

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended May 31, 2024.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____.

Commission file number 1-15829

FedEx Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)
942 South Shady Grove Road, Memphis, Tennessee
(Address of Principal Executive Offices)

62-1721435
(I.R.S. Employer
Identification No.)

38120
(ZIP Code)

Registrant's telephone number, including area code: (901) 818-7500

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	FDX	New York Stock Exchange
0.450% Notes due 2025	FDX 25A	New York Stock Exchange
1.625% Notes due 2027	FDX 27	New York Stock Exchange
0.450% Notes due 2029	FDX 29A	New York Stock Exchange
1.300% Notes due 2031	FDX 31	New York Stock Exchange
0.950% Notes due 2033	FDX 33	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the common stock held by non-affiliates of the Registrant, computed by reference to the closing price as of the last business day of the Registrant's most recently completed second fiscal quarter, November 30, 2023, was approximately \$59.5 billion. The Registrant has no non-voting stock.

As of July 11, 2024, 244,302,246 shares of the Registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement to be delivered to stockholders in connection with the 2024 annual meeting of stockholders to be held on September 23, 2024 are incorporated by reference in response to Part III of this Report.

FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 10-K (this “Annual Report”), including (but not limited to) those contained in “Item 1. Business”; “Item 1A. Risk Factors”; “Item 1C. Cybersecurity”; “Item 2. Properties”; “Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities”; the “Trends Affecting Our Business,” “Business Optimization and Realignment Costs,” “Income Taxes,” “Outlook,” “Reportable Segments,” “Liquidity Outlook,” and “Critical Accounting Estimates” sections of “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition”; and the “Description of Business Segments and Summary of Significant Accounting Policies,” “Goodwill and Other Intangible Assets,” “Long-Term Debt and Other Financing Arrangements,” “Leases,” “Income Taxes,” “Retirement Plans,” “Business Segments and Disaggregated Revenue,” “Commitments,” and “Contingencies” notes to the consolidated financial statements in “Item 8. Financial Statements and Supplementary Data” are “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to our financial condition, results of operations, cash flows, plans, objectives, future performance, and business. Forward-looking statements include those preceded by, followed by, or that include the words “will,” “may,” “could,” “would,” “should,” “believes,” “expects,” “forecasts,” “anticipates,” “plans,” “estimates,” “targets,” “projects,” “intends,” or similar expressions. These forward-looking statements involve risks and uncertainties. Actual results may differ materially from those contemplated (expressed or implied) by such forward-looking statements, because of, among other things, the risk factors identified above and the other risks and uncertainties you can find in our press releases and other Securities and Exchange Commission (“SEC”) filings.

As a result of these and other factors, no assurance can be given as to our future results and achievements. Accordingly, a forward-looking statement is neither a prediction nor a guarantee of future events or circumstances and those future events or circumstances may not occur. You should not place undue reliance on the forward-looking statements, which speak only as of the date of this report. We are under no obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events, or otherwise.

TABLE OF CONTENTS

	<u>Page</u>
PART I	
<u>ITEM 1. Business</u>	2
<u>ITEM 1A. Risk Factors</u>	24
<u>ITEM 1B. Unresolved Staff Comments</u>	37
<u>ITEM 1C. Cybersecurity</u>	37
<u>ITEM 2. Properties</u>	38
<u>ITEM 3. Legal Proceedings</u>	42
<u>ITEM 4. Mine Safety Disclosures</u>	42
<u>Information about our Executive Officers</u>	43
PART II	
<u>ITEM 5. Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities</u>	45
<u>ITEM 6. [RESERVED]</u>	45
<u>ITEM 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition</u>	46
<u>ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk</u>	71
<u>ITEM 8. Financial Statements and Supplementary Data</u>	72
<u>ITEM 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure</u>	116
<u>ITEM 9A. Controls and Procedures</u>	116
<u>ITEM 9B. Other Information</u>	116
<u>ITEM 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</u>	116
PART III	
<u>ITEM 10. Directors, Executive Officers, and Corporate Governance</u>	117
<u>ITEM 11. Executive Compensation</u>	117
<u>ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	117
<u>ITEM 13. Certain Relationships and Related Transactions, and Director Independence</u>	117
<u>ITEM 14. Principal Accountant Fees and Services</u>	117
PART IV	
<u>ITEM 15. Exhibits and Financial Statement Schedules</u>	118
<u>ITEM 16. Form 10-K Summary</u>	126

PART I

ITEM 1. BUSINESS

Overview

FedEx Corporation (“FedEx”) was incorporated in Delaware on October 2, 1997 to serve as the parent holding company and provide strategic direction to the FedEx portfolio of companies. FedEx provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce, and business services, offering integrated business solutions utilizing its flexible, efficient, and intelligent global network.

Our website is located at *fedex.com*. Detailed information about our services, e-commerce tools and solutions, and environmental, social, and governance (“ESG”) initiatives can be found on our website. In addition, we make our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all exhibits and amendments to such reports available, free of charge, through our website, as soon as reasonably practicable on the day they are filed with or furnished to the SEC. The Investor Relations page of our website, *investors.fedex.com*, contains a significant amount of information about FedEx, including our SEC filings and financial and other information for investors. The information that we post on the Investor Relations page of our website could be deemed to be material information. We encourage investors, the media, and others interested in FedEx to visit this website from time to time, as information is updated and new information is posted. The information on our website, however, is not incorporated by reference in, and does not form part of, this Annual Report. Except as otherwise specified, any reference to a year in this Annual Report indicates our fiscal year ended May 31 of the year referenced.

One FedEx Consolidation and New Reportable Segments

In the fourth quarter of 2023, we announced one FedEx, a consolidation plan to bring FedEx Ground Package System, Inc. (“FedEx Ground”) and FedEx Corporate Services, Inc. (“FedEx Services”) into Federal Express Corporation (“Federal Express”), becoming a single company operating a unified, fully integrated air-ground express network under the respected FedEx brand. On June 1, 2024, FedEx Ground and FedEx Services were merged into Federal Express. FedEx Freight, Inc. (“FedEx Freight”) continues to provide less-than-truckload (“LTL”) freight transportation services as a separate subsidiary. Beginning in the first quarter of 2025, Federal Express and FedEx Freight will represent our major service lines and constitute our reportable segments. FedEx Custom Critical, Inc. (“FedEx Custom Critical”) will be included in the FedEx Freight segment instead of the Federal Express segment beginning in 2025.

Additionally, the FedEx Dataworks, Inc. (“FedEx Dataworks”) operating segment is focused on creating solutions to transform the digital and physical experiences of our customers and team members. The FedEx Office and Print Services, Inc. (“FedEx Office”) operating segment provides document and business services and retail access to our package transportation businesses and the FedEx Logistics, Inc. (“FedEx Logistics”) operating segment provides customs brokerage and global ocean and air freight forwarding, as well as integrated supply chain management solutions through FedEx Supply Chain Distribution System, Inc. (“FedEx Supply Chain”). FedEx Dataworks, FedEx Office, and FedEx Logistics are included in “Corporate, other, and eliminations” in our segment reporting. There will be no changes to “Corporate, other, and eliminations” in 2025 following the one FedEx consolidation. For more information about FedEx Dataworks, FedEx Office, and FedEx Logistics, please see “FedEx Dataworks Operating Segment,” “FedEx Office Operating Segment,” and “FedEx Logistics Operating Segment” under “Business Segments” below. For more information about our new reportable segments beginning in the first quarter of 2025, please see “Business Segments” below.

During 2024 and 2023, our reportable segments were FedEx Express, the world’s largest express transportation company; FedEx Ground, a leading North American provider of small-package ground delivery services; FedEx Freight Corporation, a leading North American provider of LTL freight transportation services; and FedEx Services, which provided sales, marketing, information technology, communications, customer service, technical support, billing and collection services, and certain back-office functions that supported our operating segments. For financial information concerning our reportable segments in place during 2024 and 2023, refer to “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition” and “Item 8. Financial Statements and Supplementary Data” of this Annual Report. Part I of this Annual Report contains certain references to the financial and operational performance of our reportable segments in place during 2024 and 2023. Additional information regarding our reportable segments in place during 2024 and 2023 can be found in “Item 1. Business” and “Item 2. Properties” of our Annual Report for the year ended May 31, 2023. Certain statistical information in Part I of this Annual Report is presented as of June 7, 2024, the earliest practicable date following the one FedEx consolidation.

Strategy

The collective FedEx brand gives us our competitive edge. Further, our strategy allows us to manage our business as a portfolio, in the long-term best interest of the enterprise. As a result, we base decisions on capital investment and service additions or enhancements upon achieving the highest overall long-term return on invested capital for our business as a whole. We focus on making appropriate

investments in the technology and assets necessary to optimize our long-term earnings performance and cash flow. Our business strategy also provides flexibility in structuring our network to align with varying macroeconomic conditions and customer demand for the market segments in which the customer operates, allowing us to leverage and manage change. Volatility, uncertainty, and innovation have become the norms in the global transportation market, and we are able to use our flexibility to accommodate changing conditions in the global economy.

For more than 50 years, we built networks that have created a differentiated and unmatched portfolio of services while continuously evolving to meet the changing needs of our customers and the market. With the recent significant growth of e-commerce and as our service mix continues to shift to deferred services, we are continuing to evolve to improve our operational efficiency and enhance profitability through one FedEx, Network 2.0 (our multi-year effort to improve the efficiency with which FedEx picks up, transports, and delivers packages in the U.S. and Canada), and DRIVE (our comprehensive program to improve long-term profitability). We are building a simplified experience to better serve our customers with enhanced capabilities and transforming to operate with more flexibility, efficiency, and intelligence.

We have implemented Network 2.0 in more than 50 locations in the U.S. and began the phased transition of all legacy FedEx Ground operations and personnel in Canada to Federal Express surface operations in April 2024. As we optimize our network under Network 2.0, Federal Express will continue to utilize both employee couriers and contracted service providers in U.S. surface operations using a market-by-market approach. Additionally, in 2024 we announced Tricolor, the redesign of the Federal Express international air network as part of the DRIVE program to improve efficiency and asset utilization. See “Business Segments” below, “Item 1A. Risk Factors,” and “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition” of this Annual Report for more information on one FedEx, Network 2.0, and DRIVE. One FedEx and Network 2.0 will leverage the strength of our networks, people, and assets in more efficient ways, enabling a distinct focus on air and international volume while facilitating a more holistic approach to how we move packages on the ground.

Innovation inspired our start at FedEx over 50 years ago, and it is fueling our future as we combine logistics with digital intelligence. Leveraging the capabilities of FedEx Dataworks, developments in data and technology, including artificial intelligence and machine learning, are facilitating the execution of our DRIVE transformation by creating new opportunities to improve our operational efficiency. See “Business Segments” below for more information. The size and scale of our global network gives us key insights into global supply chains and trends. This foundation provides an immense amount of data we can use to build better insights, improve the customer experience, and differentiate our service offerings. To fully harness the power of this data, FedEx Dataworks is focused on putting our data into context and using it to enhance the efficiency of the FedEx network and the end-to-end experience of our customers by making supply chains smarter for everyone.

In January 2024, we announced fdx, a fully integrated data-driven commerce platform that connects the entire customer journey. See “Federal Express Segment — Customer-Driven Technology — E-Commerce and Digital Solutions” below for more information. In early 2025 we formed a new enterprise-wide Data & Technology team, which is focused on initiatives to streamline the technology used during the package delivery lifecycle; establish global standards across pickup-and-delivery, linehaul, sort, and clearance operations; and improve digital products and experiences for the FedEx enterprise and our customers.

“Safety Above All” is the first and foremost value in every aspect of our business. We are committed to making our workplaces and communities safer for our team members, customers, and the public. This philosophy is embedded in our day-to-day work through rigorous policies, continual education and engagement, and investments in technology designed to prevent accidents.

Through our global transportation, information technology, and retail networks, we help to facilitate an ongoing and unprecedented expansion of customer access — to goods, services, and information. We believe it would be extremely difficult, costly, and time-consuming to replicate our global network, which reflects decades of investment, innovation, and expertise, includes the world’s largest all-cargo air fleet, and connects more than 99% of the world’s gross domestic product. We continue to position our company and team members to facilitate and capitalize on this access and to achieve stronger long-term growth, productivity, and profitability.

During 2024 and early 2025, we introduced and expanded a number of innovative solutions, advanced important long-term business initiatives, and made other important investments that benefit our customers, team members, communities, and other stakeholders, including:

- Completing our one FedEx consolidation plan to bring FedEx Ground and FedEx Services into Federal Express, becoming a single company operating a unified, fully integrated air-ground express network.
- Continuing DRIVE, our comprehensive program to improve our long-term profitability.
- Implementing Network 2.0 in more than 50 locations in the U.S. and beginning the phased implementation in Canada.

- Announcing Tricolor, the redesign of the Federal Express international air network to improve efficiency and asset utilization of the entire FedEx system.
- Introducing fdx, a fully integrated data-driven commerce platform that connects the entire customer journey.
- Opening our first Advanced Capability Community in India, which will create employment opportunities and help meet the technological and digital requirements of FedEx operations worldwide.
- Further strengthening our customer offerings through digital and data-driven solutions, such as enhancements to our healthcare services with more powerful capabilities to prioritize critical shipments and provide monitoring and intervention.
- Leveraging the power of our digital insights and predictive capabilities through FedEx Dataworks to proactively divert storm-bound volumes across our networks during severe winter weather in the third quarter of 2024.

In June 2024, we announced that FedEx's management and Board of Directors are conducting an assessment of the role of FedEx Freight in the company's portfolio structure.

Business Segments

The following describes in more detail the operations of each of our principal operating segments beginning in the first quarter of 2025:

Federal Express Segment

Overview

Federal Express pioneered the express transportation industry over 50 years ago in 1973 and remains the industry leader today, providing a range of rapid, reliable, time- and day-definite delivery services to more than 220 countries and territories through an integrated air-ground express network. In connection with our one FedEx consolidation, on June 1, 2024 FedEx Ground and FedEx Services were merged into Federal Express.

As of June 7, 2024, Federal Express employed approximately 430,000 employees and had approximately 64,000 drop-off locations (including FedEx Office stores and FedEx OnSite locations, such as nearly 17,000 Walgreens, Dollar General, and Albertsons stores), nearly 700 aircraft, and over 175,000 motorized vehicles in its global network. Federal Express contracts with approximately 6,000 independent small businesses to conduct certain linehaul and pickup-and-delivery operations. See "Operations" below for information regarding the consolidation of these operations into the surface operations of Federal Express. Federal Express also provides cross-border enablement and technology solutions and e-commerce transportation solutions.

U.S. and Canadian Services

Federal Express offers a wide range of U.S. domestic and Canadian shipping services for delivery of packages and freight. Federal Express offers three U.S. domestic overnight package delivery services: FedEx First Overnight, FedEx Priority Overnight, and FedEx Standard Overnight. FedEx SameDay service is available 365 days a year throughout all 50 states for urgent shipments up to 150 pounds. Federal Express also offers U.S. express overnight and deferred freight services to handle the needs of the time-definite freight market.

Federal Express is also a leading provider of day-definite business and residential package delivery services for packages weighing up to 150 pounds. Federal Express service reaches 100% of the continental U.S. population and nearly 100% of the Canadian population. Federal Express offers residential delivery service to 99% of the U.S. population on Saturdays and more than half of the U.S. population on Sundays. Federal Express also offers an economy service that is available for the consolidation and delivery of high volumes of low-weight, less time-sensitive business-to-consumer packages to any residential address or P.O. Box in the U.S.

International Services

Federal Express offers a wide range of international shipping services for delivery of packages and freight, connecting markets that generate more than 99% of the world's gross domestic product. FedEx international package services include a money-back guarantee. Federal Express's unmatched air route authorities and extensive transportation infrastructure, combined with leading-edge information technologies, make it the world's largest express transportation company.

International express and deferred package delivery is available to more than 220 countries and territories, with a variety of time-definite services to meet distinct customer needs. FedEx International Economy provides time-definite delivery typically in two to five business days. FedEx International First provides time-definite delivery to select postal codes in more than 25 countries and territories, with delivery to select U.S. ZIP Codes as early as 8:00 a.m. from more than 90 countries and Caribbean islands in one or two business days, delivery by 10:00 a.m. in one business day from the U.S. to Canada, and by 11:00 a.m. in one business day from the U.S. to Mexico. Federal Express also offers domestic pickup-and-delivery services within certain non-U.S. countries, including France, the United Kingdom, Australia, Brazil, Italy, Canada, Mexico, Poland, India, China, and South Africa. In addition, Federal Express offers comprehensive international express and deferred freight services, real-time tracking, and advanced customs clearance.

Our FedEx International Priority service provides end-of-day time-definite delivery in one to three business days to more than 220 countries and territories, and our FedEx International Priority Express service provides midday time-definite delivery in one to three business days to more than 25 countries and territories. Additionally, FedEx International Connect Plus, a contractual e-commerce service currently available from nearly 60 origin countries to over 190 destination countries, provides day-definite delivery typically within two to five business days.

Operations

Federal Express's largest sorting facility, located in Memphis, serves as the center of the company's multiple hub-and-spoke system and worldwide air network. A second national air hub facility is located in Indianapolis. We are making investments over multiple years in our facilities to expand and modernize our Indianapolis hub and modernize our Memphis hub. See the "Financial Condition — Liquidity Outlook" section of "Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition" of this Annual Report for more information. In addition to these national air hubs, Federal Express operates regional air hubs in Fort Worth, Newark, Oakland, and Greensboro and major metropolitan sorting facilities at airports in Chicago, Los Angeles, and Atlanta.

Facilities at airports in Anchorage, Paris, Cologne, Guangzhou, and Osaka serve as sorting facilities for express package and freight traffic moving to and from Asia, Europe, and North America. Additional major sorting and freight handling facilities are located at Narita Airport in Tokyo and Stansted Airport outside London. The facilities in Paris, Cologne, Guangzhou, and Osaka are also designed to serve as regional air hubs for their respective market areas. A facility in Miami serves our South Florida, Latin American, and Caribbean markets. A central air hub near Liege, Belgium connects specific large European markets. In addition to its worldwide air network, Federal Express operates road networks in North America, Europe, the Middle East, Asia, Australia, and South America. Federal Express's unique European road network connects more than 45 countries and territories through 28 transit hubs and more than 600 stations.

With the recent significant growth of e-commerce and as our service mix continues to shift to deferred services, we are fundamentally redesigning our international air network in connection with our DRIVE transformation program. The redesigned network will continue to deploy FedEx-owned aircraft in the delivery of International Priority parcel shipments using our existing hub-and-spoke model. Additionally, a portion of our owned aircraft fleet will be retimed to operate off-cycle, allowing us to build density, decongest hubs, and connect our global surface networks. Finally, we will continue to leverage our global partner network as an adaptive capacity layer, particularly on imbalanced trade lanes, to move e-commerce and deferred volumes.

Throughout its worldwide network, Federal Express operates city stations and employs a staff of customer service agents, cargo handlers, and couriers who pick up and deliver shipments in the station's service area. In some international areas, independent agents ("Global Service Participants") have been selected to complete deliveries and to pick up packages. For more information about our sorting and handling facilities, see "Item 2. Properties" of this Annual Report under the caption "Federal Express Segment."

Federal Express also operates a highly flexible surface network of over 700 legacy FedEx Ground sortation and distribution facilities, including 165 fully automated stations, as of June 7, 2024. Federal Express conducts these operations in the U.S. primarily with more than 95,000 motorized vehicles owned or leased by independent service providers. Through Network 2.0, the multi-year effort to improve the efficiency with which we pick up, transport, and deliver packages in the U.S. and Canada, these operations are being consolidated into the surface operations of Federal Express. We have implemented Network 2.0 in more than 50 locations in the U.S. and began the phased transition of all legacy FedEx Ground operations and personnel in Canada to Federal Express surface operations in April 2024. Under Network 2.0, Federal Express will continue to utilize both its employee couriers and contracted service providers in U.S. surface operations using a market-by-market approach. See "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition" of this Annual Report for more information on Network 2.0.

Federal Express continues to maximize the use of existing U.S. surface facilities through Network 2.0. Many of these facilities utilize advanced automated unloading and sorting technology to streamline the handling of millions of packages daily. This technology includes a yard management system in many facilities which interacts with GPS tags on trailers to automatically notify the control

center when a trailer arrives and departs. Using overhead laser and six-sided camera-based bar code scan technology, hub conveyors electronically guide packages to their appropriate destination chute where they are loaded for transport to their respective destination stations for local delivery.

Through collaboration with FedEx Dataworks, Federal Express is also implementing dynamic scheduling tools at many U.S. surface facilities to match sort staffing with volumes and is introducing capabilities to allow certain packages to bypass station sortation and proceed directly to vehicles, which helps to maximize station capacity. In addition, dock modernization efforts enabled by FedEx Dataworks, including a network operating plan that uses machine learning and algorithms to develop more detailed and accurate volume forecasts, are enhancing productivity at these facilities in furtherance of our DRIVE initiatives. Federal Express is also testing autonomous, driverless technologies in the handling of large, non-conveyable packages, as well as artificial intelligence-enabled robotic product sortation systems to sort small packages. During the third quarter of 2024, Federal Express leveraged the power of our digital insights and predictive capabilities through FedEx Dataworks to proactively divert storm-bound volumes during severe winter weather.

Federal Express offers service providers advanced route optimization technology supported by the capabilities of FedEx Dataworks that includes near real-time data that service providers may use to plan efficient delivery routes and vehicle mix. To promote safe operations, service providers contracting with Federal Express agree to use certain safety-related vehicle technologies and satisfy certain driver standards. Additionally, software systems and internet-based applications are deployed to offer customers new ways to connect internal package data with external delivery information. In 2024 we introduced a new tool to Federal Express service providers to track and drive improvement across key operating metrics tied to demand, safety, service, and productivity. Federal Express provides shipment tracing and proof-of-delivery signature functionality through the FedEx website, *fedex.com*. For additional information regarding FedEx e-commerce tools and solutions, including FedEx Delivery Manager and FedEx Returns, see “Customer-Driven Technology — E-Commerce Solutions” below.

Pricing

Federal Express periodically publishes updates to the list prices for the majority of its services in its Service Guides. In general, shipping rates are based on the service selected, origin, destination, weight, size, any ancillary service charge, and whether the customer charged the shipment to a FedEx account. On January 1, 2024, a 5.9% average list price increase was implemented in the U.S. for domestic and international services. List prices also increased for contractual services and in international markets at this time.

Federal Express implements and adjusts demand surcharges (previously known as peak surcharges) from time to time based on assessments of shipment volume and capacity in our network. For U.S. domestic services, demand surcharges historically have applied to shipments that are oversized, unauthorized, or require additional handling; to residential packages for customers meeting a certain volume threshold; and to FedEx Ground Economy shipments. Demand surcharges on U.S. domestic services initially implemented beginning in 2020 remained in effect for the first half of 2024. Higher surcharges were applied during the 2024 holiday shipping season, after which time the U.S. domestic demand surcharges were reduced or suspended. Demand surcharges on international services initially implemented beginning in 2020 were reduced for select lanes in September 2023, October 2023, and January 2024 and remained in effect for the Middle East, Indian Subcontinent, and African region until June 3, 2024, and for all other international markets until April 29, 2024.

Federal Express has an indexed fuel surcharge for U.S. domestic and U.S. outbound shipments and for shipments originating internationally, where legally and contractually possible, which is adjusted on a weekly basis. The fuel surcharge is based on a weekly fuel price from roughly two weeks prior to the week in which it is assessed. Effective December 11, 2023 and May 6, 2024, the tables used to determine fuel surcharges for U.S. domestic services were updated. The tables used to determine fuel surcharges for international services were updated in November 2023. See the “Results of Operations and Outlook — Consolidated Results — Fuel” section of “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition” of this Annual Report for more information.

Retail Access Network

FedEx Office offers retail access to Federal Express shipping services at all of its retail locations. Federal Express also has alliances with certain other retailers to provide in-store drop-off sites, including at more than 19,000 Walgreens, Dollar General, and Albertsons stores. Our unstaffed FedEx Drop Boxes provide customers the opportunity to drop off packages in office buildings, shopping centers, and corporate or industrial parks. In total, Federal Express has approximately 64,000 drop-off locations.

U.S. Postal Service Agreement

Federal Express's agreement with the U.S. Postal Service ("USPS") to provide airport-to-airport transportation of USPS First Class Mail, Priority Mail Express, and Priority Mail within the U.S will expire by its terms on September 29, 2024. Federal Express will continue to provide air transportation services domestically and to Puerto Rico through the contract's expiration. Federal Express also provides transportation and delivery for the USPS's international delivery service called Global Express Guaranteed under a separate agreement. For more information, see "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition" of this Annual Report.

Fuel Supplies and Costs

During 2024, FedEx Express purchased jet fuel from various suppliers under contracts that vary in length and which provide for estimated amounts of fuel to be delivered. The fuel represented by these contracts is purchased at market prices. We do not have any jet fuel hedging contracts. See "Pricing" above.

The following table sets forth FedEx Express's costs for jet fuel and its percentage of FedEx Corporation consolidated revenues for the last five fiscal years:

Fiscal Year	Total Jet Fuel Cost (in millions)	Percentage of Consolidated Revenue
2024	\$ 3,598	4.1 %
2023	4,515	5.0
2022	3,867	4.1
2021	2,065	2.5
2020	2,265	3.3

Most of Federal Express's vehicle fuel needs are satisfied by retail purchases with various discounts.

Competition

As described in "Item 1A. Risk Factors" of this Annual Report, the U.S. domestic and international package and the U.S. domestic freight and international freight markets are both highly competitive and sensitive to price and service, especially in periods of little or no macroeconomic growth. The ability to compete effectively depends upon price, frequency, reliability, capacity and speed of scheduled service, ability to track packages, extent of geographic coverage, innovative service offerings, and the fit within the customer's overall supply chain.

Competitors within the U.S. include other package delivery concerns, principally United Parcel Service, Inc. ("UPS"), passenger airlines offering express package services, regional delivery companies, air freight forwarders, and the USPS. Federal Express's principal international competitors are DHL, UPS, DPD (a subsidiary of France's La Poste's GeoPost), General Logistics Systems (a Royal Mail-owned parcel delivery group), foreign postal authorities, passenger airlines, air freight forwarders, regional carriers, and all-cargo airlines. Federal Express also competes with startup companies that combine technology with crowdsourcing to focus on local market needs. In addition, some high-volume package shippers, such as Amazon.com, are developing and implementing in-house delivery capabilities and utilizing independent contractors and delivery service providers for deliveries, and may be considered competitors. For example, Amazon.com has established a network of hubs, aircraft, and vehicles and has expressed an intention to offer its internal delivery capabilities broadly to third parties. Many of Federal Express's international competitors are government-owned, -controlled, or -subsidized carriers, which may have greater resources, lower costs, less profit sensitivity, and more favorable operating conditions than Federal Express. For more information, see "Item 1A. Risk Factors" of this Annual Report.

Employees and Service Providers

Rajesh Subramaniam is the President and Chief Executive Officer of Federal Express, John A. Smith is the Chief Operating Officer – United States and Canada, and Richard W. Smith is the Chief Operating Officer – International and Chief Executive Officer – Airline. As of June 7, 2024, Federal Express employed approximately 241,000 permanent full-time and approximately 189,000 permanent part-time employees. In addition, Federal Express contracts with approximately 6,000 independent small businesses to conduct certain linehaul and pickup-and-delivery operations.

The pilots at Federal Express, who are a small number of its total employees, are represented by the Air Line Pilots Association, International ("ALPA") and are employed under a collective bargaining agreement that took effect in November 2015. The collective bargaining agreement became amendable in November 2021. Bargaining for a successor agreement began in May 2021, and in

November 2022 the National Mediation Board (“NMB”) began actively mediating the negotiations. In July 2023, Federal Express’s pilots failed to ratify the tentative successor agreement that was approved by ALPA’s FedEx Master Executive Council the prior month. Bargaining for a successor agreement continues. In April 2024, the NMB rejected ALPA’s request for a proffer of arbitration. FedEx will continue to bargain in good faith and the ongoing bargaining process has no effect on our operations. In addition to our pilots, certain of FedEx’s non-U.S. employees are unionized. FedEx believes its employee relations are excellent. See “Item 1A. Risk Factors” of this Annual Report for more information.

Federal Express, as successor to FedEx Ground, is defending against lawsuits in which it is alleged that Federal Express should be treated as an employer or joint employer of drivers employed by service providers engaged by Federal Express. We continue to believe that Federal Express is not an employer or joint employer of the drivers of these independent businesses. The status of the drivers employed by these service providers could be further challenged in connection with the recent one FedEx consolidation and Network 2.0. For information regarding these proceedings, see “Item 1A. Risk Factors” and “Item 3. Legal Proceedings” of this Annual Report and Note 20 of the consolidated financial statements included in “Item 8. Financial Statements and Supplementary Data” of this Annual Report.

Customer-Driven Technology

FedEx is a world leader in technology, and FedEx founder Frederick W. Smith’s vision that “the information about a package is as important as the delivery of the package itself” remains at the core of our comprehensive technology strategy. We strive to build technology solutions that will solve our customers’ business problems with simplicity, convenience, speed, and reliability. Additionally, FedEx stands at the nexus of digital and physical networks, a crucial intersection for the success of e-commerce deliveries. We continue to expand our e-commerce convenience network and explore innovative alternatives to help customers and businesses deliver. During 2024 we continued to advance a major information technology transition from traditional mainframe computing to cloud-based systems, which is delivering significant benefits in terms of flexibility, security, speed to market, and resiliency. See “FedEx Dataworks Operating Segment” below for more information on the solutions we are creating to enhance the end-to-end experience of our customers by making supply chains smarter for everyone.

Shipping Management and Precision Tracking

The *fedex.com* website is widely recognized for its speed, ease of use, and customer-focused features. The advanced tracking capability within FedEx Tracking provides customers with a consolidated view of inbound and outbound shipments. Additionally, an advanced machine learning and artificial intelligence model developed by FedEx Dataworks has enhanced tracking capabilities on *fedex.com*, delivering greater estimated delivery date accuracy, including updates for early or delayed shipments. FedEx Virtual Assistant on *fedex.com* is an artificial-intelligence-enabled service that provides answers to customer shipping questions, allowing our customer service representatives and sales professionals to focus on higher-value customer interactions.

SenseAware Mobile, a FedEx innovation currently available in over 130 countries worldwide, allows customers to stay connected to their critical shipments by providing real-time updates regarding current location, precise temperature, relative humidity, barometric pressure readings, light exposure, shock events, tilt beyond a certain angle, and healthcare subsampling. Additionally, FedEx SenseAware ID is a lightweight sensor-based logistics device that delivers a new level of precision tracking. The enhanced location visibility provided by FedEx SenseAware ID is creating opportunities for FedEx customers to reimagine their supply chains through real-time updates on a package’s location within the Federal Express network. FedEx is currently expanding access to FedEx SenseAware ID and plans to eventually make FedEx SenseAware ID available for a broad range of premium Federal Express services.

FedEx Mobile is a suite of solutions including the FedEx mobile application, FedEx mobile website, and SMS text messaging. The FedEx Mobile app provides convenience for recipients to track packages and access FedEx Delivery Manager to customize home deliveries. Shippers can easily get rates and estimated delivery times and swiftly create a shipping label. All users can quickly find the nearest FedEx location for Hold at Location or drop-off. It is available on Android™ and Apple devices. The FedEx Mobile app has expanded to more than 220 countries and territories and 40 languages.

FedEx Surround Select is a visibility platform that allows customers to view and manage shipments in one place. The tool provides global visibility into shipments with package-level insights in near real-time. Advanced features include predictive delay notifications, weather advisories, and customizable views and reports.

In 2023, FedEx announced the launch of Picture Proof of Delivery for express and ground residential deliveries in the U.S. and Canada that are released without a signature. The capability has since expanded to 60 countries globally.

Additionally, our FedEx Ship Manager suite of solutions offers a wide range of options to help our customers manage their parcel and LTL shipping and associated processes.

E-Commerce and Digital Solutions

FedEx Delivery Manager allows our U.S. residential customers to customize home deliveries to fit their schedule by providing a range of options to schedule dates, locations, and times of delivery. Additionally, FedEx Returns Technology, a comprehensive solution for returns management, provides high-volume merchants and e-tailers complete visibility into returns and an easy way to track shipments, manage inventory, analyze returns trends, and make more informed decisions based on shoppers' returns behaviors. In 2023 we launched FedEx Consolidated Returns in the U.S., a low-priced, easy e-commerce solution for low-weight returns facilitated through supply chain services offered by FedEx Supply Chain and FedEx Office. Through FedEx Consolidated Returns, shoppers who purchased from participating merchants can drop off the items they wish to return with no box or label required at approximately 2,000 FedEx Office locations. The returned items will then be consolidated with other returns and processed through FedEx Supply Chain and sent back to the merchants via an LTL option.

The FedEx retail convenience network also utilizes third-party retailers to receive and hold packages for FedEx customers. The U.S. retail convenience network has grown to include nearly 17,000 Walgreens, Dollar General, and Albertsons stores in addition to our approximately 2,000 FedEx Office locations and over 600 FedEx Ship Centers. In addition to allowing for an easy returns and drop-off experience for shoppers, the retail convenience network is well positioned to serve as a "buy online, pickup in store" network for small and medium merchants without brick-and-mortar locations. We have also added FedEx Returns Technology at Walgreens locations, which allows for in-store printing of return shipping labels and eliminates the need to include a return label in every package. Additionally, FedEx offers drop off and sold shipping services at nearly 1,000 Office Depot and Office Max locations and over 4,000 FedEx Authorized Ship Centers.

We have expanded e-commerce delivery options for retailers with FedEx Extra Hours, a service that enables participating retailers to fulfill e-commerce orders into the evening and receive late pickups by Federal Express, with next-day local delivery and two-day shipping to any address in the continental U.S. FedEx Extra Hours, which is currently available to select customers, allows retailers to extend evening order cutoff times by five to eight hours, with some as late as midnight, depending on their current order fulfillment process.

In January 2024, FedEx announced fdx, a fully integrated data-driven commerce platform that connects the entire customer journey. Enabled by FedEx Dataworks and by providing data and insights that improve visibility and connected capabilities across the customer journey, fdx will help merchants make more strategic logistics decisions from point of demand to delivery and returns. The fdx platform is currently available as a private preview upon request, with the official launch planned for the second quarter of 2025.

My FedEx Rewards allows businesses in the U.S. to earn rewards for their loyalty in shipping and printing with FedEx.

Through innovative partnerships, FedEx Dataworks seeks to open pathways to e-commerce and empower customers with differentiated insights and tools. In 2022, we announced a multi-year partnership with Salesforce that integrates Salesforce Commerce Cloud and Salesforce Order Management with innovative capabilities from FedEx and ShopRunner. We will leverage our relationship with Salesforce to pursue additional innovations and provide customers a more informed, efficient, and personalized FedEx experience. Additionally, in 2023 FedEx and FourKites announced a strategic alliance to provide businesses with new, more robust real-time supply chain visibility capabilities. In 2023, we also announced a strategic alliance with Cart.com to create integrated solutions that help address some of the biggest e-commerce challenges.

ShopRunner is a consumer membership program that provides benefits such as easy order tracking at hundreds of retailers, free two-day shipping and returns, and other benefits.

See "The Environment" below for information about our FedEx® Sustainability Insights tool, which gives customers and suppliers access to estimated CO₂e emission data associated with FedEx shipments.

Autonomous Solutions

FedEx is exploring the use of autonomous delivery technology within its operations. In 2022, we announced a multi-year, multi-phase agreement to test Nuro's next-generation autonomous delivery vehicle within FedEx operations. The collaboration with Nuro will explore various use cases for on-road autonomous vehicle logistics such as multi-stop and appointment-based deliveries.

In 2022, we began a pilot program with Aurora Innovation, Inc. ("Aurora") and PACCAR Inc. ("PACCAR") to test Aurora's autonomous driving technology in PACCAR autonomous vehicle platform-equipped trucks within FedEx linehaul operations. Additionally, Federal Express is developing plans to test Elroy Air's autonomous air cargo system within the company's middle-mile logistics operations, moving shipments between sortation locations.

Marketing

The FedEx brand name symbolizes outstanding service, reliability, and speed. Emphasis is continually placed on promoting and protecting the FedEx brand, one of our most important assets. As a result, FedEx is one of the most widely recognized brands in the world. In addition to television, print, and digital advertising, we promote the FedEx brand through sponsorships and special events. For example, FedEx sponsors:

- The UEFA Champions League, which is broadcast in over 200 countries and territories worldwide.
- The season-long FedExCup competition on the PGA Tour, and the FedEx St. Jude Championship, a PGA Tour event that has raised millions of dollars for St. Jude Children’s Research Hospital and is one of three annual FedExCup playoff events.
- The #11 Joe Gibbs Racing Toyota Camry driven by Denny Hamlin in the NASCAR Cup Series.
- FedExForum in Memphis, the arena in which the NBA’s Memphis Grizzlies and the University of Memphis men’s basketball team play their respective home games.

Additionally, FedEx is the “Official Delivery Service Sponsor” and “Official Office Services Provider” of the NFL, through which we conduct events and other activities to promote the FedEx brand, such as the “FedEx Air & Ground” NFL Players of the Week and Players of the Year Awards.

Information Security

FedEx has a team of highly qualified professionals dedicated to securing information about our customers’ shipments and protecting our customers’, vendors’, and employees’ privacy, and we strive to provide a safe, secure online environment for our customers. We are committed to compliance with applicable information security laws, regulations, and industry standards. For more information, see “Item 1A. Risk Factors” and “Item 1C. Cybersecurity” of this Annual Report.

FedEx Freight Segment

Overview

FedEx Freight is a leading North American provider of LTL freight services, offering choice, simplicity, and reliability to meet the needs of LTL shippers — FedEx Freight Priority, when speed is critical to meet a customer’s supply chain needs; FedEx Freight Economy, when a customer can trade time for cost savings; and FedEx Freight Direct, a service to meet the needs of the growing e-commerce market for delivery of big and bulky products to or through the door for residences and businesses. Through one comprehensive network of service centers and advanced information systems, FedEx Freight provides service to virtually every U.S. ZIP Code (including Alaska and Hawaii) with industry-leading transit times. FedEx Freight Priority has the fastest published transit times of any nationwide LTL service.

Internationally, FedEx Freight Canada offers FedEx Freight Priority service, serving most points in Canada, as well as FedEx Freight Priority and FedEx Freight Economy service between the U.S. and Canada. Additionally, FedEx Freight A.M. Delivery offers freight delivery by 10:30 a.m. within and between the U.S. and Canada. FedEx Freight Mexico offers FedEx Freight Priority to deliver cross-border and intra-Mexico LTL shipments door-to-door. Customers receive support from the FedEx Freight International Services team to monitor LTL freight shipments, review customer paperwork, and follow up to avoid shipping delays when shipments are crossing borders. FedEx Freight provides additional service to Mexico, Puerto Rico, and the U.S. Virgin Islands via alliances.

Through its many service offerings, FedEx Freight can match customers’ time-critical needs with industry-leading transit times. With the expansion of FedEx electronic solutions, LTL shippers have the convenience of a single shipping and tracking solution for FedEx Freight and Federal Express. These solutions make freight shipping easier and provide customers easy access to their account information. Customers can also process domestic and cross-border LTL shipments to and from Canada and Mexico, as well as intra-Canada and -Mexico shipments, through FedEx Ship Manager at fedex.com, FedEx Ship Manager Software, FedEx Web Services, FedEx API, and LTL Select. LTL Select is a free cloud-based, multi-carrier transportation management system that provides customers with visibility into all available carriers and their pricing in one location, as well as the ability to book service and make payments. FedEx Freight uses radio frequency identification technology and customized software to improve shipment visibility on its docks and enhance custodial control at the handling unit level.

FedEx Freight Direct addresses the growing e-commerce market for big and bulky products. It has four delivery service levels to meet customer needs, with basic and basic by appointment to-the-door services and standard through-the-door service available to nearly 100% of the U.S. population. Premium through-the-door service with packaging removal is available to 90% of the continental U.S. population. The services include flexible delivery windows, end-to-end visibility, proactive notifications, and returns services with flexible pickup windows and label-less options.

As of June 7, 2024, the FedEx Freight segment was operating nearly 30,000 motorized vehicles from a network of approximately 360 service centers and had approximately 40,000 employees. Lance D. Moll is the President of FedEx Freight, which is based in Memphis, Tennessee. FedEx Freight's primary competitors are XPO Logistics, Inc., Old Dominion Freight Line, Inc., ABF Freight (an ArcBest company), SAIA, Inc., and TFI International Inc. In connection with the one FedEx consolidation, FedEx Freight Corporation merged into FedEx Freight on June 1, 2024. We are currently bargaining with the International Brotherhood of Teamsters at one FedEx Freight facility.

In June 2024, we announced that FedEx's management and Board of Directors are conducting an assessment of the role of FedEx Freight in the company's portfolio structure. See "Item 1A. Risk Factors — Strategic Risks — Our ongoing assessment of the role of FedEx Freight in our portfolio structure may not result in any consummated transaction or other outcome and could adversely affect our business, and there is no guarantee that any transaction resulting from the assessment will ultimately benefit our stockholders" for more information.

Pricing

FedEx Freight periodically publishes updates to the list prices for the majority of its services in its 100 Rules Tariff. In general, shipping rates are based on the service selected, origin, destination, weight, class, any ancillary service charge, and whether the customer charged the shipment to a FedEx account. On January 1, 2024, FedEx Freight implemented a 5.9% average list price increase for customers who use FFX PZONE and FFX EZONE rates and a 6.9% average list price increase for customers who use FFX 1000 and FFX 501. These increases apply for shipments within the U.S. and between the contiguous U.S. and Canada.

FedEx Freight implements and adjusts demand surcharges from time-to-time based on assessments of shipment volume and capacity in our network. Beginning in July 2021 FedEx Freight implemented a demand peak surcharge applying to specific delivery points within the U.S. The demand peak surcharge has been adjusted periodically since implementation. Effective November 15, 2021, FedEx Freight increased applicable length surcharges. Effective January 17, 2022, FedEx Freight added a surcharge that applies when a pickup is performed and no shipment is tendered to the carrier. Effective January 16, 2023, FedEx Freight changed the extreme length surcharge to a tier-based length structure. The company continues to explore ways to modernize freight pricing including through dimension-in-motion technology, which more accurately captures freight profile and improves its ability to cost and price shipments.

FedEx Freight has an indexed fuel surcharge, which is adjusted on a weekly basis. The fuel surcharge is based on a weekly fuel price from two days prior to the day in which it is assessed. Effective July 1, 2024, the tables used to determine fuel surcharges at FedEx Freight were updated. See the "Results of Operations and Outlook — Consolidated Results — Fuel" section of "Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition" for more information.

FedEx Custom Critical

FedEx Custom Critical provides a range of expedited, time-specific freight-shipping services throughout the U.S., Canada, and Mexico. Among its services are Surface Expedite, providing exclusive-use shipping and time-definite services; Air Expedite, offering an array of expedited air solutions to meet customers' critical delivery times; and White Glove Services, for shipments that require extra care in handling, temperature control, or specialized security. Service from FedEx Custom Critical is available 24 hours a day, 365 days a year. FedEx Custom Critical continuously monitors shipments through an integrated proprietary shipment-control system, including two-way satellite communications on exclusive-use shipments.

