensation Committee	**Nominating & Governance Committee**
Steven R. Loranger (Chairman)	Peter S. Willmott (Chairman)
Shirley A. Jackson	James L. Barksdale
Susan C. Schwab	Judith L. Estrin
Paul S. Walsh	Shirley A. Jackson

The Board of Directors has approved reconstituting the committees so that, immediately following the annual meeting, if all of the director nominees are elected, committee memberships will be as follows:

Audit Committee	**Information Technology Oversight Committee**
John A. Edwardson (Chairman)	Judith L. Estrin (Chairwoman)
Gary W. Loveman	James L. Barksdale
Joshua I. Smith	J.R. Hyde, III
David P. Steiner	Gary W. Loveman

Compensation Committee	**Nominating & Governance Committee**
Steven R. Loranger (Chairman)	Shirley A. Jackson (Chairwoman)
Shirley A. Jackson	James L. Barksdale
Susan C. Schwab	Judith L. Estrin
Paul S. Walsh	Steven R. Loranger

The Audit Committee, which held ten meetings during fiscal 2009, performs the following functions:

- oversees the independent registered public accounting firm's qualifications, independence and performance;
- assists the Board of Directors in its oversight of (i) the integrity of FedEx's financial statements; (ii) the effectiveness of FedEx's disclosure controls and procedures and internal control over financial reporting; (iii) the performance of the internal auditors; and (iv) FedEx's compliance with legal and regulatory requirements; and

preapproves all audit and allowable non-audit services to be provided by FedEx's independent registered public accounting firm.

Table of Contents

The Compensation Committee, which held six meetings during fiscal 2009, performs the following functions:

- evaluates, together with the independent members of the Board, the performance of FedEx's Chairman of the Board, President and Chief Executive Officer and recommends his compensation for approval by the independent directors;
- discharges the Board's responsibilities relating to the compensation of executive management;
- reviews and discusses with management the Compensation Discussion and Analysis and produces a report recommending whether the Compensation Discussion and Analysis should be included in the proxy statement; and
- oversees the administration of FedEx's equity compensation plans and reviews the costs and structure of key employee benefit and fringe-benefit plans and programs.

The Information Technology Oversight Committee, which held six meetings during fiscal 2009, performs the following functions:

- appraises major information technology ("IT") related projects and technology architecture decisions;
- ensures that FedEx's IT programs effectively support FedEx's business objectives and strategies; and
- advises FedEx's senior IT management team and the Board of Directors on IT related matters.

The Nominating & Governance Committee, which held seven meetings during fiscal 2009, performs the following functions:

- identifies individuals qualified to become Board members;
- recommends to the Board director nominees to be proposed for election at the annual meeting of stockholders;
- recommends to the Board directors for appointment to Board committees; and
- assists the Board in developing and implementing effective corporate governance, compliance and ethics programs.

Attendance at Annual Meeting of Stockholders

FedEx expects all Board members to attend annual meetings of stockholders. Each then-current member of the Board of Directors, except Mr. Hyde, attended the 2008 annual meeting of stockholders.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

All of FedEx's directors are elected at each annual meeting of stockholders and hold office until the next annual meeting of stockholders and until their successors are duly elected and qualified. The Board of Directors currently consists of twelve members. Peter S. Willmott is retiring as a director immediately before the annual meeting and is not standing for reelection. The Board proposes that each of the other current directors be reelected to the Board. In addition, the Board of Directors has nominated David P. Steiner for election as a director. Each of the nominees elected at this annual meeting will hold office until the annual meeting of stockholders to be held in 2010 and until his or her successor is duly elected and qualified.

Each nominee has consented to being named in this proxy statement and has agreed to serve if elected. If a nominee is unable to stand for election, the Board of Directors may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the proxy holders may vote your shares for the substitute nominee.

Under FedEx's majority-voting standard, each of the twelve director nominees must receive more votes cast "for" than "against" his or her election in order to be elected to the Board. For more information, please see "Corporate Governance Matters Majority-Voting Standard for Director Elections" on page 11.

YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF EACH OF THE TWELVE NOMINEES.

The following table sets forth, with respect to each nominee, his or her name, age, principal occupation and employment during at least the past five years, the year in which he or she first became a director of FedEx (or its predecessor, FedEx Express) and directorships held in other public companies.

NOMINEES FOR ELECTION TO THE BOARD

Director, Year First Elected as Director	Age	Principal Occupation, Business and Directorships
Frederick W. Smith 1971	64	Chairman, President and Chief Executive Officer of FedEx since January 1998; Chairman of FedEx Express since 1975; Chairman, President and Chief Executive Officer of FedEx Express from 1983 to January 1998; Chief Executive Officer of FedEx Express from 1977 to January 1998; President of FedEx Express from 1971 to 1975.
James L. Barksdale 1999	66	Chairman and President, Barksdale Management Corporation, an investment management company, since April 1999; Managing Partner, The Barksdale Group, a venture capital firm, since April 1999; President and Chief Executive Officer of Netscape Communications Corporation, a provider of software, services and Web site resources to Internet users, from January 1995 to March 1999; various senior management positions at FedEx Express from 1979 to 1992, including Executive Vice President and Chief Operating Officer. Former director of FedEx Express from 1983 to 1991. Director, Sun Microsystems, Inc. and Time Warner Inc.
John A. Edwardson 2003	60	Chairman and Chief Executive Officer of CDW Corporation, a provider of technology products and services, since January 2001; Chairman and Chief Executive Officer of Burns International Services Corporation, a provider of security services, from 1999 to 2000; President and Chief Operating Officer of UAL Corporation, an airline, from 1995 to 1998.
Judith L. Estrin 1989	54	Chief Executive Officer of JLABS, LLC (formerly known as Packet Design Management Company, LLC), a company focused on technology innovation, since May 2000; Senior Vice President and Chief Technology Officer of Cisco

Systems, Inc., a networking systems company, from April 1998 to April 2000; President and Chief Executive Officer of Precept Software, Inc., a computer software company, from March 1995 to April 1998. Director, The Walt Disney Company.

Table of Contents

Director, Year First Elected as Director	Age	Principal Occupation, Business and Directorships
J.R. Hyde, III 1977	66	Chairman of GTx, Inc., a biopharmaceutical company, since November 2000; Chairman of AutoZone, Inc., an auto parts retail chain, from March 2005 to June 2007 and from May 1986 to March 1997; Chief Executive Officer of AutoZone, Inc. from May 1986 to December 1996; Chairman of Pittco Management, LLC, an investment management company, since January 1998; President of Pittco, Inc., an investment company, since April 1989. Director, AutoZone, Inc. and GTx, Inc.
Shirley A. Jackson 1999	63	President of Rensselaer Polytechnic Institute, a technological research university, since July 1999; Chairwoman and Commissioner of the United States Nuclear Regulatory Commission from July 1995 to June 1999; Commissioner of the United States Nuclear Regulatory Commission from May 1995 to July 1995. Director, International Business Machines Corporation, Marathon Oil Corporation, Medtronic, Inc., NYSE Euronext and Public Service Enterprise Group Incorporated.
Steven R. Loranger 2006	57	Chairman of the Board, President and Chief Executive Officer of ITT Corporation, a diversified high-technology engineering and manufacturing company, since December 2004; President and Chief Executive Officer of ITT Corporation from June 2004 to December 2004; Executive Vice President and Chief Operating Officer of Textron, Inc., a global aircraft, industrial and finance company, from 2002 to 2004; various executive positions at Honeywell International Inc. and its predecessor, AlliedSignal, Inc., a technology and manufacturing company, from 1981 to 2002, including President and Chief Executive Officer of its Engines, Systems and Services businesses. Director, ITT Corporation.
Gary W. Loveman 2007	49	Chairman of the Board, Chief Executive Officer and President of Harrah's Entertainment, Inc., a provider of branded gaming entertainment, since January 2005; Chief Executive Officer and President of Harrah's Entertainment, Inc. since January 2003; President of Harrah's Entertainment, Inc. since April 2001; various executive positions at Harrah's Entertainment, Inc. from May 1998 to April 2001; Associate Professor of Business Administration, Harvard University Graduate School of Business Administration from 1994 to 1998. Director, Harrah's Entertainment, Inc. and Coach, Inc.
Susan C. Schwab 2009	54	Professor, University of Maryland School of Public Policy, since January 2009; United States Trade Representative from June 2006 to January 2009; Deputy United States Trade Representative from October 2005 to June 2006; Vice Chancellor of University System of Maryland and President and Chief Executive Officer of University System of Maryland Foundation from January 2004 to October 2005; Dean of University of Maryland School of Public Policy from August 1995 to August 2003; Director, Corporate Business Development of Motorola, Inc., an electronics manufacturer, from July 1993 to August 1995; Assistant Secretary of Commerce for the United States and Foreign Commercial Services from March 1989 to May 1993. Director, Caterpillar Inc.
Joshua I. Smith 1989	68	Chairman and Managing Partner, Coaching Group, LLC, a management consulting firm, since June 1998; Vice Chairman and President of iGate, Inc., a broadband networking company, from June 2000 to June 2001. Director, The Allstate Corporation, Caterpillar Inc. and Comprehensive Care Corporation.

Table of Contents

Director, Year First Elected as Director	Age	Principal Occupation, Business and Directorships
David P. Steiner (New Nominee)	49	Chief Executive Officer, Waste Management, Inc., a provider of integrated waste management services, since March 2004; Executive Vice President and Chief Financial Officer of Waste Management, Inc. from April 2003 to March 2004; Senior Vice President, General Counsel and Corporate Secretary of Waste Management, Inc. from July 2001 to April 2003; Vice President and Deputy General Counsel of Waste Management, Inc. from November 2000 to July 2001; Partner, Phelps Dunbar L.L.P., a law firm, from 1990 to November 2000. Director, Tyco Electronics Ltd. and Waste Management, Inc.
Paul S. Walsh 1996	54	Chief Executive Officer of Diageo plc, a beverage company, since September 2000; Group Chief Operating Officer of Diageo plc from January 2000 to September 2000; Chairman, President and Chief Executive Officer of The Pillsbury Company, a wholly owned subsidiary of Diageo plc, from April 1996 to January 2000; Chief Executive Officer of The Pillsbury Company from January 1992 to April 1996. Director, Diageo plc and Unilever PLC.

Table of Contents

REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

The Compensation Committee has reviewed and discussed with management the following Compensation Discussion and Analysis. Based on its review and discussions with management, the Compensation Committee recommended to the Board of Directors, and the Board approved, that the Compensation Discussion and Analysis be included in this proxy statement and in FedEx's Annual Report on Form 10-K for the fiscal year ended May 31, 2009.

Compensation Committee Members

Steven R. Loranger *Chairman*
Shirley A. Jackson
Susan C. Schwab
Paul S. Walsh

COMPENSATION DISCUSSION AND ANALYSIS

In this section we discuss and analyze the compensation of our principal executive and financial officers and our three other most highly compensated executive officers (the "named executive officers") for the fiscal year ended May 31, 2009. For additional information regarding compensation of the named executive officers, see "Executive Compensation" on page 39.

Executive Summary

Each of the named executive officers is a longstanding member of our management, and our Chairman of the Board, President and Chief Executive Officer, Frederick W. Smith, founded the company and pioneered the express transportation industry over 35 years ago.

