

FEDEX (NYSE: FDX) PROXY ALERT:

From: Clean Yield Asset Management, International Brotherhood of Teamsters

Date: September 13, 2016

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Dear Colleagues:

As we are in the proxy “off season,” this is to remind you that FedEx (FDX) Corporation’s annual meeting takes place on September 26.

Proposal No. 4 on the ballot, filed by Clean Yield Asset Management and the International Brotherhood of Teamsters, calls upon management to prepare a report annually disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by FedEx used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. FedEx’s membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management’s and the Board’s decision making process and oversight for making payments described in section 2 and 3 above.

(The full text of the proposal appears below.)

**The proposal seeks to rectify the opacity of FedEx’s transparency with respect to its lobbying activities. It has received the endorsement of Institutional Shareholder Services, Inc. (ISS) and Glass Lewis & Co.**

The company’s quarterly lobbying expenditures can be found in a public Senate database, but there are significant gaps in what that database reveals. What we can piece together from the public record is the following.

In the last ten years, FedEx has spent \$128.55 million on lobbying. To date in this year alone, FedEx has spent nearly \$3 million. It is the 20<sup>th</sup> largest lobbyist among the more than 3,000 organizations monitored by the Center for Responsive Politics.<sup>1</sup>

These figures are incomplete. They do not include state lobbying expenditures, where disclosure is uneven or absent altogether – although it is public information that FedEx spent over half a million dollars lobbying in California in 2014 and 2015.

These are significant expenditures from the corporate treasury. We believe shareholders are owed an explanation of how management spent our time and money lobbying for and against specific legislation.

FedEx does not disclose trade association payments used for lobbying, even though the proxy statement notes that accounting procedures are in place to record and monitor expenditures to these organizations.

It would be simple for the company the trade associations to whom significant dues and fees are paid -- such as the U.S. Chamber of Commerce and the American Trucking Association -- and disclose the amount of the payment and the percent of that payment that is spent on lobbying. This would render a far more thorough picture of lobbying priorities than the company's current partial and misleading disclosure.

FedEx is a board member of the U.S. Chamber of Commerce, the country's largest lobbying group. Since 1998 the Chamber spent more than \$1.2 billion on lobbying and \$85 million in 2015 alone, making it the country's most active lobbying group.

This is particularly problematic because the Chamber has campaigned to block effective environmental regulation in the U.S. and sued the EPA to stop the Clean Power Plan. If this policy goal is accomplished, it will undermine or even render meaningless FedEx's achievements in reducing its own carbon emissions from the aircraft and trucking fleets.

The Chamber of Commerce also runs the Workforce Freedom Initiative, which has an unabashed anti-union agenda that includes attacks on workers' freedom of association and rights to collectively bargain.

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<sup>1</sup> Center for Responsive Politics  
(<http://www.opensecrets.org/orgs/summary.php?id=D000000089&cycle=2016>).

FedEx is also a member of and funder of ALEC, the controversial American Legislative Exchange Council, which promotes templates for bills on a wide range of issues.

There has been a firestorm of criticism of ALEC. Over 100 companies, including Bank of America, Coca-Cola, Kraft Heinz, McDonald's, BP, Northrup Grumman, Raytheon and Walmart have pulled their membership, fearing any relationship with ALEC will harm their brands.

ALEC helps lead a state level campaign trying to block renewable energy regulations. ALEC leads efforts to gut workplace safety & health laws, erode rights and standards for public employees, protect worker misclassification schemes, and oppose socially conscious targeted investments.

FedEx's association with and funding of ALEC is an embarrassment. Of the literally dozens of issues ALEC promotes, the vast majority do not reflect FedEx's stated values or priorities.

*This is not a proxy solicitation and no proxies will be accepted. Please DO NOT send your proxy to Clean Yield Asset Management or the International Brotherhood of Teamsters.*

## Proposal No. 4 on 2016 Fedex Proxy Ballot

**Whereas**, we believe full disclosure of FedEx's direct and indirect lobbying activities and expenditures is required to assess whether FedEx's lobbying is consistent with its expressed goals and in the best interests of shareholders.

**Resolved**, the stockholders of FedEx request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by FedEx used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. FedEx's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's and the Board's decision making process and oversight for making payments described in section 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which FedEx is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels. Neither "lobbying" nor "grassroots lobbying communications" include efforts to participate or intervene in any political campaign or to influence the general public or any segment thereof with respect to an election or referendum.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on FedEx's website.

### **Supporting Statement**

As stockholders, we encourage transparency and accountability in FedEx's use of corporate funds to influence legislation and regulation. FedEx spent \$25.8 million in 2014 and 2015 on direct federal lobbying activities (opensecrets.org). These figures do not include state lobbying expenditures, where FedEx also lobbies but disclosure is uneven or absent. For example, FedEx spent over \$512,000 lobbying in California for 2014 and 2015 (<http://cal-access.ss.ca.gov/>). FedEx's lobbying on truck safety rules has drawn media attention ("Big Trucks, Big Bucks," *FairWarning*, Oct. 28, 2015).

FedEx sits on the board of the Chamber of Commerce, which has spent more than \$1 billion on lobbying since 1998. FedEx does not disclose its memberships in, or payments to, trade associations, or the portions of such amounts used for lobbying. Absent a system of accountability, company assets could be used for objectives contrary to FedEx's long-term interests.

And FedEx does not disclose its membership in tax-exempt organizations that write and endorse model legislation, such as FedEx's service on the Commerce, Insurance and Economic Development Task Force of the American Legislative Exchange Council (ALEC). More than 100 companies, including 3M, John Deere, Emerson Electric, McDonald's and Pepsi, have publicly left ALEC.

We urge support for this proposal.