FedEx Dataworks Operating Segment

The FedEx Dataworks operating segment is focused on putting our data into context and using it to enhance the efficiency of the FedEx network and our customers' supply chains, as well as the end-to-end experience of our customers. The size and scale of our global network gives us a bird's-eye view of global supply chains and trends and provides an immense amount of data. As the digital twin of our physical network and a key enabler of our DRIVE transformation, FedEx Dataworks leverages this information to allow us to work differently through a more technology-enabled, data-driven approach. See "Federal Express Segment — Operations" above for information regarding how FedEx Dataworks is enabling the transformation of our physical network.

FedEx Dataworks is working to centralize data onto a single enterprise platform. By adopting this single platform — where machine learning models are reusable and self-learning — we are able to solve problems and deliver value to stakeholders at speed, scale, and with the right economics. This enterprise data platform serves as the foundation for our data science and machine learning practice and houses a common set of models and insights that can be reused across different use cases. Focusing on design principles that embrace simplification, our teams are working to enhance efficiencies and value across our operational portfolio. As we move forward as one FedEx, FedEx Dataworks is playing a critical role in creating data-driven solutions.

For more information regarding FedEx Dataworks' e-commerce partnerships, tools, and solutions, see "Federal Express Segment — Customer-Driven Technology — E-Commerce and Digital Solutions."

Sriram Krishnasamy is the Chief Executive Officer of FedEx Dataworks, which is based in Memphis, Tennessee. As of June 7, 2024, FedEx Dataworks had approximately 600 employees. FedEx Dataworks is an operating segment that is included in "Corporate, other, and eliminations" in our segment reporting.

FedEx Office Operating Segment

As of June 7, 2024, FedEx Office operated approximately 2,000 customer-facing stores and manages the relationship and strategy for all on-site, owned, and third-party retail channel locations, providing convenient access to printing and shipping expertise with reliable service.

The FedEx Office brick-and-mortar network features retail stores, FedEx Office locations inside Walmart stores, manufacturing plants, corporate on-site print centers, and on-site business centers at colleges and universities, hotels, convention centers, corporate campuses, and healthcare campuses. Many of these locations are open later in the evenings to accommodate urgent printing projects and delivery drop-offs. FedEx Office has designed a suite of printing and shipping management solutions that are flexible and scalable, allowing customers to meet their unique printing and shipping needs. The network provides an adaptable cost model helping to save time, labor, and overhead by freeing up resources and avoiding fixed costs associated with large-scale printing and e-commerce parcel volumes. This is especially valuable to our enterprise customers looking to outsource their print supply chain. Services include digital printing, professional finishing, document creation, design services, direct mail, signs and graphics, custom-printed boxes, copying, computer rental, free Wi-Fi, corporate print solutions, expedited U.S. passport processing and renewal through a collaboration with a registered U.S. passport agency, and fully digital notarization services through FedEx Office Online Notary.

With the FedEx Office Print On Demand solution, customers can use their laptops or mobile devices to design their print needs or access their personal cloud accounts, and print directly to any FedEx Office location in the U.S., or have their order delivered right to their door. Customers also have the flexibility of using FedEx Office's Print & Go solutions to print at self-serve locations from USBs, the cloud, or through email. Print & Go solutions allow customers to access files using popular cloud providers Google Drive™, Box, Microsoft OneDrive®, and from FedEx Office's own My Online Documents, making printing easy.

FedEx Office has prioritized e-commerce and digital offerings as a growth opportunity for the enterprise/large, medium, and small business customers we serve. FedEx Office has partnered with a content and creative design platform to form a digital design-to-print marketplace offering millions of images and illustrations, an extensive library of templates, and a simple drag-and-drop interface to create custom business materials from *fedex.com* on any device, with next-day printing on many requests available at FedEx Office stores. Additionally, FedEx Office has partnered with a leading marketing solutions company to introduce an online branded promotional products marketplace that allows businesses to customize and purchase high-quality promotional products. FedEx Office has also made investments in new machines and technology, enhancing capabilities in narrow format color, grand format, large format, color management, enhanced finishing, and other technologies.

FedEx Office provides customers convenient access to the full range of Federal Express shipping services. Customers may have their Federal Express packages delivered to any FedEx Office customer-facing location nationwide through the Hold at FedEx Location service, free of charge, and may redirect packages to these locations through Redirect to Hold or AutoRedirect to Hold services. FedEx Office offers the Ship and Go kiosk, a convenient self-serve shipping kiosk in approximately 1,300 locations. The Ship and Go kiosk allows customers to generate a label via a mobile label or QR code and drop off packages in a secure drop bin for a seamless and efficient customer experience. FedEx Office facilitates e-commerce and returns through FedEx Returns Technology, which allows for in-store printing of return shipping labels. Through FedEx Consolidated Returns, shoppers who purchased from participating merchants can drop off the items they wish to return with no box or label required at a FedEx Office location. For information regarding FedEx Consolidated Returns, see "Federal Express Segment — Customer-Driven Technology — E-Commerce and Digital Solutions."

FedEx Office also offers packing services, and packing supplies and boxes are included in its retail offerings. By allowing customers to have items professionally packed by specially trained FedEx Office team members and then shipped, FedEx Office offers a

complete “pack-and-ship” solution. FedEx Office also offers FedEx Pack Plus, which includes custom box building capabilities and techniques; a robust assortment of specialty boxes; and additional packing supplies, equipment, and tools to serve our customers’ needs.

Almost all FedEx Office locations provide local pickup-and-delivery service for print jobs completed by FedEx Office. A FedEx courier picks up a customer’s print job at the customer’s location and then returns the finished product to the customer. Options and services vary by location.

Brian D. Philips is the President of FedEx Office, which is based in Plano, Texas. As of June 7, 2024, FedEx Office had approximately 13,000 employees. FedEx Office is an operating segment that is included in “Corporate, other, and eliminations” in our segment reporting.

FedEx Logistics Operating Segment

The FedEx Logistics operating segment plays a key role within the FedEx portfolio with a comprehensive suite of integrated logistics solutions, providing air and ocean cargo transportation, specialty transportation, customs brokerage, and trade management tools and data, as well as third party logistics and supply chain solutions through FedEx Supply Chain. FedEx Logistics has the unique ability to leverage the power of the FedEx transportation networks as well as its global network of service providers. Additionally, FedEx Logistics provides international trade advisory services.

Patrick Moebel is the President of FedEx Logistics, which is based in Memphis, Tennessee. Scott M. Temple is the President of FedEx Supply Chain, which is based in Pittsburgh, Pennsylvania. As of June 7, 2024, the FedEx Logistics organization (including FedEx Supply Chain) had more than 18,000 employees. FedEx Supply Chain has a small number of employees who are members of unions. FedEx Logistics is an operating segment that is included in “Corporate, other, and eliminations” in our segment reporting.

FedEx Logistics provides international trade services, specializing in customs brokerage, global ocean and air freight forwarding, and managed transportation. Additionally, FedEx Logistics provides customs clearance services at its major U.S. air hub facilities and border customs clearance for U.S. surface operations, and FedEx Logistics also offers global door-to-door air charter solutions collaborating with Federal Express and U.S. import door-to-door less-than-container-load ocean solutions collaborating with FedEx Freight.

As trade throughout the world grows, so does the FedEx Logistics solutions portfolio. As of June 7, 2024, FedEx Logistics operated approximately 115 offices and facilities in 34 countries and territories throughout North America and in Africa, Asia-Pacific, Europe, India, Latin America, the Middle East, and Australia/New Zealand. FedEx Logistics maintains a network of air and ocean freight-forwarding service providers and has entered into strategic alliances to provide services in certain countries in which it does not have owned offices.

FedEx Logistics offers customized trade solutions that enable improved compliance practices through FedEx Trade Solutions.

FedEx Supply Chain

FedEx Supply Chain is a supply chain solutions provider specializing in Product Lifecycle Logistics[®] for technology, retail, consumer and industrial goods, and healthcare industries. With approximately 13,000 employees at nearly 80 facilities as of June 7, 2024, FedEx Supply Chain provides a comprehensive range of integrated logistics services to enable growth, minimize cost, mitigate supply chain risk, and improve customer services. Service offerings include inbound logistics, warehousing and distribution, fulfillment, contract packaging and product configuration, systems integration, returns process and disposition, test, repair, refurbishment, and product liquidation.

FedEx Fulfillment is an e-commerce solution that helps small and medium-sized businesses fulfill orders from multiple channels, including websites and online marketplaces, and manage inventory for their retail stores. The FedEx Fulfillment platform is designed to be an easy-to-use and all-in-one logistics solution through which customers have complete visibility into their products, giving them an easy way to track items, manage inventory, analyze trends, and make more informed decisions by better understanding shoppers’ spending behaviors.

Seasonality

For information on the seasonality of our business, see the “Results of Operations and Outlook — Consolidated Results — Seasonality of Business” section of “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition” of this Annual Report.

Trademarks

Federal Express owns numerous trademarks and intellectual property rights relating to the “FedEx” trademark. Those trademarks, service marks, and trade names are essential to our worldwide business, and include FedEx, FedEx Express, FedEx Ground, FedEx Freight, FedEx Services, FedEx Office, FedEx Logistics, FedEx Dataworks, FedEx Trade Networks Transport & Brokerage, FedEx Supply Chain, FedEx Custom Critical, and ShopRunner. Federal Express licenses the use of certain trademarks to support our business, and takes active measures to enforce its intellectual property rights where appropriate.

Regulation

Air. Under the Federal Aviation Act of 1958, as amended (the “Federal Aviation Act”), both the U.S. Department of Transportation (“DOT”) and the Federal Aviation Administration (“FAA”) exercise regulatory authority over Federal Express’s air operations.

The FAA’s regulatory authority relates primarily to operational aspects of air transportation, including aircraft standards and maintenance, as well as personnel and ground facilities, which may from time to time affect the ability of Federal Express to operate its aircraft in the most efficient manner. Federal Express holds an air carrier certificate granted by the FAA pursuant to Part 119 of the federal aviation regulations. This certificate is of unlimited duration and remains in effect so long as Federal Express maintains its standards of safety and meets the operational requirements of the regulations.

The DOT’s authority relates primarily to economic aspects of air transportation. The DOT’s jurisdiction extends to aviation route authority and to other regulatory matters, including the transfer of route authority between carriers. Federal Express holds various certificates issued by the DOT authorizing the company to engage in U.S. and international air transportation of property and mail on a worldwide basis. These certificates remain in effect as we maintain our economic fitness to perform all-cargo services following the one FedEx consolidation.

Under the Aviation and Transportation Security Act of 2001, as amended, the Transportation Security Administration (“TSA”), an agency within the Department of Homeland Security, has responsibility for aviation security. The TSA requires Federal Express to comply with a Full All-Cargo Aircraft Operator Standard Security Plan, which contains evolving and strict security requirements. These requirements are not static, but change periodically as the result of regulatory and legislative requirements, imposing additional security costs and creating a level of uncertainty for our operations. It is reasonably possible that these rules or other future security requirements could impose material costs on us.

Federal Express participates in the Civil Reserve Air Fleet (“CRAF”) program. Under this program, the U.S. Department of Defense may requisition for military use certain of Federal Express’s wide-bodied aircraft in the event of a declared need, including a national emergency. Federal Express is compensated for the operation of any aircraft requisitioned under the CRAF program at standard contract rates established each year in the normal course of awarding contracts. Through its participation in the CRAF program, Federal Express is entitled to bid on peacetime military cargo charter business. Federal Express, together with a consortium of other carriers, currently contracts with the U.S. government for such charter flights.

See “Item 1A. Risk Factors” of this Annual Report for discussion of regulations related to pilots, including the proposed pilot flight and duty time regulations, that could affect our business.

Ground. The ground transportation performed by employees of Federal Express is integral to its air transportation services. The enactment of the Federal Aviation Administration Authorization Act of 1994 abrogated the authority of states to regulate the rates, routes, or services of intermodal all-cargo air carriers and most motor carriers. States may now only exercise jurisdiction over safety and insurance. Federal Express is registered in those states that require registration.

The interstate operations of Federal Express that utilize contracted service providers to conduct certain linehaul operations, as well as the interstate operations of FedEx Freight and FedEx Custom Critical, are currently regulated by the DOT and the Federal Motor Carrier Safety Administration, which retain limited oversight authority over motor carriers. Federal legislation preempts regulation by the states of rates, routes, and services in interstate freight transportation.

Like other interstate motor carriers, our operations are subject to certain DOT safety requirements governing interstate operations. In addition, vehicle weight and dimensions remain subject to both federal and state regulations.

International. Federal Express’s international authority permits it to carry cargo and mail from points in its U.S. route system to numerous points throughout the world. The DOT regulates international routes and practices and is authorized to investigate and take action against discriminatory treatment of U.S. air carriers abroad. The right of a U.S. carrier to serve foreign points is subject to the

DOT's approval and generally requires a bilateral agreement between the U.S. and the foreign government. In addition, the carrier must then be granted the permission of such foreign government to provide specific flights and services. The regulatory environment for global aviation rights may from time to time impair the ability of Federal Express to operate its air network in the most efficient manner, and efficient operations often utilize open skies provisions of aviation agreements. Additionally, global air cargo carriers, such as Federal Express, are subject to current and potential additional aviation security regulation by U.S. and foreign governments.

Our operations outside of the U.S., such as Federal Express's international domestic operations, are also subject to current and potential regulations, including certain postal regulations and licensing requirements, that restrict, make difficult, and sometimes prohibit, the ability of foreign-owned companies such as Federal Express to compete effectively in parts of the international domestic transportation and logistics market.

Environmental.

Noise: Pursuant to the Federal Aviation Act, the FAA, with the assistance of the U.S. Environmental Protection Agency ("EPA"), is authorized to establish standards governing aircraft noise. Federal Express's aircraft fleet is in compliance with current FAA noise standards. Although the Airport Noise and Capacity Act of 1990 established a National Noise Policy that enables certain airport operators to implement noise abatement programs, it created an opportunity for Federal Express to plan for noise reduction and better respond to local noise constraints. Additionally, certain U.S. airport operators have implemented local noise regulations, and certain foreign jurisdictions impose noise-based limitations on airline operations. Neither the National Noise Policy nor any domestic or foreign local noise regulations have a material effect in any of Federal Express's significant markets.

Greenhouse Gas Emissions: Concern over climate change, including the effect of global warming, has led to significant U.S. and international legislative and regulatory efforts to limit greenhouse gas ("GHG") emissions, including our aircraft and vehicle engine emissions. Increasingly, state and local governments are also considering GHG regulatory requirements. Compliance with such regulation and the associated potential cost is complicated by the fact that various countries and regions are following different approaches to the regulation of climate change. In 2016, the International Civil Aviation Organization ("ICAO") formally adopted a global, market-based emissions offset program known as the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA"). This program established a goal for the aviation industry to achieve carbon neutral growth in international aviation beginning in calendar 2021. Any growth above a global industry emissions baseline would need to be addressed using either eligible carbon offset credits or qualifying sustainable aviation fuel purchases. The baseline was originally set as an average of calendar 2019 and calendar 2020 emissions. In 2023, due to the effects of COVID-19 on the airline industry, the ICAO adopted a new baseline of 85% of calendar 2019 emissions. The U.S. has not fully implemented CORSIA to date. In the interim, we continue to voluntarily report our emissions data to the FAA.

Other ICAO member states are moving forward with implementing CORSIA and have taken additional action to reduce aircraft GHG emissions. For example, both the EU and the United Kingdom have implemented regulations to include aviation in the Emissions Trading Scheme ("ETS"). For the EU, under these regulations any airline with flights originating or landing in the European Economic Area ("EEA") is subject to the ETS. Beginning in calendar 2012, airlines including Federal Express were required to purchase emissions allowances or, alternatively, purchase qualifying sustainable aviation fuel if they exceeded the number of free allowances allocated under the ETS. While the current scope of ETS has been limited to apply only to flights within the EEA through calendar 2026, the EU adopted legislation in 2023 requiring that a study be conducted in July 2026 reassessing whether the European Commission should propose to expand the scope of ETS to include international flights from the EEA based on CORSIA implementation and performance.

We expect compliance with CORSIA and the ETS to increase FedEx operating expenses. The amount of such increase will ultimately depend on a number of factors, including the number of our flights subject to CORSIA and the ETS, the fuel efficiency of our fleet, the average growth of the aviation sector, our ability to utilize sustainable aviation fuels in the future and the price of such fuels, the availability of free allowances (which will be eliminated entirely by the end of calendar 2026), and the price of eligible emission units, offsets, or allowances required to be purchased by FedEx.

Additionally, in 2017, ICAO adopted new carbon dioxide emissions standards that would apply not only to new aircraft types as of calendar 2020, but also to new deliveries of currently in-production aircraft types from calendar 2023. ICAO established a production cutoff date of January 1, 2028 for aircraft that do not comply with these standards. The standards are considered to be especially stringent for larger aircraft weighing over 60 tons. In 2021, the EPA adopted its own aircraft and aircraft engine GHG emissions standards, which are aligned with the 2017 ICAO emissions standards, and the FAA finalized its own conforming rulemaking to implement the standards through its aircraft certification process which went into effect on April 16, 2024. In the past, the U.S. Congress has also considered bills that would regulate GHG emissions, and some form of federal climate change legislation is possible in the future. In 2021 the U.S. reentered the Paris climate accord, an agreement among 197 countries to reduce GHG emissions. The effect of the reentry on future U.S. policy regarding GHG emissions and on other GHG regulation is uncertain.

Additionally, the extent to which other countries implement that agreement could have an adverse direct or indirect effect on our business.

See “Item 1A. Risk Factors — Environmental, Climate, and Weather Risks — We may be affected by global climate change or by legal, regulatory, or market responses to such change” for information on disclosure requirements regarding GHG emissions and other environmental matters.

Sustainable Aviation Fuels: On October 18, 2023, the EU adopted its Refuel EU regulation requiring fuel producers at certain EU airports to supply a minimum percentage of blended sustainable aviation fuel to aircraft operators beginning January 1, 2025. The mandate requires that, beginning in calendar 2025, two percent of the jet fuel supplied in certain EU airports must qualify as sustainable aviation fuel, and the percentage increases incrementally to 70% in calendar 2050. Fuel suppliers have incorporated a sustainable aviation fee into future uptake agreements for their compliance costs related to the Refuel EU regulation. A similar mandate is expected to go into effect in the United Kingdom on January 1, 2025.

Hazardous Substances: Although a petition for review was filed in U.S. District Court for the District of Columbia in June 2024, the EPA rule designating certain per- and polyfluoroalkyl substances (“PFAS”) as “hazardous substances” under the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”) became effective July 8, 2024. Numerous U.S. states have adopted additional regulations governing these substances. PFAS are used in a wide variety of consumer and industrial products, including the firefighting foams approved for use by the FAA to extinguish fuel-based fires at airports and refineries. The EPA rule could subject airlines and refineries to potential liability for cleanup of historical PFAS contamination. We could incur remediation costs for currently and formerly operated facilities. While the impact of this rulemaking on our business and results of operations cannot currently be predicted, we remain committed to transitioning to PFAS-free materials for fire suppression in accordance with the framework outlined by the FAA in May 2023.

Vehicle Emissions Regulations: In October 2023, the California Air Resources Board’s (“CARB”) Advanced Clean Fleets (“ACF”) rule requiring subject companies to adopt an increasing percentage of medium and heavy duty zero emission trucks (“ZEVs”) became effective. While the rule is currently subject to litigation, FedEx selected the ZEV milestones option to meet its compliance obligation under the rule. This option requires that we continuously meet or exceed certain scheduled ZEV fleet milestone percentage requirements, as outlined in the regulation. The ZEV milestones option ultimately requires fleets to transition to 100% ZEVs by a target date according to vehicle type. While the ACF rule may permit companies to seek exemptions or relief in certain instances, there are no assurances that relief from the regulation will be obtained. At this point, there are virtually no ZEVs widely available that are suitable replacements for vehicles currently used, and there does not appear to be sufficient infrastructure in place to support an electric vehicle fleet operation throughout our current terminal network. Further, additional states have adopted rules similar to CARB’s ACF rule with more expected to follow. To address these regulatory requirements, FedEx has made investments in capital equipment, vehicles, and infrastructure.

We are also subject to other U.S. and international environmental laws and regulations relating to, among other things, the shipment of dangerous goods, the management of underground storage tanks, the discharge of effluents from our properties and equipment, and contingency planning for spills of petroleum products. Additionally, certain contractual and lease agreements governing regulated substances could trigger investigation and remediation obligations if sites become affected. Federal Express has an environmental management system based on International Standardization 14001 designed to maintain compliance with these regulations and minimize our operational environmental footprint and certified all U.S. airport locations in 2022.

Export Controls. In recent years, the U.S. government has increased the number of companies and persons subject to U.S. export control regulations. Such regulations can restrict the types of items that FedEx customers are permitted to ship to certain entities, and in some instances may prohibit FedEx from serving certain entities altogether. Violations of these regulations can result in significant monetary and other penalties. For example, the Export Control Reform Act of 2018 (the “ECRA”) and its implementing regulations, the Export Administration Regulations (the “EARs”), hold carriers such as FedEx strictly liable for shipments that may violate the EARs without requiring evidence that the carriers had knowledge of any violations. Violations of the ECRA can result in criminal penalties of up to \$1 million and civil penalties up to \$365,000 (or twice the value of the transaction) per individual violation. FedEx continues to invest in improvements and updates to its export control compliance programs. However, the heightened focus on export controls by the U.S. government increases FedEx’s exposure to potential regulatory penalties and could result in higher compliance costs.

Customs Clearance, Customs Brokerage, and Freight Forwarding. Our customs clearance activities, including customs brokerage, are subject to regulation by U.S. Customs and Border Protection and other partner government agencies (for example, the Food and Drug Administration) that regulate the importation and exportation of specific products. Our freight forwarding activities are regulated by the Transportation Security Administration within the Department of Homeland Security, the U.S. Federal Maritime Commission (ocean freight forwarding), and the Department of Transportation (air freight forwarding). Our offshore operations are subject to similar regulation by the regulatory authorities of foreign jurisdictions.

Labor. All U.S. employees at Federal Express are covered by the Railway Labor Act of 1926, as amended (the “RLA”), while labor relations within the U.S. at our other companies are governed by the National Labor Relations Act of 1935, as amended (the “NLRA”). Under the RLA, groups that wish to unionize must do so across nationwide classes of employees. The RLA also requires mandatory government-led mediation of contract disputes supervised by the National Mediation Board (“NMB”) before a union can strike or an employer can replace employees or impose contract terms. This part of the RLA helps minimize the risk of strikes that would shut down large portions of the economy. Under the NLRA, employees can unionize in small localized groups, and government-led mediation is not a required step in the negotiation process.

The RLA was originally passed to govern railroad and express carrier labor negotiations. As transportation systems evolved, the law expanded to cover airlines, which are now the dominant national transportation systems. As an air express carrier with an integrated air/ground network, Federal Express and its employees have been covered by the RLA since the founding of the company. The purpose of the RLA is to offer employees a process by which to unionize (if they choose) and engage in collective bargaining while also protecting global commerce from damaging work stoppages and delays. Specifically, the RLA ensures that an entire transportation system, such as at Federal Express, cannot be shut down by the actions of a local segment of the network.

The U.S. Congress has, in the past, considered adopting changes in labor laws that would make it easier for unions to organize units of our employees. For example, there is always a possibility that Congress could remove most Federal Express employees from the jurisdiction of the RLA, thereby exposing the Federal Express network to sporadic labor disputes and the risk that small groups of employees could disrupt the entire air/ground express network. This jurisdiction could be challenged in connection with our one FedEx consolidation and Network 2.0. In addition, the NMB and the National Labor Relations Board (“NLRB”) have and may continue to take actions that could make it easier for our employees, and employees of service providers contracting with Federal Express to conduct certain linehaul and pickup-and-delivery operations, to organize under the RLA or NLRA. For a description of these and other potential labor law changes, see “Item 1A. Risk Factors” of this Annual Report.

Data Protection. There has recently been heightened regulatory and enforcement focus relating to the collection, use, retention, transfer, and processing of personal data in the U.S. (at both the state and federal level) and internationally. For more information, see “Item 1A. Risk Factors” of this Annual Report.

Reputation and Responsibility

FedEx is one of the most trusted and respected companies in the world, and the FedEx brand name is a powerful sales and marketing tool. Among the many reputation awards we received during 2024, FedEx ranked 17th in *FORTUNE* magazine’s “World’s Most Admired Companies” list — the 24th consecutive year FedEx has ranked among the top 20 in the *FORTUNE* Most Admired Companies list, with 15 of those years ranking among the top 10. We also retained our position as the highest ranked delivery company on the “World’s Most Admired Companies” list. Additionally, in 2024 Ethisphere, a global leader in defining and advancing the standards of ethical business practices, named FedEx as one of the World’s Most Ethical Companies® for the second year in a row. Along with a strong reputation among customers and the general public, FedEx is widely acknowledged as a great place to work. For example, in 2023 FedEx was named the 21st best workplace overall in *FORTUNE* magazine’s list of the “World’s Best Workplaces.”

The success of our efforts is built on our sound ESG practices, which are aligned with our strategic focus. Our 2024 ESG Report is available at fedex.com/en-us/sustainability/reports.html. This report details progress toward our ESG strategies, goals, and initiatives and our approach toward industry leadership in ESG to support our strategy and values. Information in our ESG Report is not incorporated by reference in, and does not form part of, this Annual Report.

We remain committed to helping lift local economies by investing in people and communities where we live and work. In the U.S., this includes seeking diverse suppliers and strengthening our supply chain by sourcing from small, minority-, and women-owned businesses. We have a history of supporting diverse and inclusive nonprofit and community empowerment organizations to create greater economic opportunity, help amplify diverse voices, and provide access to leadership, educational, and employment opportunities that inspire people to succeed.

Human Resource Management

Our Culture

At FedEx, our people are at the heart of our success and are the foundation of our strong reputation. Our exceptional human network shapes our identity, reputation, and the type of business we strive to be. Ultimately, our success depends on the talent, dedication, and well-being of our people—our greatest asset. As we continue to grow globally, we remain dedicated to continuously recruiting, retaining, nurturing, and providing unwavering support to our team members and making FedEx an inclusive, equitable, and

growth-focused workplace. We also conduct periodic audits of our labor practices to assess compliance with regulatory requirements. The Compensation and Human Resources Committee of our Board of Directors reviews and discusses with management our key human resource management strategies and programs, including company culture and Diversity, Equity, Inclusion & Opportunity (“DEI&O”).

For over 50 years, our culture has not only served as a unifying force across our entire company, but also enabled us to drive progress and uphold our principles. Our five culture values—take care of each other, commit to do good, drive business results, own outstanding, and create what’s next—unify our enterprise and empower us to support our strategy and values. These values are grounded in our People–Service–Profit philosophy, the Purple Promise to make every FedEx experience outstanding, and our Quality Driven Management approach, which we bring to life by:

- Prioritizing safety.
- Taking care of our team members.
- Embracing DEI&O so everyone feels appreciated and valued.
- Delivering excellence and value for our customers and stockholders.
- Acting with integrity in all that we do.
- Supporting our communities.
- Helping shape a better world.
- Growing profitably to reinvest in our team members and business.

Health and Safety

Upholding the health, safety, and well-being of our team members and contractors is a foundational value in every aspect of our business. Our commitment is rooted in our culture of “Safety Above All.” At FedEx, we integrate safety into everything we do to protect our workforce, business partners, and the communities we serve. Our detailed safety policies, education, and technology investments are embedded into our day-to-day work and help us follow through on our commitment to make our workplaces and communities safer for our team members, customers, and communities. The Governance, Safety, and Public Policy Committee of our Board of Directors oversees our safety strategies, policies, programs, developments, and practices.

Diversity, Equity, and Inclusion Creates Opportunity

As a company operating in over 220 countries and territories, we understand the strengths that come from fostering a global culture of DEI&O. It is a foundational value that fuels collaboration; enables us to attract, retain, and nurture a skilled workforce; and drives our business performance and sustainability. We foster diverse perspectives in leadership and decision-making, which is reflected in our business strategies.

Opportunity is at the forefront of our commitment to excellence. We are committed to maintaining an inclusive culture where everyone is treated with respect and has an opportunity for advancement and promotion. At every level of the enterprise, everyone plays a role in building a more inclusive and equitable FedEx. This commitment is conveyed through our DEI&O framework, supported by four strategic pillars: Opportunities for Our People; Opportunities for Education and Engagement; Opportunities for Our Communities, Customers, and Suppliers; and Opportunities to Tell Our Story. We continue to roll out programs to ensure our people are engaged and can develop at FedEx. FedEx has successfully launched a program in 14 U.S. markets to make our hiring process more inclusive for Spanish-speaking candidates, and we provide team members with English as a Second Language courses through this program. Additionally, FedEx has a dedicated recruitment plan for U.S. military veterans transitioning to the private sector.

To further our transparency efforts regarding our workforce composition, we report the prior year's gender, racial, and ethnic composition of our U.S. workforce by EEO-1 job category, as set forth in the consolidated EEO-1 Reports filed by FedEx and its operating subsidiaries with the Equal Employment Opportunity Commission. These reports can be found at fedex.com/en-us/about.html.

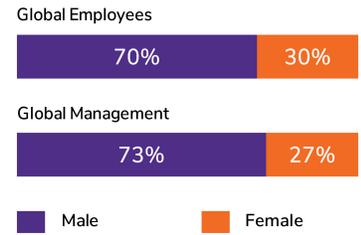
Quality of Life

Our integrated benefits offerings are designed to invest in the health, well-being, and productivity of our people to allow them to lead fulfilling lives, both inside and outside of work. We provide all eligible full- and part-time team members with a comprehensive set of competitive benefits, including healthcare, wellness initiatives, flexible paid time off (for sick leave and other absences), and other benefits. To help ensure our benefits and compensation packages remain competitive, we routinely conduct peer benchmarking and internal pay equity analyses.

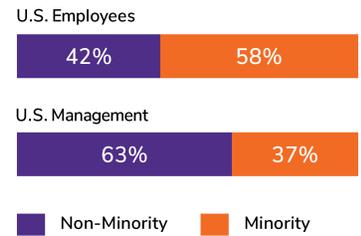
In the U.S., we cover approximately 70% of the total eligible health, wellness, and disability costs at the plan level for approximately 215,000 participating employees as of January 2024. Our health benefits package offers flexibility in medical, behavioral, dental, vision, and pharmacy coverage, coupled with enhanced member support services. Our time-off benefits are thoughtfully tailored based on input from our team members, helping ensure they meet the needs of individuals. We also provide dedicated paid sick and parental leave to eligible full- and part-time employees. Recognizing the importance of supporting the mental health of our team members, we offer 24/7 confidential counseling services through our Employee Assistance Program, which is accessible to team members and their household members. We frequently communicate with employees on how to access these resources to promote their use across the enterprise.

At FedEx, we are dedicated to nurturing the growth and career development of our team members, which enables them to better deliver on the Purple Promise. Our recently completed one FedEx consolidation will make it easier for FedEx team members to manage their careers. To align with emerging trends, we adapt our learning frameworks to cover existing competencies and any future capabilities we may need. Our suite of learning and development opportunities is designed to enhance team member engagement, improve retention, and strengthen our employee value proposition. All new employees complete our Core New Employee Orientation, which is tailored to the specific responsibilities of team members within their local workplaces. This comprehensive onboarding experience encompasses key topics such as safety, security, compliance, sustainability, and DEI&O. After orientation, we implement a range of programs and initiatives across our global operations to foster an environment of continuous learning and career development. Team members can access the FedEx Learning Center, a vast library of nearly 16,000 online courses that deliver an efficient and convenient learning experience.

2024 Global Employees by Gender¹



2024 Workforce Diversity in the U.S.²



¹Does not include FedEx Express Europe, FedEx Express Canada, and FedEx Express Middle East, Indian Subcontinent, and African region employees.
²1.8% of U.S.-based FedEx employees unspecified.

We are committed to supporting team members who wish to pursue higher education in a variety of ways. The Learning inspired by FedEx (LiFE) program—a collaborative initiative between the company and The University of Memphis—offers tuition-free, fully online degree options spanning 30 associate’s and bachelor’s programs to eligible FedEx employees. FedEx maintains a robust performance management process to support ongoing dialogue and career growth for our team members.

Talent Acquisition, Engagement, and Turnover

We shape our recruitment practices to build a highly skilled workforce that mirrors the diverse communities we serve. We are focused on intentional, effective recruitment strategies that enable us to simplify the application process and hire quality candidates. We strive to retain team members through engagement, competitive wages, enhanced benefits, flexible scheduling, and career development programs. Our team members’ feedback is integral to understanding engagement and our human resource management approach and strategy. We provide a range of avenues for engagement, including annual surveys, employee networks, and direct channels for feedback. These methods allow us to better understand employee concerns and expectations, and results from these engagements inform our future strategies. Annually, we conduct an engagement survey to measure employee insights on our culture, engagement, and inclusion.

We continually monitor and adjust our workplace strategy by incorporating current best practices and using survey data at the local, national, and enterprise levels to guide our approach. We also encourage meaningful in-person work, including important team meetings, planning sessions, and engaging office events.

Globally, in 2024, we hired over 487,000 full- and part-time team members. Turnover for part-time team members, primarily package handlers at our sorting locations, was 195%, while full-time team member turnover was 26%, in 2024. Turnover rates among part-time frontline workers in a number of industries are historically higher than among other employee groups. Within the ground transportation industry, many part-time workers pursue temporary employment opportunities that allow them to exit and re-enter the workforce more frequently based on their needs. These traditionally higher rates have recently been further exacerbated by elevated hiring volumes.

Other Information

As of May 31, 2024, FedEx employed approximately 306,000 permanent full-time and approximately 199,000 permanent part-time employees and utilized approximately 6,000 contracted service providers to conduct certain linehaul and pickup-and-delivery operations.

See “Business Segments — Federal Express Segment — Employees and Service Providers” for information regarding our continued bargaining efforts to reach an agreement with the union representing our pilots. A small number of our other employees are members of unions. For additional information, see “Business Segments” and “Regulation” and “Item 1A. Risk Factors.”

Our Community

FedEx is committed to actively supporting the communities we serve worldwide through the strategic investment of our people, resources, and network. Through FedEx Cares, our global community engagement program, we support non-profit organizations working to solve social challenges relevant to our business, customers, and team members. We pair donations with charitable shipping and access to our global network, team member volunteers, subject matter expertise, influence, and connections to meet social and business goals. We make our biggest investments in areas where we can address significant issues and apply our unique business capabilities. Real change takes significant investment, authentic support for communities, and a commitment to continuous learning. FedEx Cares focuses on three major giving pillars:

- *Delivering for Good:* Mobilizing FedEx’s passionate team members, global network, and best-in-class logistics expertise to support humanitarian relief, respond to disasters, and help non-profit organizations make complex shipments to benefit our communities.
- *Global Entrepreneurship:* Equipping entrepreneurs from all backgrounds with the training, connections, and other resources they need to compete in the global marketplace more effectively, expand their customer base, generate new jobs, and create a better life for themselves and their communities.
- *Sustainable Logistics:* To help deliver a better future, we support sustainable transportation in cities, research and technology to scale climate solutions, and conservation in local communities.

Additionally, our commitments to DEI&O and team member volunteerism are foundational to FedEx Cares. In response to our “Drive Forward. Give Back.” call to action, team members around the world volunteer and provide acts of caring throughout the year.

Together, we multiply our impact to improve the communities where we live and work. FedEx Cares manages the FedEx Founder's Fund — a philanthropic endowment honoring Frederick W. Smith and his legacy as a business leader and changemaker in communities around the world. Additionally, FedEx supports communities throughout the U.S. with its FedEx Cares Employee Giving program.

We believe the investments we make in our communities today, combined with team member engagement, set the stage for a brighter tomorrow. For additional information on our community involvement and our FedEx Cares strategy, visit fedexcares.com.

The Environment

At FedEx, managing our environmental impact to create meaningful change requires strategic investment and action. Building on many years of sustainability progress, in 2024 we evolved and broadened our strategic approach of *Reduce, Replace, Revolutionize* to focus on the principles of Decarbonize what's possible, Co-create with purpose, and Neutralize what's left, which cover the comprehensive actions needed to not only achieve carbon neutrality in our own operations, but also to support the transition of the transportation and logistics industry as a whole. Our philosophy of *Practical Sustainability* drives us toward responsible business stewardship, innovation for products and operational solutions, and transparency for our stakeholders.

We align our assessment and reporting approach with the recommendations from the Global Reporting Initiative, Sustainability Accounting Standards Board, and the Task Force on Climate-related Financial Disclosures. Evaluation of climate-related physical and transition risk is integrated into our enterprise risk management process, which identifies and reports top enterprise risks in the short-, medium-, and long-term through industry research, surveys, and workshops with business leaders. Based on the risks identified, specific contingency plans and strategies are formulated to minimize potential adverse effects on our business.

In 2021 we announced our goal to achieve carbon neutrality by calendar 2040 across our global operations' Scope 1 and Scope 2 GHG emissions and our Scope 3 contracted transportation emissions. To help reach this goal, we designated \$2.0 billion of initial investment towards vehicle electrification, sustainable energy, and carbon sequestration, including a pledge of \$100 million to Yale University to help establish the Yale Center for Natural Carbon Capture. In addition, we continue to leverage other approaches to reduce aircraft and vehicle emissions, such as increased interline usage and intermodal rail usage across Federal Express.

Our investment in and pursuit of a more efficient network and operations, including Network 2.0 and our ongoing air network redesign, support our efforts to create a more connected and sustainable future. For over 50 years, we have demonstrated our capabilities to reduce environmental impacts by achieving operational synergies such as improving the efficiency of our fleet, reducing miles driven, and minimizing route redundancies.

Vehicle Electrification

Across FedEx, we aim to create an efficient and sustainable fleet tailored to our operational needs. Our global fleet comprises over 200,000 motorized vehicles, across various vehicle classes, including pickup-and-delivery vehicles, long-haul trucks, forklifts, airport ground services equipment, and other off-road vehicles. Electrifying each class of vehicles brings unique opportunities and challenges driven by performance and operational requirements, as well as supply chain, infrastructure, and availability considerations. We also recognize the need for further technological advances, such as commercial use electric vehicles, battery enhancements, and smart charging software, to enable large-scale fleet electrification.

We plan to transition the entire FedEx parcel pickup-and-delivery fleet to zero tailpipe emissions electric vehicles by calendar 2040, using a phased approach to replace existing vehicles. Network 2.0 and one FedEx will require a significantly altered pickup-and-delivery vehicle mix to meet the operational needs of the new network service model. Accordingly, we may not be able to achieve our previously disclosed goal of 50% of owned Federal Express pickup-and-delivery fleet purchases being electric by calendar 2025. However, we remain committed to our goal of 100% of owned Federal Express pickup-and-delivery fleet purchases being electric by 2030. We continue to review our owned Federal Express pickup-and-delivery purchase goals to determine our best path towards carbon neutral operations in calendar 2040.

As we work to transition our entire pickup-and-delivery fleet to zero-tailpipe emission vehicles, we are collaborating with local equipment manufacturers to introduce electric vehicles into new markets while deploying additional electric vehicles in existing markets. In 2023, we expanded our use of electric vehicles to make deliveries in Malaysia, Chile, Mexico, India, and the United Arab Emirates, and conducted electric vehicle trials in Singapore. We are working with strategic regional manufacturers to expand electric vehicle deployment to new markets across our global operations as part of our phased pickup-and-delivery electrification approach.

As we work toward electrifying our vehicle fleet, making sure we can have adequate charging infrastructure available at our facilities is a priority. Our vehicles and facilities teams are working with power utilities, government officials at all levels, and regulatory

agencies to plot a path forward. We have already built over 1,000 charging stations across our global facilities to support the electrification of our own pickup-and-delivery fleet and the electric vehicle transition of contracted service providers. Additionally, we are crafting a comprehensive strategy to expedite the transition to electric vehicles for contracted service providers while rolling out essential infrastructure at our facilities to meet their charging needs. To implement the large-scale charging infrastructure required for our operations, we are collaborating closely with local utility companies and regulators to strategically plan for and meet the additional grid capacity challenges.

The electrification of our long-haul fleet poses unique challenges since these vehicles travel long distances and need to be recharged at our centers and potentially in multiple locations along a route, which can require a significant amount of time and energy at facility charging stations.

Federal Express has established a goal to increase vehicle fleet efficiency by 50% from a 2005 baseline by calendar 2025. Through 2023, our efforts collectively resulted in a 38% improvement in Federal Express vehicle fleet efficiency from our 2005 baseline.

Sustainable Fuels

We maintain a global fleet of 9,800 alternative fuel and electric vehicles, including hybrid, electric, and natural gas- and liquified petroleum gas-powered vehicles. To drive widespread alternative fuel production, we are collaborating with government agencies, academic institutions, and suppliers, and are a vocal advocate for policies to support the commercial deployment of alternative fuel vehicles. Our commitment to exploring alternative fuels extends to vehicles that are not easily electrified. For example, heavyweight transportation poses unique challenges due to mileage requirements and the need for timely refueling or recharging. While the technologies and infrastructure needed to shift heavy goods vehicles away from fossil fuels are still developing, we are dedicated to piloting alternative fuels and solutions that can achieve more immediate reductions in the emissions of heavy goods transport. Additionally, we implement fuel-saving measures within our current fleet to help reduce our environmental impact.

The majority of our emissions footprint is associated with FedEx jet fuel usage, and we have established a goal of obtaining 30% of our annual jet fuel usage from blends of alternative fuel by calendar 2030. While FedEx works extensively to conserve jet fuel and modernize our air fleet, our carbon neutral ambition relies on reducing emissions with sustainable aviation fuel and carbon sequestration to remove and store excess carbon. Advancing these nascent technologies and markets requires extensive collaboration with industry, academia, non-governmental organizations, and governments.

To accelerate sustainable aviation fuel solutions, we are proud members of the Aviation Sector working group of the First Movers Coalition, a global initiative dedicated to decarbonizing challenging industrial sectors, including the aviation industry. We also advocate for responsible policies and incentives to advance alternative fuel technologies, expedite global sustainable aviation fuel production, and enhance the availability and affordability of low-carbon fuel. We acknowledge the complexities faced by the aviation industry in achieving large-scale sustainable aviation fuel deployment and recognize the potential need for additional solutions to enhance efficiency and reduce emissions.

Aircraft Fuel Conservation and Aircraft Fleet Modernization

At FedEx, we are working to minimize the environmental footprint of our aircraft fleet through fuel conservation, airline route optimization, and the exploration of more sustainable or efficient transportation options within our extensive network. Since 2005, we reduced our overall aircraft emissions intensity by 29%, primarily due to our ongoing FedEx Fuel Sense and aircraft modernization initiatives. Overall, in 2023, the Fuel Sense program achieved savings of over 11 million gallons of jet fuel and our modernization initiatives resulted in savings of 136 million gallons of jet fuel.