This long tenure is a significant factor in our executive compensation program planning, design and administration. As one example, we provide base salary merit increases most every year, so each named executive officer has experienced many years of such increases. Also, because annual bonus amounts are calculated as a percentage of base salary, higher base salaries may result in higher annual bonuses as justified by performance. More important than any formulaic effect, however, the long tenure of the named executive officers has made them especially knowledgeable about our business and our industry and thus particularly valuable to the company and our shareowners, especially as we manage through economic uncertainty. We cannot afford to lose these long-tenured officers or their invaluable knowledge, particularly given how critical they are to the future performance of the company.

At the same time, even during a recession, we face significant challenges in retaining these officers. Under their leadership, we have experienced strong long-term financial growth and shareowner return, and FedEx has become one of the most trusted and respected brands in the world. As a result, there is a significant risk that these leaders will be presented with other career opportunities, including more senior positions and at higher levels of compensation. We have a duty to our shareowners to overcome these obstacles and continue to retain these officers, and we design our compensation program to fulfill this important obligation.

As with tenure, position and level of responsibility are important factors in the compensation level of any FedEx employee, including the named executive officers. There are internal salary ranges for each level, and annual target bonus percentages, long-term bonus amounts, and the number of options and restricted shares awarded are all closely tied to management level and responsibilities. For instance, all FedEx Corporation executive vice presidents have the same salary range and annual target bonus percentages and receive the same long-term bonus and the same number of options and restricted shares in the annual grant.

Because retention is so imperative and tenure and management level are determinative factors, we use external survey data solely as a reference point. Thus, the target compensation levels of our named executive officers are not designed to correspond to a specified percentile of compensation in those surveys.

Table of Contents

We design our executive compensation program to further FedEx's mission of producing superior financial returns for shareowners by pursuing the following objectives:

	How Pursued	
Objective	**Generally**	**Specifically**
Retain and attract highly qualified and effective executive officers.	Pay competitively.	Use comparison survey data as a point of reference in evaluating target levels for total direct compensation, which includes both fixed and variable, at-risk components tied to stock price appreciation and short- and long-term financial performance.
Motivate executive officers to contribute to our future success and to build long-term shareowner value and reward them accordingly.	Link a significant part of compensation to FedEx's financial and stock price performance, especially long-term performance.	Weight executive compensation program in favor of incentive and equity-based compensation elements (rather than base salary), especially long-term incentive cash compensation and equity incentives in the form of stock options and restricted stock.
Further align executive officer and shareowner interests.	Encourage and facilitate long-term shareowner returns and significant ownership of FedEx stock by executives.	Make annual equity-based grants, tie long-term cash compensation to growth in our earnings per share ("EPS") because growth in our EPS strongly correlates to long-term stock price appreciation, and maintain a stock ownership goal for senior officers and encourage each officer to retain shares acquired upon stock option exercises until his or her goal is met.

Our executive compensation philosophy is to (i) closely align the compensation paid to our executives with the performance of the company on both a short-term and long-term basis, and (ii) set performance goals that do not promote excessive risk while supporting the company's core long-term financial goals of:

- Growing revenue by 10% per year;
- Achieving a 10%+ operating margin;
- Increasing EPS by 10% to 15% per year;
- Improving cash flow; and
- Increasing returns, such as return on invested capital.

Our executive compensation is thus, in large measure, highly variable and directly linked in the planning process to the above goals and increases in the FedEx stock price over time. Consistent with this pay for performance philosophy and reflecting extraordinarily weak macroeconomic conditions during fiscal 2009 and the resulting negative effects on our financial and stock price performance:

There were no payouts for fiscal 2009 to any participants, including the named executive officers, under our annual incentive compensation ("AIC") program;

Table of Contents

There were no payouts for fiscal 2009 to any participants, including the named executive officers, under our long-term incentive compensation ("LTI") program; and

As of May 31, 2009, the stock options awarded to our named executive officers in the past six annual grants were "underwater" (or "out of the money") our stock price was less than the exercise price of the options.

In addition, we implemented the following compensation-related cost-reduction initiatives:

Mr. Smith's base salary was reduced by 20%, effective January 1, 2009;

The base salaries of the other named executive officers were reduced by 10%, effective January 1, 2009;

Annual merit-based salary increases were eliminated for all U.S. salaried exempt personnel, including the named executive officers, for calendar 2009;

401(k) company matching contributions were suspended for all participants, including the named executive officers, for a minimum of one year, effective February 1, 2009; and

Incentive stock options were replaced by non-tax-qualified options for all future grants, beginning in June 2009, which will result in lower financial statement income tax expense. This change is expected to result in a tax benefit of approximately $8 million per year once it is fully implemented.

Notwithstanding the current global recession and the resulting negative effects on our financial and stock price performance, we continue to invest in long-term strategic projects focused on expanding our global networks to accommodate future volume growth and increase customer convenience. In addition, we are broadening and more effectively bundling our portfolio of services in response to the needs and desires of our customers. We believe these actions will position our companies to move toward stronger long-term growth, productivity and profitability.

FedEx's compensation program for executive officers consists of the following elements, each of which is consistent with our executive compensation philosophy and helps to achieve our overall compensation-related objectives:

Element	Key Features	Primary Objective
Base salary	Reviewed and adjusted (if appropriate) at least annually. Independent Board members, upon the recommendation of the Compensation Committee, approve any changes to CEO's base salary. CEO approves any annual merit increases to the base salaries of the other named executive officers within limits established by the Compensation Committee.	Provide sufficient fixed cash income to retain and attract highly marketable executives in a competitive market for executive talent.

Table of Contents

Element	Key Features	Primary Objective
Cash payments under AIC program	AIC payouts are tied to meeting internal annual financial performance goals (100% of target payout for CEO, and 70% of target payout for non-CEO named executive officers). Independent Board members, upon the recommendation of the Compensation Committee, approve CEO's AIC payout opportunities and may adjust his payout upward or downward based upon their annual evaluation of his performance. AIC payouts for non-CEO named executive officers are also tied to the achievement of individual objectives established at the beginning of the fiscal year for each executive (30% of the target payout), and achievement level is based upon CEO's evaluation at the conclusion of the fiscal year, which is reviewed by the Compensation Committee. Payouts above target levels are based upon above-target achievement of annual financial performance objective, rather than individual objectives. Maximum AIC payout represents three times the portion of the target payout that is based upon the achievement of annual financial performance objective (plus the portion that is based upon the achievement of individual performance objectives). See page 31 for an illustration of the fiscal 2009 AIC formulas and payout opportunities.	Motivate executive officers to achieve our annual financial goals and other business objectives and reward them accordingly.
Cash payments under LTI program	LTI payouts are tied to meeting internal aggregate EPS goals over a three-fiscal-year period. LTI program provides for target payouts if the three-year average annual EPS growth rate is 12.5% and maximum payouts (equal to 150% of the target payouts) if the growth rate is 15% or higher. No LTI payout is made unless the three-year average annual EPS growth rate is at least 5%. Independent Board members, upon the recommendation of the Compensation Committee, approve CEO's LTI payout opportunities.	Motivate executive officers to contribute to our future success and to build long-term shareowner value and reward them accordingly.

Table of Contents

Element	Key Features	Primary Objective
Stock options	Exercise price of stock options is equal to the fair market value of FedEx's common stock on the date of grant (defined as the average of the high and low trading prices of FedEx's stock on the New York Stock Exchange on that day). Stock options are generally granted to executive officers on an annual basis. Stock options granted to executive officers generally vest ratably over four years beginning on the first anniversary of the grant date. Unvested stock options are forfeited upon termination of employment for any reason other than death, permanent disability or retirement. In addition, unvested stock options granted on or after June 1, 2006, terminate upon retirement. Independent Board members approve CEO's stock option compensation.	Further align executive officer and shareowner interests by facilitating significant ownership of FedEx stock by the officers, which creates a direct link between their compensation and long-term shareowner return.
Restricted stock	Restricted stock awards are generally made to executive officers on an annual basis. Restricted stock granted to executive officers generally vests ratably over four years beginning on the first anniversary of the grant date. Unvested restricted stock is forfeited upon termination of employment for any reason other than death, permanent disability or retirement. As discussed on page 36, FedEx pays the taxes resulting from a restricted stock award on behalf of the recipient.	Further align executive officer and shareowner interests by facilitating significant ownership of FedEx stock by the officers, which creates a direct link between their compensation and long-term shareowner return. When setting compensation levels, we establish the value of the restricted stock award by including the amount of the related tax reimbursement payment. Therefore, the officers receive fewer shares in each award than they otherwise would. The tax reimbursement payments are intended to prevent the need for the officer to sell a portion of a stock award to pay the corresponding tax obligation.

Table of Contents

Element	Key Features	Primary Objective
Other annual compensation, including perquisites and tax reimbursement payments	Includes personal use of corporate aircraft, though officers are required to reimburse FedEx for substantially all of the incremental cost to FedEx of such usage (pursuant to FedEx's written policy setting forth guidelines and procedures regarding personal use of FedEx corporate aircraft). Includes security services and equipment pursuant to FedEx's executive security procedures, tax return preparation and financial counseling services and tax reimbursement payments relating to restricted stock awards, certain business-related use of corporate aircraft, certain perquisites and benefits accrued under our supplemental non-tax-qualified pension plan. The Compensation Committee reviews the type and amount of this other compensation in light of market practices to ensure they remain appropriate and consistent with the overall executive compensation program. Independent Board members, upon the recommendation of the Compensation Committee, approve CEO's perquisites, tax reimbursement payments and other annual compensation.	Retain and attract highly qualified and effective executives and allow them to work more productively. Alleviate safety and security concerns. When setting compensation levels, we establish the value of the restricted stock award by including the amount of the related tax reimbursement payment. Therefore, the officers receive fewer shares in each award than they otherwise would. The tax reimbursement payments are intended to prevent the need for the officer to sell a portion of a stock award to pay the corresponding tax obligation.
Post-employment and change-of-control payments and benefits, such as through our pension plans and management retention agreements	None of FedEx's named executive officers has an employment agreement, but they are entitled to receive certain payments and benefits upon termination of employment or a change of control of FedEx, including: Retirement benefits under a tax-qualified, defined benefit plan and a supplemental non-tax-qualified plan. Accelerated vesting of restricted stock upon the executive's retirement (at or after age 60), death or permanent disability or a change of control of FedEx. Accelerated vesting of stock options upon the executive's death or permanent disability or a change of control of FedEx. Lump sum cash payments under the executives' Management Retention Agreements ("MRAs") upon a qualifying termination of the executive after a change of control of FedEx. The Compensation Committee reviews this post-employment compensation in light of market practices to ensure it remains appropriate.	Retain and attract highly qualified and effective executives by providing them with a measure of financial security and stability. The supplemental non-tax-qualified plan is designed to provide executives the benefits equivalent to those that would be received under the tax-qualified plan but for certain benefit limits under laws applicable to that plan. The MRAs are intended to secure the executives' continued services in the event of any threat or occurrence of a change of control, which further aligns their interests with those of our shareowners when evaluating any such potential transaction.

Compensation Objectives and Design-Related Features

Duty to Retain and Attract. FedEx is widely acknowledged as one of the world's most admired and respected companies, and it is our people our greatest asset that give us our strong reputation. Because FedEx operates a global enterprise in a highly competitive business environment, we compete for talented management with some of the largest companies in the world in our industry and in others. Our global recognition and reputation for excellence in management and leadership make our employees attractive targets for other companies, and our key employees are aggressively recruited. Accordingly, we have a duty to our shareowners to ensure that our overall compensation program competes well against all types of companies and continues to retain and attract the right people. Each element of compensation is intended to fulfill this important obligation.

Benchmarking. Our executives are aggressively recruited, and their relatively long tenure combined with the invaluable institutional and industry knowledge they have as a result make it particularly important that we retain them. In order to ensure that our compensation remains competitive, we refer to the 75th percentile of target compensation for comparable positions in comparison surveys in evaluating target levels for total direct compensation, which includes both fixed and variable, at-risk components tied to stock price appreciation and short- and long-term financial performance.

For the fiscal 2009 executive compensation review, we considered survey data published by two major consulting firms engaged by the company: Towers Perrin and Hewitt Associates. Each consulting firm provided target compensation data for general industry companies in its respective database with annual revenues in excess of $10 billion. A list of these companies is attached to this proxy statement as *Appendix A*, and the annual revenues of FedEx in fiscal 2009 ($35.5 billion) were at the 68th percentile of the annual revenues of these companies in their respective most recently completed fiscal years. General industry is the appropriate comparison category because our executives are aggressively recruited by and from businesses outside FedEx's industry peer group. Using a robust data sample (216 companies) mitigates the impact of outliers and the risk of selection bias (as noted below) and increases the likelihood of comparing with companies with executive officer positions similar to ours.

Because the annual revenues of these companies vary significantly, each consulting firm used regression analysis to make it possible to include data from a large number of both larger and smaller companies, thereby avoiding the potential selection bias inherent with using a small peer group of similar sized companies. Regression analysis is a statistical tool for examining the relationship between two or more variables in this case, compensation and company size, as measured by annual revenues. As a result of this regression analysis, consistent with market practice, each consulting firm adjusted its compensation data to ensure that it most accurately reflected compensation for companies with revenues similar to ours. In addition, consistent with market practice, each firm increased, or "aged," the data to approximate the value of the compensation at the beginning of our fiscal 2009. The data results provided by each firm were then averaged to arrive at blended market compensation data for general industry executives.

When we evaluate the elements of compensation of our executive officers in light of the benchmarking survey data, we group the elements into two categories:

- Annual base salary plus target AIC payout (*i.e.,* assuming achievement of all individual and corporate objectives), the sum of which we call total cash compensation ("TCC").

- TCC plus target LTI payout plus long-term equity incentive awards (stock options and restricted stock) plus tax reimbursement payments on restricted stock awards, the sum of which we call total direct compensation ("TDC").

The TDC formula is illustrated below:

* Includes related tax reimbursement payments.

Table of Contents

Other elements of compensation (such as perquisites and retirement benefits) are not included in our TDC formula, consistent with our comparison survey information. Accordingly, these other elements are not benchmarked against survey data, and decisions as to these other elements do not influence decisions as to the elements of compensation that are included in the TDC formula. These other elements of compensation, however, are reviewed and approved by our Compensation Committee.

The following chart illustrates for each named executive officer the relationship between his or her fiscal 2009 target TDC and his or her market reference point:

Where target TDC is higher than our market reference, it is because of specific retention concerns and the important role that tenure and job responsibilities play in our compensation. Additionally, no single position in the comparison surveys fully captures the breadth of the responsibilities of certain of our executive officers. Consistent with market practice, this disparity may be partially mitigated by applying a premium to the survey data, as we have done for Mr. Glenn with the position of top sales and marketing executive.

While we benchmark our targeted executive compensation levels against the comparison survey group of companies, we do not benchmark our AIC and LTI financial performance goals against these companies or any other group of companies. Rather, as discussed below, our AIC and LTI financial performance goals are based upon our internal business objectives. Accordingly, the relationship between our financial performance and the financial performance of the comparison survey group does not necessarily affect the relationship between our executive compensation and the executive compensation of that group in a given year.

We believe that long-term performance is the most important measure of our success, as we manage FedEx's business and affairs for the long-term benefit of our shareowners. However, our business is highly cyclical and especially susceptible to trends in economic activity, such as the current economic downturn. In addition, we face intense competition and our market is highly sensitive to price and service. Moreover, our business is capital intensive, and we continue to make long-term strategic investments in our business that may have adverse short-term profit implications. As a result, our recent earnings and stock price performance may not compare as favorably with the companies in the comparison survey group. Reflecting this relatively weak financial performance and consistent with our pay for performance philosophy, our fiscal 2009 compensation was significantly below targeted levels, as shown below on page 27.

Table of Contents

Pay for Performance. Our executive compensation program is intended not only to retain and attract highly qualified and effective managers, but also to motivate them to substantially contribute to FedEx's future success for the long-term benefit of shareowners and reward them for doing so. Accordingly, we believe that there should be a strong relationship between pay and corporate performance (both financial results and stock price), and our executive compensation program reflects this belief. In particular, AIC payments, LTI payments and stock options represent a significant portion of our executive compensation program, as shown by the chart below, and this variable compensation is "at risk" and directly dependent upon the achievement of pre-established corporate goals or stock price appreciation:

- AIC payouts are primarily tied to meeting company annual financial performance goals and LTI payouts are tied to meeting aggregate EPS goals over a three-fiscal-year period.

- The exercise price of stock options granted under our equity incentive plans is equal to the fair market value of our common stock on the date of grant, so the options have value to the executive only if the stock price appreciates.

Accordingly, as noted above, because our financial performance and stock price were down significantly in fiscal 2009 as a result of extraordinarily weak macroeconomic conditions:

- There were no AIC or LTI payouts for fiscal 2009; and

- As of May 31, 2009, the stock options awarded to our named executive officers in the past six annual grants were "underwater" (or "out of the money") our stock price was less than the exercise price of the options.

The following chart illustrates for each named executive officer the allocation of fiscal 2009 target TDC between base salary (prior to the base salary reductions noted above), and incentive and equity-based compensation elements:

Not only is our executive compensation program weighted towards variable, at-risk pay components, but we emphasize incentives that are dependent upon long-term corporate performance and stock price appreciation. These long-term incentives include LTI cash compensation and equity-based awards (stock options and restricted stock), and they comprise a significant portion of an executive officer's total compensation. These incentives are designed to motivate and reward the executive officers for achieving long-term corporate financial performance goals and maximizing long-term shareowner value.

The following chart illustrates for each named executive officer the allocation of fiscal 2009 target TDC between long-term incentives LTI, stock options and restricted stock, including the related tax

Table of Contents

reimbursement payment and short-term components base salary (prior to the base salary reductions noted above) and AIC:

We include target AIC payouts and LTI payouts (discounted to present value) in the TCC and TDC formula, so the actual compensation paid may vary widely from targeted levels in the short term because compensation earned under the AIC and LTI programs is variable and commensurate with the level of achievement of pre-established financial performance goals. When we achieve superior results, we reward our executives accordingly under the terms of these programs. Conversely, when we fall short of our business objectives, payments under these variable programs decrease accordingly. As an example, as shown by the chart below, the actual fiscal 2009 TDC of our named executive officers was well below targeted levels because our fiscal 2009 financial performance fell short of our pre-established goals.

Table of Contents

Align Management and Shareowner Interests. We award stock options and restricted stock to create and maintain a long-term economic stake in the company for the officers, thereby aligning their interests with the interests of our shareowners.

In addition, as discussed above, payout under our LTI program is dependent upon achievement of an aggregate EPS goal for a three-fiscal-year period. EPS was selected as the financial measure for the LTI plan because growth in our EPS strongly correlates to long-term stock price appreciation.

The following graph illustrates the relationship between FedEx's EPS growth and stock price appreciation (based on the fiscal year-end stock price and adjusted for stock splits) from 1978 to 2009:

In order to encourage significant stock ownership by FedEx's senior management, including the named executive officers, and to further align their interests with the interests of our shareowners, the Board of Directors has adopted a stock ownership goal for senior officers, which is included in FedEx's Corporate Governance Guidelines. With respect to our executive officers, the goal is that within four years after being appointed to his or her position, each officer own FedEx shares valued at the following multiple of his or her annual base salary:

- 5x for the Chairman of the Board, President and Chief Executive Officer; and
- 3x for the other executive officers.

For purposes of meeting this goal, unvested restricted stock is counted, but unexercised stock options are not. Until the ownership goal is met, the officer is encouraged to retain (but is not required to do so) "net profit shares" resulting from the exercise of stock options. Net profit shares are the shares remaining after payment of the option exercise price and taxes owed upon the exercise of options. As of August 3, 2009, each executive officer exceeded the stock ownership goal.

In addition, we generally prohibit all members of management, including the named executive officers, from engaging in certain types of transactions involving FedEx stock that may signal a lack of confidence in FedEx's prospects or may lead to inadvertent insider trading violations, such as transactions in publicly traded options, short sales, holding stock in a margin account or pledging it as collateral for a loan, and hedging or monetization transactions.

Table of Contents

Role of the Compensation Committee, Its Compensation Consultant and the Chairman of the Board, President and Chief Executive Officer

Our Board of Directors is responsible for the compensation of our executive management. The purpose of the Board's Compensation Committee, which is composed solely of independent directors, is to help discharge this responsibility by, among other things:

- Reviewing and discussing with management the factors underlying our compensation policies and decisions, including overall compensation objectives;
- Reviewing and approving all company goals and objectives (both financial and non-financial) relevant to the compensation of the Chairman of the Board, President and Chief Executive Officer;
- Evaluating, together with the other independent directors, the performance of the Chairman of the Board, President and Chief Executive Officer in light of these goals and objectives and the quality and effectiveness of his leadership;
- Recommending to the Board for approval by the independent directors each element of the compensation of the Chairman of the Board, President and Chief Executive Officer;
- Reviewing the performance evaluations of all other members of executive management (the Chairman of the Board, President and Chief Executive Officer is responsible for the performance evaluations of the non-CEO executive officers);
- Reviewing and approving (and, if applicable, recommending to the Board for approval) each element of compensation, as well as the terms and conditions of employment, of these other members of executive management;
- Granting all awards under our equity compensation plans and administering or overseeing the administration of all such plans; and
- Reviewing the costs and structure of our key employee benefit and fringe-benefit plans and programs.

In furtherance of the Compensation Committee's responsibility, in early fiscal 2009, Steven Hall & Partners was retained as the Committee's outside consultant to assist the Committee in evaluating FedEx's executive compensation. In connection with this engagement, the consultant reports directly and exclusively to the Committee. The consultant participates in Committee meetings, reviews Committee materials and provides advice to the Committee upon its request. For example, the consultant updates the Committee on trends and issues in executive compensation and comments on the competitiveness and reasonableness of FedEx's executive compensation program (typically occurs in September). The consultant also assists the Committee in the development and review of FedEx's AIC and LTI programs, including commenting on performance measures and the goal-setting process (typically occurs in March).