We are dedicated to modernizing our fleet of nearly 700 aircraft to reduce costs, enhance reliability and operational adaptability, improve fuel efficiency, and minimize emissions. We continue to replace older aircraft with more fuel-efficient models to reduce GHG emissions, air pollution, and local noise pollution. We are currently scheduled to take delivery of two Boeing 777F, 14 Boeing 767F, 10 ATR-72 600F, and 31 Cessna 408 aircraft by the end of 2026. Delays could impact these timelines. We plan to retire our entire MD-11 fleet by the end of 2028. Additionally, in 2024 we made the decision to permanently retire from service 22 Boeing 757-200 aircraft and seven related engines to align with the plans of Federal Express to modernize its aircraft fleet, improve its global network, and better align air network capacity to match current and anticipated shipment volumes. For more information about our expected future aircraft deliveries, see “Item 2. Properties” of this Annual Report under the caption “Federal Express Segment” and Note 18 of the accompanying consolidated financial statements.

Facilities

We work to support the long-term health and well-being of our business, the planet, and the communities in which we operate through the sustainable operations of our more than 5,000 air and ground hubs, local stations, freight service centers, and retail locations.

As we support electric vehicle deployment and charging infrastructure, our energy demand will increase. In response to this challenge, we are intensifying our efforts to responsibly manage our facility energy use and procure off-site renewable energy. Our approach to innovating operations involves continued investments in energy efficiency and management, renewable energy procurement, facility resiliency, environmental compliance and waste reduction, among other initiatives. For new facilities, we integrate energy efficiency specifications and explore on-site renewable energy generation options into the design. We adopt the Leadership in Energy and Environmental Design (“LEED”) standard in the U.S. and the Building Research Establishment Environmental Assessment Method (“BREEAM”) in Europe as guiding principles for designing efficient facilities when appropriate. In total FedEx has 46 LEED-certified facilities and 13 BREEAM-certified facilities across our global operations.

FedEx invests in both on-site renewable energy generation and external procurement of renewable energy, which enables us to execute larger projects. Given the complexity of grid systems, different real estate models, utility markets, and a varied regulatory landscape, the viability of on-site renewable energy differs by facility.

The importance of facility resiliency is increasing due to the physical risks of climate change and the strain of electrification on the grid. FedEx is conducting pilot tests of various technologies to provide backup power to our facilities. Natural gas generators, combined heat and power systems, and fuel cell technologies can be used to create microgrids that support building resiliency.

We strive to reduce the waste we generate and recycle waste when possible, and we enforce standardized waste and recycling management processes throughout the U.S.

Sustainable Customer Solutions

We recognize that transporting goods for our customers can lead to environmental impacts through emissions and waste generation. Our more sustainable packaging choices, such as a Reusable Pak, give our customers more choice and control in reducing the waste associated with their shipping, while still offering the protection and performance they expect from FedEx supplied packaging. FedEx-branded cardboard packaging is almost 100% recyclable and composed of 9% to 23% recycled content. During 2023, 45% of FedEx-branded packaging was third-party certified, and 99% of all paper purchased by FedEx Office was from vendors with responsible forest-management practices.

Our FedEx® Sustainability Insights (“FSI”) tool gives our customers and suppliers access to estimated CO₂e emissions data associated with their FedEx shipments, from the individual package to account levels, enabling them to understand their environmental impact and drive informed supply chain decisions. Internally, we use this data to assess progress and identify improvement areas. FSI is third-party verified to adhere to the GHG Protocol and Global Logistics Emissions Council framework. In 2024, FSI launched globally and is currently available in over 100 markets and translated in 34 languages. Additionally, U.S.-based customers can now forecast future emissions using FSI through a new commercialized portal. This enables customers to estimate their potential CO₂e emissions through predictive modeling capabilities and helps inform customers about their carbon footprint so they can make more sustainable choices.

For additional information on the ways we are minimizing our impact on the environment, see fedex.com/en-us/sustainability.html. For additional information regarding environmental, climate, and weather-related regulation and risks, see “Regulation” above and “Item 1A. Risk Factors” under “Environmental, Climate, and Weather Risks.”

Governance

The FedEx Board of Directors is comprised of a majority of independent directors and is committed to the highest quality corporate governance and accountability to stockholders. Our Board of Directors periodically reviews all aspects of our governance policies and practices, including our Corporate Governance Guidelines (the “Guidelines”) and our Code of Conduct, in light of best practices and makes whatever changes it deems appropriate to further our longstanding commitment to the highest standards of corporate governance. The Guidelines and the Code of Conduct, which apply to all of our directors, officers, and employees, including our principal executive officer and senior financial officers, are available under the ESG heading under “Governance” on the Investor Relations page of our website at investors.fedex.com. We will post under the ESG heading on the Investor Relations page of our website information regarding any amendment to, or waiver from, the provisions of the Code of Conduct to the extent such disclosure is required.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Annual Report, you should carefully consider the following factors, which could materially affect our business, results of operations, financial condition, and the price of our common stock. Additional risks not currently known to us or that we currently deem to be immaterial also may materially affect our business, results of operations, financial condition, and the price of our common stock.

Macroeconomic and Market Risks

We are directly affected by the state of the global economy and geopolitical developments. While macroeconomic risks apply to most companies, we are particularly vulnerable. The transportation industry is highly cyclical and especially susceptible to trends in economic activity. Our primary business is to transport goods, so our business levels are directly tied to the purchase and production of goods and the rate of global trade growth — key macroeconomic measurements influenced by, among other things, inflation and deflation, supply chain disruptions, interest rates and currency exchange rates, labor costs and unemployment levels, fuel and energy prices, inventory levels, spending patterns (including shifts from goods to services and vice versa), disposable income, debt levels, credit availability, and public health crises. When individuals and companies purchase and produce fewer goods, we transport fewer goods, and as companies move manufacturing closer to consumer markets and expand the number of distribution centers, we transport goods shorter distances, which adversely affects our yields and results of operations. Certain manufacturers and retailers are making investments to produce and store goods in closer proximity to supply chains and consumers in connection with recent macroeconomic, geopolitical, and public health developments. Additionally, in 2024 we continued to see customer preference for slower, less costly shipping services and experienced lower fuel surcharges at all of our transportation segments and reduced demand surcharges at FedEx Express. We expect service mix to shift further toward deferred service offerings in 2025. Further, the scale of our operations and our relatively high fixed-cost structure, particularly with respect to our air network, make it difficult to quickly adjust to match shifting volume levels. For more information, see “Our businesses are capital intensive, and we must make capital decisions based upon projected volume levels.” below.

The decline in U.S. imports of consumer goods that started in late 2022, along with slowed global industrial production, has contributed to weakened economic conditions for the transportation industry. Consequently, this environment has led to lower freight and package volumes at FedEx Express and FedEx Freight, negatively affecting our results in 2024. We are experiencing a decline in demand for our transportation services as inflation and high interest rates are negatively affecting consumer and business spending. We expect inflation and high interest rates to continue to negatively affect our results in 2025. See Item 7. “Management’s Discussion and Analysis of Results of Operations and Financial Condition” of this Annual Report for additional information.

Moreover, given the nature of our business and our global operations, political, economic, and other conditions in foreign countries and regions, including international taxes, government-to-government relations, the typically more volatile economies of emerging markets, and geopolitical risks such as the ongoing conflicts between Russia and Ukraine and in the Middle East, may adversely affect our business and results of operations. We have suspended all services in Ukraine and Belarus. We also temporarily idled our operations in Russia and reduced our presence to the minimum required for purposes of maintaining a legal presence with active transport licenses. While these conflicts have not had, and we do not expect these conflicts to have, a direct material effect on our business or results of operations, the broader consequences of these conflicts, which may include further sanctions, embargoes, regional instability, and geopolitical shifts; airspace bans relating to certain routes, or strategic decisions to alter certain routes; potential retaliatory action by foreign governments and other groups against us; increased tensions between the United States and countries in which we operate; and the extent of the conflict’s effect on our business and results of operations as well as the global economy, cannot be predicted. Geopolitical uncertainty negatively affected our results of operations in recent years.

To the extent the continued conflicts between Russia and Ukraine and in the Middle East, or subsequent similar conflicts, adversely affect our business, they may also have the effect of heightening many other risks disclosed in this Annual Report, any of which could materially and adversely affect our business and results of operations. Such risks include, but are not limited to, disruptions to our global technology infrastructure, including through cyberattack or cyber-intrusion, ransomware attack, or malware attack; adverse changes in international trade policies; increased costs and unavailability of fuel; our ability to implement and execute our business strategy, particularly with regard to our international business; disruptions in global supply chains, which can limit the access of FedEx and our service providers to vehicles and other key capital resources and increase our costs and could affect our ability to achieve our goal of carbon neutrality for our global operations by calendar 2040; our ability to maintain our strong reputation and the value of the FedEx brand; terrorist activities targeting transportation infrastructure; our exposure to foreign currency fluctuations; and constraints, volatility, or disruption in the capital markets.

Additional changes in international trade policies and relations could significantly reduce the volume of goods transported globally and adversely affect our business and results of operations. The U.S. government has taken certain actions that have negatively affected U.S. trade, including imposing tariffs on certain goods imported into the U.S. Additionally, several foreign

governments have imposed tariffs on certain goods imported from the U.S. These actions contributed to weakness in the global economy that adversely affected our results of operations in recent years. Any further changes in U.S. or international trade policy, including tariffs, export controls, quotas, embargoes, or sanctions, could trigger additional retaliatory actions by affected countries, resulting in “trade wars” and further increased costs for goods transported globally, which may reduce customer demand for these products if the parties having to pay tariffs or other anti-trade measures increase their prices, or in trading partners limiting their trade with countries that impose such measures. Political uncertainty surrounding international trade and other disputes could also have a negative effect on business and consumer confidence and spending. Such conditions could have an adverse effect on our business, results of operations, and financial condition, as well as on the price of our common stock.

Additionally, the U.S. government has taken action to limit the ability of domestic companies to engage in commerce with certain foreign entities under certain circumstances, and foreign governments may investigate our compliance with these restrictions. Furthermore, given the nature of our business and our global recognizability, foreign governments may target FedEx by limiting the ability of foreign entities to do business with us in certain instances, imposing monetary or other penalties or taking other retaliatory action, which could have an adverse effect on our business, results of operations, and financial condition, as well as on the price of our common stock.

Our transportation businesses are affected by the price and availability of jet and vehicle fuel. We must purchase large quantities of fuel to operate our aircraft and vehicles, and the price and availability of fuel is beyond our control and can be highly volatile. In addition, our purchased transportation expense is affected by fuel costs. To date, we have been mostly successful in mitigating over time the expense effect of higher fuel costs through our indexed fuel surcharges, as the amount of the surcharges is closely linked to the market prices for fuel. If we are unable to maintain or increase our fuel surcharges because of competitive pricing pressures or some other reason, fuel costs could adversely affect our operating results. Lower fuel prices negatively affected yields through lower fuel surcharges at all of our transportation segments during 2024. See “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition” of this Annual Report for more information. As of May 31, 2024, we had no derivative financial instruments to reduce our exposure to fuel price fluctuations.

Even if we are able to offset the cost of fuel with our surcharges, high fuel surcharges could move our customers away from our higher-yielding express services to our lower-yielding deferred or ground services or even reduce customer demand for our services altogether. In addition, disruptions in the supply of fuel could have a negative effect on our ability to operate our transportation networks. The following factors may affect fuel supply and could result in shortages and price increases in the future: weather-related events; natural disasters; political disruptions or wars involving oil-producing countries; economic sanctions imposed against oil-producing countries or specific industry participants; changes in governmental policy concerning fuel production, transportation, taxes, or marketing; changes in refining capacity; environmental concerns; cyberattacks; and public and investor sentiment.

Operating Risks

The failure to successfully execute our DRIVE transformation, including Network 2.0, in the expected time frame and at the expected cost may adversely affect our future results. In the first quarter of 2023, FedEx announced our DRIVE transformation program to improve long-term profitability, including Network 2.0, the multi-year effort to improve the efficiency with which FedEx picks up, transports, and delivers packages in the U.S. and Canada. In the fourth quarter of 2023, we announced one FedEx, a consolidation plan to bring FedEx Ground and FedEx Services into Federal Express. Additionally, in 2024 we announced Tricolor, the redesign of the Federal Express international air network as part of the DRIVE program to improve efficiency and asset utilization.

While the new legal structure was completed in June 2024, network integration and optimization are ongoing. See “Item 1. Business” and “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition” of this Annual Report for more information. These entities historically operated as separate and independent businesses and networks. There can be no assurances that these businesses and networks can successfully be fully integrated as planned. It is possible that the integration process could result in higher than currently expected costs, less-than-expected savings, the loss of customers, the disruption of ongoing businesses, union organizing, litigation, government agency challenges, the loss of key employees or service providers, or other unexpected issues. It is also possible that the overall process will take longer than currently anticipated. Additionally, the following issues, among others, must be addressed in order to realize the anticipated timing and projected benefits of our DRIVE transformation:

- our ability to maintain coverage of U.S. employees at Federal Express under the RLA and manage challenges to the employment status of drivers employed by service providers utilized in certain linehaul and pickup-and-delivery operations, in addition to other labor-related risks;
- combining the Federal Express and legacy FedEx Ground physical networks and operations, including consolidating or optimizing pickup-and-delivery and linehaul operations;

- integrating, consolidating, and implementing new administrative and back-office support functions, information-technology infrastructure, and computer systems of the respective companies;
- integrating and unifying the offerings and services available to FedEx customers;
- harmonizing certain operating practices; human resource management practices such as employee recruitment, development, and compensation programs; internal controls; and other policies, procedures, and processes;
- maintaining existing agreements with customers and service providers and avoiding delays in entering into new agreements with prospective customers and service providers;
- legal challenges by service providers or government agencies seeking to slow or stop plans related to Network 2.0;
- addressing possible differences in business backgrounds, corporate cultures, and management philosophies;
- addressing employee issues so as to promote retention and maintain efficient and effective labor and employee relations;
- maintaining access to ports of call and railroads for intermodal support;
- managing the movement of certain positions to different locations;
- obtaining any required regulatory licenses, operating authority, or contractual consents; and
- managing unforeseen increased expenses or delays associated with the integration process.

We may be unable to achieve the expected operational efficiencies and network flexibility, alignment of our cost base with demand, cost savings and reductions to our permanent cost structure, and other benefits from our DRIVE transformation. The actual amount and timing of costs to be incurred and related cost savings and reductions to our permanent cost structure resulting from these initiatives and enhancements may differ from our current expectations and estimates. These initiatives and enhancements could also result in asset impairment charges and changes to our tax liabilities and deferred tax balances and subject us to litigation. If we are not able to successfully implement our DRIVE transformation our future financial results will suffer and we may not be able to achieve our financial performance goals.

All of these factors could adversely affect FedEx's results of operations and negatively affect the price of our common stock. In addition, at times the attention of certain members of our management may be focused on the DRIVE transformation and diverted from day-to-day business operations, which may disrupt our business.

A significant data breach or other disruption to our technology infrastructure could disrupt our operations and result in the loss of critical sensitive or confidential information, adversely affecting our reputation, business, or results of operations. Our ability to attract and retain customers, efficiently operate our businesses, execute our DRIVE transformation, and compete effectively increasingly depend in part upon the sophistication, security, and reliability of our technology network, including our ability to provide features of service that are important to our customers, to protect our confidential business information and the information provided by our customers, and to maintain customer confidence in our ability to protect our systems and to provide services consistent with their expectations. For example, we rely on information technology to receive shipment information in advance of physical receipt of packages, to track items that move through our delivery systems, to efficiently plan deliveries, to clear shipments through customs, to execute billing processes, and to track and report financial and operational data. We are subject to risks imposed by data breaches and operational disruptions, both random and targeted, including through cyberattack or cyber-intrusion, ransomware attack, malware attack, or denial of service attack by computer hackers, foreign governments and state-sponsored actors, cyber terrorists and hacktivists, cyber criminals, malicious employees or other insiders of FedEx or third-party service providers, and other groups and individuals. Data breaches and other technology disruptions of companies and governments continue to increase as the number, intensity, and sophistication of attempted attacks and intrusions from around the world have increased and we, our customers, and third parties increasingly store and transmit data by means of connected information technology systems. Additionally, risks such as code anomalies, "Acts of God," transitional challenges in migrating operating company functionality to our FedEx enterprise automation platforms, data leakage, cyber-fraud, and human error pose a direct threat to our products, services, systems, and data and could result in unauthorized or block legitimate access to sensitive or confidential data regarding our operations, customers, employees, and suppliers, including personal information.

The technology infrastructure of acquired businesses, as well as their practices related to the use and maintenance of data, could also present issues that we were not able to identify prior to the acquisition. For example, ShopRunner, which we acquired in 2021, collects

and stores certain personal data of its merchants and their buyers, its partners, consumers with whom it has a direct relationship, and users of its applications. Additionally, it uses third-party service providers and subprocessors to help deliver services to merchants and their buyers. These service providers and subprocessors may store or access personal data and/or other confidential information. The foregoing factors increase the risk of data incidents and the amount of potential exposure in the event of a data breach.

We also depend on and interact with the technology and systems of third parties, including our customers and third-party service providers such as cloud service providers and delivery services. Such third parties may host, process, or have access to information we maintain about our company, customers, employees, and vendors or operate systems that are critical to our business operations and services. Like us, these third parties are subject to risks imposed by data breaches, cyberattacks, and other events or actions that could damage, disrupt, or close down their networks or systems. We have security processes, protocols, and standards in place, including contractual provisions requiring such security measures, that are applicable to such third parties and are designed to protect information that is held by them, or to which they have access, as a result of their engagements with us. Nevertheless, a cyberattack could defeat one or more of such third parties' security measures, allowing an attacker to obtain information about our company, customers, employees, and vendors or disrupt our operations. These third parties may also experience operational disruptions or human error that could result in unauthorized access to sensitive or confidential data regarding our operations, customers, employees, and suppliers, including personal information. See "Failure of third-party service providers to perform as expected, or disruptions in our relationships with those providers or their provision of services to FedEx, could have a material adverse effect on our business and results of operations" below for more information.

From time to time we experience disruptions to our complex, global technology infrastructure, including our computer systems and websites. Such events could result in the loss of confidential business or customer information; require substantial repairs or replacements, resulting in significant costs; and lead to the temporary or permanent transfer by customers of some or all of their business to our competitors. The foregoing could harm our reputation and adversely affect our business, customer service, and results of operations. Additionally, a security breach could require us to devote significant management resources to address the problems created. These types of adverse effects could also occur in the event the confidentiality, integrity, or availability of company and customer information was compromised due to a data loss by FedEx or a trusted third party.

We or the third parties with which we share information may not discover any security breach and loss of information for a significant period of time after the security breach occurs. Even if we detect a cybersecurity incident, the nature and extent of the incident may not be immediately clear. It may also not be clear how best to contain and remediate any harm caused by the cybersecurity incident, and certain errors or actions could be repeated or compounded before they are discovered and remediated. Based on the sophistication of threat actors and the size and complexity of our information systems and network environment, among other factors, an investigation into a cybersecurity incident could take a significant amount of time to complete. In addition, while the investigation of a cybersecurity incident is ongoing, we may not know the full extent of the harm caused by a threat actor, and such harm may spread both internally and to certain customers, vendors, or other third parties. Additionally, our logging capabilities and the logging capabilities of third parties are not always complete or sufficiently detailed, which could affect our ability to fully investigate and understand the scope of security events. Given the age, size, and complexity of our computer systems and network environment, patches for certain vulnerabilities may not exist and, even where patches or other risk-mitigating activities are available, the development of patches or execution of risk-mitigating actions may not occur before an underlying vulnerability is exploited or results in the compromise of our information systems or data. A significant number of our employees as well as customers and others with whom we do business continue to work remotely or in hybrid models, which may heighten these risks. These risks may also be heightened by our DRIVE transformation, including Network 2.0 and our recently completed one FedEx consolidation.

Furthermore, we are subject to an increasing number of cybersecurity reporting obligations in different jurisdictions that vary in their scope and application, creating conflicting reporting requirements. These factors and the time spent to comply may inhibit our ability to quickly provide complete and reliable information about the cybersecurity incident to customers, counterparties, and regulators, as well as the public. Any or all of these factors could further increase the costs and consequences of a cybersecurity incident on our business and results of operations. See "Our business is subject to complex and evolving U.S. and foreign laws and regulations regarding data protection." below for additional information on risks related to legal and regulatory developments with respect to data protection.

We have invested and continue to invest in technology security initiatives, information-technology risk management, business continuity, and disaster recovery plans, including investments to retire and replace end-of-life systems. The development and maintenance of these measures is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly more frequent, intense, and sophisticated. Despite our efforts, we are not fully insulated from data breaches, technology disruptions, data loss, and cyber-fraud, which could adversely affect our competitiveness and results of operations. See "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended May 31, 2021 for information regarding the 2017 NotPetya cyberattack at TNT Express and immaterial cyber incidents we experienced in 2017 and 2018. Additionally, we and our third-party service providers, vendors, and suppliers have experienced repeated attempts by cyber

criminals, some of which have been successful, to gain access to customer accounts for the purposes of fraudulently diverting and misappropriating items being transported in our network, fraudulently charging shipment fees to customer or franchisee accounts, and fraudulently sending e-mails to recipients purporting to be from FedEx. None of these fraudulent cyber activities have caused a material disruption to our systems or resulted in any material costs to FedEx.

Our security processes and initiatives may be unable to detect or prevent a breach or disruption in the future. Additionally, the rapid ongoing evolution and increased adoption of emerging technologies such as artificial intelligence and machine learning may make it more difficult to anticipate and implement protective measures to recognize, detect, and prevent the occurrence of any of the cyber events described above. While we have insurance coverage designed to address certain aspects of cyber risks in place, we cannot be certain that such coverage will be sufficient to cover claims, that we will continue to be able to obtain such coverage in amounts we deem sufficient, that our insurance carriers will pay on our insurance claims, or that we will not experience a claim for which coverage is not provided.

Failure to adjust our air network to remove costs related to services currently provided to the USPS could adversely affect our profitability. The contract for Federal Express to provide the USPS transportation services within the United States will expire by its terms on September 29, 2024. Federal Express will continue to provide air transportation services domestically and to Puerto Rico through the contract's expiration. If we are unable to adjust our air network to remove costs related to the services currently provided to the USPS following expiration of the contract, our profitability could be negatively affected.

We are self-insured for certain costs associated with our operations, and insurance and claims expenses could have a material adverse effect on us. We are self-insured up to certain limits for costs associated with workers' compensation claims, vehicle accidents, property and cargo loss, general business liabilities, and benefits paid under employee disability programs. Our self-insurance accruals are primarily based on estimated costs determined by actuarial methods. Estimated costs include consideration of a variety of factors and related assumptions such as the severity of claims, frequency and volume of claims, healthcare inflation, seasonality, and plan designs, which may be subject to a high degree of variability. However, the use of any estimation technique in this area is inherently sensitive given the magnitude of claims involved and the length of time until the ultimate cost is known, which may be several years. Material increases in the magnitude of claims, changes to healthcare costs, accident frequency and severity, insurance retention levels, judgment and settlement amounts, associated legal expenses, and other factors could result in unfavorable differences between actual self-insurance costs and our reserve estimates. As a result, our insurance and claims costs could increase materially in the future, which could adversely affect our results of operations and financial condition.

As a supplement to our self-insurance program, we maintain coverage with excess insurance carriers for potential losses that exceed the amounts we self-insure. Periodically, we evaluate the level of insurance coverage and adjust insurance levels based on risk tolerance, risk volatility, and premium expense. Although we believe our aggregate insurance limits should be sufficient to cover our historic claims amounts, the commercial trucking industry has experienced a wave of blockbuster or so-called "nuclear" verdicts, including some instances in which juries have awarded hundreds of millions of dollars to those injured in accidents and their families. See Note 9 of the unaudited condensed consolidated financial statements included in "Item 1. Financial Statements" of our Quarterly Report on Form 10-Q for the quarterly period ended August 31, 2022 for information regarding the 2015 jury award of approximately \$160 million in compensatory damages in a lawsuit related to a vehicle accident involving a driver employed by a service provider engaged by FedEx Ground, subsequent court affirmation of the award in 2018 and 2022, and our pursuit of reimbursement from insurers of our payment of approximately \$210 million of pre- and post-judgment interest. Given this recent trend, it is possible that additional claims could exceed our aggregate coverage limits. If another claim were to exceed our aggregate insurance coverage, we would bear the excess in addition to our exposure not covered by excess insurance carriers.

Given the current claims environment, the amount of coverage available from excess insurance carriers is decreasing, the premiums for this excess coverage are increasing significantly, and excess insurance carriers are challenging insurance claims more frequently. Accordingly, our excess insurance and claims expenses may continue to increase, or we could further increase our exposure not covered by excess insurance carriers as policies are renewed or replaced. Our results of operations and financial condition could continue to be adversely affected if our costs or losses significantly exceed our aggregate coverage limits, we are unable to obtain excess insurance coverage in amounts we deem sufficient, our insurance carriers fail to pay on our insurance claims, or we experience a claim for which coverage is not provided.

The transportation infrastructure continues to be a target of terrorist activities. Because transportation assets continue to be a target of terrorist activities, governments around the world are adopting or are considering adopting stricter security requirements that will increase operating costs and potentially slow service for businesses, including those in the transportation industry. These security requirements are not static, but change periodically as the result of regulatory and legislative requirements, imposing additional security costs and creating a level of uncertainty for our operations. For example, the TSA requires FedEx to comply with a Full All-Cargo Aircraft Operator Standard Security Plan, which contains evolving and strict security requirements. It is reasonably possible that these rules or other future security requirements could impose material costs on us or slow our service to our customers. The

effects on our operations of avoiding areas of the world, including airspace, in which there are geopolitical conflicts and the targeting of aircraft by parties to those conflicts can also be significant. Moreover, a terrorist attack directed at FedEx or other aspects of the transportation infrastructure could disrupt our operations and adversely affect demand for our services.

Failure of third-party service providers to perform as expected, or disruptions in our relationships with those providers or their provision of services to FedEx, could have a material adverse effect on our business and results of operations. FedEx has engaged third-party service providers to perform certain functions that are integral to our business, including the provision of information technology infrastructure, application development, maintenance and support, and end-user support services. There can be no assurance that our third-party service providers will adhere to contractual service performance or compliance requirements, and such service providers may suffer disruptions to their systems, labor groups, or supply chains that could adversely affect their services. We may also have disagreements with such service providers, and related contracts may be terminated or may not be extended or renewed. Additionally, from time to time such service providers have engaged in fraudulent activities in the course of their business relationships with FedEx. Any of the foregoing could disrupt our operations and result in a material adverse effect on our reputation, business, or results of operations.

The effects of a widespread outbreak of an illness or any other communicable disease or public health crisis on our business, results of operations, and financial condition are highly unpredictable. A widespread outbreak of an illness or any other communicable disease or public health crisis could have varying effects on the demand for our services, our business operations, and the global economy and supply chains. The extent of the effect of such an event on our business, results of operations, and financial condition, as well as the global economy, will be dictated by developments that cannot be predicted, such as its duration and spread; the success of efforts to contain it and treat its effects, such as travel bans and restrictions, quarantines, shelter-in-place orders, business and government shutdowns, and other restrictions; the possibility of additional subsequent widespread outbreaks and variant strains and the effect of actions taken in response; and the resulting effects on the economic conditions in the global markets in which we operate.

Our business is labor and capital intensive in nature, which may require us to incur higher costs to operate our networks during such an event. If we are unable to remain agile and flex our networks to align with shipping volumes, customer needs, disrupted global supply chains and other network inefficiencies, market demands, and operating conditions, or are unable to continuously respond to evolving governmental policies, our business operations could be negatively affected, which could have a further adverse effect on our results of operations. Further, due to the size, scope, and geographically dispersed nature of our operations, the expenses we incur to protect the health and safety of our team members and customers may be higher than similar expenses incurred by companies in other industries.

To the extent a widespread outbreak of an illness or any other communicable disease or public health crisis adversely affects our business and financial results, it may also have the effect of heightening many other risks described in this section, any of which could materially and adversely affect our business, results of operations, and financial condition. Such risks include, but are not limited to, additional changes in the state of the global economy and international trade policies and relations; our ability to execute our DRIVE transformation, implement our business strategy, and effectively respond to changes in market dynamics and customer preferences; our strong reputation and the value of the FedEx brand; our ability to meet our labor and purchased transportation needs while controlling related costs; our ability to achieve our goal of carbon neutrality for our global operations by calendar 2040; and the effect of litigation or claims from customers, team members, suppliers, regulators, or other third parties relating to the crisis or our actions in response.

See “Item 1A. Risk Factors” and “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition” of our Annual Reports on Form 10-K for the years ended May 31, 2020, May 31, 2021, May 31, 2022, and May 31, 2023 for information regarding the COVID-19 pandemic and its effects on our business, results of operations, and financial condition.

Strategic Risks

Failure to successfully implement our business strategy and effectively respond to changes in market dynamics and customer preferences will cause our future financial results to suffer. We are making significant investments and other decisions in connection with our long-term business strategy, such as those related to our DRIVE transformation, including Network 2.0. See “The failure to successfully execute our DRIVE transformation, including Network 2.0, in the expected time frame and at the expected cost may adversely affect our future results.” above and “Item 1. Business” and “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition” of this Annual Report for additional information.

Such initiatives and enhancements may require us to make significant capital expenditures or incur significant expenses. We have also incurred, and may continue to incur, increased operating expenses in connection with certain changes to our business strategy. We may not be able to derive the expected operational efficiencies and network flexibility, alignment of our cost base with demand, cost

savings and reductions to our permanent cost structure, and other benefits from our strategic investments and other decisions. For example, in June 2024 we announced a workforce reduction plan in Europe. The execution of the plan is subject to a consultation process that is expected to occur over an 18-month period in accordance with local country processes and regulations. The actual amount and timing of business optimization costs and related cost savings resulting from the workforce reduction plan are dependent on local country consultation processes and regulations and negotiated social plans and may differ from our current expectations and estimates. If we are not able to successfully implement this plan, our future financial results may suffer.

Further, in developing our business strategy, we make certain assumptions including, but not limited to, those related to customer demand and the mix of services to be purchased by our customers, the future rate of e-commerce growth and inventory restocking, passenger airline cargo capacity, competition, and the global economy, and actual market, economic, and other conditions may be different from our assumptions. As technology (including artificial intelligence and machine learning), customer behavior, and market conditions continue to evolve, it is important that we maintain the relevance of our brand and service offerings to our customers. If we are not able to successfully implement our business strategy and effectively respond to changes in technology, customer preferences, and market dynamics, our future financial results will suffer. For additional discussion, see “Item 1. Business” of this Annual Report under the caption “Strategy.”

Our ongoing assessment of the role of FedEx Freight in our portfolio structure may not result in any consummated transaction or other outcome and could adversely affect our business, and there is no guarantee that any transaction resulting from the assessment will ultimately benefit our stockholders. In June 2024, we announced that FedEx’s management and Board of Directors are conducting an assessment of the role of FedEx Freight in the company’s portfolio structure. There is no assurance that the assessment will result in the approval or completion of any specific transaction or other outcome. The assessment could be costly and time-consuming; a significant distraction for our Board of Directors, management, and employees; and divert the attention of our Board of Directors and senior management from the pursuit of our business strategy and long-term planning. Additionally, perceived uncertainties as to our future direction, our ability to execute on our strategy, or the composition of our senior management team may lead to the perception of a change in the direction of our business, instability or lack of continuity which may be exploited by our competitors, result in the loss of potential business opportunities and current or potential customers, or make it more difficult to attract and retain qualified employee talent. Our business, results of operations, or financial condition could be harmed by any of these factors or the assessment and its ultimate outcome, among other things.

Any potential transaction or other outcome would be dependent on a number of factors that may be beyond our control including, among other things, market conditions, industry trends, regulatory approvals, and the availability of financing on favorable terms. There can be no assurance that any potential transaction or other outcome would be successfully implemented, achieve the intended benefits, or provide greater value to our stockholders than that reflected in the current price of our common stock. In addition, the market price of our common stock could be subject to significant fluctuation or otherwise be adversely affected by the uncertainties described above.

We depend on our strong reputation and the value of the FedEx brand. FedEx is one of the most widely recognized, trusted, and respected brands in the world, and the FedEx brand is one of our most important and valuable assets. The FedEx brand name symbolizes high-quality service, reliability, and speed. In addition, we have a strong reputation among customers, team members, and the general public for high standards of social and environmental responsibility and corporate governance and ethics. The FedEx brand name and our corporate reputation are powerful sales, marketing, and recruitment tools, and we devote significant resources to promoting and protecting them. Adverse publicity (whether or not justified) relating to activities by our team members or others with whom we do business, such as customer service mishaps, accidents, catastrophes, or incidents involving aircraft, vehicles, or facilities operated by us or our service providers; low safety or service levels; data breaches or technology infrastructure disruptions; utilization of emerging technologies such as artificial intelligence; noncompliance with laws and allegations or claims that result in litigation; the shipment of certain items pursuant to our obligation as a common carrier operating under federal law; labor relations and workforce reductions; our advertising campaigns, sponsorship arrangements, or marketing programs; our ESG goals and related progress; our political activities and expenditures; or our executive compensation practices could tarnish our reputation and reduce the value of our brand and goodwill.

With the increase in the use of artificial intelligence and social media outlets such as Facebook, YouTube, Instagram, X (formerly Twitter), TikTok, and other platforms, adverse publicity, whether warranted or not, can be disseminated quickly and broadly without context, making it increasingly difficult for us to effectively respond. Certain forms of technology such as artificial intelligence also allow users to alter images, videos, and other information relating to FedEx and present the information in a false or misleading manner. Further, our actual or perceived position, lack of position, or perceived lack of transparency on environmental, social, political, public policy, labor relations, or other sensitive issues could harm our reputation with certain groups, including our customers, stockholders, team members, advocacy groups, government representatives, and regulatory bodies. Expectations regarding these matters continue to evolve and are not uniform. Damage to our reputation and loss of brand equity could reduce demand for our services and/or create difficulties in retaining and recruiting employee talent, and thus have an adverse effect on our financial

condition and results of operations, as well as require additional resources to rebuild our reputation and restore the value of our brand and goodwill.

We face intense competition. The transportation and business services markets are both highly competitive and sensitive to price and service, especially in periods of little or no macroeconomic growth. Some of our competitors have more financial resources and competitive advantages than we do, appear willing to operate at little or no margin to gain market share, or they are owned, controlled, or subsidized by foreign governments, which enables them to raise capital more easily. We also compete with regional transportation providers that operate smaller and less capital-intensive transportation networks and startup companies that combine technology with flexible labor solutions such as crowdsourcing to focus on local market needs. In addition, some high-volume package shippers are developing and implementing in-house delivery capabilities and utilizing independent contractors for deliveries, which could in turn adversely affect our results of operations. For example, Amazon.com has established a network of hubs, aircraft, and vehicles and has expressed an intention to offer its internal delivery capabilities broadly to third parties. See “Item 1. Business” of this Annual Report for additional information.

We believe we compete effectively with these companies — for example, by providing more reliable service at compensatory prices. However, the existence of an irrational pricing environment could limit our ability to maintain or increase our prices (including our fuel surcharges in response to rising fuel costs), which could adversely affect our results of operations. While we believe we compete effectively through our current and planned service offerings, if our current competitors or potential future competitors offer a broader range of services or better service levels, more effectively bundle their services, or offer services at lower prices, it could adversely affect our results of operations. Continued transportation industry consolidation may further increase competition. Moreover, if high-volume package shippers further develop or expand internal capabilities for the services we provide, it may reduce our revenue and could negatively affect our financial condition and results of operations. These effects could be exacerbated if high-volume package shippers offer such capabilities to third parties. News regarding such developments or expansions could also negatively affect the price of our common stock.

Our industry may be affected by changes in technology and our competitors may implement emerging technologies, including artificial intelligence applications, more quickly and more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Advancements in technology, such as advanced safety systems; automated package sorting, handling, and delivery; autonomous delivery; third-party supply chain insight and management; artificial intelligence; vehicle platooning; alternative fuel vehicles; and digitization of freight services, may necessitate that we increase investments in order to remain competitive, and our customers may not be willing to accept higher rates to cover the cost of these investments. See “We may be unable to achieve or demonstrate progress on our goal of carbon neutrality for our global operations by calendar 2040.” below for additional information.

Our businesses are capital intensive, and we must make capital decisions based upon projected volume levels. We make significant investments in aircraft, package handling facilities, vehicles, technology, sort equipment, acquired companies, and other assets to support our transportation and business networks. The amount and timing of capital investments depend on various factors, including our anticipated volume growth. We must make commitments to purchase or modify aircraft years before the aircraft are actually needed. We must predict volume levels and fleet requirements and make commitments for aircraft based on those projections. Missing our projections could result in too much or too little capacity relative to our shipping volumes. Overcapacity could lead to below-market asset dispositions or write-downs, as well as negatively affect operating margins, and undercapacity could negatively affect service levels. See “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition — Results of Operations and Outlook — Consolidated Results — Goodwill and Other Asset Impairment Charges” of this Annual Report for information regarding the noncash impairment charges recorded in 2024 and 2023 in connection with our decision to permanently retire certain aircraft and related engines from service.

Our inability to execute and effectively operate, integrate, leverage, and grow acquired businesses and realize the anticipated benefits of acquisitions, joint ventures, and strategic alliances and investments could materially adversely affect us. Our strategy for long-term growth, productivity, and profitability depends in part on our ability to make prudent strategic acquisitions and investments, form joint ventures or strategic alliances, and realize the expected benefits from these transactions. We regularly acquire businesses, enter into strategic alliances, and make investments across the more than 220 countries and territories in which we provide services.

Acquisitions and other strategic transactions involve special commercial, customer, accounting, regulatory, compliance, information technology, human resources, cultural, and other risks, including the potential assumption of unanticipated liabilities and contingencies. Additionally, we may be required to make significant capital expenditures and/or incur certain operating expenses following the completion of certain transactions, which may be higher than initially expected. For example, existing and future customer data and processes in the systems of FedEx and ShopRunner may require significant added expense to integrate.

While we expect our past and future acquisitions and strategic transactions to enhance our value proposition to customers and improve our business and long-term profitability, there can be no assurance that we will realize our expectations within the time frame we have established, if at all, or that we can continue to support the value we allocate to acquired businesses, including their goodwill or other intangible assets. We have previously incurred goodwill impairment charges related to certain of our acquisitions, some of which have been material, and may incur additional goodwill impairment charges in the future.

Human Resource Management Risks

Labor-related disruptions and potential changes in labor laws may adversely affect our business and results of operations. Our business is labor intensive in nature, utilizing large numbers of numerous classes of employees and service providers. Despite continual organizing attempts by labor unions, other than our pilots, our employees in the U.S. and Canada have chosen not to unionize (we acquired FedEx Supply Chain in 2015, which already had a small number of unionized employees). Additionally, certain of our employees outside of the U.S. and Canada are unionized. For information regarding our continued bargaining efforts to reach an agreement with the union representing our pilots, see “Item 1. Business” of this Annual Report under the caption “Federal Express Segment — Employees.” If we are unable to reach an agreement with any of our unionized work groups in future negotiations regarding the terms of their collective bargaining agreements, or if additional groups within our workforce become unionized, we may be subject to work interruptions or stoppages, which could adversely affect our business and results of operations.

Labor unions have recently attempted to organize employees at businesses and in industries that have not traditionally been unionized, and in certain instances have been successful. Such attempts could continue in 2025. Additionally, the U.S. Congress has, in the past, considered adopting changes in labor laws that would make it easier for unions to organize units of our employees. For example, there is always a possibility that legislative or administrative actions, or judicial decisions, could attempt to remove Federal Express employees from the jurisdiction of the RLA. Additionally, this jurisdiction could be challenged in connection with our recently completed one FedEx consolidation and ongoing Network 2.0 transformation. For additional discussion of the RLA, see “Item 1. Business” of this Annual Report under the caption “Regulation.” Such legislation or challenge could expose our customers to the type of service disruptions that the RLA was designed to prevent — local work stoppages in key areas that interrupt the timely flow of shipments of time-sensitive, high-value goods throughout our global network. Such disruptions could threaten our ability to provide competitively priced shipping options and ready access to global markets.

There is also the possibility that Congress could pass other labor legislation that could adversely affect our operations with employees governed by the NLRA. In addition, the NMB and the NLRB have and may continue to take actions that could make it easier for our employees, as well as vendor, service provider, and supplier workforces, to organize under the RLA or NLRA. Finally, changes to federal or state laws, regulations, rules, judicial or administrative precedent, or guidance governing employee classification could affect the status of service providers as independent employers of drivers. If we are deemed to be an employer or joint employer of the drivers of these service providers, labor organizations could more easily organize these individuals, our operating costs could increase materially, and we could incur significant capital outlays and experience adverse effects to service levels.

Our failure to attract and retain employee talent, meet our purchased transportation needs, or maintain our company culture, as well as increases in labor and purchased transportation costs, could adversely affect our business and results of operations. Our success depends upon the efforts and abilities of our high-quality employees, many of whom are longstanding FedEx team members. Difficulties in motivating, rewarding, recruiting, and retaining employee talent, including members of senior management and successors to members of senior management; the unexpected loss of such individuals resulting in the depletion of our institutional knowledge base; and/or our inability to successfully transition key roles could have an adverse effect on our business, results of operations, reputation, and the price of our common stock. We also regularly seek to hire a large number of part-time and seasonal workers, and utilize contracted service providers to conduct certain linehaul and pickup-and-delivery operations.

Certain positions at FedEx have historically experienced high turnover rates, which can lead to increased recruiting, training, and retention costs. Additionally, our company culture is important to providing high-quality customer service and having a productive workforce and could be adversely affected by our evolving operations and other factors. If we fail to maintain the strength of our company culture, our competitive ability and our business may be harmed.

Our business is labor intensive, and our ability to meet our labor and purchased transportation needs while controlling related costs is generally subject to numerous external factors, including the availability of qualified service providers and persons in the markets where we and our contracted service providers operate and unemployment levels within these markets, prevailing and competitive wage rates and other benefits, health and other insurance costs, inflation, fuel and energy prices and availability, behavioral changes, adoption of new or revised employment and labor laws and regulations (including increased minimum wage requirements) or government programs, safety, and security levels of our operations, our reputation within the labor and transportation markets, changes in the business or financial soundness of service providers, interest in contracting with FedEx, and the effect of a widespread

public health crisis. Additionally, certain service providers (acting collectively or in coordination in some instances) may seek to increase financial rates or modify contract terms and may refuse to provide service to FedEx.

Our inability to effectively meet our labor and purchased transportation needs can increase our costs, hinder our ability to execute our business strategy, negatively affect service levels, and adversely affect our business and results of operations. Certain of these risks may be heightened by our DRIVE transformation, including Network 2.0.

We contract with service providers to conduct certain linehaul and pickup-and-delivery operations, and the status of these service providers as direct and exclusive employers of drivers providing these services is being challenged. We are defending joint-employer cases where it is alleged that we should be treated as an employer or joint employer of the drivers employed by service providers with whom we contract to conduct certain linehaul and pickup-and-delivery operations. We incur certain costs, including legal fees, in defending the status of service providers as direct and exclusive employers of their drivers. We continue to believe that we are not an employer or joint employer of the drivers of these independent businesses. However, adverse determinations in these matters or regulatory developments could, among other things, entitle service providers' drivers to certain wage payments and penalties from the service providers and FedEx, and result in employment and withholding tax and benefit liability for FedEx. The status of the drivers employed by these service providers could be further challenged in connection with Network 2.0.

Potential changes to pilot flight and duty time regulations could impair our operations and impose substantial costs on us. In 2010, the FAA proposed regulations that would change the flight and duty time rules applicable to all-cargo air carriers. When the FAA issued final regulations in 2011 (the "2011 regulations"), all-cargo carriers, including FedEx, were exempt from these new requirements. Instead, all-cargo carriers were required to continue complying with previously enacted flight and duty time rules and allowed to pursue the development of fatigue risk management systems to develop fatigue mitigations unique to each operation. In 2012, the FAA reaffirmed the exclusion of all-cargo carriers from the 2011 regulations, and litigation in the U.S. Court of Appeals for the District of Columbia affirmed the FAA's decision. However, this issue remains a policy priority for certain labor groups, and the U.S. Congress periodically considers legislation that, if adopted, would require all-cargo carriers to comply with the 2011 regulations. Required compliance with the 2011 regulations would make it more difficult to avoid pilot fatigue and could impose substantial costs on us in order to maintain operational reliability.

Increasing costs, the volatility of costs and funding requirements, and other legal mandates for employee benefits, especially pension and healthcare benefits, could adversely affect our results of operations, financial condition, and liquidity. We sponsor programs that provide retirement benefits to most of our employees. These programs include defined benefit pension plans, defined contribution plans, and postretirement healthcare plans. The costs of providing pension and other retirement benefit plans are dependent on numerous assumptions, such as discount rates, expected long-term investment returns on plan assets, future salary increases, employee turnover, mortality, and retirement ages. Changes in actuarial assumptions and differences between the assumptions and actual values, as well as significant declines in the value of investments that fund our pension and other postretirement plans, if not offset or mitigated by a decline in plan liabilities, could increase pension and other postretirement expense, and we could be required from time to time to fund the pension plans with significant amounts of cash. Such cash funding obligations could adversely affect our results of operations and liquidity. Additionally, the rules for pension and retirement benefit plan accounting are complex, involve numerous assumptions, and can produce volatility in our results of operations, financial condition, and liquidity. For example, our fourth quarter 2024 mark-to-market ("MTM") retirement plans accounting adjustment resulted in a pre-tax, noncash MTM gain of \$561 million (\$426 million, net of tax, or \$1.69 per diluted share), and in 2023 we recognized a pre-tax, noncash MTM gain of \$650 million (\$493 million, net of tax, or \$1.92 per diluted share). For additional information on our MTM retirement plans accounting adjustments, see "Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition — Results of Operations and Outlook — Consolidated Results — Retirement Plans MTM Adjustments" and Note 13 of the consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data" of this Annual Report.

Environmental, Climate, and Weather Risks

We may be affected by global climate change or by legal, regulatory, or market responses to such change. Concern over climate change, including the effect of global warming, has led to significant U.S. and international legislative and regulatory efforts to limit GHG emissions, including our aircraft and vehicle engine emissions. Increasingly, state and local governments are also considering environmental-related regulatory and reporting requirements. Compliance with such regulation and the associated potential cost is complicated by the fact that various countries and regions are following different approaches to the regulation and reporting of climate change and other environmental matters. Increased regulation and reporting obligations regarding GHG emissions, especially aircraft or vehicle engine emissions, could impose substantial taxes, fees, and other costs on us. These include an increase in the cost of the fuel and other energy we purchase, investments required to obtain electricity capacity, and capital and impairment costs associated with updating or replacing our aircraft, vehicles, or infrastructure prematurely. Until the timing, scope, and extent of such possible regulation becomes known, we cannot predict its effect on our cost structure or our operating results. It is reasonably possible, however, that it could materially increase our operating expenses and have an adverse direct or indirect effect on our business, if

instituted. For additional discussion of regulatory responses to climate change, including CORSIA and the Paris climate accord, see “Item 1. Business” of this Annual Report under the caption “Regulation.”

We may also incur additional expenses as a result of U.S. and international regulators requiring additional disclosures regarding GHG emissions and other environmental matters including, but not limited to, the European Sustainability Reporting Standards and Corporate Sustainability Reporting Directive and the final rules adopted by the SEC in March 2024. Furthermore, many countries and U.S. states in which we operate or are subject to regulation have adopted, or are expected to adopt, additional requirements related to the disclosure of GHG emission and related matters. In many cases these requirements differ and may conflict from country to country, increasing our costs or requiring significant management time and attention. Additionally, we could be subject to climate litigation or regulatory enforcement actions, as groups, individuals, and governmental authorities affected by climate change seek to recover climate-related damages from entities they perceive as being partially responsible for human-induced climate change because of the emission of GHGs from their operations.

Moreover, even without such regulation, increased awareness and any adverse publicity in the global marketplace about the GHGs emitted by companies in the airline and transportation industries could harm our reputation, reduce customer demand for our services, especially our air express services, and increase our liability. Finally, given the broad and global scope of our operations and our susceptibility to global macroeconomic trends, we are particularly vulnerable to the physical risks of climate change that could affect all of humankind, such as shifts in weather patterns and world ecosystems.

We may be unable to achieve or demonstrate progress on our goal of carbon neutrality for our global operations by calendar 2040. In 2021, we announced a goal to achieve carbon neutrality for our global operations by calendar 2040. Achievement of this goal depends on our execution of operational strategies relating to vehicle electrification; sustainable fuel procurement; fuel conservation and aircraft modernization; facilities; sustainable customer solutions; and potentially voluntary carbon offset credits.

Execution of these strategies, as well as demonstrable progress on and achievement of our calendar 2040 goal, is subject to risks and uncertainties, many of which are outside of our control. See “The Environment” under “Item 1. Business” of this Annual Report for information on our review of our previously disclosed Federal Express pickup-and-delivery purchase goals. These risks and uncertainties include, but are not limited to: our ability to successfully implement our business strategy, effectively respond to changes in market dynamics and achieve the anticipated benefits and associated cost savings of such strategies and actions; the availability and cost of, and our ability to acquire, alternative fuel vehicles, alternative fuels, fuel-efficient aircraft, global electrical charging infrastructure and requisite power grid capacity, off-site renewable energy, and other materials and components, many of which are not presently in existence or available at scale to meet the required global and regulatory demand creating intense competition that may significantly increase the costs; unforeseen production, design, operational, and technological difficulties; the outcome of research efforts and future technology developments, including the ability to scale projects and technologies on a commercially competitive basis such as carbon sequestration and/or other related processes; compliance with, and changes or additions to, global and regional regulations, taxes, charges, mandates, or requirements relating to GHG emissions, carbon costs, or climate-related goals; labor-related regulations and requirements that restrict or prohibit our ability to impose requirements on third parties who provide contracted transportation for our transportation networks; the availability of incentives to enhance the production and affordability of alternative fuel vehicles, alternative fuels, global electrical charging infrastructure and requisite power grid capacity, and other materials and components; adapting products to customer preferences and customer acceptance of sustainable supply chain solutions and potentially increased prices for our services; and the actions of competitors and competitive pressures. Purchase of carbon offset credits to meet our 2040 carbon neutrality goal could add significant fluctuating annualized costs due to the uncertain price of carbon and any voluntary or regulatory schemes to offset emissions, lead to increased regulatory attention, and inhibit the development of other carbon reduction approaches that we may otherwise pursue. There also is a risk that any voluntary carbon offset credits purchased, even if accepted by regulators, could be viewed by third parties as not sufficiently reflecting real, verifiable, and additional GHG reductions, leading to reputational harm.

There is no assurance that we will be able to successfully execute our strategies and achieve or demonstrate progress on our calendar 2040 goal of carbon neutrality for our global operations. Additionally, we may determine that it is in our best interests to prioritize other business, social, governance, or sustainable investments and/or initiatives (such as our DRIVE transformation program, including Network 2.0) over the achievement of our calendar 2040 goal based on economic, regulatory, or social factors, business strategy, or other reasons. Failure to achieve or demonstrate progress on our calendar 2040 goal could damage our reputation and customer and other stakeholder relationships. Further, given investors’ and other stakeholders’ increased focus related to ESG matters, such a failure could cause large stockholders to reduce their ownership of FedEx common stock and limit our access to financing. Such conditions could have an adverse effect on our business, results of operations, and financial condition, as well as on the price of our common stock.

Our inability to quickly and effectively restore operations following adverse weather or a localized disaster or disturbance in a key geography could adversely affect our business and results of operations. While we operate several integrated networks with assets

distributed throughout the world, there are concentrations of key assets within our networks that are exposed to adverse weather conditions or localized risks from natural or manmade disasters such as earthquakes, volcanoes, wildfires, hurricanes, tornadoes, floods, severe winter weather, heat waves, extended droughts, conflicts or unrest, terrorist attacks, or other disturbances, actual or threatened. Additionally, shifts in weather patterns caused by climate change could increase the frequency, severity, or duration of certain adverse weather conditions. We may experience reduced availability and/or increases in the cost of insurance due to such changes. Prolonged interruptions or disruptions at a key location such as our FedEx Memphis World Hub or one of our information-technology centers could adversely affect our business and results of operations. We also may incur significant costs to reestablish or relocate these functions. Moreover, resulting economic dislocations, including supply chain and fuel disruptions, could adversely affect demand for our services resulting in an adverse effect on our business and results of operations.

Other Legal, Regulatory, and Miscellaneous Risks

Government regulation and enforcement are evolving and unfavorable changes could harm our business. We are subject to regulation under a wide variety of U.S. federal, state, and local and non-U.S. government regulations, laws, policies, and actions. There can be no assurance that such regulations, laws, policies, and actions will not be changed in ways that will decrease the demand for our services, subject us to escalating costs, or require us to modify our business models and objectives (such as our DRIVE transformation program, including Network 2.0), harming our financial results. In particular, legislative, regulatory, or other actions that U.S. and non-U.S. governments have undertaken or could take in areas such as data privacy and sovereignty, the use of artificial intelligence and other emerging technologies, taxes, foreign exchange intervention in response to currency volatility, currency controls that could restrict the movement of liquidity from particular jurisdictions, trade controls, tariffs, quotas, embargoes, or sanctions in the U.S. or other countries, complex economic sanctions, import and export controls, customs standards, additional security or workplace and transportation health and safety requirements, labor and employment standards (including with respect to our pilots), worker classification, joint employment and benefits, government contracting, antitrust, regulated commodities, environmental, climate-related, or emission standards, and accounting may have an adverse effect on our results of operations, financial condition, capital requirements, effective tax rate, and service levels. Furthermore, some of our operations are in high-risk legal compliance environments, and the Foreign Corrupt Practices Act (the “FCPA”), similar anti-bribery laws in non-U.S. jurisdictions, and other compliance-related laws or regulations could result in litigation, assessment of damages, imposition of penalties, or other consequences. For additional discussion, see “Item 1. Business” of this Annual Report under the caption “Regulation.” Additionally, in light of the recently held and upcoming elections in the U.S. and various international jurisdictions, there is considerable uncertainty regarding reforms of various aspects of existing laws, regulations, and enforcement priorities and strategies that could affect trade policies, labor matters, taxes, and technological advancements, among other areas, and have a material effect on our business and results of operations, as well as on the price of our common stock.

We could be subject to adverse changes in regulations and interpretations or challenges to our tax positions. We are subject to taxation in the U.S. and numerous foreign jurisdictions. From time to time, changes in tax laws or regulations may be enacted that could significantly affect our overall tax liabilities and our effective tax rate. U.S. and foreign governmental agencies maintain focus on the taxation of multinational companies, including statutory tax rates, digital taxes, global minimum taxes (such as the framework agreed to by members of the Organization for Economic Cooperation and Development), and transactions between affiliated companies. Such changes may require new and complex computations to be performed, significant judgments, estimates, and calculations to be made, and the preparation and analysis of information not previously relevant or regularly produced.

Standard-setting bodies could interpret or issue guidance on how provisions of certain tax laws and regulations will be applied or otherwise administered that is different from our interpretation, and we may be required to make adjustments to amounts that we have recorded that may adversely affect our results of operations and financial condition. See “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition—Results of Operations and Outlook—Consolidated Results—Income Taxes” of this Annual Report for additional information regarding ongoing tax examinations and challenges. Additionally, see “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition—Critical Accounting Estimates—Income Taxes” of this Annual Report for information regarding estimates and potential adjustments related to our tax positions.

Our business is subject to complex and evolving U.S. and foreign laws and regulations regarding data protection. There has recently been heightened regulatory and enforcement focus relating to the collection, use, retention, transfer, and processing of personal data in the U.S. (at both the state and federal level) and internationally, including the EU’s General Data Protection Regulation, the California Privacy Rights Act, the Virginia Consumer Data Protection Act, and other similar laws that have been or will be enacted by other jurisdictions. In addition, in the U.S. and internationally, there has been increased legislative and regulatory activity related to artificial intelligence and the risks and challenges artificial intelligence poses, including the European Union’s Artificial Intelligence Act and the current U.S. presidential administration’s executive order to, among other things, establish artificial intelligence safety and security. Also, China and certain other jurisdictions have enacted more stringent data localization requirements. An actual or alleged failure to comply with applicable U.S. or foreign data protection laws, regulations, or other data protection standards may expose us to litigation (including, in some instances, class action litigation), fines, sanctions, or other penalties, which

could harm our reputation and adversely affect our business, results of operations, and financial condition. This regulatory environment is increasingly challenging, based on discretionary factors, and difficult to predict. Consequently, compliance with all applicable regulations in the various jurisdictions in which we do business may present material obligations and risks to our business, including significantly expanded compliance burdens, costs, and enforcement risks; require us to make extensive system or operational changes; or adversely affect the cost or attractiveness of the services we offer. All of these evolving compliance and operational requirements, as well as the uncertain interpretation and enforcement of laws, impose significant costs and regulatory risks that are likely to increase over time. Developing privacy legislation within the U.S. may also create limitations or added requirements on the use of personal data by FedEx Dataworks and the other FedEx operating companies.

The regulatory environment for global aviation or other transportation rights may affect our operations and increase our operating costs. Our extensive air network is critical to our success. Our right to serve foreign points is subject to the approval of the DOT and generally requires a bilateral agreement between the U.S. and foreign governments. In addition, we must obtain the permission of foreign governments to provide specific flights and services. Our operations outside of the U.S., such as FedEx's international domestic operations, are also subject to current and potential regulations, including certain postal regulations and licensing requirements, that restrict, make difficult, and sometimes prohibit, the ability of foreign-owned companies such as FedEx to compete effectively in parts of the international domestic transportation and logistics market. Regulatory or executive actions affecting global aviation or transportation rights or a failure to obtain or maintain aviation or other transportation rights in important international markets could impair our ability to operate our networks. Further, our ability to obtain or maintain aviation or other transportation rights internationally may be adversely affected by changes in international trade policies and relations.

We are subject to other extensive regulatory and legal compliance requirements that may result in significant costs. For instance, the FAA from time-to-time issues directives and other regulations relating to the maintenance and operation of aircraft that require significant expenditures in order to comply. High-profile accidents, catastrophes, or incidents involving aircraft may trigger increased regulatory and legal compliance requirements. These requirements can be issued with little or no notice, or can otherwise affect our ability to efficiently or fully utilize our aircraft, and in some instances have resulted in the temporary grounding of aircraft types altogether. Further, our business may be adversely affected when government agencies and air traffic control and other systems they oversee cease to operate as expected, including due to partial shutdowns, sequestrations, or similar events. Lapses in government operations may result in, among other things, disruptions in the ability of government agencies to grant required regulatory approvals. For additional discussion, see "Item 1. Business" of this Annual Report under the caption "Regulation."

We are also subject to other risks and uncertainties, including:

- our ability to mitigate the technological, operational, legal and regulatory, and reputational risks related to autonomous technology and artificial intelligence;
- the increasing costs of compliance with federal, state, and foreign governmental agency mandates (including the FCPA and the U.K. Bribery Act) and defending against inappropriate or unjustified enforcement or other actions by such agencies;
- changes in foreign currency exchange rates, especially in the euro, Chinese yuan, British pound, Canadian dollar, Australian dollar, Mexican peso, Hong Kong dollar, and Japanese yen, which can affect our sales levels and foreign currency sales prices;
- loss or delay in the collection of accounts receivable;
- any liability resulting from and the costs of defending against class-action, derivative, and other litigation, such as wage-and-hour, joint employment, securities, vehicle accident, and discrimination and retaliation claims, claims related to our reporting and disclosure of climate change and other ESG topics, and any other legal or governmental proceedings, including the matters discussed in Note 20 of the consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data" of this Annual Report;
- adverse rulings on appeals and in other future judicial decisions, subsequent adverse jury findings, and changes in judicial precedent;
- the sufficiency of insurance coverage we purchase;
- the effect of technology developments (including artificial intelligence and machine learning) on our operations and on demand for our services, and our ability to continue to identify and eliminate unnecessary information-technology redundancy and complexity throughout the organization;
- disruptions in global supply chains, which can limit the access of FedEx and our service providers to vehicles and other key capital resources and increase our costs;

- difficulties experienced by the companies with which we contract to fly smaller regional “feeder” aircraft in attracting and retaining pilots, which could cause a reduction of service offered to certain locations, service disruptions, increased costs of operations, and other difficulties;
- governmental underinvestment in transportation infrastructure, which could increase our costs and adversely affect our service levels due to traffic congestion, prolonged closure of key thoroughfares, or sub-optimal routing of our vehicles and aircraft;
- stockholder activism, which could divert the attention of management and our Board of Directors from our business, hinder execution of our business strategy, give rise to perceived uncertainties as to our future, and cause the price of our common stock to fluctuate significantly;
- successful completion of our planned stock repurchases; and
- constraints, volatility, or disruption in the capital markets, our ability to maintain our current credit ratings, commercial paper ratings, and senior unsecured debt and pass-through certificate credit ratings, and our ability to meet credit agreement financial covenants.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Our ability to attract and retain customers, efficiently operate our businesses, execute our DRIVE transformation, including Network 2.0, and compete effectively increasingly depend in part upon the sophistication, security, and reliability of our technology network, including our ability to provide features of service that are important to our customers, to protect our confidential business information and the information provided by our customers, and to maintain customer confidence in our ability to protect our systems and to provide services consistent with their expectations.

Cybersecurity Risk Management and Strategy

FedEx has an information technology (“IT”) risk management process designed to identify and manage risk within its IT environment, including cybersecurity. The IT risk management process is based on an established framework for identification, measurement, and monitoring of cybersecurity and other risk areas and supplements our Enterprise Risk Management (“ERM”) process and framework. Our IT risk management, ERM, and compliance teams collaborate to regularly evaluate and manage cybersecurity-related risks using various tools and services. Leveraging components from multiple industry frameworks and best practices such as the International Organization for Standardization 27001 and National Institute of Standards and Technology (“NIST”) standards, including the NIST Cybersecurity Framework, our cybersecurity program prioritizes governance, identification, protection, detection, response, and remediation measures.

We regularly assess our cybersecurity program’s capabilities and tools to help us enhance reliability and scan our environment for vulnerabilities. Our IT risk management team, including our Corporate Vice President – Chief Information Security Officer (“CISO”), communicates with senior management on the cybersecurity risk posture of our IT assets, strives to ensure consistent risk remediation activities, and monitors the effectiveness of our IT-related controls. In addition, our internal audit team performs reviews of our information security organization to help ensure controls are operating effectively and as designed.

Enterprise-wide information security training (including with respect to cybersecurity), supplemented by awareness programs, is crucial for risk reduction and safeguarding customer, employee, and company information. We provide training to employees and certain third-party contractors based on access to our network, risk, roles, policies, standards, and behaviors, which is updated to address emerging technology and security issues.

We periodically engage with assessors, consultants, auditors, and other third parties to review and improve our cybersecurity program. Compliance with regulatory requirements involves regular third-party assessments. Our processes are also designed to address cybersecurity risks associated with third-party service providers, including risk assessment and due diligence during selection and oversight. Key third parties undergo regular assessments to gauge cybersecurity control effectiveness, with heightened review of those with access to non-public data.

We conduct table-top simulation exercises to regularly test our cybersecurity incident response processes with the aim of enhancing effectiveness against evolving threats. Our incident response procedures guide our preparedness, detection, response, and recovery actions. Additionally, we maintain cyber insurance designed to address certain aspects of cyber risks.

In the last three fiscal years to date, we are not aware of any cybersecurity incidents that have materially affected or are reasonably likely to materially affect our business, results of operations, or financial condition. While we have significant security processes and initiatives in place, we may be unable to detect or prevent a breach or disruption in the future. For more information about cybersecurity-related risks, please see Item 1A. “Risk Factors” of this Form 10-K. See “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended May 31, 2021, for information regarding the 2017 NotPetya cyberattack at TNT Express.

Cybersecurity Governance

The FedEx Board of Directors has delegated to the Cyber and Technology Oversight Committee of the Board of Directors (“CyTOC”) responsibility for overseeing the company’s cyber and technology-related risks, including network security, information and digital security, data privacy and protection, and risks related to emerging technologies such as artificial intelligence and machine learning; the technologies, policies, processes, and practices for managing and mitigating such risks; and the company’s cyber incident response and recovery plan. The CyTOC also oversees the cybersecurity, cyber-resiliency, and technology aspects of the company’s business continuity and disaster recovery capabilities and contingency plans. Several of our Board members, including certain members of our CyTOC, have technological, digital, and/or cybersecurity experience.

The CyTOC receives regular updates from our CISO, Executive Vice President – Chief Digital and Information Officer and Chief Transformation Officer, and other members of management on risks related to these matters. Specific topics may include updates to FedEx’s cyber risks and threats, the status of existing or new strategies and associated projects intended to strengthen FedEx’s information security systems, assessments of FedEx’s cybersecurity program, and the emerging threat landscape. The CyTOC also receives regular updates on key metrics related to our cybersecurity-related risks. The results of the IT risk management process are also presented annually to the CyTOC. Additionally, members of the CyTOC participate in certain of the simulation exercises conducted by management. The Chair of the CyTOC briefs the full Board on certain of these matters. In addition, the Board periodically receives cybersecurity updates directly from management. Separately, through our ERM program, risks appropriate for Board-level awareness, including with respect to cybersecurity, are communicated to the Board and its Audit and Finance Committee at least annually, while significant risks are reported on a quarterly basis.

Our CISO, who reports to the Executive Vice President – Chief Digital and Information Officer and Chief Transformation Officer, leads our information security team and has responsibility for overseeing FedEx’s cybersecurity program. The CISO, who has over 25 years of experience at FedEx and has received industry-recognized information security certifications, oversees an information security organization of more than 400 security, risk, and compliance professionals based in the U.S. and internationally across the FedEx enterprise. The leadership team of our information security organization has extensive experience in IT and cybersecurity and possess certifications in cybersecurity and related fields.

The FedEx Information Technology Risk Council (“ITRC”), which is sponsored by the CISO, oversees the execution of FedEx’s comprehensive IT risk management program. The ITRC, which receives quarterly reports on FedEx’s IT risk management, is responsible for assessing the overall risk framework on an annual basis, setting acceptable risk tolerance levels, approving risk prioritization and associated risk mitigation activities, and monitoring the changing risk landscape and posture.

Both our CISO and other members of our cybersecurity leadership team participate in threat intelligence briefings provided by various government and industry entities. Moreover, our Executive Vice President – Chief Digital and Information Officer and Chief Transformation Officer is a member of the FedEx Executive Committee, which oversees our business risk, with cybersecurity threat risks being a regular topic of discussion. Our cybersecurity incident response plan includes processes for communicating cybersecurity incidents to relevant levels of management, including the ITRC, Executive Committee, the CyTOC, and the full Board of Directors, as appropriate.

ITEM 2. PROPERTIES

Federal Express Segment

Federal Express’s principal owned and leased properties include its aircraft, vehicles, major sorting and handling facilities, administration buildings, FedEx Drop Boxes, and data processing and telecommunications equipment. In connection with our one FedEx consolidation, on June 1, 2024 FedEx Ground and FedEx Services were merged into Federal Express.

Aircraft and Vehicles

As of June 7, 2024, Federal Express's aircraft fleet consisted of the following:

Description	Owned	Leased	Total	Maximum Gross Structural Payload (Pounds per Aircraft)
Boeing B777F	54	3	57	233,300
Boeing MD11	36	1	37	192,600
Boeing 767F	138	—	138 ⁽¹⁾	127,100
Airbus A300-600	63	2	65	106,600
Boeing 757-200	92	—	92	63,000
ATR-72 600F	20	—	20	19,290
ATR-72	19	—	19	17,970
ATR-42	18	—	18	12,070
Cessna 408	19	—	19 ⁽²⁾	6,000
Cessna 208B	233	—	233	2,830
Total	692	6	698	

⁽¹⁾ Includes one aircraft not currently in operation and undergoing pre-service modifications.

⁽²⁾ Includes two aircraft not currently in operation and undergoing pre-service modifications.

In 2024, we made the decision to permanently retire from service 22 Boeing 757-200 aircraft and seven related engines to align with the plans of Federal Express to modernize its aircraft fleet, improve its global network, and better align air network capacity to match current and anticipated shipment volumes. See the “Results of Operations and Outlook — Consolidated Results — Goodwill and Other Asset Impairment Charges” section of “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition” of this Annual Report for more information regarding the retirements, and the “Federal Express Segment — Operations” section of “Item 1. Business” for information regarding the ongoing redesign of the Federal Express international air network to improve efficiency and asset utilization.

As of June 7, 2024, Federal Express operated more than 87,000 motorized vehicles in its global network and also conducts certain linehaul and pickup-and-delivery operations primarily with more than 95,000 motorized vehicles owned or leased by independent service providers.

Aircraft Purchase Commitments

The following table is a summary of the number and type of aircraft we were committed to purchase as of June 7, 2024, with the year of expected delivery:

	Cessna SkyCourier 408	ATR 72-600F	B767F	B777F	Total
2025	17	7	11	2	37
2026	14	3	3	—	20
2027	—	—	—	—	—
2028	—	—	—	—	—
2029	—	—	—	—	—
Thereafter	—	—	—	—	—
Total	31	10	14	2	57

As of June 7, 2024, we had \$611 million in deposits and progress payments on aircraft purchases and other planned aircraft-related transactions. See Note 18 of the accompanying consolidated financial statements for more information about our purchase commitments and options.

Sorting and Handling Facilities

At June 7, 2024, Federal Express operated the following major air sorting and handling facilities:

Location	Acres	Square Feet	Sorting Capacity (per hour) ⁽¹⁾	Lessor	Lease Expiration Calendar Year
Primary					
Memphis, Tennessee	916	3,671,859	484,000	Memphis-Shelby County Airport Authority	2036
National					
Indianapolis, Indiana ⁽²⁾	450	3,002,925	140,000	Indianapolis Airport Authority	2053
Miami, Florida ⁽³⁾	35	284,809	7,000	Aero Miami FX, LLC	2041
Regional					
Fort Worth, Texas	168	987,388	76,000	Fort Worth Alliance Airport Authority	2041
Newark, New Jersey	70	634,193	156,000	Port Authority of New York and New Jersey	2030
Oakland, California	75	587,700	63,000	Port of Oakland	2036
Greensboro, N. Carolina	165	595,000	23,000	Piedmont Triad Airport Authority	2031
Metropolitan					
Chicago, Illinois	54	481,350	24,000	City of Chicago	2028
Los Angeles, California	34	305,300	23,000	City of Los Angeles	2025 ⁽⁴⁾
Atlanta, Georgia	35	291,525	22,600	City of Atlanta	2030
International					
Anchorage, Alaska ⁽⁵⁾	64	375,300	25,000	State of Alaska, Department of Transportation and Public Facilities	2078
Paris, France ⁽⁶⁾	123	1,798,368	59,000	Aeroports de Paris	2048
Cologne, Germany ⁽⁶⁾	14	731,267	17,900	Cologne Bonn Airport	2040
Guangzhou, China ⁽⁷⁾	155	873,006	36,000	Guangdong Airport Management Corp.	2029
Osaka, Japan ⁽⁷⁾	17	425,206	9,000	Kansai Airports	2029
Liege, Belgium ⁽⁸⁾	23	1,027,952	33,700	Liege Airport	2036

(1) Documents and packages.

(2) In addition to U.S. domestic express package and freight shipments, handles certain international express package and freight shipments to and from Europe.

(3) Handles international express package and freight shipments to and from Latin America and the Caribbean.

(4) Property is held under two separate leases — we continue to renew the lease for the sorting and handling facility on a month-to-month basis while a new lease is being negotiated, and the lease for the ramp expansion expires in calendar 2025.

(5) Handles international express package and freight shipments to and from Asia, Europe, and North America.

(6) Handles intra-Europe express package and freight shipments, as well as international express package and freight shipments to and from Europe.

(7) Handles intra-Asia express package and freight shipments, as well as international express package and freight shipments to and from Asia.

(8) Handles intra-Europe express package and freight shipments.

Federal Express's primary sorting facility, which serves as the center of its multiple hub-and-spoke system and worldwide air network, is located at the Memphis International Airport. Federal Express's facilities at the Memphis International Airport also include aircraft hangars, aircraft ramp areas, vehicle parking areas, flight training and fuel facilities, the FedEx Cold Chain Center, administrative offices, and warehouse space.

Federal Express leases these facilities from the Memphis-Shelby County Airport Authority (the “Authority”). The lease obligates Federal Express to maintain and insure the leased property and to pay all related taxes, assessments, and other charges. The lease is subordinate to, and Federal Express’s rights thereunder could be affected by, any future lease or agreement between the Authority and the U.S. government.

Federal Express has additional major international sorting and freight handling facilities located at Narita Airport in Tokyo and Stansted Airport outside London. Federal Express also has a substantial presence at airports in Hong Kong, Taiwan, and Dubai. A central air hub near Liege, Belgium connects specific large European markets. Additionally, central European road hubs are located in Duiven, The Netherlands and Novara, Italy, respectively.

As of June 7, 2024, Federal Express owned or leased approximately 650 facilities for city station operations in the U.S. In addition, over 1,000 city stations are owned or leased throughout Federal Express’s international network. The majority of these leases are for terms of five to ten years. City stations serve as a sorting and distribution center for a particular city or region. We believe that suitable alternative facilities are available in each locale on satisfactory terms, if necessary.

Federal Express also operates a highly flexible surface network of over 700 legacy FedEx Ground sortation and distribution facilities, including 165 fully automated stations, as of June 7, 2024. See the “Federal Express Segment — Operations” section of “Item 1. Business” for information regarding the consolidation of these operations into the U.S. surface operations of Federal Express. Of the 610 facilities that supported FedEx Home Delivery as of June 7, 2024, 593 were co-located with existing Federal Express surface operations. These leased facilities generally have terms of five years or less. Strategically located to cover the geographic area served by the U.S. surface operations of Federal Express, the facilities range in size from approximately 1,000 to 1,060,000 square feet, with an average size of approximately 179,000 square feet.

Administrative and Other Properties and Facilities

The World Headquarters of Federal Express is located in southeastern Shelby County, Tennessee. Federal Express international headquarters are located in Hoofddorp, The Netherlands. Federal Express leases state-of-the-art technology centers in Collierville, Tennessee and Colorado Springs, Colorado. These facilities house personnel responsible for strategic software development and other functions that support FedEx’s technology and e-commerce solutions.

As of June 7, 2024, Federal Express had approximately 27,000 Drop Boxes. Federal Express customers can also ship from approximately 28,000 staffed drop-off locations, including FedEx Office stores and FedEx Authorized ShipCenters. Internationally, Federal Express had approximately 13,000 drop-off locations.

The FedEx Authorized ShipCenter program offers U.S. domestic and international Federal Express shipping and drop-off services through a network of over 4,000 franchised and independent “pack and ship” retail locations. The FedEx OnSite network includes nearly 17,000 drop-off locations at Walgreens, Dollar General, and Albertsons stores. Additionally, Federal Express has an agreement with Office Depot, Inc. to offer U.S. domestic and international Federal Express shipping and drop-off services at nearly 1,000 Office Depot and OfficeMax retail locations.

FedEx Freight Segment

FedEx Freight’s corporate headquarters are located in Memphis, Tennessee, with some administrative offices in Harrison, Arkansas. As of June 7, 2024, FedEx Freight operated nearly 30,000 motorized vehicles and approximately 360 service centers, which are strategically located to provide service throughout North America. These facilities range in size from approximately 1,000 to 280,000 square feet of office and dock space.

FedEx Dataworks Operating Segment

FedEx Dataworks’ corporate headquarters are located in Memphis, Tennessee.

FedEx Office Operating Segment

FedEx Office’s corporate headquarters are located in Plano, Texas. As of June 7, 2024, FedEx Office operated approximately 2,000 customer-facing stores and 17 manufacturing plants with expanded print capabilities (traditional electrophotography, digital and traditional offset, large and grand format, and dye sublimation printing), with 14 of the manufacturing plants also housing co-located signs and graphics production operations. Substantially all FedEx Office stores are leased, generally for terms of five to ten years with varying renewal options. FedEx Office operates approximately 200 stores at hotels, convention centers, hospitals, universities, and

corporate campuses, with the remainder generally located in strip malls, office buildings, Walmart stores, and stand-alone structures. FedEx Office's customer-facing stores average approximately 3,200 square feet in size.

FedEx Logistics Operating Segment

FedEx Logistics's corporate headquarters are located in Memphis, Tennessee and FedEx Supply Chain's corporate headquarters are located in the Pittsburgh, Pennsylvania metropolitan area. As of June 7, 2024, FedEx Logistics operated approximately 115 offices and facilities in 34 countries and territories throughout North America and in Africa, Asia-Pacific, Europe, India, Latin America, the Middle East, and Australia/New Zealand. In addition, as of June 7, 2024, FedEx Supply Chain had nearly 80 facilities through which it operates its supply chain logistics services.

ITEM 3. LEGAL PROCEEDINGS

FedEx and its subsidiaries are subject to legal proceedings and claims that arise in the ordinary course of their business. See Note 20 of the accompanying consolidated financial statements, which is incorporated herein by reference, for a description of certain pending legal proceedings. In connection with the one FedEx consolidation, effective June 1, 2024 Federal Express assumed liability for all pending litigation to which FedEx Ground and FedEx Services were previously party.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Information regarding executive officers of FedEx as of July 15, 2024 is as follows:

Name and Office	Age	Positions and Offices Held and Business Experience
Frederick W. Smith Executive Chairman and Chairman of the Board	79	Executive Chairman of FedEx since June 2022 and Chairman of the Board since January 1998; Chief Executive Officer of FedEx from January 1998 to May 2022; President of FedEx from January 1998 to January 2017; Chairman of the Board, President and Chief Executive Officer of Federal Express from April 1983 to January 1998; Chief Executive Officer of Federal Express from 1977 to January 1998; President of Federal Express from June 1971 to February 1975; and Chairman of Federal Express from 1975 to May 2022.
Rajesh Subramaniam President and Chief Executive Officer and Director	58	President of FedEx since March 2019 and Chief Executive Officer of FedEx since June 2022; President and Chief Executive Officer of Federal Express since June 1, 2024; director of FedEx since January 2020; Chief Executive Officer—Elect of FedEx from March 2022 to May 2022; Chief Operating Officer of FedEx from March 2019 to March 2022; President and Chief Executive Officer of Federal Express from January 2019 to March 2019; Executive Vice President — Chief Marketing and Communications Officer of FedEx from January 2017 to December 2018; Executive Vice President — Marketing & Communications of FedEx Services from 2013 to January 2017; Senior Vice President — Marketing of FedEx Services from 2006 to 2013; Senior Vice President — Canada of Federal Express from 2003 to 2006; Vice President — Marketing/APAC of Federal Express from 2000 to 2003; Vice President — APAC, EC & CS of Federal Express from 1999 to 2000; and various management and marketing analyst positions at Federal Express from 1991 to 1999. Mr. Subramaniam serves as a director of The Proctor & Gamble Company, a consumer products company.
Mark R. Allen Executive Vice President, General Counsel and Secretary	68	Executive Vice President, General Counsel and Secretary of FedEx since October 2017; Executive Vice President, General Counsel—Select of FedEx from September 2017 to October 2017; Senior Vice President, Legal International of Federal Express from July 2010 to September 2017; Vice President, Legal — Europe, Middle East, Africa and Indian Subcontinent Region of Federal Express from October 2000 to July 2010; Vice President, Legal — Asia Pacific of Federal Express from 1996 to October 2000; and various legal positions with Federal Express from 1982 to 1996. Mr. Allen will serve as Executive Vice President, General Counsel and Secretary of FedEx through September 23, 2024, and will remain at FedEx as Executive Vice President and Senior Advisor until December 31, 2024.
Tracy B. Brightman Executive Vice President — Chief People Officer	61	Executive Vice President — Chief People Officer of FedEx since June 2023; Corporate Vice President — Chief People Officer of FedEx from November 2022 to June 2023; General Counsel & Senior Vice President — Legal and Human Resources of FedEx Office from October 2020 to November 2022; Senior Vice President — Human Resources and Communications of FedEx Office from April 2018 to October 2020; Senior Vice President — Human Resources of FedEx Office from July 2007 to March 2018; Vice President — Field Human Resources Operations of FedEx Office from January 2005 to June 2007; Vice President — Assistant General Counsel and Assistant Secretary of FedEx Office from April 2004 to January 2005; and Director, Litigation and Employment Counsel of FedEx Office from September 2002 to April 2004.
Brie A. Carere Executive Vice President — Chief Customer Officer	46	Executive Vice President — Chief Customer Officer of FedEx since June 2022; Executive Vice President — Chief Marketing and Communications Officer of FedEx from January 2019 to May 2022; Senior Vice President, Global Portfolio Marketing of FedEx Services from October 2016 to December 2018; Vice President, Marketing, Customer Experience and Corporate Communications for FedEx Express Canada from October 2010 to October 2016; and various positions in marketing, customer experience, and strategy with FedEx Express Canada from 2001 to October 2010. Ms. Carere serves as a director of ZipRecruiter, Inc., an online employment marketplace.

- John W. Dietrich**
Executive Vice President and Chief Financial Officer
- 59 Executive Vice President and Chief Financial Officer of FedEx since August 1, 2023; Executive Vice President and Chief Financial Officer—Elect of FedEx from July 17, 2023 to July 31, 2023; President and Chief Executive Officer and a director of Atlas Air Worldwide Holdings, Inc. (“Atlas”), a global provider of outsourced aircraft and aviation operating services, from January 1, 2020 to June 15, 2023; President and Chief Operating Officer of Atlas from July 2019 to January 2020; Executive Vice President and Chief Operating Officer of Atlas from September 2006 to July 2019; and various senior executive positions at Atlas from March 2003 to September 2006, including Senior Vice President, General Counsel, Chief Human Resources Officer, Corporate Secretary, and head of Information Technology and Corporate Communications functions. Mr. Dietrich serves as a director of AAR Corp., a global aerospace and defense aftermarket solutions company, and First Horizon Corporation, a financial services company.
- Sriram Krishnasamy**
Executive Vice President — Chief Digital and Information Officer and Chief Transformation Officer
- 52 Executive Vice President — Chief Digital and Information Officer effective July 1, 2024; Executive Vice President — Chief Digital and Information Officer—Elect of FedEx from March 11, 2024 to June 30, 2024; Executive Vice President — Chief Transformation Officer since August 2022; President and Chief Executive Officer, FedEx Dataworks at FedEx Services from November 2021 to July 2022; Senior Vice President — Strategic Programs of FedEx Services from February 2020 to October 2021; Senior Vice President — Global Portfolio Marketing from January 2019 to January 2020; Vice President — Marketing of Federal Express from July 2017 to January 2019; Managing Director — Strategic Marketing of Federal Express from July 2015 to July 2017; and various positions in marketing and finance with Federal Express from September 1997 to June 2015.
- John A. Smith**
Chief Operating Officer — United States and Canada, Federal Express
- 62 Chief Operating Officer — United States and Canada of Federal Express since June 1, 2024; President and Chief Executive Officer — U.S. and Canada Ground Operations of Federal Express from April 16, 2023 to May 31, 2024; President and Chief Executive Officer of FedEx Ground from June 2021 to April 2023; President and Chief Executive Officer—Elect of FedEx Ground from March 2021 to May 2021; President and Chief Executive Officer of FedEx Freight from August 2018 to February 2021; President and Chief Executive Officer—Select of FedEx Freight from May 2018 to August 2018; Senior Vice President — Operations of FedEx Freight from May 2015 to May 2018; Vice President — Safety, Fleet Maintenance and Facilities Services of FedEx Freight from June 2011 to May 2015; Vice President — Operations of FedEx National LTL, Inc. from April 2010 to June 2011; Vice President — Transportation/Fleet Maintenance of FedEx National LTL, Inc. from March 2008 to April 2010; and various management positions at FedEx Freight from 2000 to 2008.
- Richard W. Smith**
Chief Operating Officer — International and Chief Executive Officer — Airline, Federal Express
- 46 Chief Operating Officer — International and Chief Executive Officer — Airline of Federal Express since June 1, 2024; President and Chief Executive Officer — Airline and International of Federal Express from April 16, 2023 to May 31, 2024; President and Chief Executive Officer of Federal Express from September 2022 to April 2023; President and Chief Executive Officer—Elect of Federal Express from April 2022 to August 2022; Regional President, The Americas and Executive Vice President, Global Support of Federal Express from 2020 to March 2022; Regional President, U.S. and Executive Vice President, Global Support of Federal Express from 2019 to 2020; President and Chief Executive Officer of FedEx Logistics from July 2017 to 2019; Senior Vice President, Global Trade and Specialty Services of Federal Express from March 2017 to June 2017; Vice President, Global Trade Services of Federal Express from 2014 to 2017; Managing Director, Life Sciences and Specialty Services/U.S./International of Federal Express from 2009 to 2014; and various positions with FedEx from 2005 to 2009.

Executive officers are elected by, and serve at the discretion of, the Board of Directors. There is no arrangement or understanding between any executive officer or person chosen to become an executive officer and any person, other than a director or executive officer of FedEx or of any of its subsidiaries acting solely in his or her official capacity, pursuant to which any executive officer or person chosen to become an executive officer was selected. Richard W. Smith is the son of Frederick W. Smith. There are no other

family relationships between any executive officer and any other executive officer or director of FedEx, or any person nominated or chosen to become a director or executive officer.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

FedEx’s common stock is listed on the New York Stock Exchange under the symbol “FDX.” As of July 11, 2024, there were 11,993 holders of record of our common stock.

We expect to continue to pay regular quarterly cash dividends, though each quarterly dividend payment is subject to review and approval by our Board of Directors. We evaluate our dividend payment amount on an annual basis. There are no material restrictions on our ability to declare dividends, nor are there any material restrictions on the ability of our subsidiaries to transfer funds to us in the form of cash dividends, loans, or advances.

The following table provides information on FedEx’s repurchases of our common stock during the fourth quarter of 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Programs (\$ in millions)
Mar. 1-31, 2024	1,415,578	\$ 274.57	1,415,578	\$ 5,064
Apr. 1-30, 2024	405,468	274.57	405,468	\$ 5,064
May 1-31, 2024	—	—	—	\$ 5,064
Total	1,821,046		1,821,046	\$ 5,064

In December 2021, our Board of Directors approved a stock repurchase program of up to \$5 billion of FedEx common stock. As of February 29, 2024, \$564 million remained available to be used for repurchases under the 2021 program. In March 2024, our Board of Directors authorized a new stock repurchase program for additional repurchases of up to \$5 billion of FedEx common stock.