Other than services provided to the Compensation Committee, Steven Hall & Partners does not perform any services for FedEx. Accordingly, the Compensation Committee has determined the firm to be independent from the company. Compensation Committee preapproval is required for any services to be provided to the company by the Committee's independent compensation consultant. This helps ensure that the consultant maintains the highest level of independence from the company, in both appearance and fact.

The Chairman of the Board, President and Chief Executive Officer, who attends most meetings of the Compensation Committee, assists the Committee in determining the compensation of all other executive officers by, among other things:

- Approving any annual merit increases to the base salaries of the other executive officers within limits established by the Committee;

Establishing annual individual performance objectives for the other executive officers and evaluating their performance against such objectives (the Committee reviews these performance evaluations); and

Making recommendations, from time to time, for special stock option and restricted stock grants (*e.g.*, for motivational or retention purposes) to other executive officers.

The other executive officers do not have a role in determining their own compensation, other than discussing their annual individual performance objectives with the Chairman of the Board, President and Chief Executive Officer.

Table of Contents

Compensation Elements and Fiscal 2009 Amounts

Base Salary

The base salaries of our executive officers are reviewed and adjusted (if appropriate) at least annually to reflect, among other things, economic conditions, the executive compensation survey data discussed above for base salaries for comparable positions, the tenure of the officers, and the base salaries of the officers relative to one another, as well as the internal salary ranges for the officer's level.

Effective July 2008, each named executive officer received an annual merit increase of 3.5% to his or her base salary. As noted above, however, in order to reduce costs to mitigate the effects of extraordinarily weak macroeconomic conditions:

- Mr. Smith's base salary was reduced by 20%, effective January 1, 2009;
- The base salaries of the other named executive officers were reduced by 10%, effective January 1, 2009; and
- Annual merit-based salary increases were eliminated for U.S. salaried exempt personnel, including the named executive officers, for calendar 2009.

As a result, the annual base salaries of our named executive officers are as follows:

Name	Annual Base Salary ($)
F.W. Smith	1,188,048
A.B. Graf, Jr.	840,948
D.J. Bronczek	878,184
T.M. Glenn	775,188
C.P. Richards	581,760

Cash Payments Under Annual Incentive Compensation Plans

Our AIC program provides an annual cash bonus opportunity to our employees, including the named executive officers, at the conclusion of each fiscal year based upon the achievement of AIC objectives for company and individual performance established at the beginning of the year, as illustrated below:

Annual Base Salary (at fiscal year-end)	x	Bonus Target Percentage	x	Company Performance Factor	+	Individual Performance Factor	=	AIC Payout

Target AIC payouts are established as a percentage of the executive officer's base salary (as of the end of the plan year). Payouts above target levels are based exclusively upon the company's performance, rather than achievement of individual objectives; accordingly, the executive officer receives above-target payouts only if the company exceeds the AIC target objective for annual financial performance. The maximum AIC payout represents three times the portion of the target payout that is based upon target annual financial performance (plus the portion of the target payout that is based upon the achievement of individual performance objectives).

As an example of our commitment to compete collectively and manage collaboratively, the AIC payout for all named executive officers, including Mr. Bronczek, the president and chief executive officer of FedEx Express, is tied to the performance of FedEx as a whole. The company performance factor is a pre-established multiplier that corresponds, on a sliding scale, to the percentage achievement of the AIC target objective for annual financial performance. The multiplier matrix for the company performance factor is designed so that if the AIC annual financial performance threshold is achieved but is less than target, the multiplier decreases on a sliding scale based on the percentage achievement of the AIC target objective. On the other hand, if the company exceeds the AIC target objective, the multiplier increases on a sliding scale (up to the maximum, as described above) based on the percentage that the target objective is exceeded up to the AIC annual financial performance maximum.

30

Table of Contents

AIC objectives for company annual financial performance are typically based upon our business plan for the fiscal year, which is reviewed and approved by the Board of Directors and which reflects, among other things, the risks and opportunities identified in connection with our enterprise risk management process. Consistent with our long-term focus and in order to discourage unnecessary and excessive risk-taking, we measure performance against our business plan, rather than a stipulated growth rate or an average of growth rates from prior years, to account for short-term economic and competitive conditions and anticipated strategic investments that may have adverse short-term profit implications. We address year-over-year improvement targets through our LTI plans, as discussed below.

Ordinarily our business plan objective for the financial performance measure for the fiscal 2009 AIC program, EPS becomes the target objective for company performance under our AIC program. For the fiscal 2009 AIC program, however, in order to further motivate management to improve the company's performance despite weak economic conditions:

- There was no AIC program cost included in the fiscal 2009 business plan. The EPS threshold (in addition to the EPS target objective) under the AIC program was, therefore, even higher than the business plan objective for EPS; and

- The AIC payout opportunity relating to individual performance was contingent upon achievement of EPS objectives under the plan (as well as the achievement of individual performance objectives). The EPS objectives for the named executive officers were higher than the EPS objectives for non-officer employees. As a result, non-officer employees would receive their full AIC payout relating to individual performance before the named executive officers would receive their full individual performance payout.

The fiscal 2010 AIC program has this same design with one exception: company financial performance will be measured by consolidated pre-tax income, rather than EPS. This change was made to provide for different company financial performance metrics under the AIC and LTI programs.

The fiscal 2009 AIC target payouts for the named executive officers, as a percentage of base salary, were as follows:

Name	Target Payout
F.W. Smith	130%
A.B. Graf, Jr.	90%
D.J. Bronczek	100%
T.M. Glenn	90%
C.P. Richards	90%

The following table illustrates for our named executive officers the fiscal 2009 AIC formulas and total AIC payout opportunities (as a percentage of the target payout described above):

Allocation of Goals

	Individual Objectives*		+	EPS		=	Payout Opportunity	
	Target	Maximum		Target	Maximum		Target	Maximum
FedEx Corporation CEO				100%	300%		100%	300%
FedEx Corporation EVPs	30%	30%		70%	210%		100%	240%
FedEx Express CEO	30%	30%		70%	210%		100%	240%

* Under the fiscal 2009 AIC program, the AIC payout opportunity relating to individual performance was contingent upon achievement of company financial performance objectives under the plan (as well as the achievement of individual performance objectives). The same will be true for the fiscal 2010 AIC program.

Chairman of the Board, President and Chief Executive Officer. Mr. Smith's AIC payout is tied to the achievement of our internal goals for company financial performance for the fiscal year. Mr. Smith's threshold (minimum) AIC payout is zero. His target AIC payout is set as a percentage of his base salary, and his maximum AIC payout is set as a multiple of the target payout. The independent members of the Board of Directors, upon the recommendation of the Compensation Committee, approve these percentages. The actual

AIC payout ranges, on a sliding scale, from the threshold to the maximum based upon the performance of the company against our company financial performance goals.

In addition, the independent Board members, upon the recommendation of the Compensation Committee, may adjust this amount upward or downward based on their annual evaluation of Mr. Smith's performance, including the quality and effectiveness of his leadership and the following corporate performance measures:

- FedEx's stock price performance relative to the Standard & Poor's 500 Composite Index, the Dow Jones Transportation Average, the Dow Jones Industrial Average and competitors;
- FedEx's stock price to earnings (P/E) ratio relative to the Standard & Poor's 500 Composite Index, the Dow Jones Industrial Average and competitors;
- FedEx's market capitalization;
- FedEx's revenue and operating income growth relative to competitors;
- FedEx's free cash flow (excluding business acquisitions), return on invested capital (excluding certain unusual items), and weighted average cost of capital;
- Analyst coverage and ratings for FedEx's stock;
- FedEx's U.S. and international revenue market share; and
- FedEx's reputation rankings by various publications and surveys.

None of these factors is given any particular weight in determining whether to adjust Mr. Smith's bonus amount.

Non-CEO Named Executive Officers. The AIC payouts for the other named executive officers are tied to the achievement of (i) individual objectives established at the beginning of the fiscal year for each executive (30% of the target payout), and (ii) our internal goals for company financial performance for the fiscal year (70% of the target payout). As noted above, under the fiscal 2009 and 2010 AIC programs, the payout opportunity relating to individual performance was and will be contingent upon achievement of company financial performance objectives under the plan (as well as the achievement of individual performance objectives).

The threshold (minimum) AIC payout is zero. The target AIC payout is set as a percentage of the executive's base salary, and the maximum AIC payout is set as a multiple of the target payout (the Compensation Committee approves these percentages). The actual AIC payout ranges, on a sliding scale, from the threshold to the maximum based upon the performance of the individual and the company against the objectives.

Individual performance objectives for the non-CEO named executive officers vary by management level and by operating segment and include (but are not limited to):

- Provide leadership to support the achievement of financial goals;
- Support and develop key strategic initiatives;

Maintain the highest standards of corporate governance; and

Promote FedEx's commitment to diversity.

Individual performance objectives are designed to further the company's business objectives. Achievement of individual performance objectives is generally within each officer's control or scope of responsibility, and the objectives are intended to be achieved with an appropriate level of effort and effective leadership by the officer. The achievement level of each non-CEO named executive officer's individual objectives is based on Mr. Smith's evaluation at the conclusion of the fiscal year, which is reviewed by the Compensation Committee.

Table of Contents

Fiscal 2009 AIC Performance and Payouts. The following table presents the EPS threshold and target for the company performance factor under our fiscal 2009 AIC program and our actual EPS for fiscal 2009:

Company Performance Measure	Threshold	Target	Actual
EPS	$ 6.21	$ 6.84	$ 0.31

Based upon this below-threshold company performance and the decision of the independent Board members, upon the recommendation of the Compensation Committee, not to exercise their discretion (which is described above) to adjust the amount of Mr. Smith's fiscal 2009 AIC payout, there were no payouts to the named executive officers under the fiscal 2009 AIC program as illustrated by the following table (compared to the target payout opportunities):

Name	Target AIC Payout ($)	Actual AIC Payout ($)
F.W. Smith	1,544,462	0
A.B. Graf, Jr.	756,853	0
D.J. Bronczek	878,184	0
T.M. Glenn	697,669	0
C.P. Richards	523,584	0

Cash Payments Under LTI Program

The LTI program provides a long-term cash payment opportunity to members of management, including the named executive officers, based upon achievement of aggregate EPS goals for the preceding three-fiscal-year period. The LTI plan design provides for payouts that correspond to specific EPS goals established by the Board of Directors. The EPS goals represent total growth in EPS (over a base year) for the three-year term of the LTI plan. The following chart illustrates the relationship between EPS growth and payout:

As illustrated by the above chart, the LTI program provides for:

- Target payouts if the three-year average annual EPS growth rate is 12.5%;

Above-target payouts if the growth rate is above 12.5% up to a maximum amount (equal to 150% of the target payouts) if the growth rate is 15% or higher; and

Below-target payouts if the growth rate is below 12.5% down to a threshold amount (equal to 25% of the target payouts) if the growth rate is 5%. No LTI payment is made unless the three-year average annual EPS growth rate is at least 5%.

Table of Contents

Exclusion of Kinko's-Related Charge from LTI Program. We acquired Kinko's, Inc. (now known as FedEx Office) in fiscal 2004. During the fourth quarter of fiscal 2008, we recorded a charge of approximately $891 million ($696 million, net of tax, or $2.23 per diluted share), predominantly for impairment of the value of the Kinko's trade name and the goodwill recorded as a result of the Kinko's acquisition $515 million related to impairment of the trade name and $367 million related to reduction of the recorded value of the goodwill. In June 2008, the Board of Directors, upon the recommendation of the Compensation Committee, decided that it was in the best interests of the company and its shareowners to exclude the $891 million charge from fiscal 2008 EPS for purposes of (i) determining achievement levels under the FY2006-FY2008, FY2007-FY2009 and FY2008-FY2010 LTI plans, and (ii) setting EPS goals (by applying the above EPS growth rates) under the FY2009-FY2011 LTI plan. The Board based this decision upon its belief that including the charge in the calculation of EPS for purposes of the first three plans would result in substantially reduced payouts that would not accurately reflect the company's core financial performance during the relevant three-year period. The Board was also concerned that such an unfair result could adversely impact FedEx's ability to retain its highly qualified and effective management. With respect to the FY2009-FY2011 LTI plan, without excluding the charge, the goals would be substantially too low and too easily exceeded, thereby resulting in above-target or maximum payouts that would not accurately reflect the company's core financial performance during the three-year period.

Fiscal 2009 LTI Performance and Payouts. The following table presents the aggregate EPS threshold, target and maximum under our FY2007-FY2009 LTI plan, which was established by the Board of Directors in 2006, and our actual aggregate EPS (excluding the Kinko's-related charge from fiscal 2008 EPS, as discussed above) for the three-year period ended May 31, 2009:

Performance Measure	Threshold	Target	Maximum	Actual (excluding charge)
FY2007-FY2009 Aggregate EPS	$ 19.30	$ 22.24	$ 23.28	$ 12.62

Based upon this below-threshold performance, there were no payouts to the named executive officers under the FY2007-FY2009 LTI plan as illustrated by the following table (compared to the threshold, target and maximum payout opportunities):

Name	Threshold LTI Payout ($)	Target LTI Payout ($)	Maximum LTI Payout ($)	Actual LTI Payout ($)
F.W. Smith	875,000	3,500,000	5,250,000	0
A.B. Graf, Jr.	300,000	1,200,000	1,800,000	0
D.J. Bronczek	375,000	1,500,000	2,250,000	0
T.M. Glenn	300,000	1,200,000	1,800,000	0
C.P. Richards	300,000	1,200,000	1,800,000	0

LTI Payout Opportunities. The Board of Directors has established LTI plans for the three-fiscal-year periods 2008 through 2010 and 2009 through 2011, providing cash payment opportunities for fiscal 2010 and 2011, respectively, if certain EPS goals are achieved with respect to those periods. The following table presents the aggregate EPS thresholds, targets and maximums under these two plans and our progress toward these goals as of May 31, 2009 (excluding the Kinko's-related charge from fiscal 2008 EPS, as discussed above):

Performance Period	Aggregate EPS Threshold	Aggregate EPS Target	Aggregate EPS Maximum	Actual Aggregate EPS as of May 31, 2009
FY2008-FY2010	$21.44	$24.72	$25.88	$6.14 (excluding charge) (with one year remaining)
FY2009-FY2011	$19.30	$22.24	$23.28	$0.31 (with two years remaining)

Table of Contents

The following table sets forth the potential threshold (minimum), target and maximum payouts for the named executive officers under these two plans:

Name	Performance Period	Potential Future Payouts Threshold ($)	Target ($)	Maximum ($)
F.W. Smith	FY2008-FY2010	875,000	3,500,000	5,250,000
	FY2009-FY2011	875,000	3,500,000	5,250,000
A.B. Graf, Jr.	FY2008-FY2010			
		300,000	1,200,000	1,800,000
	FY2009-FY2011	300,000	1,200,000	1,800,000
D.J. Bronczek	FY2008-FY2010			
		375,000	1,500,000	2,250,000
	FY2009-FY2011	375,000	1,500,000	2,250,000
T.M. Glenn	FY2008-FY2010			
		300,000	1,200,000	1,800,000
	FY2009-FY2011	300,000	1,200,000	1,800,000
C.P. Richards	FY2008-FY2010			
		300,000	1,200,000	1,800,000
	FY2009-FY2011	300,000	1,200,000	1,800,000

Modified Base-Year EPS for FY2010-FY2012 LTI Plan. Traditionally, the base-year number over which the three-year average annual EPS growth rate goals are measured for an LTI plan is the final full-year EPS of the preceding fiscal year. For the FY2010-FY2012 LTI plan, however, the base-year number will be equal to the amount so that with 12.5% growth from such base-line EPS, the FY2010 business plan EPS goal will be achieved. The Board believes this modification is appropriate in order to address the current economic environment and our current earnings stream and restore the motivating power of the plan. Otherwise, the FY2010-FY2012 LTI plan (including the three-year average annual EPS growth rate goals described above and the threshold, target and maximum payouts) for the named executive officers is materially consistent with the terms of the LTI program as described above.

Long-Term Equity Incentives Stock Options and Restricted Stock

Amount. Stock options and restricted stock are generally granted to executive officers on an annual basis. As discussed above, an officer's position and level of responsibility are the primary factors that determine the number of option shares and shares of restricted stock awarded to the officer in the annual grant. For instance, all FedEx Corporation executive vice presidents receive the same number of options and restricted shares in the annual grant.

The number of stock options and restricted shares awarded at each management level can vary from year to year. In determining how many option shares and shares of restricted stock should be awarded at each level, the Compensation Committee may consider:

- Target TDC levels and comparison survey data as discussed above, we include the total value of all equity-based awards (including tax reimbursement payments for restricted stock awards) in our calculation of TDC, and in evaluating the target TDC levels for our named executive officers, we refer to the 75th percentile of the target TDC for comparable positions in the comparison surveys;

- The total number of shares then available to be granted; and

- Potential shareowner dilution. At May 31, 2009, the total number of option shares and shares of restricted stock outstanding or available for future grant under our equity compensation plans represented 9% of the sum of shares outstanding plus the option shares outstanding or available for future grant plus shares of restricted stock available for future grant.

Other factors that the Compensation Committee may consider, especially with respect to special grants outside of the annual-grant framework, include the promotion of an officer to a more senior position or the desire to retain a valued executive or recognize a particular officer's contributions. None of these factors is given any particular weight and the specific factors used may vary among individual executives.

Timing. In selecting dates for awarding equity-based compensation, we do not consider, nor have we ever considered, the price of FedEx's common stock or the timing of the release of material, non-public information about the company. Stock option and restricted stock awards are generally made to executive officers on an annual basis according to a pre-established schedule.

When the Compensation Committee approves a special grant outside of the annual-grant framework, such grants are made at a regularly scheduled meeting and the grant date of the awards is the approval date or the next business day, if the meeting does not fall on a business day. If the grant is made in connection with the promotion of an individual or the election of an officer, the grant date may be the effective date of the individual's promotion or the officer's election, if such effective date is after the approval date.

Pricing. The exercise price of stock options granted under our equity incentive plans is equal to the fair market value of FedEx's common stock on the date of grant. Under the terms of our equity incentive plans, the fair market value on the grant date is defined as the average of the high and low trading prices of FedEx's stock on the New York Stock Exchange on that day. We believe this methodology is the most equitable method for determining the exercise price of our stock option awards given the intra-day price volatility often shown by our stock.

Vesting. Stock options and restricted stock granted to executive officers generally vest ratably over four years beginning on the first anniversary of the grant date. This four-year vesting period is intended to further encourage the retention of the executive officers, since unvested stock options and restricted stock are forfeited upon termination of the officer's employment for any reason other than death, permanent disability or retirement. In addition, unvested stock options granted on or after June 1, 2006, terminate upon the officer's retirement.

Tax Reimbursement Payments for Restricted Stock Awards. As noted below, FedEx has paid the taxes resulting from a restricted stock award on behalf of the recipient. This prevents the need for the officer to sell a portion of a stock award to pay the corresponding tax obligation. We include the amount of this "tax gross-up" in the calculation of the recipient's TDC for purposes of setting target compensation levels. Therefore, the officers receive fewer shares in each award than they would in the absence of the tax reimbursement payment.

Voting and Dividend Rights on Restricted Stock. Holders of restricted shares are entitled to vote and receive any dividends on such shares. The dividend rights are included in the computation of the value of the restricted stock award for purposes of determining the recipient's target TDC.

Fiscal 2009 Awards. On June 2, 2008, the named executive officers were granted stock option and restricted stock awards as follows:

Name	Number of Stock Options	Number of Shares of Restricted Stock
F.W. Smith	204,150	
A.B. Graf, Jr.	24,100	7,030
D.J. Bronczek	32,130	9,035
T.M. Glenn	24,100	7,030
C.P. Richards	24,100	7,030

As in previous years, at the request of Mr. Smith and in light of his significant stock ownership, the Compensation Committee did not award him any restricted stock. Instead, his equity awards were in the form of stock options, which have value only if the stock price increases from the date of grant.

Although the number of stock options and restricted shares awarded to each named executive officer increased slightly in fiscal 2009 from the previous year's annual grant and increased again in fiscal 2010 as a result of year-over-year stock price declines, the overall value of each year's grant remained substantially the same for each officer.

Other Elements of Executive Compensation

Perquisites, Tax Reimbursement Payments and Other Annual Compensation. FedEx's named executive officers receive certain other annual compensation, including:

certain perquisites, such as personal use of corporate aircraft (though officers are required to reimburse FedEx for substantially all of the incremental cost to FedEx of such usage), security

Table of Contents

- services and equipment, tax return preparation and financial counseling services and physical examinations;
- umbrella insurance, group term life insurance and 401(k) company matching contributions (as noted above, these contributions were suspended for all participants, including the named executive officers, for a minimum of one year, effective February 1, 2009); and
- tax reimbursement payments relating to restricted stock awards (as discussed above), certain business-related use of corporate aircraft and certain perquisites, umbrella insurance premiums and benefits accrued under our supplemental non-tax-qualified pension plan.

We provide this other compensation to enhance the competitiveness of our executive compensation program and to increase the productivity (corporate aircraft travel, professional assistance with tax return preparation and financial planning), safety (security services and equipment) and health (annual physical examinations) of our executives so they can focus on producing superior financial returns for our shareowners. The Compensation Committee reviews and approves each of these elements of compensation, and all of the independent directors approve each element as it relates to Mr. Smith. The Committee also reviews and approves FedEx's policies and procedures regarding perquisites and other personal benefits and tax reimbursement payments, including:

- FedEx's written policy setting forth guidelines and procedures regarding personal use of FedEx corporate aircraft; and
- FedEx's executive security procedures.

FedEx's executive security procedures prescribe the level of personal security to be provided to the Chairman, President and Chief Executive Officer and other executive officers, are based on bona fide business-related security concerns and are an integral part of FedEx's overall risk management and security program. These procedures have been assessed by an independent security consulting firm, and deemed necessary and appropriate for the protection of the officers and their families given the history of direct security threats against FedEx executives and the likelihood of additional threats against the officers. The security services and equipment provided to FedEx executive officers may be viewed as conveying personal benefits to the executives and, as a result, must be reported in the Summary Compensation Table on page 39.