As part of the 2021 repurchase program, we entered into an accelerated share repurchase (“ASR”) transaction with a bank in March 2024 to repurchase \$500 million of our common stock. During the fourth quarter of 2024, the transaction was completed, and 1.8 million shares were delivered under the agreement. In June 2024, we executed an ASR agreement with two banks as part of the 2021 and 2024 repurchase programs to repurchase \$1 billion of our common stock with a completion date no later than the end of the first quarter of 2025.

As of July 15, 2024, approximately \$4.1 billion remained available to be used for repurchases under the 2024 stock repurchase program. Shares under the program may be repurchased from time to time in the open market or in privately negotiated transactions. No time limits were set for completion of the program, however the program may be suspended or discontinued at any time.

See “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition” and Note 1 of the consolidated financial statements included in “Item 8. Financial Statements and Supplementary Data” of this Annual Report for additional information regarding our stock repurchases during 2024 and planned stock repurchases during 2025.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

ORGANIZATION OF INFORMATION

This Management’s Discussion and Analysis of Results of Operations and Financial Condition (“MD&A”) of FedEx Corporation (“FedEx”) is composed of three major sections: Results of Operations and Outlook, Financial Condition, and Critical Accounting Estimates. These sections include the following information:

- Results of operations includes an overview of our consolidated 2024 results compared to 2023 results. This section also includes a discussion of key actions and events that impacted our results. Discussion and analysis of 2022 results and year-over-year comparisons between 2023 results and 2022 results can be found in “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition” of our Annual Report on Form 10-K (“Annual Report”) for the year ended May 31, 2023.
- The overview is followed by a discussion of both historical operating results for our business segments in place during 2024 and 2023 and our outlook for 2025, as well as a financial summary and analysis for each of our transportation segments in place during 2024 and 2023.
- Our financial condition is reviewed through an analysis of key elements of our liquidity and capital resources, financial commitments, and liquidity outlook for 2025.
- Critical accounting estimates discusses those financial statement elements that we believe are most important to understanding the material judgments and assumptions incorporated in our financial results.

The discussion in MD&A should be read in conjunction with the other sections of this Annual Report, particularly “Item 1. Business,” “Item 1A. Risk Factors,” and “Item 8. Financial Statements and Supplementary Data.”

DESCRIPTION OF BUSINESS SEGMENTS

We provide a broad portfolio of transportation, e-commerce, and business services, offering integrated business solutions utilizing our flexible, efficient, and intelligent global network. During 2024 and 2023, our primary operating companies were Federal Express Corporation (“FedEx Express”), the world’s largest express transportation company; FedEx Ground Package System, Inc. (“FedEx Ground”), a leading North American provider of small-package ground delivery services; and FedEx Freight Corporation and its less-than-truckload (“LTL”) operating subsidiary FedEx Freight, Inc. (“FedEx Freight”), a leading North American provider of LTL freight transportation services. For these periods, those companies represented our major service lines and, along with FedEx Corporate Services, Inc. (“FedEx Services”), constituted our reportable segments. Our FedEx Services segment provided sales, marketing, information technology, communications, customer service, technical support, billing and collection services, and certain back-office functions that supported our operating segments. The operating costs of the FedEx Services segment were allocated to the business units it served during 2024 and 2023.

This MD&A is based on our segment reporting that was in effect during 2024 and 2023. In connection with our one FedEx consolidation, on June 1, 2024, FedEx Ground and FedEx Services were merged into Federal Express Corporation (“Federal Express”), becoming a single company operating a unified, fully integrated air-ground express network under the respected FedEx brand. FedEx Freight continues to provide LTL freight transportation services as a separate subsidiary. Beginning in the first quarter of 2025, Federal Express and FedEx Freight represent our major service lines and constitute our reportable segments. Additionally, the results of FedEx Custom Critical, Inc. (“FedEx Custom Critical”) will be included in the FedEx Freight segment instead of the Federal Express segment in 2025. Prior-year amounts will be revised to reflect this presentation. See “Reportable Segments” below and “Item 1. Business” for additional information.

The key indicators necessary to understand our operating results include:

- the overall customer demand for our various services based on macroeconomic factors and the global economy;
- the volumes of transportation services provided through our networks, primarily measured by our average daily volume and shipment weight and size;
- the mix of services purchased by our customers;
- the prices we obtain for our services, primarily measured by yield (revenue per package or pound or revenue per shipment or hundredweight for LTL freight shipments);
- our ability to manage our cost structure (capital expenditures and operating expenses) to match shifting volume levels; and

- the timing and amount of fluctuations in fuel prices and our ability to recover incremental fuel costs through our fuel surcharges.

Trends Affecting Our Business

The following trends significantly affect the indicators discussed above, as well as our business and operating results. See the risk factors identified under Part I, Item 1A. “Risk Factors” for more information. Additionally, see “Results of Operations and Outlook – Consolidated Results – Business Optimization and Realignment Costs and – Outlook” and “Results of Operations and Outlook – Financial Condition – Liquidity Outlook” below for additional information on efforts we are taking to mitigate adverse trends.

Macroeconomic Conditions

While macroeconomic risks apply to most companies, we are particularly vulnerable. The transportation industry is highly cyclical and especially susceptible to trends in economic activity. Our primary business is to transport goods, so our business levels are directly tied to the purchase and production of goods and the rate of global trade growth. The decline in U.S. imports of consumer goods that started in late 2022, along with slowed global industrial production, has contributed to weakened economic conditions for the transportation industry. Consequently, this environment has led to lower freight and package volumes at FedEx Express and FedEx Freight, negatively affecting our results in 2024.

Inflation and Interest Rates

During 2024, global inflation decelerated year-over-year but continues to be above historical levels. Additionally, global interest rates remained elevated in an effort to curb inflation. We are experiencing a decline in demand for our transportation services as inflation and high interest rates are negatively affecting consumer and business spending. We expect inflation and high interest rates to continue to negatively affect our results in 2025.

Fuel

We must purchase large quantities of fuel to operate our aircraft and vehicles, and the price and availability of fuel is beyond our control and can be highly volatile. The timing and amount of fluctuations in fuel prices and our ability to recover incremental fuel costs through our fuel surcharges can significantly affect our operating results either positively or negatively in the short-term. Lower fuel prices negatively affected yields through lower fuel surcharges and drove a decrease in fuel expense during 2024 at all of our transportation segments.

Geopolitical Conflicts

Given the nature of our business and our global operations, geopolitical conflicts may adversely affect our business and results of operations. While we do not expect ongoing geopolitical conflicts between Russia and Ukraine and in the Middle East to have a direct material impact on our business or results of operations, the broader consequences are adversely affecting the global economy and may also have the effect of heightening other risks disclosed under Part I, Item 1A. “Risk Factors.”

RESULTS OF OPERATIONS AND OUTLOOK

Many of our operating expenses are directly affected by revenue and volume levels, and we expect these operating expenses to fluctuate on a year-over-year basis consistent with changes in revenue and volumes. Therefore, the discussion of operating expense captions focuses on the key drivers and trends affecting expenses other than those factors strictly related to changes in revenue and volumes. The line item “Other operating expense” includes costs associated with outside service contracts (such as information technology services, facility services, temporary labor, and security), insurance, professional fees, and operational supplies.

Except as otherwise specified, references to years indicate our fiscal year ended May 31, 2024 or ended May 31 of the year referenced, and comparisons are to the corresponding period of the prior year. References to our transportation segments include, collectively, the FedEx Express segment, the FedEx Ground segment, and the FedEx Freight segment.

CONSOLIDATED RESULTS

The following table compares summary operating results (dollars in millions, except per share amounts) for the years ended May 31:

	2024 ⁽¹⁾	2023 ⁽¹⁾	Percent Change
Consolidated revenue	\$ 87,693	\$ 90,155	(3)
Operating income (loss):			
FedEx Express segment	776	1,064	(27)
FedEx Ground segment	4,049	3,140	29
FedEx Freight segment	1,814	1,925	(6)
Corporate, other, and eliminations	(1,080)	(1,217)	11
Consolidated operating income	5,559	4,912	13
Operating margin:			
FedEx Express segment	1.9%	2.5%	(60) bp
FedEx Ground segment	11.8%	9.4%	240 bp
FedEx Freight segment	20.0%	20.0%	0 bp
Consolidated operating margin	6.3%	5.4%	90 bp
Consolidated net income	\$ 4,331	\$ 3,972	9
Diluted earnings per share	\$ 17.21	\$ 15.48	11

The following table shows changes in revenue and operating results by reportable segment for 2024 compared to 2023 (in millions):

	Year-over-Year Changes	
	Revenue	Operating Results ⁽¹⁾
FedEx Express segment	\$ (1,886)	\$ (288)
FedEx Ground segment	749	909
FedEx Freight segment	(550)	(111)
FedEx Services segment	(41)	—
Corporate, other, and eliminations	(734)	137
	\$ (2,462)	\$ 647

⁽¹⁾ The following is a summary of the effects of the (costs) benefits of certain items affecting our financial results for the years ended May 31 (in millions):

	2024	2023
Items affecting Operating Income:		
Business optimization costs	\$ (582)	\$ (273)
Business realignment costs	—	(36)
Goodwill and other asset impairment charges	(157)	(117)
FedEx Ground legal matters	57	(35)
	\$ (682)	\$ (461)
Items affecting Net Income:		
Mark-to-market (“MTM”) retirement plans accounting adjustments, net of tax	\$ 426	\$ 493
Remeasurement of state deferred income taxes under one FedEx structure	(54)	—
	\$ 372	\$ 493

Overview

Operating income improved in 2024 due to the execution of our DRIVE program initiatives and our continued focus on revenue quality, partially offset by reduced demand and lower fuel surcharges, driven by challenging macroeconomic conditions. Our DRIVE initiatives in 2024 included network rationalization through structural flight takedowns and route optimization, along with improvements in hub sort efficiency at FedEx Express, as well as continued benefits from increasing linehaul efficiencies and improving dock productivity at FedEx Ground.

Operating income in 2024 and 2023 includes \$157 million (\$120 million, net of tax, or \$0.48 per diluted share) and \$70 million (\$54 million, net of tax, or \$0.21 per diluted share), respectively, of asset impairment charges associated with the decision to permanently retire certain aircraft and related engines at FedEx Express. Operating income in 2023 also includes \$47 million (\$44 million, net of tax, or \$0.17 per diluted share) of goodwill and other asset impairment charges associated with the ShopRunner, Inc. (“ShopRunner”) acquisition at FedEx Dataworks, Inc. (“FedEx Dataworks”). See the “Goodwill and Other Asset Impairment Charges” section of this MD&A for more information.

Operating income in 2024 includes \$582 million (\$444 million, net of tax, or \$1.77 per diluted share) of expenses associated with our DRIVE business optimization strategy announced in 2023. Operating income in 2023 includes \$273 million (\$209 million, net of tax, or \$0.81 per diluted share) of expenses under this program, and also includes business realignment costs of \$36 million (\$27 million, net of tax, or \$0.11 per diluted share) associated with our workforce reduction plan in Europe announced in 2021. See the “Business Optimization and Realignment Costs” section of this MD&A for more information.

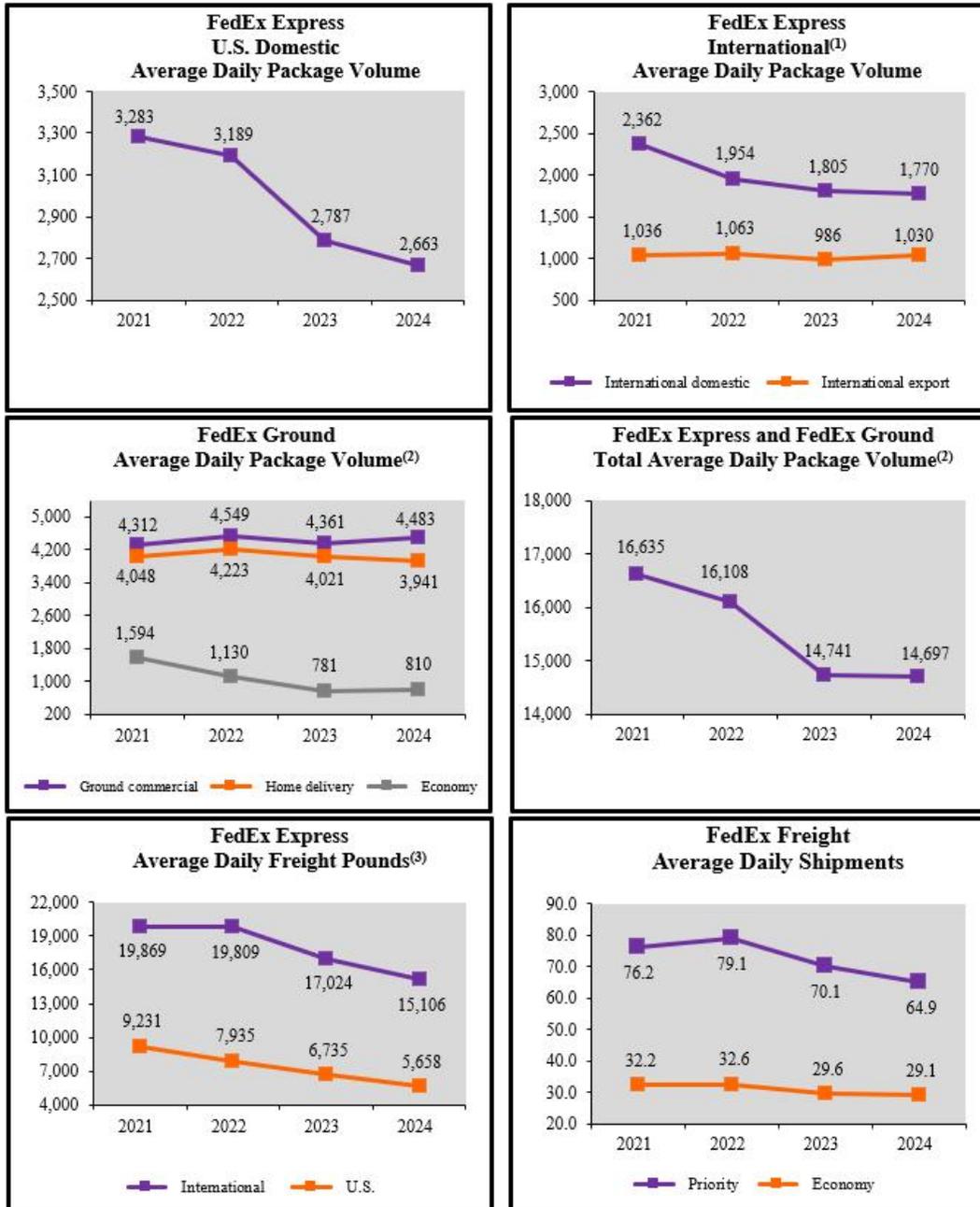
Operating income in 2024 includes a \$57 million benefit (\$44 million, net of tax, or \$0.17 per diluted share) for insurance recoveries in connection with a FedEx Ground legal matter. Operating income in 2023 includes a \$35 million charge (\$26 million, net of tax, or \$0.10 per diluted share) related to a separate FedEx Ground legal matter. These amounts are included in “Corporate, other, and eliminations.”

Net income includes a pre-tax, noncash gain of \$561 million in 2024 (\$426 million, net of tax, or \$1.69 per diluted share) and a gain of \$650 million in 2023 (\$493 million, net of tax, or \$1.92 per diluted share) associated with our MTM retirement plans accounting adjustments. See the “Retirement Plans MTM Adjustments” section of this MD&A and Note 13 of the accompanying consolidated financial statements for more information.

Net income in 2024 includes a \$54 million (\$0.21 per diluted share) tax expense related to the remeasurement of state deferred income taxes under the new one FedEx structure. Net income in 2023 includes a \$46 million (\$0.18 per diluted share) tax expense from a revaluation of certain foreign tax assets. See the “Income Taxes” section of this MD&A and Note 12 of the accompanying consolidated financial statements for more information.

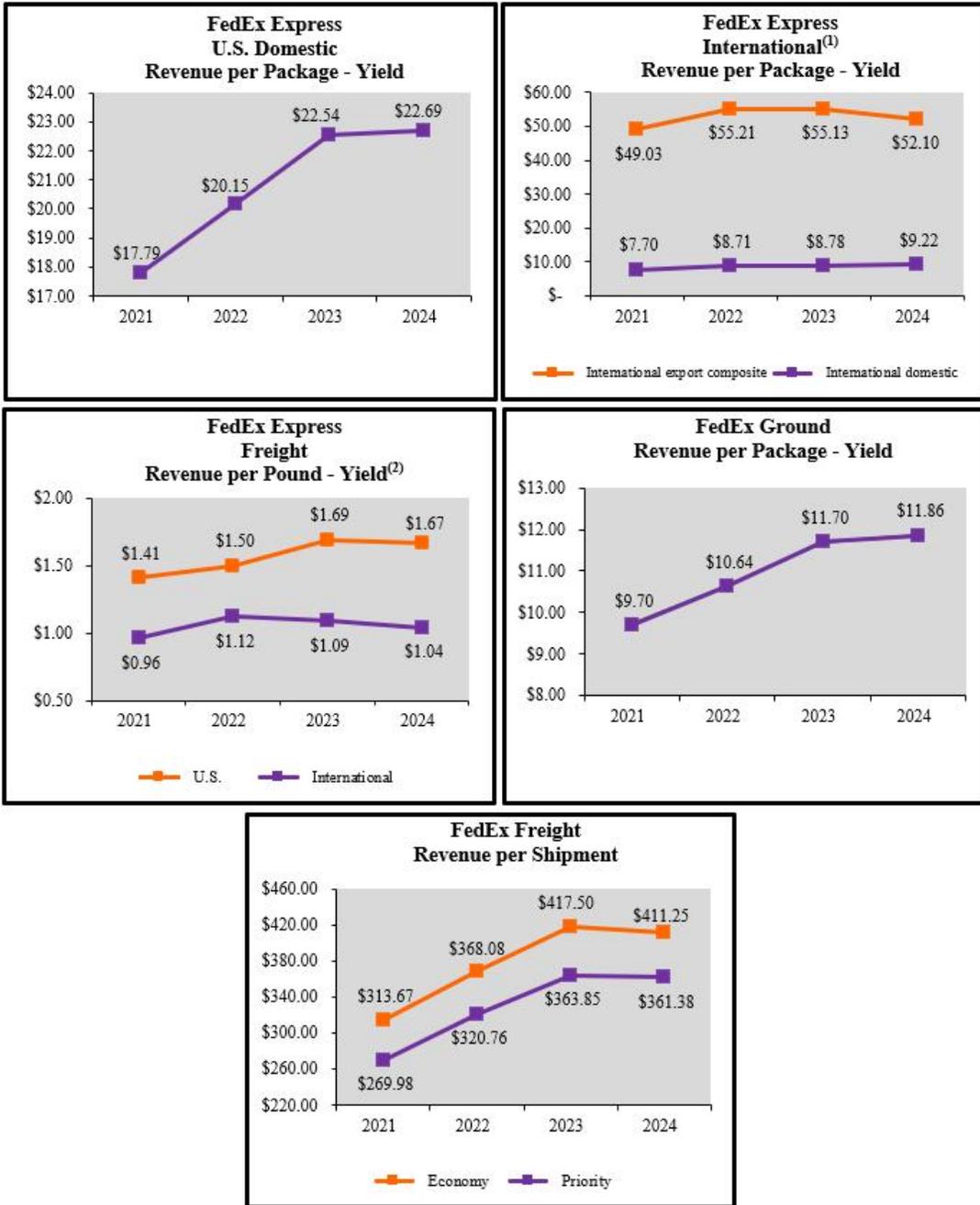
We completed an accelerated share repurchase (“ASR”) transaction with a bank during the fourth quarter of 2024 to repurchase \$500 million of FedEx common stock. During 2024, we repurchased 9.8 million shares of our common stock under ASR agreements at an average price of \$255.34 per share for a total of \$2.5 billion. Share repurchases had a benefit of \$0.34 per diluted share in 2024. As of July 15, 2024, \$4.1 billion remained available to be used for repurchases under the stock repurchase program approved by our Board of Directors in March 2024. See Note 1 of the accompanying consolidated financial statements and the “Financial Condition—Liquidity” section of this MD&A for additional information on our stock repurchases.

The following graphs for FedEx Express, FedEx Ground, and FedEx Freight show selected volume trends (in thousands) for the years ended May 31:



- (1) International domestic average daily package volume relates to our international intra-country operations. International export average daily package volume relates to our international priority and economy services.
- (2) Ground commercial average daily volume is calculated on a 5-day-per-week basis, while home delivery and economy average daily package volumes are calculated on a 7-day-per-week basis. 2021 statistical information has been revised to conform to the current year presentation.
- (3) International average daily freight pounds relate to our international priority, economy, and airfreight services.

The following graphs for FedEx Express, FedEx Ground, and FedEx Freight show selected yield trends for the years ended May 31:



(1) International export revenue per package relates to our international priority and economy services. International domestic revenue per package relates to our international intra-country operations.

(2) International freight revenue per pound relates to our international priority, economy, and airfreight services.

Revenue

Revenue decreased 3% in 2024 primarily due to lower fuel surcharges at all of our transportation segments, decreased volumes at FedEx Express and FedEx Freight, and reduced demand surcharges at FedEx Express, partially offset by base yield improvement at FedEx Ground and FedEx Freight.

FedEx Express revenue decreased 4% in 2024 primarily due to volume declines, lower fuel surcharges, and reduced demand surcharges. Revenue at Corporate, other, and eliminations decreased in 2024 primarily due to lower yields and reduced volume at FedEx Logistics, Inc. (“FedEx Logistics”). FedEx Freight revenue decreased 6% in 2024 primarily due to lower shipments, weight per shipment, and fuel surcharges, partially offset by base yield improvement. FedEx Ground revenue increased 2% in 2024 primarily due to base yield improvement and higher volume, partially offset by lower fuel surcharges.

Goodwill and Other Asset Impairment Charges

In 2024, we made the decision to permanently retire from service 22 Boeing 757-200 aircraft and seven related engines to align with the plans of FedEx Express to modernize its aircraft fleet, improve its global network, and better align air network capacity to match current and anticipated shipment volumes. As a consequence of this decision, a noncash impairment charge of \$157 million (\$120 million, net of tax, or \$0.48 per diluted share) was recorded in 2024.

In 2023, we made the decision to permanently retire from service 12 Boeing MD-11F aircraft and 25 related engines, four Boeing 757-200 aircraft and one related engine, and two Airbus A300-600 aircraft and eight related engines for the same reasons stated above. As a consequence of this decision, a noncash impairment charge of \$70 million (\$54 million, net of tax, or \$0.21 per diluted share) was recorded in 2023.

In 2023, we also recorded a noncash impairment charge of \$36 million (\$36 million, net of tax, or \$0.14 per diluted share) for all of the goodwill attributable to FedEx Dataworks. The key factors contributing to the goodwill impairment were underperformance of the ShopRunner business during 2023, including base business erosion, and the failure to attain the level of operating synergies and revenue and profit growth anticipated at the time of acquisition. We also recorded an \$11 million (\$8 million, net of tax, or \$0.03 per diluted share) noncash intangible asset impairment charge related to the ShopRunner acquisition at FedEx Dataworks. For additional information regarding these impairment charges, see the “Critical Accounting Estimates” section of this MD&A and Note 4 of the accompanying consolidated financial statements.

Business Optimization and Realignment Costs

In the second quarter of 2023, FedEx announced DRIVE, a comprehensive program to improve the company’s long-term profitability. This program includes a business optimization plan to drive efficiency among our transportation segments, lower our overhead and support costs, and transform our digital capabilities. We have commenced our plan to consolidate our sortation facilities and equipment, reduce pickup-and-delivery routes, and optimize our enterprise linehaul network by moving beyond discrete collaboration to an end-to-end optimized network through Network 2.0, the multi-year effort to improve the efficiency with which FedEx picks up, transports, and delivers packages in the U.S. and Canada.

In the fourth quarter of 2023, we announced one FedEx, a consolidation plan to bring FedEx Ground and FedEx Services into Federal Express Corporation, becoming a single company operating a unified, fully integrated air-ground express network under the respected FedEx brand. FedEx Freight continues to provide LTL freight transportation services as a separate subsidiary. The organizational redesign was implemented in phases with full legal implementation effective June 1, 2024. One FedEx will help facilitate our DRIVE transformation program to improve long-term profitability.

FedEx is making progress with Network 2.0, as the company has implemented Network 2.0 optimization in more than 50 locations in the U.S. Contracted service providers will handle the pickup and delivery of packages in some locations while employee couriers will handle others.

We incurred costs associated with our business optimization activities of \$582 million (\$444 million, net of tax, or \$1.77 per diluted share) in 2024. These costs were primarily related to professional services and severance, and are included in Corporate, other, and eliminations, FedEx Express, and FedEx Ground. We incurred costs associated with our business optimization activities of \$273 million (\$209 million, net of tax, or \$0.81 per diluted share) in 2023. These costs were primarily related to consulting services, severance, professional fees, and idling our operations in Russia, and are included in Corporate, other, and eliminations and FedEx Express. The identification of these costs as business optimization-related expenditures is subject to our disclosure controls and procedures. We expect the aggregate pre-tax cost of our business optimization activities to be approximately \$1.5 billion through 2025. The timing and amount of our business optimization expenses may change as we revise and implement our plans.

In 2021, FedEx Express announced a workforce reduction plan in Europe related to the network integration of TNT Express. The plan affected approximately 5,000 employees in Europe across operational teams and back-office functions and was completed during 2023. We incurred costs of \$36 million (\$27 million, net of tax, or \$0.11 per diluted share) in 2023 associated with our business realignment activities. These costs were related to certain employee severance arrangements. Payments under this program totaled approximately \$118 million in 2023. The pre-tax cost of our business realignment activities was approximately \$430 million. We did not incur any costs related to business realignment activities in 2024.

Operating Expenses

The following table compares operating expenses expressed as dollar amounts (in millions) and as a percent of revenue for the years ended May 31:

	2024	2023	Percent Change	Percent of Revenue	
				2024	2023
Operating expenses:					
Salaries and employee benefits	\$ 30,961	\$ 31,019	—	35.3 %	34.4 %
Purchased transportation	20,921	21,790	(4)	23.9	24.2
Rentals and landing fees	4,571	4,738	(4)	5.2	5.3
Depreciation and amortization	4,287	4,176	3	4.9	4.6
Fuel	4,710	5,909	(20)	5.4	6.6
Maintenance and repairs	3,291	3,357	(2)	3.7	3.7
Goodwill and other asset impairment charges ⁽¹⁾	157	117	34	0.2	0.1
Business optimization and realignment costs ⁽²⁾	582	309	88	0.7	0.4
Other ⁽³⁾	12,654	13,828	(8)	14.4	15.3
Total operating expenses	82,134	85,243	(4)	93.7	94.6
Total operating income	\$ 5,559	\$ 4,912	13	6.3 %	5.4 %

(1) Includes asset impairment charges in 2024 associated with the FedEx Express operating segment. Includes goodwill and other asset impairment charges in 2023 associated with the FedEx Express and FedEx Dataworks operating segments.

(2) Includes costs associated with our DRIVE program in 2024 and 2023 and the workforce reduction plan in Europe in 2023.

(3) Includes a \$57 million benefit in 2024 for insurance recoveries in connection with a FedEx Ground legal matter. Includes a \$35 million charge in 2023 related to a separate FedEx Ground legal matter.

Operating income increased in 2024 primarily due to our DRIVE program initiatives and base yield improvements at FedEx Ground and FedEx Freight, which more than offset volume declines at FedEx Freight and FedEx Express. Our DRIVE initiatives included continued benefits from network rationalization at FedEx Express, including structural flight takedowns and route optimization, and improvements in hub sort efficiency, as well as increasing linehaul efficiencies and improving dock productivity at FedEx Ground. Lower volumes contributed to reductions in salaries and employee benefits, fuel expense, purchased transportation, and rentals and landing fees. The effect of volume declines on salaries and employee benefits was offset by higher wages and variable incentive compensation. Other operating expenses decreased primarily due to lower bad debt accruals, professional fees, and self-insurance accruals.

We recognized \$157 million and \$70 million of asset impairment charges in 2024 and 2023, respectively, associated with the decision to permanently retire certain aircraft and related engines at FedEx Express. Our 2023 results also include \$47 million of goodwill and other asset impairment charges associated with the ShopRunner acquisition at FedEx Dataworks. See the “Goodwill and Other Asset Impairment Charges” section of this MD&A for more information.

Fuel

We apply a fuel surcharge on our air and ground services, most of which are adjusted on a weekly basis. The fuel surcharge is based on a weekly fuel price from ten days prior to the week in which it is assessed. Some FedEx Express international fuel surcharges are updated on a monthly basis. We routinely review our fuel surcharges and periodically update the tables used to determine our fuel surcharges at all of our transportation segments.

While fluctuations in fuel surcharge percentages can be significant from period to period, fuel surcharges represent one of the many individual components of our pricing structure that impact our overall revenue and yield. Additional components include the mix of services sold, the base price, and extra service charges we obtain for these services and level of pricing discounts offered.

Fuel expense decreased 20% during 2024 due to lower fuel prices and usage. In addition to variability in usage and market prices, the manner in which we purchase fuel also influences our results. For example, our contracts for jet fuel purchases at FedEx Express are tied to various indices, including the U.S. Gulf Coast index. While many of these indices are aligned, each index may fluctuate at a different pace, driving variability in the prices paid for jet fuel. Furthermore, under these contractual arrangements, approximately 60% of our jet fuel is purchased based on the index price for the preceding week, with the remainder of our purchases tied primarily to the index price for the preceding month and preceding day, rather than based on daily spot rates. These contractual provisions mitigate the impact of rapidly changing daily spot rates on our jet fuel purchases.

Because of the factors described above, our operating results may be affected should the market price of fuel suddenly change by a significant amount or change by amounts that do not result in an adjustment in our fuel surcharges, which can significantly affect our earnings either positively or negatively in the short-term. For more information, see “Item 1A. Risk Factors.”

Other Income and Expense

Interest income and interest expense increased \$172 million and \$51 million, respectively, in 2024 primarily due to an increase in interest rates.

Retirement Plans MTM Adjustments

In 2024, we incurred a pre-tax, noncash MTM gain of \$561 million (\$426 million, net of tax, or \$1.69 per diluted share) related to the year-end actuarial adjustments of pension and postretirement healthcare plans’ assets and liabilities. These actuarial adjustments were due to higher discount rates, partially offset by changes to the actuarial assumptions regarding rates of retirement and short-term cash balance interest credits.

In 2023, we incurred a pre-tax, noncash MTM gain of \$650 million (\$493 million, net of tax, or \$1.92 per diluted share) related to the year-end actuarial adjustments of pension and postretirement healthcare plans’ assets and liabilities. These actuarial adjustments were due to higher discount rates, partially offset by lower-than-expected asset returns and demographic experience.

For more information, see the “Critical Accounting Estimates” section of this MD&A and Note 1 and Note 13 of the accompanying consolidated financial statements.

Income Taxes

Our effective tax rate was 25.8% for 2024, compared to 25.9% for 2023. The 2024 tax provision includes an income tax expense of \$54 million (\$0.21 per diluted share) from the remeasurement of U.S. state deferred tax balances related to the merger of FedEx Ground and FedEx Services into Federal Express Corporation. The 2023 tax provision was impacted by an expense of \$46 million (\$0.18 per diluted share) related to a write-down and valuation allowance on certain foreign tax credit carryforwards due to operational changes which impacted the determination of the realizability of the deferred tax asset.

Several countries in which the company operates have adopted the Organization for Economic Cooperation and Development’s global framework implementing a 15% corporate minimum tax, commonly referred to as Pillar Two. The company will be subject to Pillar Two beginning in 2025. Based on currently issued guidance, we do not believe this will have a material effect on the company’s 2025 income tax provision. We will continue to monitor additional guidance as it is released.

We are subject to taxation in the U.S. and various U.S. state, local, and foreign jurisdictions. We are currently under examination by the Internal Revenue Service (“IRS”) for the 2016 through 2021 tax years. It is reasonably possible that certain income tax return proceedings will be completed during the next 12 months and could result in a change in our balance of unrecognized tax benefits. However, we believe we have recorded adequate amounts of tax, including interest and penalties, for any adjustments expected to occur.

During 2021, we filed suit in U.S. District Court for the Western District of Tennessee challenging the validity of a tax regulation related to the one-time transition tax on unrepatriated foreign earnings, which was enacted as part of the Tax Cuts and Jobs Act (“TCJA”). Our lawsuit seeks to have the court declare this regulation invalid and order the refund of overpayments of U.S. federal income taxes for 2018 and 2019 attributable to the denial of foreign tax credits under the regulation. We have recorded a cumulative benefit of \$226 million attributable to our interpretation of the TCJA and the Internal Revenue Code. In March 2023, the District Court ruled that the regulation is invalid and contradicts the plain terms of the tax code. We continue to work towards obtaining a final judgment for the applicable refund amounts due to the regulation being invalid. Once the District Court enters a final judgment, the U.S. government could file an appeal with the U.S. Court of Appeals for the Sixth Circuit. If we are ultimately unsuccessful in defending our position, we may be required to reverse the benefit previously recorded.

For more information on income taxes, see the “Critical Accounting Estimates” section of this MD&A and Note 12 of the accompanying consolidated financial statements.

Equity Investments

As of May 31, 2024 and 2023, the carrying value of our equity investments were \$360 million and \$302 million, respectively. For more information on equity investments, see Note 19 of the accompanying consolidated financial statements.

Outlook

During 2025, we expect revenue to increase, with service mix shifting further toward deferred service offerings. We will continue to execute on our DRIVE program initiatives focused on reducing our permanent cost structure, aligning our cost base with demand, and increasing the flexibility of our network. We will also continue to execute on our revenue quality strategy to mitigate yield pressures through surcharge management and optimizing our customer and service mix. We expect the benefits from DRIVE and revenue quality initiatives to be partially offset by expense headwinds related to higher global inflation, the unfavorable impact of the expiration of the contract for Federal Express to provide the U.S. Postal Service (“USPS”) domestic transportation services in September 2024, and two fewer operating days.

See the “Business Optimization and Realignment Costs” section of this MD&A for additional information on our DRIVE program and other cost savings initiatives.

Our capital expenditures for 2025 are expected to be approximately \$5.2 billion, in line with 2024, as we continue to reduce our capital intensity relative to revenue. Aircraft spend is expected to decline, partially offset by increased investments in network optimization and modernization of our facilities. Our expected capital expenditures for 2025 include continued investments related to Network 2.0, as well as the continued modernization of the Federal Express Memphis World Hub and expansion and modernization of the Federal Express Indianapolis Hub.

We will continue to evaluate our investments in critical long-term strategic projects to ensure our capital expenditures are expected to generate high returns on investment and are balanced with our outlook for global economic conditions. For additional details on key 2025 capital projects, refer to the “Financial Condition – Capital Resources” and “Financial Condition – Liquidity Outlook” sections of this MD&A.

In June 2024, FedEx Express announced a workforce reduction plan in Europe as part of its ongoing measures to reduce structural costs. The plan will impact between 1,700 and 2,000 employees in Europe across back-office and commercial functions. The execution of the plan is subject to a consultation process that is expected to occur over an 18-month period in accordance with local country processes and regulations. We expect the pre-tax cost of the severance benefits and legal and professional fees to be provided under and related to the plan to range from \$250 million to \$375 million in cash expenditures. These charges are expected to be incurred through fiscal 2026 and will be classified as business optimization expenses. We expect savings from the plan to be between \$125 million and \$175 million on an annualized basis beginning in 2027.

In June 2024, we announced that FedEx’s management and Board of Directors are conducting an assessment of the role of FedEx Freight in the company’s portfolio structure.

The uncertainty of a slowing global economy, global inflation, geopolitical challenges including the ongoing conflicts between Russia and Ukraine and in the Middle East, and the effect these factors will have on the rate of growth of global trade, supply chains, fuel prices, and our business in particular, make any expectations for 2025 inherently less certain. See “Item 1A. Risk Factors” for more information.

See “Forward-Looking Statements,” “Item 1A. Risk Factors,” “Trends Affecting Our Business,” and “Critical Accounting Estimates” for a discussion of these and other potential risks and uncertainties that could materially affect our future performance.

Seasonality of Business

Our businesses are cyclical in nature, as seasonal fluctuations affect volumes, revenue, and earnings. Historically, the U.S. express package business experiences an increase in volumes in late November and December. International business, particularly in the Asia-to-U.S. market, peaks in October and November in advance of the U.S. holiday sales season. Our first and third fiscal quarters, because they are summer vacation and post winter-holiday seasons, have historically experienced lower volumes relative to other periods. Historically, the fall was the busiest shipping period for FedEx Ground, while late December, June and July were the slowest periods. For FedEx Freight, the spring and fall are the busiest periods and the latter part of December through February is the slowest period. Shipment levels, operating costs, and earnings for each of our companies can also be adversely affected by inclement weather, particularly the impact of severe winter weather in our third fiscal quarter. See “Item 1A. Risk Factors” for more information.

RECENT ACCOUNTING GUIDANCE

See Note 2 of the accompanying consolidated financial statements for a discussion of recent accounting guidance.

REPORTABLE SEGMENTS

During 2024 and 2023, FedEx Express, FedEx Ground, and FedEx Freight represented our major service lines and, along with FedEx Services, constituted our reportable segments. Our reportable segments for these periods included the following businesses:

FedEx Express Segment	FedEx Express (express transportation, small-package ground delivery, and freight transportation) FedEx Custom Critical (time-critical transportation)
FedEx Ground Segment	FedEx Ground (small-package ground delivery)
FedEx Freight Segment	FedEx Freight (LTL freight transportation)
FedEx Services Segment	FedEx Services (sales, marketing, information technology, communications, customer service, technical support, billing and collection services, and back-office functions)

In the fourth quarter of 2023, we announced one FedEx, a consolidation plan to bring FedEx Ground and FedEx Services into Federal Express Corporation, becoming a single company operating a unified, fully integrated air-ground express network under the respected FedEx brand. The organizational redesign was implemented in phases with full legal implementation effective June 1, 2024. FedEx Freight continues to provide LTL freight transportation services as a separate subsidiary. During the implementation process in fiscal 2024, each of our reportable segments continued to have discrete financial information that was regularly reviewed when evaluating performance and making resource allocation decisions, and aligned with our management reporting structure and our internal financial reporting.

Beginning in the first quarter of 2025, Federal Express and FedEx Freight represent our major service lines and constitute our reportable segments. Additionally, the results of FedEx Custom Critical will be included in the FedEx Freight segment instead of the Federal Express segment. This change was made to reflect our new management reporting structure. Prior-year amounts will be revised to reflect this presentation.

FEDEX SERVICES SEGMENT

During 2024 and 2023, the FedEx Services segment provided direct and indirect support to our operating segments, and we allocated all of the net operating costs of the FedEx Services segment to reflect the full cost of operating our businesses in the results of those segments. We reviewed and evaluated the performance of our transportation segments based on operating income (inclusive of FedEx Services segment allocations). For the FedEx Services segment, performance was evaluated based on the effect of its total allocated net operating costs on our operating segments.

Operating expenses for each of our transportation segments included the allocations from the FedEx Services segment to the respective transportation segments. These allocations included charges and credits for administrative services provided between operating companies. The allocations of net operating costs were based on metrics such as relative revenue or estimated services provided. We believe these allocations approximated the net cost of providing these functions. Our allocation methodologies were refined periodically, as necessary, to reflect changes in our businesses.

CORPORATE, OTHER, AND ELIMINATIONS

Corporate and other includes corporate headquarters costs for executive officers and certain legal and finance functions, including certain other costs and credits not attributed to our core business, and certain costs associated with developing integrated business solutions through our FedEx Dataworks operating segment. FedEx Dataworks is focused on creating solutions to transform the digital and physical experiences of our customers and team members.

Also included in Corporate and other is the FedEx Office and Print Services, Inc. (“FedEx Office”) operating segment, which provides an array of document and business services and retail access to our customers for our package transportation businesses, and the FedEx Logistics operating segment, which provides specialty transportation, customs brokerage, and global ocean and air freight forwarding, as well as integrated supply chain management solutions through FedEx Supply Chain Distribution, Inc. (“FedEx Supply Chain”).

The results of Corporate, other, and eliminations are not allocated to the other business segments. There will be no changes to Corporate, other, and eliminations in 2025 following the one FedEx consolidation.

In 2024, the improvement in operating results in Corporate, other, and eliminations was primarily due to decreased professional fees and business optimization expenses at FedEx Corporate and improved operating results at FedEx Logistics. The improved operating results at FedEx Logistics were primarily due to lower purchased transportation and bad debt expense, partially offset by decreased revenue. The comparison of operating loss between 2024 and 2023 at Corporate, other, and eliminations is affected by goodwill and other asset impairment charges of \$47 million associated with the ShopRunner acquisition at FedEx Dataworks in 2023.

Certain FedEx operating companies provide transportation and related services for other FedEx companies outside their reportable segment in order to optimize our resources. For example, during 2024 FedEx Ground provided delivery support for certain FedEx Express packages as part of our last-mile optimization efforts, and FedEx Freight provided road and intermodal support for both FedEx Ground and FedEx Express. In addition, FedEx Express worked with FedEx Logistics to secure air charters and other cargo space for U.S. customers. Billings for such services are based on negotiated rates, and are reflected as revenue of the billing segment. These rates are adjusted from time to time based on market conditions. Such intersegment revenue and expenses are eliminated in our consolidated results and are not separately identified in the following segment information because the amounts are not material.

FEDEX EXPRESS SEGMENT

FedEx Express offers a wide range of U.S. domestic and international shipping services for delivery of packages and freight including priority, deferred, and economy services, which provide delivery on a time-definite or day-definite basis. The following table compares revenue, operating expenses, operating income (dollars in millions), operating margin, and operating expenses as a percent of revenue for the years ended May 31:

	2024	2023	Percent Change		
Revenue:					
Package:					
U.S. overnight box	\$ 8,689	\$ 8,916	(3)		
U.S. overnight envelope	1,854	1,980	(6)		
U.S. deferred	4,928	5,128	(4)		
Total U.S. domestic package revenue	15,471	16,024	(3)		
International priority	9,455	10,939	(14)		
International economy	4,273	2,911	47		
Total international export package revenue	13,728	13,850	(1)		
International domestic ⁽¹⁾	4,178	4,043	3		
Total package revenue	33,377	33,917	(2)		
Freight:					
U.S.	2,418	2,906	(17)		
International priority	2,205	3,060	(28)		
International economy	1,677	1,510	11		
International airfreight	126	166	(24)		
Total freight revenue	6,426	7,642	(16)		
Other	1,054	1,184	(11)		
Total revenue	40,857	42,743	(4)	100.0%	100.0%
Operating expenses:					
Salaries and employee benefits	15,810	15,899	(1)	38.7	37.2
Purchased transportation	5,755	5,629	2	14.1	13.2
Rentals and landing fees	2,071	2,310	(10)	5.1	5.4
Depreciation and amortization	2,172	2,105	3	5.3	4.9
Fuel	4,105	5,122	(20)	10.0	12.0
Maintenance and repairs	1,905	2,000	(5)	4.7	4.7
Asset impairment charges	157	70	124	0.4	0.2
Business optimization and realignment costs	143	47	204	0.3	0.1
Intercompany charges	1,917	1,896	1	4.7	4.4
Other	6,046	6,601	(8)	14.8	15.4
Total operating expenses	40,081	41,679	(4)	98.1%	97.5%
Operating income	\$ 776	\$ 1,064	(27)		
Operating margin	1.9%	2.5%	(60) bp		

⁽¹⁾ International domestic revenue relates to our international intra-country operations.