With respect to Mr. Smith, FedEx's founder, the FedEx Corporate Security Executive Protection Unit provides certain physical and personal security services for Mr. Smith, including on-site residential security at his primary residence. The Board of Directors believes that Mr. Smith's personal safety and security are of the utmost importance to FedEx and its shareowners and, therefore, the costs associated with such security are appropriate and necessary business expenses.

Post-Employment Compensation. While none of FedEx's named executive officers has an employment agreement, they are entitled to receive certain payments and benefits upon termination of employment or a change of control of FedEx, including:

- Retirement benefits under FedEx's pension plans, including a tax-qualified, defined benefit pension plan called the FedEx Corporation Employees' Pension Plan and a supplemental non-tax-qualified plan called the FedEx Corporation Retirement Parity Pension Plan which is designed to provide to the executives the additional benefits that would be paid under the tax-qualified plan but for certain benefit limits contained in the tax laws;
- Accelerated vesting of restricted stock upon the executive's retirement (at or after age 60), death or permanent disability or a change of control of FedEx;
- Accelerated vesting of stock options upon the executive's death or permanent disability or a change of control of FedEx; and
- Lump sum cash payments under the executives' Management Retention Agreements upon a qualifying termination of the executive after a change of control of FedEx.

In December 2008, the Board of Directors, upon the recommendation of the Compensation Committee, approved certain revisions to the executives' Management Retention Agreements, and the revised agreements were executed by each of the named executive officers. The revisions were primarily designed to ensure that

Table of Contents

the agreements comply with Section 409A of the Internal Revenue Code, which imposes a 20% penalty tax on deferred compensation arrangements unless certain conditions are satisfied. There were a few other minor revisions, including the removal of outplacement assistance as a benefit upon a qualifying termination of the executive.

The Compensation Committee approves and recommends Board approval of all plans, agreements and arrangements that provide for these payments and benefits.

In June 2008, the Board of Directors, upon the recommendation of the Compensation Committee, amended the FedEx Corporation Retirement Parity Pension Plan, the supplemental, non-tax-qualified plan, to maintain the interest rate and mortality assumptions that were used before the June 2008 effectiveness of the Pension Protection Act of 2006 for purposes of the lump sump payment of the traditional pension benefit under the plan. In the absence of the amendment, a participant's lump sum distribution could have been reduced by as much as 14%, depending on retirement age and year of retirement, because of the legislation. The Board based the decision to amend the plan on its belief that a significant reduction in plan benefits could have a material adverse impact on the retention of our long-tenured and valuable senior executives. The traditional pension benefit provided to employees, including the named executive officers, under the tax-qualified plan was not adversely affected by the legislation because only a minimal lump sum ($1,000 or less) may be distributed under that plan.

Consistent with the purpose of the FedEx Corporation Retirement Parity Pension Plan providing executives with the additional benefits that would be paid under the tax-qualified plan but for the tax laws FedEx pays the FICA taxes attributable to the plan benefit on behalf of each participant and reimburses the participant for any taxes resulting from the payment of such taxes. Under current law, these additional benefits are subject to FICA taxes when they are definitely determinable. Benefits accrued under the Portable Pension Account formula are definitely determinable each year that a participant receives a compensation credit. Accordingly, to the extent the FICA taxes relate to the Portable Pension Account under the plan, they are due and the tax reimbursement payments are made only as the benefits are accrued. Because the traditional pension benefit under the plan was capped as of May 31, 2008, however, the entire present value of that benefit became definitely determinable and subject to FICA taxes in calendar 2008. Accordingly, in fiscal 2009, FedEx made significant one-time payments for the FICA taxes relating to the traditional pension benefit under the plan and the related tax gross-up for all participants, including the named executive officers.

Tax Deductibility of Compensation

Section 162(m) of the Internal Revenue Code limits the income tax deduction by FedEx for compensation paid to the Chief Executive Officer and the three other highest-paid executive officers (other than the Chief Financial Officer) to $1,000,000 per year, unless the compensation is "qualified performance-based compensation" or qualifies under certain other exceptions.

- Mr. Smith's base salary is not designed to meet the requirements of Section 162(m) and, therefore, is subject to the $1,000,000 deductibility limit.

- FedEx's equity compensation plans satisfy the requirements of Section 162(m) with respect to stock options, but not with respect to restricted stock awards. Accordingly, compensation recognized by the four highest-paid executive officers (excluding Mr. Graf) in connection with stock options is fully deductible, but compensation with respect to restricted stock awards is subject to the $1,000,000 deductibility limit.

- FedEx's AIC and LTI plans do not meet all of the conditions for qualification under Section 162(m). Compensation received by the four highest-paid executive officers (excluding Mr. Graf) under each of these plans is subject, therefore, to the $1,000,000 deductibility limit.

We do not require all of our compensation programs to be fully deductible under Section 162(m) because doing so would restrict our discretion and flexibility in designing competitive compensation programs to promote varying corporate goals. We believe that our Board of Directors should be free to make compensation decisions to further and promote the best interests of our shareowners, rather than to qualify for corporate tax deductions. In fiscal 2009, we incurred approximately $2 million of additional tax expense as a result of the Section 162(m) deductibility limit for compensation paid to the Chief Executive Officer and the three other highest-paid executive officers (other than Mr. Graf).

Table of Contents

EXECUTIVE COMPENSATION

In this section we provide certain tabular and narrative information regarding the compensation of our principal executive and financial officers and our three other most highly compensated executive officers for the fiscal year ended May 31, 2009, and for each of the previous two fiscal years (except as noted). For additional information, see "Compensation Discussion and Analysis" on page 18.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(3)	All Other Compensation ($)(4)	Total ($)
Frederick W. Smith	2009	1,355,028			5,818,117	0		1,306,439	8,479,584
Chairman, President and	2008	1,430,466			5,967,239	2,705,000		837,548	10,940,253
Chief Executive Officer	2007	1,393,931			5,865,196	4,772,851	4,013,612	970,002	17,015,592
(Principal Executive Officer)									
Alan B. Graf, Jr.									
	2009	892,817		1,049,572	816,925	0	350,113	733,578	3,843,005
Executive Vice President and Chief	2008	900,240		1,109,142	824,065	1,043,064	33,967	537,610	4,448,088
Financial Officer	2007	869,798		712,376	952,266	1,800,911	1,716,644	646,906	6,698,901
(Principal Financial Officer)									
David J. Bronczek									
	2009	932,351		1,682,968	925,471	0	346,131	824,801	4,711,722
President and Chief Executive Officer	2008	940,096		1,073,818	950,231	1,336,544		614,706	4,915,395
FedEx Express	2007	908,305		818,697	1,131,664	2,203,193	2,332,755	668,600	8,063,214
T. Michael Glenn									
	2009	823,000		807,635	725,968	0	200,494	739,862	3,296,959
Executive Vice President, Market	2008	819,927		659,447	734,714	1,013,722		501,633	3,729,443
Development and	2007	772,872		580,870	852,551	1,713,035	1,438,519	540,942	5,898,789
Corporate Communications									
Christine P. Richards(5)									
	2009	617,640		986,888	693,709	0	163,390	528,081	2,989,708
Executive Vice President, General Counsel and Secretary									

(1)

The amounts included in these columns reflect the value of restricted stock and option awards that were recognized as an expense for financial statement reporting purposes in fiscal 2009, 2008 and 2007, calculated pursuant to Statement of Financial Accounting Standards ("SFAS") 123R, "Share-Based Payment," excluding, however, any estimate of forfeitures and, as discussed below, expense associated with tax reimbursement payments relating to restricted stock awards. Accordingly, the columns include amounts relating to awards granted during and prior to the relevant fiscal year.

The value of restricted stock awards is based on the fair market value of FedEx's common stock (the average of the high and low prices of the stock on the New York Stock Exchange) on the date of grant and includes, for financial statement reporting purposes, the amount of the tax reimbursement payment related to the restricted stock award. The entire value of any stock award granted on or after June 1, 2006 (the date of our adoption of SFAS 123R) to a retirement-eligible named executive officer is recognized as an expense in the year of grant. Otherwise, the expense is recognized over the shorter of the four-year vesting period or the period between the grant date and when the officer becomes eligible for retirement.

The full amount of a tax reimbursement payment relating to a restricted stock award is included in the "All Other Compensation" column for the fiscal year in which the payment is made. See page 44 for the amounts of the tax reimbursement payments to the named executive officers relating to restricted stock awards for the fiscal years for which the officer's compensation is reported. Because such tax reimbursement payments are reported as "All Other Compensation," they are not included in the SFAS 123R expense amount reported in the "Stock Awards" column in order to avoid double-counting such payments. The fiscal 2008 and 2007 amounts previously reported in the "Stock Awards" column have been restated to exclude any expense associated with tax reimbursement payments.

For SFAS 123R purposes, we use the Black-Scholes option pricing model to calculate the fair value of stock options. The key assumptions for the Black-Scholes valuation method include the expected life of the option, stock price volatility, the risk-free interest rate, dividend yield and exercise price. The exercise price of stock options granted under FedEx's stock option plans is the fair market value of FedEx's

Table of Contents

common stock (the average of the high and low prices of the stock on the New York Stock Exchange) on the date of grant. The following table sets forth the SFAS 123R assumptions used in the calculation of the amounts for stock option awards presented in the table:

	Fiscal Year Ended May 31,				
	2009	**2008**	**2007**	**2006**	**2005**
Expected lives	5.5 years	5 years	5 years	5 years	4 years
Expected volatility	23%	19%	22%	25%	27%
Risk-free interest rate	3.284%	4.763%	4.879%	3.794%	3.559%
Dividend yield	0.492%	0.337%	0.302%	0.323%	0.322%

The following table sets forth each stock and option award represented in these columns for fiscal 2009 and the amount included for each such award in fiscal 2009.

	Stock Awards			Option Awards		
Name	**Date of Award**	**Total Number of Shares Awarded (#)**	**Amount Included In Fiscal 2009 ($)**	**Date of Award**	**Total Number of Shares Underlying Options Awarded (#)**	**Amount Included in Fiscal 2009 ($)**
F.W. Smith				6/1/2004	325,000	4,192
				6/1/2005	250,000	1,565,439
				6/1/2006	200,000	1,607,066
				7/9/2007	175,000	1,371,786
				6/2/2008	204,150	1,269,634
						5,818,117
A.B. Graf, Jr.						
	7/12/2004	6,145	10,208	6/1/2004	38,250	446
	6/1/2005	6,145	137,802	6/1/2005	34,425	197,354
	6/1/2006	6,145	75,147	6/1/2006	33,155	272,475
	7/9/2007	6,145	188,021	7/9/2007	20,655	167,904
	6/2/2008	7,030	638,394	1/14/2008	5,000	29,667
				6/2/2008	24,100	149,079
			1,049,572			816,925
D.J. Bronczek						
	7/12/2004	7,901	13,126	6/1/2004	51,000	613
	6/1/2005	7,901	177,180	6/1/2005	45,900	270,159
	6/1/2006	7,901	282,027	6/1/2006	27,540	227,552
	7/9/2007	7,901	453,280	7/9/2007	27,540	221,602
	6/2/2008	9,035	757,355	6/2/2008	32,130	205,545
			1,682,968			925,471
T.M. Glenn						
	7/12/2004	6,145	10,208	6/1/2004	38,250	446
	6/1/2005	6,145	137,802	6/1/2005	34,425	197,354
	6/1/2006	6,145	169,080	6/1/2006	20,655	172,486
	7/9/2007	6,145	216,947	7/9/2007	20,655	167,904
	6/2/2008	7,030	273,598	9/24/2007	5,000	31,893

				6/2/2008	24,100	155,885
			807,635			725,968
C.P. Richards						
	7/12/2004	2,634	4,376	6/1/2004	10,200	80
	6/1/2005	6,145	137,802	6/1/2005	34,425	197,354
	6/1/2006	6,145	188,740	6/1/2006	20,655	172,486
	7/9/2007	6,145	272,933	7/9/2007	20,655	167,904
	6/2/2008	7,030	383,037	6/2/2008	24,100	155,885
			986,888			693,709

Table of Contents

(2)

Reflects cash payouts, if any, under FedEx's fiscal 2009, 2008 and 2007 annual incentive compensation plans and FY07-FY09, FY06-FY08 and FY05-FY07 long-term incentive plans, as follows (see pages 30-35 for further discussion of the fiscal 2009 annual incentive compensation plan and the FY07-FY09 long-term incentive plan):

Name	Year	AIC Payout ($)	LTI Payout ($)	Total Non-Equity Incentive Plan Compensation ($)
F.W. Smith	2009	0	0	0
	2008	0	2,705,000	2,705,000
	2007	1,397,851	3,375,000	4,772,851
A.B. Graf, Jr.				
	2009	0	0	0
	2008	231,564	811,500	1,043,064
	2007	675,911	1,125,000	1,800,911
D.J. Bronczek				
	2009	0	0	0
	2008	254,544	1,082,000	1,336,544
	2007	703,193	1,500,000	2,203,193
T.M. Glenn				
	2009	0	0	0
	2008	202,222	811,500	1,013,722
	2007	588,035	1,125,000	1,713,035
C.P. Richards				
	2009	0	0	0

(3)

Reflects the actuarial increase in the present value of the named executive officer's benefits under the Pension Plan and the Parity Plan (as each such term is defined on page 50 under "Fiscal 2009 Pension Benefits Overview of Pension Plans"). The present value of the benefits under the Pension Plan and the Parity Plan for Messrs. Smith, Bronczek and Glenn decreased as follows: (a) between fiscal 2008 and 2009: Mr. Smith $1,162,761; and (b) between fiscal 2007 and 2008: Mr. Smith $743,362; Mr. Bronczek $40,782; and Mr. Glenn $202,487. Beginning in fiscal 2009, the measurement date for the Pension Plan and the Parity Plan is May 31. Prior to fiscal 2009, the measurement date was the last day of February. The amounts in the table and this footnote were determined using assumptions (*e.g.*, for interest rates and mortality rates) consistent with those used in the audited consolidated financial statements included in our annual report on Form 10-K for the fiscal year ended May 31, 2009. See "Fiscal 2009 Pension Benefits" on page 50.

(4)

Includes:

- the aggregate incremental cost to FedEx of providing perquisites and other personal benefits;
- umbrella insurance premiums paid on the officer's behalf;
- group term life insurance premiums paid by FedEx;
- company matching contributions under the 401(k) plan; and
- tax reimbursement payments relating to restricted stock awards, certain business-related use of corporate aircraft and certain perquisites, umbrella insurance premiums and benefits accrued under the Parity Plan using the cash balance formula, and for fiscal 2009 only, a one-time tax reimbursement payment relating to the traditional pension benefit under the Parity Plan (see

"Fiscal 2009 Pension Benefits Taxes" on page 53).

Table of Contents

The following table shows the amounts included for each such item:

Name	Year	Perquisites and Other Personal Benefits ($)*	Umbrella Insurance Premiums ($)	Life Insurance Premiums ($)	Company Contributions Under 401(k) Plan ($)	Tax Reimbursement Payments ($)*	Total ($)
F.W. Smith	2009	625,284	2,231	2,520	2,856	673,548	1,306,439
	2008	753,788	2,338	2,520	7,174	71,728	837,548
	2007	797,592	2,875	2,520		167,015	970,002
A.B. Graf, Jr.							
	2009	101,488	2,231	2,520	4,822	622,517	733,578
	2008	87,773	2,338	2,520	5,681	439,298	537,610
	2007	205,460	2,875	2,520	500	435,551	646,906
D.J. Bronczek							
	2009	24,079	2,231	2,520	5,112	790,859	824,801
	2008	38,140	2,338	2,520	5,499	566,209	614,706
	2007	113,165	2,875	2,520	500	549,540	668,600
T.M. Glenn							
	2009	131,024	2,231	2,520	2,388	601,699	739,862
	2008	33,805	2,338	2,520	7,923	455,047	501,633
	2007	91,063	2,875	2,520	500	443,984	540,942
C.P. Richards							
	2009	29,006	2,231	2,520	4,282	490,042	528,081

*

See page 44 for additional details regarding the amounts included in each item.

During fiscal 2009, 2008 and 2007, FedEx provided the following perquisites and other personal benefits to the named executive officers:

Personal use of corporate aircraft: FedEx maintains a fleet of corporate aircraft that is used primarily for business travel by FedEx employees. FedEx has a written policy that sets forth guidelines and procedures regarding personal use of FedEx corporate aircraft. Effective March 1, 2007, the policy requires officers to pay FedEx two times the cost of fuel for personal trips, plus applicable passenger ticket taxes and fees. These payments are intended to approximate the incremental cost to FedEx of personal corporate aircraft usage. Beginning in fiscal 2006 and through February 28, 2007, the policy allowed personal use of FedEx corporate aircraft by the named executive officers and their family members and guests without charge, subject to various annual caps.

Mr. Smith is not required to pay FedEx for any travel on corporate aircraft by his family members or guests when they are accompanying him and he is on business travel. Mr. Smith is required to pay FedEx, however, for any personal travel by him and any personal travel by his family members or guests when they are accompanying him and he is on personal travel or when they are traveling without him.

Compensation is included in the table above for personal corporate aircraft travel (which for this purpose includes travel to attend a board or stockholder meeting of an outside company or entity for which the officer serves as a director or trustee) by a named executive officer and his or her family members and guests to the extent, if any, that the aggregate incremental cost to FedEx of all such travel exceeds the amount the officer paid FedEx for such travel. The incremental cost to FedEx of personal use of corporate aircraft is calculated based on the variable operating cost to FedEx, which includes the cost of fuel, aircraft maintenance, crew travel, landing fees, ramp fees and other smaller variable costs. Because FedEx corporate aircraft are used primarily for business travel, fixed costs that do not change based on usage, such as pilots' salaries and purchase and lease costs, are excluded from this calculation.

In addition, when the aircraft are already flying to a destination for business purposes and the officers or their family members or guests ride along on the aircraft for personal travel, there is no additional variable operating cost to FedEx associated with the additional passengers, and thus no compensation is included in the table above for such personal travel. With the exception of Mr. Smith, the officer is still required to pay FedEx for such personal travel, however, if persons on business travel occupy less than 50% of the total available seats on the aircraft. The amount of such payment is a pro rata portion (based on the total number of passengers) of the fuel cost for the flight, multiplied by two, plus applicable passenger ticket taxes and fees.

For tax purposes, income is imputed to each named executive officer for personal travel and "business-related" travel (travel by the officer's spouse or adult guest who accompanies the officer on a business trip for the primary purpose of assisting the officer with the business purpose of the trip) for the excess, if any, of the Standard Industrial Fare Level (SIFL) value of all such flights during a calendar year over the aggregate fuel payments made by the officer during that calendar year. Pursuant to FedEx's executive security procedures, Mr. Smith is required to use FedEx corporate aircraft for all travel, including personal travel. Accordingly, FedEx reimburses Mr. Smith for taxes relating to any imputed income for his personal travel and the personal travel of his family members and guests when they are accompanying him. FedEx reimburses the other named executive officers for taxes relating to imputed income for business-related travel.

Security services and equipment: Pursuant to FedEx's executive security procedures, the named executive officers are provided security services and equipment. To the extent the services and equipment are provided by third parties (*e.g.*, out-of-town transportation and other security-related expenses and home security system installation, maintenance and monitoring), we have included in the table above the amounts paid by FedEx for such services and equipment. For Mr. Smith, these amounts totaled $30,513, $122,655 and $23,857 for fiscal 2009, 2008 and 2007, respectively. To the extent the security services are provided by FedEx employees, we have included amounts representing: (a) the number of hours of service provided to the officer by each such employee multiplied by (b) the total hourly compensation cost of the employee (including, among other things, pension and other benefit costs). For Mr. Smith, these amounts totaled $430,892, $473,220 and $403,405 for fiscal 2009, 2008 and 2007, respectively. The amount shown for fiscal 2009 for Mr. Glenn includes approximately $59,000 of security systems for his new primary residence. For additional information regarding executive security services provided to Mr. Smith, see page 37.

Tax return preparation services: FedEx requires officers to have their income tax returns prepared by a qualified third party (other than our independent registered public accounting firm) and pays all reasonable and customary costs for such services. FedEx also makes tax reimbursement payments relating to the income imputed to the officers for these services.

Financial counseling services: FedEx reimburses officers for certain financial counseling services, subject to various caps. FedEx also makes tax reimbursement payments relating to the income imputed to the officers for these services.

Personal use of company cars/car allowance: FedEx does not provide vehicles to any of the named executive officers, except Mr. Smith. FedEx provides a sport-utility vehicle to Mr. Smith for personal use. The vehicle manufacturer provides the vehicle to FedEx at no additional cost in consideration of the companies' business relationship. Prior to January 22, 2007, FedEx provided two other vehicles to Mr. Smith for personal use. Those two vehicles were also provided to FedEx at no additional cost in consideration of FedEx's business relationship with another vehicle manufacturer. Even though FedEx did not incur any actual monetary costs with respect to any of these vehicles, compensation is included in the table above for Mr. Smith in an amount equal to the fair market lease value of the vehicles (which is also the amount of income that was imputed to Mr. Smith for tax purposes) for the portion of the relevant fiscal year during which he had them. In fiscal 2007, FedEx made tax reimbursement payments to Mr. Smith relating to the income imputed to him for the vehicles in calendar 2006. Beginning with the 2007 calendar year, however, FedEx no longer makes such tax reimbursement payments.

Physical examinations: FedEx pays for officers to have comprehensive annual physical examinations.

Nominal hospitality gifts at company-sponsored events: FedEx occasionally provides officers with nominal hospitality gifts at FedEx-sponsored events.