The following table compares selected statistics (in thousands, except yield amounts) for the years ended May 31:

	2024	2023	Percent Change
Package Statistics			
Average daily package volume (ADV):			
U.S. overnight box	1,220	1,259	(3)
U.S. overnight envelope	429	465	(8)
U.S. deferred	1,014	1,063	(5)
Total U.S. domestic ADV	2,663	2,787	(4)
International priority	668	708	(6)
International economy	362	278	30
Total international export ADV	1,030	986	4
International domestic ⁽¹⁾	1,770	1,805	(2)
Total ADV	5,463	5,578	(2)
Revenue per package (yield):			
U.S. overnight box	\$ 27.82	\$ 27.77	—
U.S. overnight envelope	16.88	16.71	1
U.S. deferred	18.98	18.91	—
U.S. domestic composite	22.69	22.54	1
International priority	55.35	60.62	(9)
International economy	46.09	41.12	12
International export composite	52.10	55.13	(5)
International domestic ⁽¹⁾	9.22	8.78	5
Composite package yield	23.87	23.85	—
Freight Statistics			
Average daily freight pounds:			
U.S.	5,658	6,735	(16)
International priority	4,443	5,435	(18)
International economy	9,909	10,591	(6)
International airfreight	754	998	(24)
Total average daily freight pounds	20,764	23,759	(13)
Revenue per pound (yield):			
U.S.	\$ 1.67	\$ 1.69	(1)
International priority	1.94	2.21	(12)
International economy	0.66	0.56	18
International airfreight	0.65	0.65	—
Composite freight yield	1.21	1.26	(4)

⁽¹⁾ International domestic statistics relate to our international intra-country operations.

FedEx Express Segment Revenue

FedEx Express segment revenue decreased 4% in 2024 primarily due to volume declines, lower fuel surcharges, and reduced demand surcharges.

Global average daily freight pounds decreased 13% in 2024 primarily as a result of weak global economic conditions as well as lower volume from the USPS. U.S. domestic average daily package volumes declined 4% in 2024 as global economic factors led to reduced demand for our services. These declines were partially offset by an increase in international export package volume of 4% in 2024 driven by a mix shift toward our deferred product offerings, partially offset by a global decline in international priority package volume.

Lower fuel surcharges had a significant negative effect on yield across package and freight services during 2024. In addition, international export composite package yield decreased 5% in 2024 driven by reduced demand surcharges, a larger mix of e-commerce volume, and an increase in lower-yielding deferred volume related to the full reopening of the international economy service. Composite freight yield decreased 4% in 2024 due to reduced demand surcharges and an increased mix of deferred freight, also driven by the reopening of international economy service.

FedEx Express Segment Operating Income

FedEx Express segment operating income decreased 27% in 2024 primarily due to reduced revenue, partially offset by lower operating expenses. Operating expenses declined in 2024 as a result of continued benefits from DRIVE initiatives that drove a reduction in our permanent cost structure, as well as lower volumes. These initiatives include network rationalization through structural flight takedowns and route optimization, along with improvements in hub sort efficiency. Currency exchange rates had a positive effect on revenue and a negative effect on expenses and operating income in 2024.

Fuel expense decreased 20% in 2024 due to decreases in fuel prices and usage. Other operating expense decreased 8% in 2024 primarily due to lower bad debt expense and lower outside service contracts expense resulting from a decrease in temporary labor usage. Fewer aircraft leases as a result of lower volumes drove a decrease in rentals and landing fees of 10% in 2024. Maintenance and repairs expense decreased 5% in 2024 primarily due to lower aircraft maintenance resulting from an increase in aircraft temporarily parked. Salaries and employee benefits expense decreased 1% primarily due to decreased staffing to align with lower volume, partially offset by higher wage rates and increased variable incentive compensation.

FedEx Express segment results in 2024 include \$157 million of asset impairment charges associated with the decision to permanently retire certain aircraft and related engines and business optimization costs of \$143 million associated with our plan to drive efficiency and lower our overhead and support costs. FedEx Express segment results in 2023 include \$70 million of asset impairment charges associated with the decision to permanently retire certain aircraft and related engines, \$36 million associated with our workforce reduction plan in Europe, and \$11 million of business optimization costs which includes costs associated with idling our business in Russia. See the “Business Optimization and Realignment Costs” and “Goodwill and Other Asset Impairment Charges” sections of this MD&A for more information.

In July 2023, FedEx Express’s pilots failed to ratify the tentative successor agreement that was approved by the Air Line Pilots Association, International’s FedEx Master Executive Council in the prior month. The ongoing bargaining process has no effect on our operations. For more information, see Note 1 of the accompanying consolidated financial statements.

FEDEX GROUND SEGMENT

During 2024 and 2023, FedEx Ground service offerings included day-certain delivery to businesses in the U.S. and Canada and to 100% of U.S. residences. The following table compares revenue, operating expenses, operating income (dollars in millions), operating margin, selected package statistics (in thousands, except yield amounts), and operating expenses as a percent of revenue for the years ended May 31:

			Percent Change	Percent of Revenue	
	2024	2023		2024	2023
Revenue	\$ 34,256	\$ 33,507	2	100.0%	100.0%
Operating expenses:					
Salaries and employee benefits	6,795	6,737	1	19.8	20.1
Purchased transportation	14,181	14,597	(3)	41.4	43.5
Rentals	1,732	1,661	4	5.1	5.0
Depreciation and amortization	1,119	1,020	10	3.3	3.0
Fuel	32	36	(11)	0.1	0.1
Maintenance and repairs	695	634	10	2.0	1.9
Business optimization costs	108	—	NM	0.3	—
Intercompany charges	1,992	1,961	2	5.8	5.9
Other	3,553	3,721	(5)	10.4	11.1
Total operating expenses	30,207	30,367	(1)	88.2%	90.6%
Operating income	\$ 4,049	\$ 3,140	29		
Operating margin	11.8%	9.4%	240 bp		
Average daily package volume (ADV) ⁽¹⁾ :					
Ground commercial	4,483	4,361	3		
Home delivery	3,941	4,021	(2)		
Economy	810	781	4		
Total ADV	9,234	9,163	1		
Revenue per package (yield)	\$ 11.86	\$ 11.70	1		

⁽¹⁾ Ground commercial ADV is calculated on a 5-day-per-week basis, while home delivery and economy ADV are calculated on a 7-day-per-week basis.

FedEx Ground Segment Revenue

FedEx Ground segment revenue increased 2% in 2024 primarily due to yield improvement and higher volumes. FedEx Ground yield increased 1% in 2024 primarily due to base yield improvement, partially offset by lower fuel surcharges. Total average daily volume increased 1% in 2024 primarily due to increased demand for our commercial and economy services.

FedEx Ground Segment Operating Income

FedEx Ground segment operating income increased 29% in 2024 primarily due to yield improvement, higher volume, lower self-insurance accruals, and lower purchased transportation expense. FedEx Ground lowered operating costs in 2024 through continued benefits from DRIVE initiatives focused on increasing linehaul efficiencies and improving dock productivity. In addition, FedEx Ground continued to realize benefits from reduced Sunday deliveries and consolidated sort operations in 2024.

Purchased transportation expense decreased 3% in 2024 primarily due to lower fuel prices and increased third-party rail usage, partially offset by higher base rates. Other operating expense decreased 5% in 2024 primarily due to lower self-insurance accruals. Depreciation and rentals expense increased 10% and 4%, respectively, in 2024 primarily due to the completion of previously committed multi-year expansion projects. Maintenance and repairs expense increased 10% in 2024 primarily due to higher costs associated with outside vendor labor, vehicle parts, and facility maintenance. Salaries and employee benefits expense increased 1% in 2024 primarily due to higher wage rates and variable incentive compensation, partially offset by an increase in productivity.

FedEx Ground results include business optimization costs of \$108 million in 2024 associated with our plan to drive efficiency and lower our overhead and support costs. See the “Business Optimization and Realignment Costs” section of this MD&A for more information.

FEDEX FREIGHT SEGMENT

FedEx Freight LTL service offerings include priority services when speed is critical and economy services when time can be traded for savings. The following table compares revenue, operating expenses, operating income (dollars in millions), operating margin, selected statistics, and operating expenses as a percent of revenue for the years ended May 31:

			Percent Change	Percent of Revenue	
	2024	2023		2024	2023
Revenue	\$ 9,082	\$ 9,632	(6)	100.0%	100.0%
Operating expenses:					
Salaries and employee benefits	3,880	4,002	(3)	42.7	41.5
Purchased transportation	618	731	(15)	6.8	7.6
Rentals	275	266	3	3.0	2.8
Depreciation and amortization	402	387	4	4.4	4.0
Fuel	570	748	(24)	6.3	7.8
Maintenance and repairs	328	318	3	3.6	3.3
Intercompany charges	528	526	—	5.8	5.4
Other	667	729	(9)	7.4	7.6
Total operating expenses	7,268	7,707	(6)	80.0%	80.0%
Operating income	\$ 1,814	\$ 1,925	(6)		
Operating margin	20.0%	20.0%	—		
Average daily shipments (in thousands):					
Priority	64.9	70.1	(7)		
Economy	29.1	29.6	(2)		
Total average daily shipments	94.0	99.7	(6)		
Weight per shipment (pounds):					
Priority	977	1,027	(5)		
Economy	878	912	(4)		
Composite weight per shipment	946	993	(5)		
Revenue per shipment:					
Priority	\$ 361.38	\$ 363.85	(1)		
Economy	411.25	417.50	(1)		
Composite revenue per shipment	\$ 376.81	\$ 379.76	(1)		
Revenue per hundredweight:					
Priority	\$ 36.98	\$ 35.44	4		
Economy	46.86	45.78	2		
Composite revenue per hundredweight	\$ 39.82	\$ 38.26	4		

FedEx Freight Segment Revenue

FedEx Freight segment revenue decreased 6% in 2024 primarily due to lower shipments.

Average daily shipments decreased 6% in 2024 due to reduced demand for our services, primarily resulting from macroeconomic conditions. Revenue per shipment decreased 1% in 2024 primarily due to lower weight per shipment and fuel surcharges, partially offset by base yield improvement from our continued focus on revenue quality.

FedEx Freight Segment Operating Income

FedEx Freight segment operating income decreased 6% in 2024 due to decreased revenue, partially offset by lower volume-related operating expenses.

Fuel and purchased transportation expense decreased 24% and 15%, respectively, in 2024 due to lower fuel prices and decreased shipments. Salaries and employee benefits expense decreased 3% in 2024 primarily due to lower staffing to align with decreased shipments and an increase in productivity, partially offset by higher wage rates and variable incentive compensation. Other operating expense decreased 9% in 2024 primarily due to lower self-insurance accruals.

FINANCIAL CONDITION

LIQUIDITY

Cash and cash equivalents totaled \$6.5 billion at May 31, 2024, compared to \$6.9 billion at May 31, 2023. The following table provides a summary of our cash flows for the years ended May 31 (in millions):

	2024	2023
Operating activities:		
Net income	\$ 4,331	\$ 3,972
Retirement plans mark-to-market adjustments	(561)	(650)
Goodwill and other asset impairment charges	157	117
Business optimization and realignment costs, net of payments	26	23
Other noncash charges and credits	7,790	8,526
Changes in assets and liabilities	(3,431)	(3,140)
Cash provided by operating activities	<u>8,312</u>	<u>8,848</u>
Investing activities:		
Capital expenditures	(5,176)	(6,174)
Purchase of investments	(176)	(84)
Proceeds from sale of investments	38	—
Proceeds from asset dispositions and other	114	84
Cash used in investing activities	<u>(5,200)</u>	<u>(6,174)</u>
Financing activities:		
Principal payments on debt	(147)	(152)
Proceeds from stock issuances	491	231
Dividends paid	(1,259)	(1,177)
Purchase of treasury stock	(2,500)	(1,500)
Other, net	(11)	1
Cash used in financing activities	<u>(3,426)</u>	<u>(2,597)</u>
Effect of exchange rate changes on cash	(41)	(118)
Net decrease in cash and cash equivalents	<u>\$ (355)</u>	<u>\$ (41)</u>
Cash and cash equivalents at end of period	<u>\$ 6,501</u>	<u>\$ 6,856</u>

Cash Provided by Operating Activities. Cash flows from operating activities decreased \$0.5 billion in 2024 primarily due to working capital changes, driven by an increase in accounts receivable, partially offset by an increase in accrued incentive compensation, as well as lower net income (net of noncash items).

Cash Used in Investing Activities. Capital expenditures were 16% lower in 2024 primarily due to decreased spending on package handling and ground support equipment and information technology. See “Capital Resources” below for a more detailed discussion of capital expenditures during 2024.

Financing Activities. We completed four ASR transactions with banks in 2024 to repurchase an aggregate of \$2.5 billion of our common stock. A total of 9.8 million shares were repurchased under the agreements.

During 2023, we completed an ASR transaction with a bank to repurchase an aggregate of \$1.5 billion of our common stock, and 9.2 million shares were delivered.

The following table provides a summary of repurchases of our common stock for the periods ended May 31 (dollars in millions, except per share amounts):

	2024			2023		
	Total Number of Shares Purchased	Average Price Paid per Share	Total Purchase Price	Total Number of Shares Purchased	Average Price Paid per Share	Total Purchase Price
Common stock repurchases	9,790,704	\$ 255.34	\$ 2,500	9,180,752	\$ 163.39	\$ 1,500

We executed an ASR agreement with two banks in June 2024 to repurchase \$1 billion of our common stock with a completion date no later than the end of the first quarter of 2025. As of July 15, 2024, \$4.1 billion remained available to be used for repurchases under the stock repurchase program approved by our Board of Directors in March 2024, which is the only program that currently exists. See “Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities” and Note 1 of the accompanying consolidated financial statements for additional information.

CAPITAL RESOURCES

Our operations are capital intensive, characterized by significant investments in aircraft, package handling and sort equipment, vehicles and trailers, technology, and facilities. The amount and timing of capital investments depend on various factors, including pre-existing contractual commitments, anticipated volume growth, domestic and international economic conditions, new or enhanced services, geographical expansion of services, availability of satisfactory financing, and actions of regulatory authorities.

The following table compares capital expenditures by asset category and reportable segment for the years ended May 31 (in millions):

	2024	2023	Percent Change
Aircraft and related equipment	\$ 1,627	\$ 1,684	(3)
Package handling and ground support equipment	974	1,851	(47)
Vehicles and trailers	709	719	(1)
Information technology	656	802	(18)
Facilities and other	1,210	1,118	8
Total capital expenditures	<u>\$ 5,176</u>	<u>\$ 6,174</u>	(16)
FedEx Express segment	\$ 3,291	\$ 3,055	8
FedEx Ground segment	1,018	1,995	(49)
FedEx Freight segment	461	556	(17)
FedEx Services segment	282	431	(35)
Other	124	137	(9)
Total capital expenditures	<u>\$ 5,176</u>	<u>\$ 6,174</u>	(16)

Capital expenditures decreased \$1.0 billion during 2024 primarily due to decreased spending on package handling and ground support equipment at FedEx Ground, information technology at FedEx Services, facilities and other at FedEx Ground, vehicles and trailers at FedEx Freight, and aircraft and related equipment at FedEx Express, partially offset by increased spending on facilities and other and vehicles and trailers at FedEx Express.

GUARANTOR FINANCIAL INFORMATION

We are providing the following information in compliance with Rule 13-01 of Regulation S-X, “Financial Disclosures about Guarantors and Issuers of Guaranteed Securities” with respect to our senior unsecured debt securities and Pass-Through Certificates, Series 2020-1AA (the “Certificates”).

The \$19.2 billion principal amount of senior unsecured notes were issued by FedEx under a shelf registration statement and are guaranteed by certain direct and indirect subsidiaries of FedEx (“Guarantor Subsidiaries”). FedEx owns, directly or indirectly, 100% of each Guarantor Subsidiary. The guarantees are (1) unsecured obligations of the respective Guarantor Subsidiary, (2) rank equally with all of their other unsecured and unsubordinated indebtedness, and (3) are full and unconditional and joint and several. If we sell, transfer, or otherwise dispose of all of the capital stock or all or substantially all of the assets of a Guarantor Subsidiary to any person that is not an affiliate of FedEx, the guarantee of that Guarantor Subsidiary will terminate, and holders of debt securities will no longer have a direct claim against such subsidiary under the guarantee.

Additionally, FedEx fully and unconditionally guarantees the payment obligation of FedEx Express in respect of the \$788 million principal amount of the Certificates. See Note 6 of the accompanying consolidated financial statements for additional information regarding the terms of the Certificates.

The following tables present summarized financial information for FedEx (as Parent) and the Guarantor Subsidiaries on a combined basis after transactions and balances within the combined entities have been eliminated.

Parent and Guarantor Subsidiaries

The following table presents the summarized balance sheet information as of May 31, 2024 (in millions):

Current Assets	\$	10,618
Intercompany Receivable		4,625
Total Assets		83,880
Current Liabilities		9,658
Intercompany Payable		—
Total Liabilities		52,551

The following table presents the summarized statement of income information as of May 31, 2024 (in millions):

Revenue	\$	65,837
Intercompany Charges, net		(4,558)
Operating Income		5,431
Intercompany Charges, net		199
Income Before Income Taxes		5,414
Net Income	\$	3,937

The following tables present summarized financial information for FedEx (as Parent Guarantor) and FedEx Express (as Subsidiary Issuer) on a combined basis after transactions and balances within the combined entities have been eliminated.

Parent Guarantor and Subsidiary Issuer

The following table presents the summarized balance sheet information as of May 31, 2024 (in millions):

Current Assets	\$	4,473
Intercompany Receivable		7,399
Total Assets		62,900
Current Liabilities		5,958
Intercompany Payable		—
Total Liabilities		38,962

The following table presents the summarized statement of income information as of May 31, 2024 (in millions):

Revenue	\$	22,420
Intercompany Charges, net		(2,983)
Operating Income		206
Intercompany Charges, net		73
Income Before Income Taxes		2,608
Net Income	\$	2,608

LIQUIDITY OUTLOOK

In response to current business and economic conditions as referenced above in the “Outlook” section of this MD&A, we are continuing to actively manage and optimize our capital allocation in response to the slowdown in the economy, inflationary pressures, changing fuel prices, and geopolitical conflicts. We held \$6.5 billion in cash at May 31, 2024 and have \$3.5 billion in available liquidity under our \$1.75 billion three-year credit agreement (the “Three-Year Credit Agreement”) and \$1.75 billion five-year credit agreement (the “Five-Year Credit Agreement”) and together with the Three-Year Credit Agreement, the “Credit Agreements”), and we believe that our cash and cash equivalents, cash flow from operations, and available financing sources are adequate to meet our liquidity needs, which include operational requirements, expected capital expenditures, voluntary pension contributions, dividend payments, and stock repurchases.

As announced on June 25, 2024, we expect to repurchase \$2.5 billion of our common stock in 2025. We executed an ASR agreement with two banks in June 2024 to repurchase \$1 billion of our common stock with a completion date no later than the end of the first quarter of 2025.

Our cash and cash equivalents balance at May 31, 2024 includes \$2.5 billion of cash in foreign jurisdictions associated with our permanent reinvestment strategy. We are able to access the majority of this cash without a material tax cost and do not believe that the indefinite reinvestment of these funds impairs our ability to meet our U.S. domestic debt or working capital obligations.

Our capital expenditures for 2025 are expected to be approximately \$5.2 billion, in line with 2024, as we continue to reduce our capital intensity relative to revenue. Aircraft spend is expected to decline, partially offset by increased investments in network optimization and modernization of our facilities. Our expected capital expenditures for 2025 include continued investments related to Network 2.0, as well as the continued modernization of the Federal Express Memphis World Hub and expansion and modernization of the Federal Express Indianapolis Hub. Our expected capital expenditures for 2025 also include \$1.3 billion for delivery of aircraft and related equipment and progress payments toward future aircraft deliveries at Federal Express.

We have several aircraft modernization programs under way that are supported by the purchase of Boeing 777 Freighter and Boeing 767-300 Freighter aircraft. These aircraft are significantly more fuel-efficient per unit than the aircraft types previously utilized, and these expenditures are necessary to achieve significant long-term operating savings and to replace older aircraft. Our ability to delay the timing of these aircraft-related expenditures is limited without incurring significant costs to modify existing purchase agreements.

We have additional obligations as part of our ordinary course of business, beyond those committed for capital expenditures, which consist of debt obligations, lease obligations, and obligations and commitments for purchases of goods and services. Refer to Note 6, Note 7, and Note 18 of the accompanying consolidated financial statements for more information. In addition, we have certain tax positions that are further discussed in Note 12 of the accompanying consolidated financial statements. We do not have any guarantees or other off-balance sheet financing arrangements, including variable interest entities, which we believe could have a material impact on our financial condition or liquidity.

We have a shelf registration statement filed with the Securities and Exchange Commission (“SEC”) that allows us to sell, in one or more future offerings, any combination of our unsecured debt securities and common stock and allows pass-through trusts formed by Federal Express to sell, in one or more future offerings, pass-through certificates.

The Three-Year Credit Agreement and the Five-Year Credit Agreement expire in March 2027 and March 2029, respectively. Each of the Credit Agreements has a \$125 million letter of credit sublimit. The Credit Agreements are available to finance our operations and other cash flow needs. See Note 6 of the accompanying consolidated financial statements for a description of the terms and significant covenants of the Credit Agreements.

We made voluntary contributions of \$100 million to our tax-qualified U.S. domestic pension plan (“U.S. Pension Plan”) in June 2024 and anticipate making \$700 million of additional voluntary contributions during the remainder of 2025. There are currently no required minimum contributions to our U.S. Pension Plan, and we maintain a credit balance related to our cumulative excess voluntary pension contributions over those required that exceeds \$3.0 billion. The credit balance is subtracted from plan assets to determine the minimum funding requirements. Therefore, we have the flexibility to eliminate all required contributions to our principal U.S. Pension Plan for several years. Our U.S. Pension Plan has ample funds to meet expected benefit payments.

On June 10, 2024, our Board of Directors declared a quarterly cash dividend of \$1.38 per share of common stock. The dividend was paid on July 9, 2024 to stockholders of record as of the close of business on June 24, 2024. Each quarterly dividend payment is subject to review and approval by our Board of Directors, and we evaluate our dividend payment amount on an annual basis. There are no material restrictions on our ability to declare dividends, nor are there any material restrictions on the ability of our subsidiaries to transfer funds to us in the form of cash dividends, loans, or advances.

Standard & Poor’s has assigned us a senior unsecured debt credit rating of BBB, a Certificates rating of AA-, a commercial paper rating of A-2, and a ratings outlook of “stable.” Moody’s Investors Service has assigned us an unsecured debt credit rating of Baa2, a Certificates rating of Aa3, a commercial paper rating of P-2, and a ratings outlook of “stable.” Our interest expense may increase in the event of a reduction in our credit rating. If our unsecured debt or commercial paper ratings are reduced to below investment grade, our access to the capital markets may become limited.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make significant judgments and estimates to develop amounts reflected and disclosed in the financial statements. In many cases, there are alternative policies or estimation techniques that could be used. We maintain a thorough process to review the application of our accounting policies and to evaluate the appropriateness of the many estimates that are required to prepare the financial statements of a complex, global corporation. However, even under optimal circumstances, estimates routinely require adjustment based on changing circumstances and new or better information.

The estimates discussed below include the financial statement elements that are either the most judgmental or involve the selection or application of alternative accounting policies and are material to our results of operations and financial condition. Management has discussed the development and selection of these critical accounting estimates with the Audit and Finance Committee of our Board of Directors and with our independent registered public accounting firm.

PENSION PLANS

The rules for pension accounting are complex and can produce volatility in our earnings, financial condition, and liquidity. Our defined benefit pension plans are measured using actuarial techniques that reflect management’s assumptions for expected returns on assets (“EROA”), discount rate, and demographic experience such as salary increases, expected retirement, mortality, and employee turnover. Differences between these assumptions and actual experience are recognized in our earnings through MTM accounting.

Our annual MTM adjustment is highly sensitive to the discount rate and EROA assumptions, which are as follows:

	U.S. Pension Plans		International Pension Plans	
	2024	2023	2024	2023
Discount rate used to determine benefit obligation	5.58 %	5.20 %	4.29 %	4.21 %
Discount rate used to determine net periodic benefit cost	5.20	4.25	4.21	3.09
Expected long-term rate of return on assets	6.50	6.50	3.55	2.26

The following sensitivity analysis shows the impact of a 50-basis-point change in the EROA and discount rate assumptions for our largest pension plan and the resulting increase (decrease) in our projected benefit obligation (“PBO”) as of May 31, 2024 and expense for the year ended May 31, 2024 (in millions):

Pension Plan	50 Basis Point Increase	50 Basis Point Decrease
<i>EROA:</i>		
Effect on pension expense	\$ (127)	\$ 127
<i>Discount Rate:</i>		
Effect on pension expense	11	(13)
Effect on PBO	(1,364)	1,498

See Note 13 of the accompanying consolidated financial statements for further information about our pension plans.

INCOME TAXES

We are subject to income taxes in the U.S. and numerous foreign jurisdictions. Our income taxes are a function of our income, tax planning opportunities available to us, statutory tax rates, and the income tax laws in the various jurisdictions in which we operate. These tax laws are complex and subject to different interpretations by us and the respective governmental taxing authorities. As a result, significant judgment is required in determining our tax expense and in evaluating our tax positions, including evaluating uncertainties. Also, our effective tax rate is significantly affected by the earnings generated in each jurisdiction, so unexpected fluctuations in the geographic mix of earnings could significantly impact our tax rate. Our intercompany transactions are based on globally accepted transfer pricing principles, which align profits with the business operations and functions of the various legal entities in our international business.

We evaluate our tax positions quarterly and adjust the balances as new information becomes available. These evaluations are based on factors including, but not limited to, changes in facts or circumstances, changes in tax laws or their interpretations, audit activity, and changes in our business. In addition, management considers the advice of third parties in making conclusions regarding tax consequences.

Tax contingencies arise from uncertainty in the application of tax rules throughout the many jurisdictions in which we operate. Despite our belief that our tax return positions are consistent with applicable tax laws, taxing authorities could challenge certain positions. We record tax benefits for uncertain tax positions based upon management’s evaluation of the information available at the reporting date. To be recognized in the financial statements, a tax benefit must be at least more likely than not of being sustained based on the technical merits. The benefit for positions meeting the recognition threshold is measured as the largest benefit more likely than not of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. Significant judgment is required in making these determinations and adjustments to unrecognized tax benefits may be necessary to reflect actual taxes payable upon settlement.

Deferred income tax assets represent amounts available to reduce income taxes payable on taxable income in future years. Such assets arise because of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as from net operating loss, capital loss, and tax credit carryforwards. We evaluate the recoverability of these future tax deductions and credits by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings, and available tax planning strategies. These sources of income rely heavily on estimates to make this determination, and as a result there is a risk that these estimates will have to be revised as new information is received. To the extent we do not consider it more likely than not that a deferred tax asset will be recovered, a valuation allowance is established. We believe we will generate sufficient future taxable income to realize the tax benefits related to the remaining net deferred tax assets in our consolidated balance sheets that are not subject to valuation allowances. We record the taxes for global intangible low-taxed income as a period cost.

Our income tax positions are based on currently enacted tax laws. As further guidance is issued by the U.S. Treasury Department, the IRS, and other standard-setting bodies, any resulting changes to our estimates will be treated in accordance with the relevant accounting guidance.

For more information, see the “Income Taxes” section of this MD&A and Note 12 of the accompanying consolidated financial statements.

SELF-INSURANCE ACCRUALS

Our self-insurance reserves are established for estimates of ultimate loss on all incurred claims, including incurred-but-not-reported claims. Components of our self-insurance reserves included in this critical accounting estimate are workers’ compensation claims, vehicle accidents, property and cargo loss, general business liabilities, and benefits paid under employee disability programs. These reserves are primarily based on the actuarially estimated cost of claims incurred as of the balance sheet date. These estimates include judgment about severity of claims, frequency and volume of claims, healthcare inflation, seasonality, and plan designs. The use of any estimation technique in this area is inherently sensitive given the magnitude of claims involved and the length of time until the ultimate cost is known, which may be several years.

We believe our recorded obligations for these expenses are consistently measured and appropriate. Nevertheless, changes in accident frequency and severity, healthcare costs, insurance retention levels, and other factors can materially affect the estimates for these liabilities and affect our results of operations. Self-insurance accruals reflected in our balance sheet for the period ended May 31 are as follows (in millions):

	2024	2023
Short-Term	\$ 1,931	\$ 1,730
Long-Term	3,701	3,339
Total	<u>\$ 5,632</u>	<u>\$ 5,069</u>

A five-percent reduction or improvement in the assumed claim severity used to estimate our self-insurance accruals would result in an increase or decrease of approximately \$280 million in our reserves and expenses as of and for the year ended May 31, 2024. For more information, see “Item 1A. Risk Factors” of this Annual Report.

LONG-LIVED ASSETS

USEFUL LIVES AND SALVAGE VALUES. Our business is capital intensive, with approximately 60% of our owned assets invested in our transportation and information system infrastructures.

The depreciation or amortization of our capital assets over their estimated useful lives, and the determination of any salvage values, requires management to make judgments about future events. Because we utilize many of our capital assets over relatively long periods (the majority of aircraft costs are depreciated over 18 to 30 years), we periodically evaluate whether adjustments to our estimated service lives or salvage values are necessary to ensure these estimates properly match the economic use of the asset. These evaluations consider usage, maintenance costs, and economic factors that affect the useful life of an asset. This evaluation may result in changes in the estimated lives and residual values used to depreciate our aircraft and other equipment.

For our aircraft, we consider actual experience with the same or similar aircraft types and future volume projections in estimating the useful lives and expected salvage values. We typically assign no residual value due to the utilization of our aircraft in cargo configuration, which results in little to no value at the end of their useful life. These estimates affect the amount of depreciation expense recognized in a period and, ultimately, the gain or loss on the disposal of the asset. Changes in the estimated lives of assets will result in an increase or decrease in the amount of depreciation recognized in future periods and could have a material impact on our results of operations (as described below). Historically, gains and losses on disposals of operating equipment have not been material. However, such amounts may differ materially in the future due to changes in business levels, technological obsolescence, accident frequency, regulatory changes, and other factors beyond our control.

IMPAIRMENT. As of May 31, 2024, the FedEx Express global air network included a fleet of 698 aircraft (including 309 supplemental aircraft) that provide delivery of packages and freight to more than 220 countries and territories through a wide range of U.S. and international shipping services. While certain aircraft are utilized in primary geographic areas (U.S. versus international), we operate an integrated global network, and utilize our aircraft and other modes of transportation to achieve the lowest cost of delivery while maintaining our service commitments to our customers. Because of the integrated nature of our global network, our aircraft are interchangeable across routes and geographies, giving us flexibility with our fleet planning to meet changing global economic conditions and maintain and modify aircraft as needed.

Because of the lengthy lead times for aircraft manufacture and modifications, we must anticipate volume levels and plan our fleet requirements years in advance, and make commitments for aircraft based on those projections. Furthermore, the timing and availability of certain used aircraft types (particularly those with better fuel efficiency) may create limited opportunities to acquire these aircraft at favorable prices in advance of our capacity needs. These activities create risks that asset capacity may exceed demand. At May 31, 2024, we had three purchased aircraft that were not yet placed into service.

We evaluate our long-lived assets used in operations for impairment when events and circumstances indicate that the undiscounted cash flows to be generated by that asset group are less than the carrying amounts of the asset group and may not be recoverable. If the cash flows do not exceed the carrying value, the asset must be adjusted to its current fair value. We operate integrated transportation networks, and accordingly, cash flows for most of our operating assets are assessed at a network level, not at an individual asset level for our analysis of impairment. Further, decisions about capital investments are evaluated based on the effect on the overall network rather than the return on an individual asset. We make decisions to remove certain long-lived assets from service based on projections of reduced capacity needs or lower operating costs of newer aircraft types, and those decisions may result in an impairment charge. Assets held for disposal must be adjusted to their estimated fair values less costs to sell when the decision is made to dispose of the asset and certain other criteria are met. The fair value determinations for such aircraft may require management estimates, as there may not be active markets for some of these aircraft. Such estimates are subject to revision from period to period.

In the fourth quarter of 2024, we made the decision to permanently retire from service 22 Boeing 757-200 aircraft and seven related engines to align with the plans of FedEx Express to modernize its aircraft fleet, improve its global network, and better align air network capacity to match current and anticipated shipment volumes. As a consequence of this decision, a noncash impairment charge of \$157 million (\$120 million, net of tax, or \$0.48 per diluted share) was recorded in the fourth quarter. Of these aircraft, 16 were temporarily idled and not in revenue service.

In 2023 we accelerated the retirement of the entire Boeing MD-11 fleet by the end of 2028. In the fourth quarter of 2024, FedEx Express permanently retired nine MD-11F aircraft as part of this decision.

During 2023, FedEx Express made the decision to permanently retire from service 12 Boeing MD-11F aircraft and 25 related engines, four Boeing 757-200 aircraft and one related engine, and two Airbus A300-600 aircraft and eight related engines to align with the plans of FedEx Express to modernize its aircraft fleet, improve its global network, and better align air network capacity to match current and anticipated shipment volumes. As a consequence of this decision, a noncash impairment charge of \$70 million (\$54 million, net of tax, or \$0.21 per diluted share) was recorded in 2023.

In addition, during 2023, FedEx Express made the decision to accelerate the retirement of 46 MD-11F aircraft and related engines to aid in our fleet modernization, improve our global network, and better align air network capacity of FedEx Express to match current and anticipated shipment volumes. As a result of this decision, we had a net increase of approximately \$12 million in depreciation expense in 2024 and expect the expense impact in 2025 to be immaterial.

In the normal management of our aircraft fleet, we routinely idle aircraft and engines temporarily due to maintenance cycles and adjustments of our network capacity to match seasonality and overall customer demand levels. Temporarily idled assets are classified as available-for-use, and we continue to record depreciation expense associated with these assets. These temporarily idled assets are assessed for impairment and remaining life on a quarterly basis. The criteria for determining whether an asset has been permanently removed from service (and, as a result, is potentially impaired) include, but are not limited to, our global economic outlook and the impact of our outlook on our current and projected volume levels, including capacity needs during our peak shipping seasons; the introduction of new fleet types or decisions to permanently retire an aircraft fleet from operations; and changes to planned service expansion activities. At May 31, 2024, we had 19 aircraft temporarily idled. These aircraft have been idled for an average of eight months and are expected to return to revenue service in order to meet expected demand.

During 2023, we reviewed long-lived assets at FedEx Dataworks for impairment. Based on our reviews, we recognized an \$11 million (\$8 million, net of tax, or \$0.03 per diluted share) asset impairment charge related to an intangible asset from the ShopRunner acquisition. For more information, see Note 4 of the accompanying consolidated financial statements.

LEASES. We utilize operating leases to finance certain of our aircraft, facilities, and equipment. Such arrangements typically shift the risk of loss on the residual value of the assets at the end of the lease period to the lessor. We had \$18 billion in operating lease liabilities and \$17 billion in related right-of-use assets on the balance sheet as of May 31, 2024. The weighted-average remaining lease term of all operating leases outstanding at May 31, 2024 was 9.5 years.

Our leases generally contain options to extend or terminate the lease. We reevaluate our leases on a regular basis to consider the economic and strategic incentives of exercising the renewal options, and how they align with our operating strategy. Therefore, substantially all the renewal option periods are not included within the lease term and the associated payments are not included in the measurement of the right-of-use asset and lease liability as the options to extend are not reasonably certain at lease commencement. Short-term leases with an initial term of 12 months or less are not recognized in the right-to-use asset and lease liability on the consolidated balance sheets.

The lease liabilities are measured at the lease commencement date and determined using the present value of the minimum lease payments not yet paid and our incremental borrowing rate, which approximates the rate at which we would borrow, on a collateralized basis, over the term of a lease in the applicable currency environment. The interest rate implicit in the lease is generally not determinable in transactions where we are the lessee.

The determination of whether a lease is accounted for as a finance lease or an operating lease requires management to make estimates primarily about the fair value of the asset and its estimated economic useful life. In addition, our evaluation includes ensuring we properly account for build-to-suit lease arrangements and making judgments about whether various forms of lessee involvement allow the lessee to control the underlying leased asset during the construction period. We believe we have well-defined and controlled processes for making these evaluations, including obtaining third-party appraisals for material transactions to assist us in making these evaluations.

GOODWILL. We had \$6.4 billion of recorded goodwill at May 31, 2024 and 2023 from our business acquisitions, representing the excess of the purchase price over the fair value of the net assets acquired. Several factors give rise to goodwill in our acquisitions, such as the expected benefits from synergies of the combination and the existing workforce of the acquired business.

Goodwill is reviewed at least annually for impairment. In our evaluation of goodwill impairment, we perform a qualitative assessment that requires management judgment and the use of estimates to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount. An entity has an unconditional option to bypass the qualitative assessment for any reporting unit and proceed directly to performing the quantitative goodwill impairment test. An entity may resume performing the qualitative assessment in any subsequent period. We performed a qualitative assessment of goodwill in the fourth quarter of 2024 and both qualitative and quantitative assessments of goodwill in the fourth quarter of 2023. The quantitative assessment included comparing the fair value of the reporting unit to its carrying value (including attributable goodwill). Fair value is estimated using standard valuation methodologies (principally the income or market approach classified as Level 3 within the fair value hierarchy) incorporating market participant considerations and management's assumptions on revenue growth rates, operating margins, discount rates, and expected capital expenditures. Estimates used by management can significantly affect the outcome of the impairment test. Changes in forecasted operating results and other assumptions could materially affect these estimates.

As part of our qualitative assessment, we consider changes in the macroeconomic environment such as the general economic conditions, limitations on accessing capital, fluctuations in foreign exchange rates, and other developments in equity and credit markets.

Our reporting units with significant recorded goodwill include FedEx Express, FedEx Ground, and FedEx Freight. We evaluated these reporting units during the fourth quarters of 2024 and 2023 and the estimated fair value of each of these reporting units exceeded their

carrying values as of the end of 2024 and 2023; therefore, we do not believe that any of these reporting units were impaired as of the balance sheet dates.

In connection with our annual impairment testing of goodwill conducted in the fourth quarter of 2023, we recorded an impairment charge of \$36 million (\$36 million, net of tax, or \$0.14 per diluted share) for all of the goodwill attributable to our FedEx Dataworks reporting unit. The key factors contributing to the goodwill impairment were underperformance of the ShopRunner business during 2023, including base business erosion, and the failure to attain the level of operating synergies and revenue and profit growth anticipated at the time of acquisition. Based on these factors, our outlook for the business changed in the fourth quarter of 2023.

LEGAL AND OTHER CONTINGENCIES

We are subject to various loss contingencies in connection with our operations. Contingent liabilities are difficult to measure, as their measurement is subject to multiple factors that are not easily predicted or projected. Further, additional complexity in measuring these liabilities arises due to the various jurisdictions in which these matters occur, which makes our ability to predict their outcome highly uncertain. Moreover, different accounting rules must be employed to account for these items based on the nature of the contingency. Accordingly, significant management judgment is required to assess these matters and to make determinations about the measurement of a liability, if any. Certain pending loss contingencies are described in Note 20 of the accompanying consolidated financial statements. In the opinion of management, the aggregate liability, if any, of individual matters or groups of related matters not specifically described in Note 20 is not expected to be material to our financial position, results of operations, or cash flows. The following describes our methods and associated processes for evaluating these matters.

Because of the complex environment in which we operate, we are subject to numerous legal proceedings and claims, including those relating to general commercial matters, governmental enforcement actions, employment-related claims, vehicle accidents, and contracted service providers. Accounting guidance for contingencies requires an accrual of estimated loss from a contingency, such as a non-income tax or other legal proceeding or claim, when it is probable (i.e., the future event or events are likely to occur) that a loss has been incurred and the amount of the loss can be reasonably estimated. This guidance also requires disclosure of a loss contingency matter when, in management's judgment, a material loss is reasonably possible or probable.

During the preparation of our financial statements, we evaluate our contingencies to determine whether it is probable, reasonably possible, or remote that a liability has been incurred. A loss is recognized for all contingencies deemed probable and reasonably estimable. For unresolved contingencies with potentially material exposure that are deemed reasonably possible, we evaluate whether a potential loss or range of loss can be reasonably estimated.

Our evaluation of these matters is the result of a comprehensive process designed to ensure that accounting recognition of a loss or disclosure of these contingencies is made in a timely manner and involves our legal and accounting personnel, as well as external counsel where applicable. The process includes regular communications during each quarter and scheduled meetings shortly before the completion of our financial statements to evaluate any new legal proceedings and the status of existing matters.

In determining whether a loss should be accrued or a loss contingency disclosed, we evaluate, among other factors:

- the current status of each matter within the scope and context of the entire lawsuit or proceeding (e.g., the lengthy and complex nature of class-action matters);
- the procedural status of each matter;
- any opportunities to dispose of a lawsuit on its merits before trial (i.e., motion to dismiss or for summary judgment);
- the amount of time remaining before a trial date;
- the status of discovery;
- the status of settlement, arbitration, or mediation proceedings; and
- our judgment regarding the likelihood of success prior to or at trial.

In reaching our conclusions with respect to accrual of a loss or loss contingency disclosure, we take a holistic view of each matter based on these factors and the information available prior to the issuance of our financial statements. Uncertainty with respect to an individual factor or combination of these factors may impact our decisions related to accrual or disclosure of a loss contingency, including a conclusion that we are unable to establish an estimate of possible loss or a meaningful range of possible loss. We update our disclosures to reflect our most current understanding of the contingencies at the time we issue our financial statements. However, events may arise that were not anticipated and the outcome of a contingency may result in a loss to us that differs materially from our previously estimated liability or range of possible loss.

Despite the inherent complexity in the accounting and disclosure of contingencies, we believe that our processes are robust and thorough and provide a consistent framework for management in evaluating the potential outcome of contingencies for proper accounting recognition and disclosure.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

INTEREST RATES. While we currently have market risk sensitive instruments related to interest rates, we do not have significant exposure to changing interest rates on our long-term debt. As disclosed in Note 6 to the accompanying consolidated financial statements, we had outstanding fixed-rate long-term debt (exclusive of finance leases) with an estimated fair value of \$17.5 billion at May 31, 2024 and outstanding fixed-rate long-term debt (exclusive of finance leases) with an estimated fair value of \$17.5 billion at May 31, 2023. Market risk for long-term debt is estimated as the potential decrease in fair value resulting from a hypothetical 10% increase in interest rates and amounts to approximately \$650 million as of May 31, 2024 and approximately \$750 million as of May 31, 2023. The underlying fair values of our long-term debt were estimated based on quoted market prices or on the current rates offered for debt with similar terms and maturities.

We have interest rate risk with respect to our pension and postretirement benefit obligations. Changes in interest rates impact our liabilities associated with these retirement plans, as well as the amount of pension and postretirement benefit expense recognized. Declines in the value of plan assets could diminish the funded status of our pension plans and potentially increase our requirement to make contributions to the plans. Substantial investment losses on plan assets would also increase net pension expense. See the “Critical Accounting Estimates — Retirement Plans” section of “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition” of this Annual Report for more information.

FOREIGN CURRENCY. While we are a global provider of transportation, e-commerce, and business services, the majority of our transactions during the periods presented in this Annual Report are denominated in U.S. dollars. The principal foreign currency exchange rate risks to which we are exposed are in the euro, Chinese yuan, British pound, Canadian dollar, Australian dollar, Mexican peso, Hong Kong dollar, and Japanese yen. Historically, our exposure to foreign currency fluctuations is more significant with respect to our revenue than our expenses, as a significant portion of our expenses are denominated in U.S. dollars, such as aircraft and fuel expenses. Foreign currency fluctuations had a slightly negative impact on operating income in 2024 and a slightly negative impact on operating income in 2023. However, favorable foreign currency fluctuations also may have had an offsetting impact on the price we obtained or the demand for our services, which is not quantifiable. At May 31, 2024, the result of a uniform 10% strengthening in the value of the dollar relative to the currencies in which our transactions are denominated would result in a decrease in expected operating income of approximately \$400 million for 2025. This theoretical calculation assumes that each exchange rate would change in the same direction relative to the U.S. dollar, which is not consistent with our actual experience in foreign currency transactions. In addition to the direct effects of changes in exchange rates, fluctuations in exchange rates also affect the volume of sales or the foreign currency sales price as competitors’ services become more or less attractive. The sensitivity analysis of the effects of changes in foreign currency exchange rates does not factor in a potential change in sales levels or local currency prices.

We maintain derivative financial instruments to manage foreign currency fluctuations related to probable future transactions and cash flows denominated in currencies other than the currency of the transacting entity, which impacts our exposure to foreign currency exchange risk. Certain derivatives are designated as net investment hedges and the gains or losses on those derivatives are reported in accumulated other comprehensive loss within common stockholders’ investment as part of the cumulative translation adjustment. During 2024, we recognized a \$6 million loss in other comprehensive income related to our cross-currency swaps, which excludes any impact of deferred income taxes. All other derivatives are accounted for at fair value with any gains or losses recorded in income, and were immaterial in 2024. The income statement impact of the derivatives was immaterial in 2023. For additional discussion of our derivatives, see Note 15 of the accompanying consolidated financial statements.

COMMODITY. While we have market risk for changes in the price of jet and vehicle fuel, this risk is largely mitigated by our indexed fuel surcharges. For additional discussion of our indexed fuel surcharges, see the “Results of Operations and Outlook — Consolidated Results — Fuel” section of “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition.”

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended). Our internal control over financial reporting includes, among other things, defined policies and procedures for conducting and governing our business, sophisticated information systems for processing transactions, and a properly staffed, professional internal audit department. Mechanisms are in place to monitor the effectiveness of our internal control over financial reporting and actions are taken to correct all identified deficiencies. Our procedures for financial reporting include the active involvement of senior management, our Audit and Finance Committee, and our staff of highly qualified financial and legal professionals.

Management, with the participation of our principal executive and financial officers, assessed our internal control over financial reporting as of May 31, 2024, the end of our fiscal year. Management based its assessment on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria).

Based on this assessment, management has concluded that our internal control over financial reporting was effective as of May 31, 2024.

The effectiveness of our internal control over financial reporting as of May 31, 2024, has been audited by Ernst & Young LLP (PCAOB ID: 42), the independent registered public accounting firm who also audited the Company's consolidated financial statements included in this Annual Report on Form 10-K. Ernst & Young LLP's report on the Company's internal control over financial reporting is included in this Annual Report on Form 10-K.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of
FedEx Corporation

Opinion on Internal Control Over Financial Reporting

We have audited FedEx Corporation's internal control over financial reporting as of May 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, FedEx Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of May 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of May 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, cash flows and changes in common stockholders' investment for each of the three years in the period ended May 31, 2024, and the related notes and our report dated July 15, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Memphis, Tennessee

July 15, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of
FedEx Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of FedEx Corporation (the Company) as of May 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, cash flows and changes in common stockholders' investment for each of the three years in the period ended May 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at May 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended May 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of May 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated July 15, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

U.S. Pension Projected Benefit Obligation

*Description of
the Matter*

The Company sponsors defined benefit pension plans that provide retirement benefits to certain U.S. employees. At May 31, 2024, the Company's aggregated projected benefit obligation for U.S. pension plans was \$26.3 billion and exceeded the \$25.8 billion fair value of U.S. pension plan assets, resulting in an unfunded U.S. pension obligation of \$0.5 billion. As explained in Note 1 and Note 13 to the consolidated financial statements, the Company's projected benefit obligation for the U.S. pension plans is measured using actuarial techniques that reflect management's assumptions for discount rate and demographic experience, such as mortality and retirement ages.

Auditing the projected benefit obligation of the U.S. pension plans was complex due to the highly judgmental nature and significant effect of the discount rate used in the measurement process. The discount rate has a significant effect on the projected benefit obligation and is developed by utilizing the yield on a theoretical portfolio of high-grade corporate bonds with cash flows that are designed to match expected benefit payments in future years.

*How We
Addressed the
Matter in Our
Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's process for estimating the projected benefit obligation of the U.S. pension plans, including management's review of the significant assumptions and assessment of the data inputs provided to the actuary.

To test the projected benefit obligation of the U.S. pension plans, our audit procedures included, among others, evaluating the methodologies used, the significant actuarial assumptions described above, and the underlying data used by the Company. We compared the actuarial assumptions used by management to historical trends and evaluated the change in the projected benefit obligation of the U.S. pension plans from the prior year due to the change in service cost, interest cost, actuarial gains, and benefit payments. In addition, we involved our actuarial specialists to assist in evaluating management's methodology for determining the discount rate. As part of this assessment, we compared management's selected discount rate to an independently developed range of reasonable discount rates. Additionally, we compared the projected future cash flows of the U.S. pension plans to the prior year projections and compared the current year benefits paid to the prior year projected cash flows. We also tested the completeness and accuracy of the underlying data, including the participant data provided to management's actuarial specialists.

Valuation of Self-Insurance Accruals

*Description of
the Matter*

At May 31, 2024, the Company's self-insurance accruals reflected in the balance sheet were \$5.6 billion. As explained in Note 1 to the consolidated financial statements, self-insurance accruals include costs associated with workers' compensation claims, vehicle accidents, property and cargo loss, general business liabilities, and benefits paid under employee disability programs. These accrued liabilities are primarily based on the actuarially estimated cost of claims, including incurred-but-not-reported (IBNR) claims.

Auditing the Company's self-insurance accruals is complex due to the significant measurement uncertainty inherent to the estimate, the application of management judgment, and the use of various actuarial methods. In addition, the accruals are sensitive due to the volume of claims and the amount of time that can pass before the final cost is known.

*How We
Addressed the
Matter in Our
Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's process for estimating self-insurance accruals, including management's review of the significant assumptions used, results of calculations and assessment of data underlying the accruals.

To evaluate the self-insurance accruals, our audit procedures included, among others, testing the completeness and accuracy of the underlying claims data used by the Company. We involved our actuarial specialists to assist in our evaluation of the methodologies applied by management in establishing the actuarially determined accrual and in reviewing the Company's reinsurance contracts by policy year to assess the Company's self-insured retentions, deductibles, and coverage limits. We compared the Company's accrued amounts to a range developed by our actuarial specialists. Furthermore, we compared the Company's historical estimates of expected incurred losses to actual losses experienced during the current year.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Memphis, Tennessee

July 15, 2024

FEDEX CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN MILLIONS)

	May 31,	
	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,501	\$ 6,856
Receivables, less allowances of \$775 and \$800	10,087	10,188
Spare parts, supplies, and fuel, less allowances of \$288 and \$276	614	604
Prepaid expenses and other	1,005	962
Total current assets	18,207	18,610
PROPERTY AND EQUIPMENT, AT COST		
Aircraft and related equipment	30,525	29,108
Package handling and ground support equipment	17,880	16,839
Information technology	9,203	8,792
Vehicles and trailers	10,568	10,191
Facilities and other	16,215	15,694
Total property and equipment, at cost	84,391	80,624
Less accumulated depreciation and amortization	42,900	39,926
Net property and equipment	41,491	40,698
OTHER LONG-TERM ASSETS		
Operating lease right-of-use assets, net	17,115	17,347
Goodwill	6,423	6,435
Other assets	3,771	4,053
Total other long-term assets	27,309	27,835
TOTAL ASSETS	\$ 87,007	\$ 87,143

The accompanying notes are an integral part of these consolidated financial statements.

FEDEX CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN MILLIONS, EXCEPT SHARE DATA)

	May 31,	
	2024	2023
<u>LIABILITIES AND COMMON STOCKHOLDERS' INVESTMENT</u>		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 68	\$ 126
Accrued salaries and employee benefits	2,673	2,475
Accounts payable	3,189	3,848
Operating lease liabilities	2,463	2,390
Accrued expenses	4,962	4,747
Total current liabilities	13,355	13,586
LONG-TERM DEBT, LESS CURRENT PORTION	20,135	20,453
OTHER LONG-TERM LIABILITIES		
Deferred income taxes	4,482	4,489
Pension, postretirement healthcare, and other benefit obligations	2,010	3,130
Self-insurance accruals	3,701	3,339
Operating lease liabilities	15,053	15,363
Other liabilities	689	695
Total other long-term liabilities	25,935	27,016
COMMITMENTS AND CONTINGENCIES		
COMMON STOCKHOLDERS' INVESTMENT		
Common stock, \$0.10 par value; 800 million shares authorized; 318 million shares issued as of May 31, 2024 and 2023	32	32
Additional paid-in capital	3,988	3,769
Retained earnings	38,649	35,259
Accumulated other comprehensive loss	(1,359)	(1,327)
Treasury stock, at cost	(13,728)	(11,645)
Total common stockholders' investment	27,582	26,088
TOTAL LIABILITIES AND COMMON STOCKHOLDERS' INVESTMENT	\$ 87,007	\$ 87,143

The accompanying notes are an integral part of these consolidated financial statements.

FEDEX CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Years ended May 31,		
	2024	2023	2022
REVENUE	\$ 87,693	\$ 90,155	\$ 93,512
OPERATING EXPENSES:			
Salaries and employee benefits	30,961	31,019	32,058
Purchased transportation	20,921	21,790	24,118
Rentals and landing fees	4,571	4,738	4,712
Depreciation and amortization	4,287	4,176	3,970
Fuel	4,710	5,909	5,115
Maintenance and repairs	3,291	3,357	3,372
Goodwill and other asset impairment charges	157	117	—
Business optimization and realignment costs	582	309	278
Other	12,654	13,828	13,644
TOTAL OPERATING EXPENSES	82,134	85,243	87,267
OPERATING INCOME	5,559	4,912	6,245
OTHER INCOME (EXPENSE):			
Interest expense	(745)	(694)	(689)
Interest income	370	198	53
Other retirement plans income (expense)	722	1,054	(726)
Other, net	(70)	(107)	13
TOTAL OTHER INCOME (EXPENSE)	277	451	(1,349)
INCOME BEFORE INCOME TAXES	5,836	5,363	4,896
PROVISION FOR INCOME TAXES	1,505	1,391	1,070
NET INCOME	\$ 4,331	\$ 3,972	\$ 3,826
BASIC EARNINGS PER COMMON SHARE	\$ 17.41	\$ 15.60	\$ 14.54
DILUTED EARNINGS PER COMMON SHARE	\$ 17.21	\$ 15.48	\$ 14.33

The accompanying notes are an integral part of these consolidated financial statements.

FEDEX CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(IN MILLIONS)

	Years Ended May 31,		
	2024	2023	2022
NET INCOME	\$ 4,331	\$ 3,972	\$ 3,826
OTHER COMPREHENSIVE LOSS:			
Foreign currency translation adjustments, net of tax benefits of \$5 in 2024, \$25 in 2023, and \$17 in 2022	(60)	(214)	(363)
Prior service credit arising during period, net of tax (expense) of (\$11) in 2024, \$0 in 2023, and \$0 in 2022	36	—	—
Amortization of prior service credits and other, net of tax expense of \$2 in 2024, \$2 in 2023, and \$2 in 2022	(8)	(10)	(8)
TOTAL OTHER COMPREHENSIVE LOSS	(32)	(224)	(371)
COMPREHENSIVE INCOME	<u>\$ 4,299</u>	<u>\$ 3,748</u>	<u>\$ 3,455</u>

The accompanying notes are an integral part of these consolidated financial statements.

FEDEX CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN MILLIONS)

	Years ended May 31,		
	2024	2023	2022
OPERATING ACTIVITIES			
Net income	\$ 4,331	\$ 3,972	\$ 3,826
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	4,287	4,176	3,970
Provision for uncollectible accounts	421	696	403
Other noncash items including leases and deferred income taxes	2,919	3,472	2,931
Stock-based compensation	163	182	190
Retirement plans mark-to-market adjustments	(561)	(650)	1,578
Goodwill and other asset impairment charges	157	117	—
Business optimization and realignment costs, net of payments	26	23	53
Changes in assets and liabilities:			
Receivables	(270)	782	(310)
Other current assets	(43)	48	(158)
Pension and postretirement healthcare assets and liabilities, net	(522)	(623)	(697)
Accounts payable and other liabilities	(2,553)	(3,331)	(1,861)
Other, net	(43)	(16)	(93)
Cash provided by operating activities	<u>8,312</u>	<u>8,848</u>	<u>9,832</u>
INVESTING ACTIVITIES			
Capital expenditures	(5,176)	(6,174)	(6,763)
Purchase of investments	(176)	(84)	(147)
Proceeds from sale of investments	38	—	—
Proceeds from asset dispositions and other	114	84	94
Cash used in investing activities	<u>(5,200)</u>	<u>(6,174)</u>	<u>(6,816)</u>
FINANCING ACTIVITIES			
Principal payments on debt	(147)	(152)	(161)
Proceeds from stock issuances	491	231	184
Dividends paid	(1,259)	(1,177)	(793)
Purchase of treasury stock	(2,500)	(1,500)	(2,248)
Other, net	(11)	1	(1)
Cash used in financing activities	<u>(3,426)</u>	<u>(2,597)</u>	<u>(3,019)</u>
Effect of exchange rate changes on cash	(41)	(118)	(187)
Net decrease in cash and cash equivalents	(355)	(41)	(190)
Cash and cash equivalents at beginning of period	6,856	6,897	7,087
Cash and cash equivalents at end of period	<u>\$ 6,501</u>	<u>\$ 6,856</u>	<u>\$ 6,897</u>

The accompanying notes are an integral part of these consolidated financial statements.

FEDEX CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN COMMON STOCKHOLDERS' INVESTMENT
(IN MILLIONS, EXCEPT SHARE DATA)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehen- sive Loss	Treasury Stock	Total
Balance at May 31, 2021	\$ 32	\$ 3,481	\$ 29,817	\$ (732)	\$ (8,430)	\$ 24,168
Net income	—	—	3,826	—	—	3,826
Other comprehensive loss, net of tax of \$19	—	—	—	(371)	—	(371)
Purchase of treasury stock (8.9 million shares)	—	(9)	—	—	(2,239)	(2,248)
Cash dividends declared (\$3.00 per share)	—	—	(793)	—	—	(793)
Employee incentive plans and other (1.4 million shares issued)	—	240	(68)	—	185	357
Balance at May 31, 2022	32	3,712	32,782	(1,103)	(10,484)	24,939
Net income	—	—	3,972	—	—	3,972
Other comprehensive loss, net of tax of \$27	—	—	—	(224)	—	(224)
Purchase of treasury stock (9.2 million shares)	—	(82)	—	—	(1,418)	(1,500)
Cash dividends declared (\$5.86 per share)	—	—	(1,495)	—	—	(1,495)
Employee incentive plans and other (1.9 million shares issued)	—	139	—	—	257	396
Balance at May 31, 2023	32	3,769	35,259	(1,327)	(11,645)	26,088
Net income	—	—	4,331	—	—	4,331
Other comprehensive loss, net of tax of \$4	—	—	—	(32)	—	(32)
Purchase of treasury stock (9.8 million shares)	—	(22)	—	—	(2,495)	(2,517)
Cash dividends declared (\$3.78 per share)	—	—	(941)	—	—	(941)
Employee incentive plans and other (3.1 million shares issued)	—	241	—	—	412	653
Balance at May 31, 2024	\$ 32	\$ 3,988	\$ 38,649	\$ (1,359)	\$ (13,728)	\$ 27,582

The accompanying notes are an integral part of these consolidated financial statements.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF BUSINESS SEGMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS SEGMENTS. FedEx Corporation (“FedEx”) provides a broad portfolio of transportation, e-commerce, and business services, offering integrated business solutions utilizing our flexible, efficient, and intelligent network. During the fiscal years ended May 31, 2024 and 2023, our primary operating companies were Federal Express Corporation (“FedEx Express”), the world’s largest express transportation company; FedEx Ground Package System, Inc. (“FedEx Ground”), a leading North American provider of small-package ground delivery services; and FedEx Freight Corporation and its less-than-truckload (“LTL”) operating subsidiary FedEx Freight, Inc. (“FedEx Freight”), a leading North American provider of LTL freight transportation services. For these periods, these companies represented our major service lines and, along with FedEx Corporate Services, Inc. (“FedEx Services”), constituted our reportable segments. Our FedEx Services segment provided sales, marketing, information technology, communications, customer service, technical support, billing and collection services, and certain back-office functions that supported our operating segments during these periods.

FISCAL YEARS. Except as otherwise specified, references to years indicate our fiscal year ended May 31, 2024 or ended May 31 of the year referenced.

PRINCIPLES OF CONSOLIDATION. The consolidated financial statements include the accounts of FedEx and its subsidiaries, substantially all of which are wholly owned. All significant intercompany accounts and transactions have been eliminated in consolidation.

REVENUE RECOGNITION.

Satisfaction of Performance Obligation

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the basis of revenue recognition in accordance with U.S. generally accepted accounting principles (“GAAP”). To determine the proper revenue recognition method for contracts, we evaluate whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. For most of our contracts, the customer contracts with us to provide distinct services within a single contract, primarily transportation services. Substantially all of our contracts with customers for transportation services include only one performance obligation, the transportation services themselves. However, if a contract is separated into more than one performance obligation, we allocate the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. We frequently sell standard transportation services with observable standalone sales prices. In these instances, the observable standalone sales are used to determine the standalone selling price.

For transportation services, revenue is recognized over time as we perform the services in the contract because of the continuous transfer of control to the customer. Our customers receive the benefit of our services as the goods are transported from one location to another. If we were unable to complete delivery to the final location, another entity would not need to reperform the transportation service already performed. As control transfers over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. We use the cost-to-cost measure of progress for our package delivery contracts because it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenue, including ancillary or accessorial fees and reductions for estimated customer incentives, is recorded proportionally as costs are incurred. Costs to fulfill include labor and other direct costs and an allocation of indirect costs. For our FedEx Freight and freight forwarding contracts, an output method of progress based on time-in-transit is utilized as the timing of costs incurred does not best depict the transfer of control to the customer.

We also provide customized customer-specific solutions, such as supply chain management solutions and inventory and service parts logistics, through which we provide the service of integrating a complex set of tasks and components into a single capability. For these arrangements, the majority of which are conducted by our FedEx Logistics, Inc. (“FedEx Logistics”) operating segment, the entire contract is accounted for as one performance obligation. For these performance obligations, we typically have a right to consideration from customers in an amount that corresponds directly with the value to the customers of our performance completed to date, and as such we recognize revenue in the amount to which we have a right to invoice the customer.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Contract Modification

Contracts are often modified to account for changes in the rates we charge our customers or to add additional distinct services. We consider contract modifications to exist when the modification either creates new enforceable rights and obligations or alters the existing arrangement. Contract modifications that add distinct goods or services are treated as separate contracts. Contract modifications that do not add distinct goods or services typically change the price of existing services. These contract modifications are accounted for prospectively as the remaining performance obligations are distinct.

Variable Consideration

Certain contracts contain customer incentives, guaranteed service refunds, and other provisions that can either increase or decrease the transaction price. These incentives are generally awarded based upon achieving certain performance metrics. We estimate variable consideration as the most likely amount to which we expect to be entitled. We include estimated amounts of revenue, which may be reduced by incentives or other contract provisions, in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based on an assessment of anticipated customer spending and all information (historical, current, and forecasted) that is reasonably available to us.

Principal vs. Agent Considerations

Transportation services are provided with the use of employees and independent businesses that contract with FedEx. GAAP requires us to evaluate whether our businesses themselves promise to transfer services to the customer (as the principal) or to arrange for services to be provided by another party (as the agent) using a control model. Based on our evaluation of the control model, we determined that FedEx is the principal to the transaction for most of these services and revenue is recognized on a gross basis based on the transfer of control to the customer. Costs associated with independent businesses providing transportation services are recognized as incurred and included in the caption "Purchased transportation" in the accompanying consolidated statements of income.

Our contract logistics, global trade services, and certain transportation businesses engage in certain transactions wherein they act as agents. Revenue from these transactions is recorded on a net basis. Net revenue includes billings to customers less third-party charges, including transportation or handling costs, fees, commissions, and taxes and duties.

Contract Assets and Liabilities

Contract assets include billed and unbilled amounts resulting from in-transit shipments, as we have an unconditional right to payment only once all performance obligations have been completed (e.g., packages have been delivered). Contract assets are generally classified as current, and the full balance is converted each quarter based on the short-term nature of the transactions. Our contract liabilities consist of advance payments and billings in excess of revenue. The full balance of deferred revenue is converted each quarter based on the short-term nature of the transactions.

Gross contract assets related to in-transit shipments totaled \$672 million and \$686 million at May 31, 2024 and May 31, 2023, respectively. Contract assets net of deferred unearned revenue were \$463 million and \$484 million at May 31, 2024 and May 31, 2023, respectively. Contract assets are included within current assets in the accompanying consolidated balance sheets. Contract liabilities related to advance payments from customers were \$23 million and \$19 million at May 31, 2024 and May 31, 2023, respectively. Contract liabilities are included within current liabilities in the accompanying consolidated balance sheets.

Payment Terms

Certain of our revenue-producing transactions are subject to taxes and duties, such as sales tax, assessed by governmental authorities. We present these revenues net of tax. Under the typical payment terms of our customer contracts, the customer pays at periodic intervals (e.g., every 15 days, 30 days, 45 days, etc.) for shipments included on invoices received. It is not customary business practice to extend payment terms past 90 days, and as such, we do not have a practice of including a significant financing component within our revenue contracts with customers.

Disaggregation of Revenue

See Note 14 for disclosure of disaggregated revenue for the periods ended May 31. This presentation is consistent with how we organize our segments internally for making operating decisions and measuring performance.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CREDIT RISK. We routinely grant credit to many of our customers for transportation and business services without collateral. The risk of credit loss in our trade receivables is substantially mitigated by our credit evaluation process, short collection terms, and sales to a large number of customers, as well as the low revenue per transaction for most of our services. Allowances for potential credit losses are determined based on historical experience and the impact of current economic conditions. Historically, credit losses have been within management's expectations.

ADVERTISING. Advertising and promotion costs are expensed as incurred and are classified in other operating expenses. Advertising and promotion expenses were \$421 million in 2024, \$435 million in 2023, and \$470 million in 2022.

CASH EQUIVALENTS. Cash in excess of current operating requirements is invested in short-term, interest-bearing instruments with maturities of three months or less at the date of purchase and is stated at cost, which approximates market value.

SPARE PARTS, SUPPLIES, AND FUEL. Spare parts (principally aircraft-related) are reported at weighted-average cost. Allowances for obsolescence are provided for spare parts currently identified as excess or obsolete as well as expected to be on hand at the date the aircraft are retired from service. These allowances are provided over the estimated useful life of the related aircraft and engines. The majority of our supplies and fuel are reported at weighted-average cost.

PROPERTY AND EQUIPMENT. Expenditures for major additions, improvements, and flight equipment modifications are capitalized when such costs are determined to extend the useful life of the asset or are part of the cost of acquiring the asset. Expenditures for equipment overhaul costs of engines or airframes prior to their operational use are capitalized as part of the cost of such assets as they are costs required to ready the asset for its intended use. Maintenance and repairs costs are charged to expense as incurred, except for certain aircraft engine maintenance costs incurred under third-party service agreements. These agreements result in costs being expensed based on cycles or hours flown and are subject to annual escalation. These service contracts transfer risk to third-party service providers and generally fix the amount we pay for maintenance to the service provider as a rate per cycle or flight hour, in exchange for maintenance and repairs under a predefined maintenance program. We capitalize certain direct internal and external costs associated with the development of internal-use software, including implementation of cloud computing service arrangements. Gains and losses on sales of property used in operations are classified within operating expenses and historically have been nominal.

For financial reporting purposes, we record depreciation and amortization of property and equipment on a straight-line basis over the asset's service life or related lease term, if shorter. For income tax purposes, depreciation is computed using accelerated methods when applicable.

The depreciable lives and net book value of our property and equipment are as follows (dollars in millions):

	Range	Net Book Value at May 31,	
		2024	2023
Wide-body aircraft and related equipment	18 to 30 years	\$ 17,936	\$ 16,973
Narrow-body and feeder aircraft and related equipment	5 to 30 years	1,849	2,038
Package handling and ground support equipment	3 to 15 years	7,607	7,562
Information technology	3 to 7 years	1,722	1,859
Vehicles and trailers	3 to 15 years	4,053	3,996
Facilities and other	1 to 33 years	8,324	8,270

Substantially all property and equipment have no material residual values. The majority of aircraft costs are depreciated on a straight-line basis over 18 to 30 years. We periodically evaluate the estimated service lives and residual values used to depreciate our property and equipment.

Depreciation and amortization expense, excluding gains and losses on sales of property and equipment used in operations, was \$4.3 billion in 2024, \$4.2 billion in 2023, and \$4.0 billion in 2022. Depreciation and amortization expense includes amortization of assets under finance leases.

CAPITALIZED INTEREST. Interest on funds used to finance the acquisition and modification of aircraft, including purchase deposits, construction of certain facilities, and development of certain software up to the date the asset is ready for its intended use, is capitalized and included in the cost of the asset if the asset is actively under construction. Capitalized interest was \$81 million in 2024, \$77 million in 2023, and \$62 million in 2022.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

IMPAIRMENT OF LONG-LIVED ASSETS. Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. For assets that are to be held and used, an impairment is recognized when the estimated undiscounted cash flows associated with the asset or group of assets is less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows, or internal and external appraisals, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value.

We operate integrated transportation networks so cash flows for most of our operating assets to be held and used are assessed at a network level, not at an individual asset level, for our analysis of impairment.

In 2024, we made the decision to permanently retire from service 22 Boeing 757-200 aircraft and seven related engines to align with the plans of FedEx Express to modernize its aircraft fleet, improve its global network, and better align air network capacity to match current and anticipated shipment volumes. As a consequence of this decision, a noncash impairment charge of \$157 million (\$120 million, net of tax, or \$0.48 per diluted share) was recorded in 2024.

In 2023, we made the decision to permanently retire from service 12 Boeing MD-11F aircraft and 25 related engines, four Boeing 757-200 aircraft and one related engine, and two Airbus A300-600 aircraft and eight related engines for the same reasons stated above. As a consequence of this decision, a noncash impairment charge of \$70 million (\$54 million, net of tax, or \$0.21 per diluted share) was recorded in 2023.

In the normal management of our aircraft fleet, we routinely idle aircraft and engines temporarily due to maintenance cycles and adjustments of our network capacity to match seasonality and overall customer demand levels. Temporarily idled assets are classified as available-for-use, and we continue to record depreciation expense associated with these assets. These temporarily idled assets are assessed for impairment and remaining life on a quarterly basis. The criteria for determining whether an asset has been permanently removed from service (and, as a result, is potentially impaired) include, but are not limited to, our global economic outlook and the impact of our outlook on our current and projected volume levels, including capacity needs during our peak shipping seasons; the introduction of new fleet types or decisions to permanently retire an aircraft fleet from operations; and changes to planned service expansion activities. At May 31, 2024, we had 19 aircraft temporarily idled. These aircraft have been idled for an average of eight months and are expected to return to revenue service.

GOODWILL. Goodwill is recognized for the excess of the purchase price over the fair value of tangible and identifiable intangible net assets of businesses acquired. Several factors give rise to goodwill in our acquisitions, such as the expected benefits from synergies of the combination and the existing workforce of the acquired business. Goodwill is reviewed at least annually for impairment. In our evaluation of goodwill impairment, we perform a qualitative assessment to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the qualitative assessment is not conclusive, we proceed to test goodwill for impairment, including comparing the fair value of the reporting unit to its carrying value (including attributable goodwill). Fair value for our reporting units is determined using an income or market approach incorporating market participant considerations and management's assumptions on revenue growth rates, operating margins, discount rates, and expected capital expenditures. Fair value determinations may include both internal and third-party valuations. Unless circumstances otherwise dictate, we perform our annual impairment testing in the fourth quarter. See Note 4 for additional information.

INTANGIBLE ASSETS. Intangible assets primarily include customer relationships, technology assets, and trademarks acquired in business combinations. Intangible assets are amortized over periods ranging from 1 to 15 years, either on a straight-line basis or on a basis consistent with the pattern in which the economic benefits are realized. See Note 4 for additional information.

PENSION AND POSTRETIREMENT HEALTHCARE PLANS. Our defined benefit pension and other postretirement benefit plans are measured using actuarial techniques that reflect management's assumptions for discount rate, investment returns on plan assets, salary increases, expected retirement, mortality, and employee turnover. We determine the discount rate (which is required to be the rate at which the projected benefit obligation ("PBO") could be effectively settled as of the measurement date) with the assistance of actuaries, who calculate the yield on a theoretical portfolio of high-grade corporate bonds (rated Aa or better) with cash flows that are designed to match our expected benefit payments in future years. We use the fair value of plan assets to calculate the expected return on assets ("EROA") for interim and segment reporting purposes. Our EROA is a judgmental estimate which is reviewed on an annual basis and revised as appropriate.

The accounting guidance related to employers' accounting for defined benefit pension and other postretirement plans requires recognition in the balance sheet of the funded status of these plans. We use "mark-to-market" (or "MTM") accounting and immediately recognize changes in the fair value of plan assets and actuarial gains or losses in our results annually in the fourth quarter each year. The annual MTM adjustment is recognized at the corporate level and does not impact segment results. The remaining

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

components of pension and postretirement healthcare expense, primarily service and interest costs and the EROA, are recorded on a quarterly basis. Only service cost is recognized in segment level operating results.

INCOME TAXES. Deferred income taxes are provided for the tax effect of temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. The liability method is used to account for income taxes, which requires deferred taxes to be recorded at the statutory rate expected to be in effect when the taxes are paid.

Deferred income tax assets represent amounts available to reduce income taxes payable on taxable income in future years. Such assets arise because of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as from net operating loss, capital loss, and tax credit carryforwards. We evaluate the recoverability of these future tax deductions and credits by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings, and available tax planning strategies. These sources of income rely heavily on estimates to make this determination and, as a result, there is a risk that these estimates will have to be revised as new information is received. To the extent we do not consider it more likely than not that a deferred tax asset will be recovered, a valuation allowance is established. We believe we will generate sufficient future taxable income to realize the tax benefits related to the remaining net deferred tax assets in our consolidated balance sheets that are not subject to valuation allowances. We record the taxes for global intangible low-taxed income as a period cost.

We recognize liabilities for uncertain income tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step requires us to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as we must determine the probability of various possible outcomes. We reevaluate these uncertain tax positions on a quarterly basis or when new information becomes available to management. These reevaluations are based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, successfully settled issues under audit, and new audit activity. Such a change in recognition or measurement could result in the recognition of a tax benefit or an increase to the related provision.

We classify interest related to income tax liabilities as interest expense, and if applicable, penalties are recognized as a component of income tax expense. The income tax liabilities and accrued interest and penalties that are due within one year of the balance sheet date are presented as current liabilities. The noncurrent portion of our income tax liabilities and accrued interest and penalties are recorded in the caption "Other liabilities" in the accompanying consolidated balance sheets.

SELF-INSURANCE ACCRUALS. We are self-insured for costs associated with workers' compensation claims, vehicle accidents, property and cargo loss, general business liabilities, and benefits paid under employee disability programs. Accruals are primarily based on the actuarially estimated cost of claims, which includes incurred-but-not-reported claims. Current workers' compensation claims, vehicle and general liability, and long-term disability are included in accrued expenses. We self-insure up to certain limits that vary by operating company and type of risk. Claims costs are recognized on a gross basis and a receivable is recorded for amounts covered by third-party insurance. Periodically, we evaluate the level of insurance coverage and adjust insurance levels based on risk tolerance and premium expense.

We are also self-insured for certain short-term employee healthcare claims, which are included within other accrued expenses.

LEASES. We lease certain facilities, aircraft, equipment, and vehicles under operating and finance leases. A determination of whether a contract contains a lease is made at the inception of the arrangement. Our leased facilities include national, regional, and metropolitan sorting facilities; retail facilities; and administrative buildings.

Our leases generally contain options to extend or terminate the lease. We reevaluate our leases on a regular basis to consider the economic and strategic incentives of exercising the renewal options, and how they align with our operating strategy. Therefore, substantially all the renewal option periods are not included within the lease term and the associated payments are not included in the measurement of the right-of-use asset and lease liability as the options to extend are not reasonably certain at lease commencement. Short-term leases with an initial term of 12 months or less are not recognized in the right-to-use asset and lease liability on the consolidated balance sheets.

The lease liabilities are measured at the lease commencement date and determined using the present value of the minimum lease payments not yet paid and our incremental borrowing rate, which approximates the rate at which we would borrow, on a collateralized basis, over the term of a lease in the applicable currency environment. The interest rate implicit in the lease is generally not determinable in transactions where we are the lessee.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For real estate leases, we account for lease components and non-lease components (such as common area maintenance) as a single lease component. Certain real estate leases require additional payments based on sales volume and index-based rate increases, as well as reimbursement for real estate taxes, common area maintenance, and insurance, which are expensed as incurred as variable lease costs. Certain leases contain fixed lease payments for items such as real estate taxes, common area maintenance, and insurance. These fixed payments are considered part of the lease payment and included in the right-of-use asset and lease liability. See Note 7 for additional information.

DERIVATIVE FINANCIAL INSTRUMENTS. We record all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we have elected to designate a derivative in a hedging relationship and apply hedge accounting, and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. We may enter into derivative contracts that are intended to economically hedge certain of our risk, even though hedge accounting does not apply or we elect not to apply hedge accounting. We are not subject to any master netting agreements.

SUPPLIER FINANCE PROGRAM. We offer voluntary Supply Chain Finance (“SCF”) programs through financial institutions to certain of our suppliers. We agree to commercial terms with our suppliers, including prices, quantities, and payment terms, and they issue invoices to us based on the agreed-upon contractual terms. If our suppliers choose to participate in the SCF programs, they determine which invoices, if any, to sell to the financial institutions to receive an early discounted payment, while we settle the invoice amount with the financial institutions on the payment due dates. We guarantee these payments with the financial institutions.

Amounts due to our suppliers that participate in the SCF programs are included in accounts payable in our consolidated balance sheets. We have been informed by the participating financial institutions that as of May 31, 2024 and May 31, 2023, suppliers have been approved to sell to them \$94 million and \$83 million, respectively, of our outstanding payment obligations. A rollforward of obligations confirmed and paid during the year is presented below (in millions):

	2024	
Confirmed obligations outstanding at the beginning of the year	\$	83
Invoices confirmed during the year		686
Confirmed invoices paid during the year		(678)
Currency translation adjustments		3
Confirmed obligations outstanding at the end of the year	\$	94

FOREIGN CURRENCY TRANSLATION. Translation gains and losses of foreign operations that use local currencies as the functional currency are accumulated and reported, net of applicable deferred income taxes, as a component of accumulated other comprehensive loss (“AOCL”) within common stockholders’ investment. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the local currency are included in the caption “Other, net” in the accompanying consolidated statements of income and were immaterial for each period presented.

EMPLOYEES UNDER COLLECTIVE BARGAINING ARRANGEMENTS. Our pilots, who are a small number of our total employees, are represented by the Air Line Pilots Association, International (“ALPA”) and are employed under a collective bargaining agreement that took effect on November 2, 2015. The agreement became amendable in November 2021. Bargaining for a successor agreement began in May 2021, and in November 2022 the National Mediation Board (“NMB”) began actively mediating the negotiations. In July 2023, the pilots failed to ratify the tentative successor agreement that was approved by ALPA’s FedEx Master Executive Council the prior month. Bargaining for a successor agreement continues. In April 2024, the NMB rejected ALPA’s request for a proffer of arbitration. The conduct of mediated negotiations has no effect on our operations. Once a new agreement is ratified, we expect to amend our pension plan offered to the pilots, which will result in a remeasurement of our pension benefit obligation.

INVESTMENTS IN EQUITY AND DEBT SECURITIES. Investments in equity securities with a readily determinable fair value are carried at fair value. For equity securities without readily determinable fair values that qualify for the net asset value (“NAV”) practical expedient, we have elected to apply the NAV practical expedient to estimate fair value. Changes in fair value are recognized in “Other income (expense)” on our consolidated statements of income.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We apply the measurement alternative to all other investments in equity securities without a readily determinable fair value. Under the measurement alternative these equity securities are accounted for at cost, with adjustments for observable changes in prices and impairments recognized in “Other income (expense)” on our consolidated statements of income. We perform a qualitative assessment each reporting period to evaluate whether these equity securities are impaired. Our assessment includes a review of recent operating results and trends and other publicly available data. If an investment is impaired, we write it down to its estimated fair value.

Investments in debt securities, which are considered short-term investments, are classified as “available-for-sale” and are carried at fair value. Realized gains and losses on available-for-sale debt securities are included in net income, while unrealized gains and losses, net of tax, are included in our consolidated balance sheet as a component of AOCL.

Investments in equity securities and debt securities are recorded within “Other assets” and “Prepaid expenses and other,” respectively, on our consolidated balance sheets.

STOCK-BASED COMPENSATION. The accounting guidance related to share-based payments requires recognition of compensation expense for stock-based awards using a fair value method. We use the Black-Scholes option pricing model to calculate the fair value of stock options. The value of restricted stock awards and restricted stock units (“RSUs”) are based on the stock price of the award on the grant date. We record stock-based compensation expense in the “Salaries and employee benefits” caption in the accompanying consolidated statements of income. We issue new shares or treasury shares from stock repurchases to cover employee stock option exercises and restricted stock grants. Shares not issued for restricted stock grants are available to be issued for stock option grants.

TREASURY SHARES. In December 2021, our Board of Directors authorized a stock repurchase program of up to \$5 billion of FedEx common stock. As of February 29, 2024, \$564 million remained available to be used for repurchases under the 2021 program. In March 2024, our Board of Directors authorized a new stock repurchase program for additional repurchases of up to \$5 billion of FedEx common stock.

During 2024, we completed four accelerated share repurchase (“ASR”) transactions with banks to repurchase 9.8 million shares of FedEx common stock at an average price of \$255.34 per share for a total of \$2.5 billion. During 2023, we repurchased 9.2 million shares of FedEx common stock at an average price of \$163.39 per share for a total of \$1.5 billion.

The final number of shares delivered upon settlement of the ASR agreements was determined based on a discount to the volume-weighted average price of our stock during the term of the transaction. The repurchased shares were accounted for as a reduction to common stockholders’ investment in the accompanying consolidated balance sheets and resulted in a reduction of the outstanding shares used to calculate the weighted-average common shares outstanding for basic and diluted earnings per share.

In June 2024, we executed an ASR agreement with two banks as part of the 2021 and 2024 repurchase programs to repurchase \$1 billion of our common stock with a completion date of no later than the end of the first quarter of 2025. As of July 15, 2024, approximately \$4.1 billion remained available for repurchases under the 2024 repurchase program.

Shares under the 2024 repurchase program may be repurchased from time to time in the open market or in privately negotiated transactions. The timing and volume of repurchases are at the discretion of management, based on the capital needs of the business, the market price of FedEx common stock, and general market conditions. No time limits were set for the completion of the programs, however the programs may be suspended or discontinued at any time.

DIVIDENDS DECLARED PER COMMON SHARE. On June 10, 2024, our Board of Directors declared a quarterly cash dividend of \$1.38 per share of common stock. The dividend was paid on July 9, 2024 to stockholders of record as of the close of business on June 24, 2024. Each quarterly dividend payment is subject to review and approval by our Board of Directors, and we evaluate our dividend payment amount on an annual basis. There are no material restrictions on our ability to declare dividends, nor are there any material restrictions on the ability of our subsidiaries to transfer funds to us in the form of cash dividends, loans, or advances.

BUSINESS OPTIMIZATION AND REALIGNMENT COSTS. In the second quarter of 2023, FedEx announced DRIVE, a comprehensive program to improve the company’s long-term profitability. This program includes a business optimization plan to drive efficiency among our transportation segments, lower our overhead and support costs, and transform our digital capabilities. We have commenced our plan to consolidate our sortation facilities and equipment, reduce pickup-and-delivery routes, and optimize our enterprise linehaul network by moving beyond discrete collaboration to an end-to-end optimized network through Network 2.0, the multi-year effort to improve the efficiency with which FedEx picks up, transports, and delivers packages in the U.S. and Canada.

In the fourth quarter of 2023, we announced one FedEx, a consolidation plan to ultimately bring FedEx Ground and FedEx Services into Federal Express Corporation, becoming a single company operating a unified, fully integrated air-ground express network under the respected FedEx brand. FedEx Freight continues to provide LTL freight transportation services as a separate subsidiary. The

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

organizational redesign was implemented in phases with full legal implementation effective June 1, 2024. One FedEx will help facilitate our DRIVE transformation program to improve long-term profitability.

FedEx is making progress with Network 2.0, as the company has implemented Network 2.0 optimization in more than 50 locations in the U.S. Contracted service providers will handle the pickup and delivery of packages in some locations while employee couriers will handle others.

We incurred costs associated with our business optimization activities of \$582 million (\$444 million, net of tax, or \$1.77 per diluted share) in 2024 and \$273 million (\$209 million, net of tax, or \$0.81 per diluted share) in 2023. The costs incurred in 2024 were primarily related to professional fees and severance, and are included in Corporate, other, and eliminations, FedEx Express, and FedEx Ground. The costs incurred in 2023 were primarily related to consulting services, severance, professional fees, and idling our operations in Russia, and are included in Corporate, other, and eliminations and FedEx Express. We did not incur costs associated with our business optimization activities in 2022.

In 2021, FedEx Express announced a workforce reduction plan in Europe related to the network integration of TNT Express. The plan affected approximately 5,000 employees in Europe across operational teams and back-office functions and was completed during 2023. We incurred costs of \$36 million (\$27 million, net of tax, or \$0.11 per diluted share) in 2023 and \$278 million (\$214 million, net of tax, or \$0.80 per diluted share) in 2022 associated with our business realignment activities. These costs are related to certain employee severance arrangements. Payments under this program totaled approximately \$118 million in 2023 and approximately \$225 million in 2022. The cumulative pre-tax cost of our business realignment activities was approximately \$430 million. We did not incur any costs related to business realignment activities in 2024.