Table of Contents

The following table shows the amounts included in the table (the aggregate incremental cost to FedEx) for each such item:

Name	Year	Personal Use of Corporate Aircraft ($)(a)	Security Services and Equipment ($)	Tax Return Preparation Services ($)	Financial Counseling Services ($)	Personal Use of Company Cars/Car Allowance ($)	Other ($)(b)	Total ($)
F.W. Smith	2009	30,490	461,405	77,299	43,441	12,649		625,284
	2008	51,959	595,875	64,620	30,673	10,661		753,788
	2007	234,427	427,262	64,883	37,383	32,235	1,402	797,592
A.B. Graf, Jr.								
	2009	61,084	29,664	5,588	4,337		815	101,488
	2008	60,028	9,009	6,231	12,505			87,773
	2007	184,374	10,181	5,197	2,138		3,570	205,460
D.J. Bronczek								
	2009		7,729	7,100	9,250			24,079
	2008		6,040	7,100	25,000			38,140
	2007	92,684	6,201	4,950	7,500		1,830	113,165
T.M. Glenn								
	2009	30,684	75,247	20,250	3,079		1,764	131,024
	2008	10,475	15,129	2,000	4,550		1,651	33,805
	2007	37,649	6,488	33,825	10,692		2,409	91,063
C.P. Richards								
	2009		23,256	5,750				29,006

(a) The entire amounts shown for Messrs. Graf and Glenn for fiscal 2009 and 2008 represent use of corporate aircraft to attend board or stockholder meetings of outside companies or organizations for which the officers serve as directors. The amounts shown for fiscal 2007 include the following amounts for use of corporate aircraft to attend board or stockholder meetings of outside companies or organizations for which the officers serve as directors: Mr. Graf $96,963; Mr. Bronczek $3,475; and Mr. Glenn $23,958.

(b) For fiscal 2009, includes physical examinations. For fiscal 2008 and 2007, includes physical examinations and/or nominal hospitality gifts at company-sponsored events.

The following table shows the tax reimbursement payments relating to the items listed included in the table:

Name	Year	Restricted Stock ($)	Business-Related Use of Corporate Aircraft ($)(a)	Financial Counseling Services ($)	Tax Return Preparation Services ($)	Umbrella Insurance ($)	Parity Plan Traditional Pension Benefit ($)	Parity Plan Portable Pension Account ($)	Personal Use of Company Car ($)	Total ($)
F.W. Smith	2009			25,295	45,009	1,305	597,051	4,888		673,548
	2008		6,743	18,482	38,938	1,469		6,096		71,728
	2007		59,678	22,526	39,096	1,679		18,423	25,613	167,015
A.B. Graf, Jr.	2009	371,723		3,073	3,628	1,305	240,260	2,528		622,517
	2008	424,854	164	7,481	3,131	1,469		2,199		439,298
	2007	407,525	6,028	11,273	2,683	1,679		6,363		435,551
D.J. Bronczek	2009	477,741		9,753	4,134	1,305	295,121	2,805		790,859

	2008	546,261	259	10,545	2,983	1,469		4,692	566,209
	2007	523,980	4,803	9,039	2,380	1,679		7,659	549,540
T.M. Glenn									
	2009	371,723	9,642	1,793	11,791	1,305	205,445		601,699
	2008	424,854	11,209	7,075	10,440	1,469			455,047
	2007	407,525	10,497	13,136	11,147	1,679			443,984
C.P. Richards	2009	371,723	1,158		1,630	1,305	114,226		490,042

(a) The amount shown for Mr. Smith for fiscal 2007 includes $52,973 of tax reimbursement payments relating to personal use of corporate aircraft.

(5) Ms. Richards was not a named executive officer for fiscal 2007 or 2008. Accordingly, the table includes Ms. Richards' compensation for fiscal 2009 only.

Table of Contents

GRANTS OF PLAN-BASED AWARDS DURING FISCAL 2009

The following table sets forth information regarding grants of plan-based awards made to the named executive officers during the fiscal year ended May 31, 2009:

Name	Type of Plan/Award	Grant Date	Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)(1)	Closing Price on Grant Date ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)(2)
W. nith	Stock Option(3)	06/02/2008	06/01/2008					204,150	90.81	90.65	5,079,19
	FY09 AIC(4)			0	1,544,462	4,633,387					
	FY09-FY11 LTI(5)			875,000	3,500,000	5,250,000					
B. af, Jr.	Restricted Stock(6)	06/02/2008	06/01/2008				7,030				638,39
	Stock Option(3)	06/02/2008	06/01/2008					24,100	90.81	90.65	599,60
	FY09 AIC(4)			0	756,853	1,816,448					
	FY09-FY11 LTI(5)			300,000	1,200,000	1,800,000					
J. onczek	Restricted Stock(6)	06/02/2008	06/01/2008				9,035				820,46
	Stock Option(3)	06/02/2008	06/01/2008					32,130	90.81	90.65	799,38
	FY09 AIC(4)			0	878,184	2,107,642					
	FY09-FY11 LTI(5)			375,000	1,500,000	2,250,000					
M. enn	Restricted Stock(6)	06/02/2008	06/01/2008				7,030				638,39
	Stock Option(3)	06/02/2008	06/01/2008					24,100	90.81	90.65	599,60
	FY09 AIC(4)			0	697,669	1,674,406					
	FY09-FY11 LTI(5)			300,000	1,200,000	1,800,000					
P. chards	Restricted Stock(6)	06/02/2008	06/01/2008				7,030				638,39
	Stock Option(3)	06/02/2008	06/01/2008					24,100	90.81	90.65	599,60
	FY09 AIC(4)			0	523,584	1,256,602					
	FY09-FY11 LTI(5)			300,000	1,200,000	1,800,000					

(1) The exercise price of the options is the fair market value of FedEx's common stock (the average of the high and low prices of the stock on the New York Stock Exchange) on the date of grant.

(2)

Represents the full grant date fair value of each equity-based award, computed in accordance with SFAS 123R (excluding, however, tax reimbursement payments relating to restricted stock awards; see note 1 to the Summary Compensation Table on page 39 and note 6 below). Assumptions used in the calculation of these amounts are included in note 1 to the Summary Compensation Table on page 39.

(3)

Stock options granted to the named executive officers vest ratably over four years beginning on the first anniversary of the grant date. The options may not be transferred in any manner other than by will or the laws of descent and distribution and may be exercised during the lifetime of the optionee only by the optionee. See pages 35-36 for further discussion of stock option awards.

(4)

In June 2008, the Compensation Committee (with respect to Mr. Bronczek) and the Board of Directors (with respect to Messrs. Smith, Graf and Glenn and Ms. Richards) established this annual performance cash compensation plan, which provided a cash payment opportunity to the named executive officers at the conclusion of fiscal 2009. Payment amounts were based upon the achievement of company financial performance goals for fiscal 2009 and individual objectives established at the beginning of fiscal 2009 for each officer other than Mr. Smith. See pages 30-33 for further discussion of this plan.

(5)

The Board of Directors established this long-term performance cash compensation plan in June 2008. The plan provides a long-term cash payment opportunity to the named executive officers at the conclusion of fiscal 2011 if FedEx achieves an aggregate earnings-per-share goal established by the Board with respect to the three-fiscal-year period 2009 through 2011. No amounts can be earned under the plan until 2011 because achievement of the earnings-per-share goal can only be determined following the conclusion of the three-fiscal-year period. The estimated individual future payouts under the plan are set dollar amounts ranging from threshold (minimum) amounts, if the earnings-per-share goal achieved is less than target, up to maximum amounts, if the plan goal is substantially exceeded. There is no assurance that these estimated future payouts will be achieved. See pages 33-35 for further discussion of this plan.

Table of Contents

(6)

Shares of restricted stock awarded to the named executive officers vest ratably over four years beginning on the first anniversary of the grant date. Holders of restricted shares are entitled to vote such shares and receive any dividends paid on FedEx common stock. FedEx pays the taxes resulting from a restricted stock award on behalf of the recipient (these tax reimbursement payments are not included in the computation of the grant date fair value of the awards shown in the table above; the payments are included in the "All Other Compensation" column in the Summary Compensation Table on page 39 and set forth on page 44). See pages 35-36 for further discussion of restricted stock awards.

Table of Contents

OUTSTANDING EQUITY AWARDS AT END OF FISCAL 2009

The following table sets forth for each named executive officer certain information about unexercised stock options and unvested shares of restricted stock held at the end of the fiscal year ended May 31, 2009:

	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable(a)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(a)	Market Value of Shares or Units of Stock That Have Not Vested ($)(b)
F.W. Smith	300,000		36.0000	06/01/2010		
	437,500		40.4900	06/01/2011		
	375,000		53.7650	06/03/2012		
	250,000		64.5300	06/02/2013		
	325,000		72.8450	06/01/2014		
	187,500	62,500(1)	89.7000	06/01/2015		
	100,000	100,000(2)	110.0600	06/01/2016		
	43,750	131,250(3)	114.7400	07/09/2017		
		204,150(4)	90.8100	06/02/2018		
A.B. Graf, Jr.						
	10,000		41.6563	01/21/2010		
	40,000		36.0000	06/01/2010		
	56,250		40.4900	06/01/2011		
	45,000		53.7650	06/03/2012		
	65,000		64.5300	06/02/2013		
	38,250		72.8450	06/01/2014		
	25,818	8,607(5)	89.7000	06/01/2015		
	16,577	16,578(6)	110.0600	06/01/2016		
	5,163	15,492(7)	114.7400	07/09/2017		
	1,250	3,750(8)	84.6550	01/14/2018		
		24,100(9)	90.8100	06/02/2018		
					16,249(10)	900,682
D.J. Bronczek						
	20,000		40.4688	12/07/2009		
	12,600		41.6563	01/21/2010		
	60,000		36.0000	06/01/2010		
	72,531		40.4900	06/01/2011		
	60,000		53.7650	06/03/2012		
	85,000		64.5300	06/02/2013		
	51,000		72.8450	06/01/2014		

	34,425	11,475(11)	89.7000	06/01/2015		
	13,770	13,770(12)	110.0600	06/01/2016		
	6,885	20,655(13)	114.7400	07/09/2017		
		32,130(14)	90.8100	06/02/2018		
					20,888(15)	1,157,822
T.M. Glenn						
	10,000		41.6563	01/21/2010		
	56,250		40.4900	06/01/2011		
	45,000		53.7650	06/03/2012		
	65,000		64.5300	06/02/2013		
	38,250		72.8450	06/01/2014		
	25,818	8,607(16)	89.7000	06/01/2015		
	10,327	10,328(17)	110.0600	06/01/2016		
	5,163	15,492(18)	114.7400	07/09/2017		
	1,250	3,750(19)	103.3500	09/24/2017		
		24,100(20)	90.8100	06/02/2018		
					16,249(21)	900,682

Table of Contents

	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable(a)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(a)	Market Value of Shares or Units of Stock That Have Not Vested ($)(b)
C.P. Richards	12,000		64.5300	06/02/2013		
	10,200		72.8450	06/01/2014		
	25,818	8,607(22)	89.7000	06/01/2015		
	10,327	10,328(23)	110.0600	06/01/2016		
	5,163	15,492(24)	114.7400	07/09/2017		
		24,100(25)	90.8100	06/02/2018		
					16,249(26)	900,682

(a)
The following table sets forth the vesting dates of the options and restricted stock included in these columns:

		Date	Number			Date	Number
F. W. Smith	(1)	06/01/2009	62,500	A.B. Graf, Jr.	(5)	06/01/2009	8,607
	(2)				(6)		
		06/01/2009	50,000			06/01/2009	8,289
		06/01/2010	50,000			06/01/2010	8,289
	(3)				(7)		
		07/09/2009	43,750			07/09/2009	