In June 2024, FedEx Express announced a workforce reduction plan in Europe as part of its ongoing measures to reduce structural costs. The plan will impact between 1,700 and 2,000 employees in Europe across back-office and commercial functions. The execution of the plan is subject to a consultation process that is expected to occur over an 18-month period in accordance with local country processes and regulations. We expect the pre-tax cost of the severance benefits and legal and professional fees to be provided under and related to the plan to range from \$250 million to \$375 million in cash expenditures. These charges are expected to be incurred through fiscal 2026 and will be classified as business optimization expenses.

USE OF ESTIMATES. The preparation of our consolidated financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of revenue and expenses, and the disclosure of contingent liabilities. Management makes its best estimate of the ultimate outcome for these items based on historical trends and other information available when the financial statements are prepared. Changes in estimates are recognized in accordance with the accounting rules for the estimate, which is typically in the period when new information becomes available to management. Areas where the nature of the estimate makes it reasonably possible that actual results could materially differ from amounts estimated include self-insurance accruals, retirement plan obligations, long-term incentive accruals, tax liabilities, loss contingencies, litigation claims, impairment assessments on long-lived assets (including goodwill) that rely on projections of future cash flows, and purchase price allocations.

NOTE 2: RECENT ACCOUNTING GUIDANCE

New accounting rules and disclosure requirements can significantly affect our reported results and the comparability of our financial statements. We believe the following new accounting guidance is relevant to the readers of our financial statements.

Recently Adopted Accounting Standards

In September 2022, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2022-04, Liabilities-Supplier Finance Programs (Topic 405-50): Disclosure of Supplier Finance Program Obligations, which requires a buyer in a supplier finance program (e.g., reverse factoring) to disclose sufficient information about the program to allow a user of financial statements to understand the program’s nature, activity during the period, changes from period to period, and potential magnitude. The amendments do not affect the recognition, measurement, or financial statement presentation of obligations covered by supplier finance programs. We adopted this standard effective June 1, 2023 (fiscal 2024). The adoption of this standard did not have a material effect on our consolidated financial statements or internal controls. See Note 1 for further discussion about our supplier finance program obligations.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

New Accounting Standards and Accounting Standards Not Yet Adopted

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848), and in December 2022 subsequently issued ASU 2022-06 to temporarily ease the potential burden in accounting for reference rate reform. The standards provide optional expedients and exceptions for applying accounting principles generally accepted in the United States to existing contracts, hedging relationships, and other transactions affected by reference rate reform. The standards apply only to contracts and hedging relationships that reference the London Interbank Offered Rate (“LIBOR”) or another reference rate to be discontinued because of reference rate reform. The standards were effective upon issuance and can generally be applied through December 31, 2024. While there has been no material effect to our financial condition, results of operations, or cash flows from reference rate reform as of May 31, 2024, we continue to monitor our contracts and transactions for potential application of these ASUs.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which expands disclosures about a public entity’s reportable segments and requires more enhanced information about a reportable segment’s expenses, interim segment profit or loss, and how a public entity’s chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. The update will be effective for annual periods beginning after December 15, 2023 (fiscal 2025). We are assessing the effect of this update on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which expands disclosures in an entity’s income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. The update will be effective for annual periods beginning after December 15, 2024 (fiscal 2026). We are assessing the effect of this update on our consolidated financial statements and related disclosures.

In March 2024, the Securities and Exchange Commission (“SEC”) adopted final rules requiring public entities to provide certain climate-related information in their registration statements and annual reports. As part of the disclosures, entities will be required to quantify certain effects of severe weather events and other natural conditions in a note to their audited financial statements. The rules will be effective for annual periods beginning in calendar 2025 (fiscal 2026). In April 2024, the SEC voluntarily stayed implementation of the final rules pending certain legal challenges. We are assessing the effect of the new rules on our consolidated financial statements and related disclosures.

NOTE 3: CREDIT LOSSES

We are exposed to credit losses primarily through our trade receivables. We assess ability to pay for certain customers by conducting a credit review, which considers the customer’s established credit rating and our assessment of creditworthiness. We determine the allowance for credit losses on accounts receivable using a combination of specific reserves for accounts that are deemed to exhibit credit loss indicators and general reserves that are determined using loss rates based on historical write-offs by geography and recent forecast information, including underlying economic expectations. We update our estimate of credit loss reserves quarterly, considering recent write-offs, collections information, and underlying economic expectations.

Credit losses were \$421 million in 2024, \$696 million in 2023, and \$403 million in 2022. Our allowance for credit losses was \$436 million at May 31, 2024 and \$472 million at May 31, 2023.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: GOODWILL AND OTHER INTANGIBLE ASSETS

GOODWILL. The carrying amount of goodwill attributable to each reportable operating segment and changes therein are as follows (in millions):

	FedEx Express Segment	FedEx Ground Segment	FedEx Freight Segment	Corporate, Other, and Eliminations	Total
Goodwill at May 31, 2022	\$ 4,925	\$ 932	\$ 767	\$ 1,962	\$ 8,586
Accumulated impairment charges	—	—	(133)	(1,909)	(2,042)
Balance as of May 31, 2022	4,925	932	634	53	6,544
Impairment charges	—	—	—	(36)	(36)
Other ⁽¹⁾	(72)	—	—	(1)	(73)
Balance as of May 31, 2023	4,853	932	634	16	6,435
Other ⁽¹⁾	(12)	—	—	—	(12)
Balance as of May 31, 2024	\$ 4,841	\$ 932	\$ 634	\$ 16	\$ 6,423
Accumulated goodwill impairment charges as of May 31, 2024	\$ —	\$ —	\$ (133)	\$ (1,945)	\$ (2,078)

⁽¹⁾ Primarily currency translation adjustments.

Our reporting units with significant recorded goodwill include FedEx Express, FedEx Ground, and FedEx Freight. We evaluated these reporting units during the fourth quarters of 2024 and 2023 and the estimated fair value of each of these reporting units exceeded their carrying values as of the end of 2024 and 2023; therefore, we do not believe that any of these reporting units were impaired as of the balance sheet dates.

In connection with our annual impairment testing of goodwill conducted in the fourth quarter of 2023, we recorded an impairment charge of \$36 million for all of the goodwill attributable to our FedEx Dataworks, Inc. (“FedEx Dataworks”) reporting unit. The key factors contributing to the goodwill impairment were underperformance of the ShopRunner business during 2023, including base business erosion, and the failure to attain the level of operating synergies and revenue and profit growth anticipated at the time of acquisition. Based on these factors, our outlook for the business changed in the fourth quarter of 2023.

OTHER INTANGIBLE ASSETS. The summary of our intangible assets and related accumulated amortization at May 31, 2024 and 2023 is as follows (in millions):

	2024			2023		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Customer relationships	\$ 570	\$ (405)	\$ 165	\$ 583	\$ (369)	\$ 214
Technology	62	(46)	16	62	(42)	20
Trademarks and other	1	(1)	—	1	(1)	—
Total	<u>\$ 633</u>	<u>\$ (452)</u>	<u>\$ 181</u>	<u>\$ 646</u>	<u>\$ (412)</u>	<u>\$ 234</u>

As part of our review of long-lived assets in the fourth quarter of 2024, there were no impairments recorded for our reporting units. During the fourth quarter of 2023, we reviewed long-lived assets at FedEx Dataworks for impairment. Based on our reviews, we recognized an \$11 million asset impairment charge related to customer relationships from the ShopRunner acquisition.

Amortization expense for intangible assets was \$47 million in 2024, \$52 million in 2023, and \$52 million in 2022.

Expected amortization expense for the next five years is as follows (in millions):

2025	\$ 45
2026	45
2027	43
2028	41
2029	2

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: SELECTED CURRENT LIABILITIES

The components of selected current liability captions at May 31 were as follows (in millions):

	2024	2023
Accrued salaries and employee benefits		
Salaries	\$ 757	\$ 828
Employee benefits, including variable compensation	977	689
Compensated absences	939	958
	<u>\$ 2,673</u>	<u>\$ 2,475</u>
Accrued expenses		
Self-insurance accruals	\$ 1,931	\$ 1,730
Taxes other than income taxes	334	305
Other	2,697	2,712
	<u>\$ 4,962</u>	<u>\$ 4,747</u>

NOTE 6: LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS

The components of long-term debt (net of discounts and debt issuance costs), along with maturity dates for the years subsequent to May 31, 2024, are as follows (in millions):

	Interest Rate %	Maturity	May 31,	
			2024	2023
Senior secured debt:				
	1.875	2034	\$ 780	\$ 831
Senior unsecured debt:				
	3.25	2026	748	748
	3.40	2028	498	497
	4.20	2029	398	398
	3.10-4.25	2030	1,739	1,737
	2.40	2031	992	991
	4.90	2034	497	496
	3.90	2035	495	495
	3.25	2041	740	740
	3.875-4.10	2043	986	985
	5.10	2044	743	743
	4.10	2045	642	641
	4.55-4.75	2046	2,464	2,463
	4.40	2047	737	736
	4.05	2048	987	987
	4.95	2049	836	836
	5.25	2050	1,227	1,226
	4.50	2065	246	246
	7.60	2098	237	237
Euro senior unsecured debt:				
	0.45	2026	542	537
	1.625	2027	1,353	1,341
	0.45	2029	647	641
	1.30	2032	539	534
	0.95	2033	699	693
Total senior unsecured debt			<u>18,992</u>	<u>18,948</u>
Finance lease obligations			431	800
			<u>20,203</u>	<u>20,579</u>
Less current portion			68	126
			<u>\$ 20,135</u>	<u>\$ 20,453</u>

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Interest on our U.S. dollar fixed-rate notes is paid semi-annually. Interest on our euro fixed-rate notes is paid annually. The weighted-average interest rate on long-term debt was 3.5% as of May 31, 2024. Long-term debt, including current maturities and exclusive of finance leases, had estimated fair values of \$17.5 billion at May 31, 2024 and \$17.5 billion at May 31, 2023. The estimated fair values were determined based on quoted market prices and the current rates offered for debt with similar terms and maturities. The fair value of our long-term debt is classified as Level 2 within the fair value hierarchy. This classification is defined as a fair value determined using market-based inputs other than quoted prices that are observable for the liability, either directly or indirectly.

We have a shelf registration statement filed with the SEC that allows us to sell, in one or more future offerings, any combination of our unsecured debt securities and common stock and allows pass-through trusts formed by FedEx Express to sell, in one or more future offerings, pass-through certificates.

FedEx Express has issued \$970 million of Pass-Through Certificates, Series 2020-1AA (the “Certificates”) with a fixed interest rate of 1.875% due in February 2034 utilizing pass-through trusts. The Certificates are secured by 19 Boeing aircraft with a net book value of \$1.7 billion at May 31, 2024. The payment obligations of FedEx Express in respect of the Certificates are fully and unconditionally guaranteed by FedEx.

The following table sets forth the future scheduled principal payments due by fiscal year on our long-term debt (in millions):

	Debt Principal
2025	\$ 52
2026	1,344
2027	1,409
2028	552
2029	1,103
Thereafter	15,517
Subtotal	<u>19,977</u>
Discount and debt issuance costs	(205)
Total debt	<u>\$ 19,772</u>

On March 15, 2024, we replaced our \$2.0 billion five-year credit agreement (the “Old Five-Year Credit Agreement”) and our \$1.5 billion three-year credit agreement (the “Old Three-Year Credit Agreement” and together with the Old Five-Year Credit Agreement, the “Old Credit Agreements”) with a \$1.75 billion three-year credit agreement (the “New Three-Year Credit Agreement”) and a \$1.75 billion five-year credit agreement (the “New Five-Year Credit Agreement” and together with the New Three-Year Credit Agreement, the “New Credit Agreements”). The New Three-Year Credit Agreement and the New Five-Year Credit Agreement expire in March 2027 and March 2029, respectively, and each has a \$125 million letter of credit sublimit. The New Credit Agreements are available to finance our operations and other cash flow needs. As of May 31, 2024, no amounts were outstanding under the New Credit Agreements, no commercial paper was outstanding, and we had \$250 million of the letter of credit sublimit unused under the New Credit Agreements. Outstanding commercial paper reduces the amount available to borrow under the New Credit Agreements.

The New Credit Agreements contain a financial covenant requiring us to maintain a ratio of debt to consolidated earnings (excluding noncash retirement plans mark-to-market adjustments, noncash pension service costs, noncash asset impairment charges, business optimization and restructuring expenses, and pro forma cost savings and synergies associated with an acquisition) before interest, taxes, depreciation, and amortization (“adjusted EBITDA”) of not more than 3.5 to 1.0, calculated as of the last day of each fiscal quarter on a rolling four-quarters basis. The ratio of our debt to adjusted EBITDA was 1.8 to 1.0 at May 31, 2024.

The New Credit Agreements amended the financial covenant included in the Old Credit Agreements to (i) net unrestricted cash and cash equivalents up to \$500 million from the definition of debt and (ii) add back business optimization and restructuring expenses and pro forma cost savings and synergies associated with an acquisition to adjusted EBITDA. The aggregate amount of adjustments for business optimization and restructuring expenses and pro forma cost savings and synergies associated with an acquisition may not exceed 10% of adjusted EBITDA (calculated after giving effect to any such addback and such cap and all other permitted addbacks and adjustments) in any period. Additionally, following the consummation of an acquisition for which the aggregate cash consideration is at least \$250 million, FedEx may elect to increase the ratio to 4.0 to 1.0 with respect to the last day of the fiscal quarter during which such acquisition is consummated and the last day of each of the immediately following three consecutive fiscal quarters, provided that there must be at least two consecutive fiscal quarters between such elections during which the ratio is 3.5 to 1.0.

The financial covenant discussed above is the only significant restrictive covenant in the New Credit Agreements. The New Credit Agreements contain other customary covenants that do not, individually or in the aggregate, materially restrict the conduct of our

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

business. We are in compliance with the financial covenant and all other covenants in the New Credit Agreements and do not expect the covenants to affect our operations, including our liquidity or expected funding needs. If we failed to comply with the financial covenant or any other covenants in the New Credit Agreements, our access to financing could become limited. Our commercial paper program is backed by unused commitments under the New Credit Agreements.

NOTE 7: LEASES

The following table is a summary of the components of net lease cost for the period ended May 31 (in millions):

	2024	2023
Operating lease cost	\$ 3,326	\$ 3,300
Finance lease cost:		
Amortization of right-of-use assets	30	36
Interest on lease liabilities	24	18
Total finance lease cost	54	54
Short-term lease cost	494	531
Variable lease cost	1,714	1,435
Net lease cost	\$ 5,588	\$ 5,320

Supplemental cash flow information related to leases for the period ended May 31 is as follows (in millions):

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows paid for operating leases	\$ 3,319	\$ 3,207
Operating cash flows paid for interest portion of finance leases	15	15
Financing cash flows paid for principal portion of finance leases	80	94
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 2,083	\$ 3,317
Right-of-use assets obtained in exchange for new finance lease liabilities	\$ 10	\$ 414

Supplemental balance sheet information related to leases as of May 31 is as follows (dollars in millions):

	2024	2023
Operating leases:		
Operating lease right-of-use assets, net	\$ 17,115	\$ 17,347
Current portion of operating lease liabilities	2,463	2,390
Operating lease liabilities	15,053	15,363
Total operating lease liabilities	\$ 17,516	\$ 17,753
Finance leases:		
Net property and equipment	\$ 373	\$ 821
Current portion of long-term debt	18	75
Long-term debt, less current portion	413	725
Total finance lease liabilities	\$ 431	\$ 800
Weighted-average remaining lease term		
Operating leases	9.5	9.5
Finance leases	29.8	27.5
Weighted-average discount rate		
Operating leases	3.79 %	3.42 %
Finance leases	3.63 %	4.22 %

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We utilize certain aircraft, land, facilities, retail locations, and equipment under finance and operating leases that expire at various dates through 2078. We leased less than 1% of our total aircraft fleet under operating leases as of May 31, 2024 and 1% as of May 31, 2023. A portion of our supplemental aircraft are leased by us under agreements that provide for cancellation upon 30 days' notice. Our leased facilities include national, regional, and metropolitan sorting facilities; retail facilities; and administrative buildings.

A summary of future minimum lease payments under noncancelable operating and finance leases with an initial or remaining term in excess of one year at May 31, 2024 is as follows (in millions):

	Aircraft and Related Equipment	Facilities and Other	Total Operating Leases	Finance Leases	Total Leases
2025	\$ 123	\$ 2,909	\$ 3,032	\$ 33	\$ 3,065
2026	119	2,763	2,882	30	2,912
2027	118	2,455	2,573	22	2,595
2028	118	2,123	2,241	21	2,262
2029	111	1,763	1,874	19	1,893
Thereafter	136	8,411	8,547	630	9,177
Total lease payments	725	20,424	21,149	755	21,904
Less imputed interest	(85)	(3,548)	(3,633)	(324)	(3,957)
Present value of lease liability	<u>\$ 640</u>	<u>\$ 16,876</u>	<u>\$ 17,516</u>	<u>\$ 431</u>	<u>\$ 17,947</u>

While certain of our lease agreements contain covenants governing the use of the leased assets or require us to maintain certain levels of insurance, none of our lease agreements include material financial covenants or limitations.

As of May 31, 2024, FedEx has entered into additional leases which have not yet commenced and are therefore not part of the right-of-use asset and liability. These leases are generally for build-to-suit facilities and equipment and have undiscounted future payments of approximately \$0.9 billion and will commence when FedEx gains beneficial access to the leased asset. Commencement dates are expected to be from 2025 to 2027.

FedEx Express makes payments under certain leveraged operating leases that are sufficient to pay principal and interest on certain pass-through certificates. The pass-through certificates are not direct obligations of, or guaranteed by, FedEx or FedEx Express.

We are the lessee under certain leases covering a portion of our leased aircraft in which the lessors are trusts established specifically to purchase, finance, and lease these aircraft to us. These leasing entities are variable interest entities. We are not the primary beneficiary of the leasing entities, as the lease terms are at market at the inception of the lease and do not include a residual value guarantee, fixed-price purchase option, or similar feature that obligates us to absorb decreases in value or entitles us to participate in increases in the value of the aircraft. Therefore, we are not required to consolidate any of these entities as the primary beneficiary. Our maximum exposure under these leases is included in the summary of future minimum lease payments.

NOTE 8: PREFERRED STOCK

Our Certificate of Incorporation authorizes the Board of Directors, at its discretion, to issue up to 4,000,000 shares of preferred stock. The stock is issuable in series, which may vary as to certain rights and preferences, and has no par value. As of May 31, 2024, none of these shares had been issued.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table provides changes in AOCL, net of tax, reported in the consolidated financial statements for the years ended May 31 (in millions; amounts in parentheses indicate debits to AOCL):

	2024	2023	2022
Foreign currency translation loss:			
Balance at beginning of period	\$ (1,362)	\$ (1,148)	\$ (785)
Translation adjustments	(60)	(214)	(363)
Balance at end of period	(1,422)	(1,362)	(1,148)
Retirement plans adjustments:			
Balance at beginning of period	35	45	53
Prior service credit arising during period	36	—	—
Amortization of prior service credits	(8)	(10)	(8)
Balance at end of period	63	35	45
AOCL at end of period	<u>\$ (1,359)</u>	<u>\$ (1,327)</u>	<u>\$ (1,103)</u>

NOTE 10: STOCK-BASED COMPENSATION

Our total stock-based compensation expense for the years ended May 31 was as follows (in millions):

	2024	2023	2022
Stock-based compensation expense	\$ 163	\$ 182	\$ 190

We have three types of equity-based compensation: stock options, restricted stock, and RSUs.

STOCK OPTIONS. Under the provisions of our incentive stock plan, key employees and non-employee directors may be granted options to purchase shares of our common stock at a price not less than its fair market value on the date of grant. Vesting requirements are determined at the discretion of the Compensation and Human Resources Committee of our Board of Directors. Option-vesting periods range from one to four years, with the majority of our options vesting ratably over four years. Compensation expense associated with these awards is recognized on a straight-line basis over the requisite service period of the award.

RESTRICTED STOCK AND RSUs. Under the terms of our incentive stock plan, restricted shares of our common stock are awarded to key employees and RSUs are awarded to non-employee directors. Restrictions on shares of restricted stock expire ratably over a four-year period and restrictions on the RSUs expire after one year (or the date of the next annual meeting of stockholders, if earlier). Restricted stock and RSUs are valued at the market price on the date of award. The terms of our restricted stock provide for continued vesting subsequent to the employee's retirement. Compensation expense associated with these awards is recognized on a straight-line basis over the shorter of the requisite service period or the stated vesting period.

ASSUMPTIONS. The key assumptions for the Black-Scholes valuation method include the expected life of the option, stock price volatility, a risk-free interest rate, and dividend yield. The following table includes the weighted-average Black-Scholes value per share of our stock option grants, the intrinsic value of options exercised (in millions), and the key weighted-average assumptions used in the valuation calculations for options granted during the years ended May 31, followed by a discussion of our methodology for developing each of the assumptions used in the valuation model:

	2024	2023	2022
Weighted-average Black-Scholes value per share	\$ 79.48	\$ 63.44	\$ 80.21
Intrinsic value of options exercised	\$ 290	\$ 160	\$ 150
Black-Scholes assumptions:			
Expected lives	6.4 years	6.4 years	6.4 years
Expected volatility	35 %	34 %	32 %
Risk-free interest rate	3.94 %	1.68 %	0.65 %
Dividend yield	2.030 %	1.694 %	0.983 %

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The expected life represents an estimate of the period of time options are expected to remain outstanding, and we examine actual stock option exercises to determine the expected life of the options. Options granted have a maximum term of 10 years. Expected volatilities are based on the actual changes in the market value of our stock and are calculated using daily market value changes from the date of grant over a past period equal to the expected life of the options. The risk-free interest rate is the U.S. Treasury Strip rate posted at the date of grant having a term equal to the expected life of the option. The expected dividend yield is the annual rate of dividends per share over the exercise price of the option.

The following table summarizes information regarding stock option activity for the year ended May 31, 2024:

	Stock Options			
	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (in millions)⁽¹⁾
Outstanding at June 1, 2023	15,191,189	\$ 199.89		
Granted	1,837,624	\$ 234.69		
Exercised	(2,927,083)	\$ 167.76		
Forfeited	(643,740)	\$ 225.82		
Outstanding at May 31, 2024	13,457,990	\$ 210.35	5.9	\$ 665
Exercisable	9,110,750	\$ 204.61	4.8	\$ 508
Expected to vest	3,930,202	\$ 222.43	8.1	\$ 143
Available for future grants	11,967,683			

⁽¹⁾ Only presented for options with market value at May 31, 2024 in excess of the exercise price of the option.

The options granted during 2024 are primarily related to our principal annual stock option grant in June 2023.

The following table summarizes information regarding vested and unvested restricted stock and RSUs for the year ended May 31, 2024:

	Restricted Stock and RSUs	
	Shares/Units	Weighted-Average Grant Date Fair Value
Unvested at June 1, 2023	379,934	\$ 199.91
Granted	169,371	\$ 239.33
Vested	(187,241)	\$ 192.34
Forfeited	(12,092)	\$ 215.85
Unvested at May 31, 2024	349,972	\$ 226.11
Available for future grants	751,017	

During the year ended May 31, 2023, there were 160,286 shares of restricted stock granted with a weighted-average fair value of \$208.57 per share. During the year ended May 31, 2022, there were 115,172 shares of restricted stock granted with a weighted-average fair value of \$276.26 per share.

Stock option vesting during the years ended May 31 was as follows:

	Stock Options	
	Vested during the year	Fair value (in millions)
2024	2,599,042	\$ 137
2023	2,711,215	\$ 137
2022	3,005,727	\$ 138

As of May 31, 2024, there was \$216 million of total unrecognized compensation cost, net of estimated forfeitures, related to unvested share-based compensation arrangements. This compensation expense is expected to be recognized on a straight-line basis over the remaining weighted-average vesting period of approximately three years.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Total shares outstanding or available for grant related to equity compensation at May 31, 2024 represented 10% of the total outstanding common and equity compensation shares and equity compensation shares available for grant.

NOTE 11: COMPUTATION OF EARNINGS PER SHARE

The calculation of basic and diluted earnings per common share for the years ended May 31 was as follows (in millions, except per share amounts):

	2024	2023	2022
Basic earnings per common share:			
Net earnings allocable to common shares ⁽¹⁾	\$ 4,325	\$ 3,966	\$ 3,819
Weighted-average common shares	248	254	263
Basic earnings per common share	<u>\$ 17.41</u>	<u>\$ 15.60</u>	<u>\$ 14.54</u>
Diluted earnings per common share:			
Net earnings allocable to common shares ⁽¹⁾	\$ 4,325	\$ 3,966	\$ 3,819
Weighted-average common shares	248	254	263
Dilutive effect of share-based awards	<u>3</u>	<u>2</u>	<u>3</u>
Weighted-average diluted shares	251	256	266
Diluted earnings per common share	<u>\$ 17.21</u>	<u>\$ 15.48</u>	<u>\$ 14.33</u>
Anti-dilutive options excluded from diluted earnings per common share	<u>5.8</u>	<u>7.4</u>	<u>4.0</u>

⁽¹⁾ Net earnings available to participating securities were immaterial in all periods presented.

NOTE 12: INCOME TAXES

The components of the provision for income taxes for the years ended May 31 were as follows (in millions):

	2024	2023	2022
Current provision			
Domestic:			
Federal	\$ 1,184	\$ 579	\$ 311
State and local	218	157	120
Foreign	265	209	317
	<u>1,667</u>	<u>945</u>	<u>748</u>
Deferred provision			
Domestic:			
Federal	(82)	369	267
State and local	60	37	21
Foreign	(140)	40	34
	<u>(162)</u>	<u>446</u>	<u>322</u>
	<u>\$ 1,505</u>	<u>\$ 1,391</u>	<u>\$ 1,070</u>

Pre-tax earnings of foreign operations for 2024, 2023, and 2022 were \$0.5 billion, \$0.6 billion, and \$1.4 billion, respectively. These amounts represent only a portion of total results associated with international shipments and do not represent our international results of operations.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A reconciliation of total income tax expense and the amount computed by applying the statutory federal income tax to income before income taxes for the years ended May 31 is as follows (dollars in millions):

	2024	2023	2022
Taxes computed at federal statutory rate	\$ 1,226	\$ 1,126	\$ 1,028
Increases (decreases) in income tax from:			
U.S. and foreign return-to-provision adjustments	11	(44)	(142)
State and local income taxes, net of federal benefit	177	152	116
Foreign operations	65	96	115
Non-deductible expenses	48	40	48
Uncertain tax positions	(21)	60	(18)
Benefits from share-based payments	(26)	(18)	(13)
Valuation allowance	59	59	33
Foreign tax rate enactments	—	3	(30)
State deferred tax remeasurement	54	—	—
Goodwill impairment charges	—	8	—
Other, net	(88)	(91)	(67)
Provision for income taxes	\$ 1,505	\$ 1,391	\$ 1,070
Effective Tax Rate	25.8%	25.9%	21.9%

The 2024 tax provision includes an unfavorable income tax expense of \$54 million from the remeasurement of U.S. state deferred tax balances to reflect aggregate temporary differences at the expected applicable tax rates after the merger of FedEx Ground and FedEx Services into Federal Express Corporation.

The 2023 tax provision was negatively impacted by an expense of \$46 million related to a write-down and valuation allowance on certain foreign tax credit carryforwards due to operational changes which impacted the determination of the realizability of the deferred tax asset. The 2023 tax provision was also negatively impacted by lower earnings in certain non-U.S. jurisdictions.

The 2022 tax provision includes a benefit of \$142 million related to revisions of prior year tax estimates for actual tax return results. The 2022 tax provision was also favorably impacted by changes in our corporate legal entity structure.

We regularly assess the need for cash in the U.S., as well as in our foreign subsidiaries, and will occasionally repatriate back to the U.S. excess earnings above working capital needs that can be repatriated with an immaterial tax cost. We assert all other earnings, both historical and current in our foreign subsidiaries, are permanently reinvested and therefore no deferred taxes or withholding taxes have been provided, including deferred taxes on any additional outside basis difference (e.g., stock basis differences attributable to acquisition or other permanent differences). Determination of the amount of unrecognized deferred income tax liability related to any remaining undistributed foreign earnings and additional outside basis differences is not practicable.

The significant components of deferred tax assets and liabilities as of May 31 were as follows (in millions):

	2024		2023	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Property, equipment, leases, and intangibles	\$ 4,597	\$ 10,815	\$ 4,608	\$ 10,965
Employee benefits	744	68	876	—
Self-insurance accruals	1,183	—	1,085	—
Other	561	140	454	62
Net operating loss/credit carryforwards	1,306	—	1,149	—
Valuation allowances	(537)	—	(471)	—
	\$ 7,854	\$ 11,023	\$ 7,701	\$ 11,027

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The net deferred tax liabilities as of May 31 have been classified in the balance sheets as follows (in millions):

	2024	2023
Noncurrent deferred tax assets ⁽¹⁾	\$ 1,313	\$ 1,163
Noncurrent deferred tax liabilities	(4,482)	(4,489)
	<u>\$ (3,169)</u>	<u>\$ (3,326)</u>

⁽¹⁾ Noncurrent deferred tax assets are included in the line item "Other Assets" in our accompanying consolidated balance sheets.

We have approximately \$3.7 billion of net operating loss carryovers in various foreign jurisdictions, \$1.7 billion of state operating loss carryovers, and \$157 million of U.S. federal operating loss and capital loss carryovers. The valuation allowances primarily represent amounts reserved for operating loss carryforwards, which expire over varying periods starting in 2025. Therefore, we establish valuation allowances if it is more likely than not that deferred income tax assets will not be realized. We believe that we will generate sufficient future taxable income to realize the tax benefits related to the remaining net deferred tax assets in our consolidated balance sheets. The increase in the valuation allowance balance during 2024 includes \$36 million related to foreign net operating losses, \$19 million for state income tax credits, and \$4 million for a capital loss. See Note 1 for more information on our policy for assessing the recoverability of deferred tax assets and valuation allowances.

We are subject to taxation in the U.S. and various U.S. state, local, and foreign jurisdictions. We are currently under examination by the Internal Revenue Service for the 2016 through 2021 tax years. It is reasonably possible that certain income tax return proceedings will be completed during the next 12 months and could result in a change in our balance of unrecognized tax benefits. However, we believe we have recorded adequate amounts of tax, including interest and penalties, for any adjustments expected to occur.

During 2021, we filed suit in U.S. District Court for the Western District of Tennessee challenging the validity of a tax regulation related to the one-time transition tax on unrepatriated foreign earnings, which was enacted as part of the Tax Cuts and Jobs Act ("TCJA"). Our lawsuit seeks to have the court declare this regulation invalid and order the refund of overpayments of U.S. federal income taxes for 2018 and 2019 attributable to the denial of foreign tax credits under the regulation. We have recorded a cumulative benefit of \$226 million attributable to our interpretation of the TCJA and the Internal Revenue Code. In March 2023, the District Court ruled that the regulation is invalid and contradicts the plain terms of the tax code. We continue to work towards obtaining a final judgment for the applicable refund amounts due to the regulation being invalid. Once the District Court enters a final judgment, the U.S. government could file an appeal with the U.S. Court of Appeals for the Sixth Circuit. If we are ultimately unsuccessful in defending our position, we may be required to reverse the benefit previously recorded.

A reconciliation of the beginning and ending amount of unrecognized tax benefits for the years ended May 31 is as follows (in millions):

	2024	2023	2022
Balance at beginning of year	\$ 212	\$ 169	\$ 192
Increases for tax positions taken in the current year	5	3	14
Increases for tax positions taken in prior years	4	68	8
Decreases for tax positions taken in prior years	(3)	(7)	(15)
Settlements	(31)	(15)	(32)
Changes due to currency translation	(1)	(6)	2
Balance at end of year	<u>\$ 186</u>	<u>\$ 212</u>	<u>\$ 169</u>

Our liabilities recorded for uncertain tax positions include \$184 million at May 31, 2024 and \$211 million at May 31, 2023 associated with positions that, if favorably resolved, would provide a benefit to our income tax expense. We classify interest related to income tax liabilities as interest expense and, if applicable, penalties are recognized as a component of income tax expense. The balance of accrued interest and penalties was \$59 million at May 31, 2024 and \$54 million at May 31, 2023.

It is difficult to predict the ultimate outcome or the timing of resolution for tax positions. Changes may result from the conclusion of ongoing audits, appeals, or litigation in state, local, federal, and foreign tax jurisdictions, or from the resolution of various proceedings between U.S. and foreign tax authorities. It is reasonably possible that the amount of the benefit with respect to certain of our unrecognized tax positions will increase or decrease within the next 12 months. However, estimates of the amounts or ranges for

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

individual matters where a material change is reasonably possible cannot be made. We believe we have recorded adequate amounts of tax reserves, including interest and penalties, for any adjustments that may occur.

NOTE 13: RETIREMENT PLANS

We sponsor programs that provide retirement benefits to most of our employees. These programs include defined benefit pension plans, defined contribution plans, and postretirement healthcare plans.

The accounting guidance related to postretirement benefits requires recognition in the balance sheet of the funded status of defined benefit pension and other postretirement benefit plans, and the recognition in either expense or AOCL of unrecognized gains or losses and prior service costs or credits. We use MTM accounting for the recognition of our actuarial gains and losses related to our defined benefit pension and postretirement healthcare plans as described in Note 1. The funded status is measured as the difference between the fair value of the plan's assets and the PBO of the plan.

A summary of our retirement plan costs over the past three years is as follows (in millions):

	2024	2023	2022
Defined benefit pension plans	\$ 363	\$ 236	\$ (2)
Defined contribution plans	968	955	824
Postretirement healthcare plans	85	92	89
Pension plans MTM (gain) loss	(561)	(650)	1,578
	<u>\$ 855</u>	<u>\$ 633</u>	<u>\$ 2,489</u>

The components of the MTM adjustments are as follows (in millions):

	2024	2023	2022
Actual versus expected return on assets	\$ (67)	\$ 2,492	\$ 5,109
Discount rate change	(1,139)	(3,395)	(4,486)
Demographic experience:			
Current year actuarial loss	67	142	504
Change in future assumptions	577	110	314
Termination of TNT Express Netherlands pension plan	—	—	224
Pension plan amendments, including curtailment gains	1	1	(87)
Total MTM (gain) loss	<u>\$ (561)</u>	<u>\$ (650)</u>	<u>\$ 1,578</u>

2024

Net of all fees and expenses, the actual rate of return on our U.S. Pension Plan assets was 6.80%, which was higher than our expected rate of return of 6.50%. Performance was driven by public equities and alternatives, offset by modest losses in fixed income due to higher interest rates. The weighted-average discount rate for all our pension and postretirement healthcare plans increased from 5.17% at May 31, 2023 to 5.53% at May 31, 2024. The demographic experience in 2024 reflects an update to our retirement rate and short-term cash balance interest crediting assumptions.

2023

Net of all fees and expenses, the actual rate of return on our U.S. Pension Plan assets was -2.70%, which was lower than our expected rate of return of 6.50%. Negative portfolio returns derived due to losses in both equities and our fixed-income assets due to market volatility and rising interest rates. The weighted-average discount rate for all our pension and postretirement healthcare plans increased from 4.21% at May 31, 2022 to 5.17% at May 31, 2023. The demographic experience in 2023 reflects an update to our short-term cash balance interest crediting assumption.

2022

Net of all fees and expenses, the actual rate of return on our U.S. Pension Plan assets was -10.8%, which was lower than our expected rate of return of 6.50%. Negative portfolio returns derived due to losses in both equities and our fixed-income assets due to market volatility and rising interest rates. The weighted-average discount rate for all our pension and postretirement healthcare plans increased from 3.11% at May 31, 2021 to 4.21% at May 31, 2022. The demographic experience in 2022 reflects an update to our mortality assumption and a current year actuarial loss due to unfavorable experience compared to various demographic assumptions.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENSION PLANS. Our largest pension plan covers certain U.S. employees age 21 and over, with at least one year of service. Pension benefits for most employees are accrued under a cash balance formula we call the Portable Pension Account (“PPA”). Under the PPA, the retirement benefit is expressed as a dollar amount in a notional account that grows with annual credits based on pay, age and years of credited service, and interest on the notional account balance. The PPA benefit is payable as a lump sum or an annuity at retirement at the election of the employee. The plan interest credit rate varies from year to year based on a U.S. Treasury index. Prior to 2009, certain employees earned benefits using a traditional pension formula (based on average earnings and years of service). Benefits under this formula were capped on May 31, 2008 for most employees.

We also sponsor or participate in nonqualified benefit plans covering certain of our U.S. employee groups and other pension plans covering certain of our international employees. The international defined benefit pension plans provide benefits primarily based on earnings and years of service and are funded in compliance with local laws and practices. The majority of our international obligations are for defined benefit pension plans in the United Kingdom.

In 2020, we announced the closing of our U.S.-based defined benefit pension plans to new non-union employees hired on or after January 1, 2020. We introduced an all-401(k) plan retirement benefit structure for eligible employees with a higher company match of up to 8% across all U.S.-based operating companies in 2022. During calendar 2021, current eligible employees under the PPA pension formula were given a one-time option to continue to be eligible for pension compensation credits under the existing PPA formula and remain in the existing 401(k) plan with its company match of up to 3.5%, or to cease receiving compensation credits under the PPA and move to the new 401(k) plan with the higher match of up to 8%. Changes to the new 401(k) plan structure became effective January 1, 2022. See Note 1 for additional information on expected amendments to our pension plan offered to FedEx Express pilots.

POSTRETIREMENT HEALTHCARE PLANS. Certain of our subsidiaries offer medical, dental, and vision coverage to eligible U.S. retirees and their eligible dependents and a small number of international employees. U.S. employees covered by the principal plan become eligible for these benefits at age 55 and older, if they have permanent, continuous service of at least 10 years after attainment of age 45 if hired prior to January 1, 1988, or at least 20 years after attainment of age 35 if hired on or after January 1, 1988.

The U.S. postretirement healthcare benefit is a lump-sum benefit in a notional retiree health reimbursement account (“HRA”) for eligible participants. The HRA is available to reimburse a participant for qualifying healthcare premium costs and limits the company liability to the HRA account balance. The amount of the credit is based on age at retirement. Retiree health coverage was closed to most new employees hired on or after January 1, 2018.

PENSION PLAN ASSUMPTIONS. The accounting for pension and postretirement healthcare plans includes numerous assumptions, such as: discount rates; expected long-term investment returns on plan assets; future salary increases; employee turnover; mortality; and retirement ages.

Weighted-average actuarial assumptions used to determine the benefit obligations and net periodic benefit cost of our plans are as follows:

	U.S. Pension Plans			International Pension Plans			Postretirement Healthcare Plans		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Discount rate used to determine benefit obligation	5.58 %	5.20 %	4.25 %	4.29 %	4.21 %	3.09 %	5.63 %	5.37 %	4.35 %
Discount rate used to determine net periodic benefit cost	5.20	4.25	3.23	4.21	3.09	1.83	5.37	4.35	2.81
Rate of increase in future compensation levels used to determine benefit obligation	5.29	5.13	5.11	3.06	3.04	2.89	—	—	—
Rate of increase in future compensation levels used to determine net periodic benefit cost	5.13	5.11	5.06	3.04	2.89	2.83	—	—	—
Expected long-term rate of return on assets	6.50	6.50	6.50	3.55	2.26	2.39	—	—	—
Interest crediting rate used to determine benefit obligation	4.32	4.23	4.00	2.90	2.40	3.70	—	—	—
Interest crediting rate used to determine net periodic benefit cost	4.23	4.00	4.00	2.40	3.70	2.50	—	—	—

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Our U.S. Pension Plan assets are invested primarily in publicly tradable securities, and our pension plans hold only a minimal investment in FedEx common stock that is entirely at the discretion of third-party pension fund investment managers. As part of our strategy to manage pension costs and funded status volatility, we follow a liability-driven investment strategy to better align plan assets with liabilities.

Establishing the expected future rate of investment return on our pension assets is a judgmental matter, which we review on an annual basis and revise as appropriate. Management considers the following factors in determining this assumption:

- the duration of our pension plan liabilities, which drives the investment strategy we can employ with our pension plan assets;
- the types of investment classes in which we invest our pension plan assets and the expected compound geometric return we can reasonably expect those investment classes to earn over time, net of all fees and expenses; and
- the investment returns we can reasonably expect our investment management program to achieve in excess of the returns we could expect if investments were made strictly in indexed funds.

For consolidated pension expense, we assumed a 6.50% expected long-term rate of return on our U.S. Pension Plan assets in 2024, 2023, and 2022. The historical annual return on our U.S. Pension Plan assets, calculated on a compound geometric basis, was 7.60%, net of all fees and expenses, for the 15-year period ended May 31, 2024.

The investment strategy for our U.S. Pension Plan assets is to utilize a diversified mix of public equities, fixed-income, and alternative investments to earn a long-term investment return that meets our pension plan obligations. Our largest asset classes are Corporate Fixed Income Securities and Government Fixed Income Securities (which are largely benchmarked against the Bloomberg Barclays Long Government, Bloomberg Barclays Long Corporate, or the Bloomberg Barclays 20+ STRIPS indices), and U.S. and non-U.S. Equities (which are mainly benchmarked to the S&P 500 Index and MSCI indices). Accordingly, we do not have any significant concentrations of risk. Active management strategies are utilized within the plan in an effort to realize investment returns in excess of market indices. Our investment strategy also includes the limited use of derivative financial instruments on a discretionary basis to improve investment returns and manage portfolio risk.

The following is a description of the valuation methodologies used for investments measured at fair value:

- *Cash and cash equivalents.* Level 1 investments include cash, cash equivalents, and foreign currency valued using exchange rates. Level 2 investments include short-term investment funds, which are collective funds priced at a constant value by the administrator of the funds.
- *Domestic, international, and global equities.* Level 1 investments are valued at the closing price or last trade reported on the major market on which the individual securities are traded.
- *Fixed income.* We determine the fair value of Level 2 corporate bonds, U.S. and non-U.S. government securities, and other fixed-income securities by using bid evaluation pricing models or quoted prices of securities with similar characteristics.
- *Alternative Investments.* The valuation of Level 3 investments requires significant judgment due to the absence of quoted market prices, the inherent lack of liquidity, and the long-term nature of such assets. Investments in private equity, debt, real estate, hedge funds, and other private investments are valued at estimated fair value based on quarterly financial information received from the investment advisor and/or general partner. These estimates incorporate factors such as contributions and distributions, market transactions, market comparables, and performance multiples.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The fair values of investments by level and asset category and the weighted-average asset allocations for our U.S. Pension Plans and our most significant international pension plan at the measurement date are presented in the following table (in millions):

Asset Class (U.S. Plan)	Plan Assets at Measurement Date					
	2024					
	Fair Value	Actual %	Target Range % ⁽¹⁾	Quoted Prices in Active Markets Level 1	Other Observable Inputs Level 2	Unobservable Inputs Level 3
Cash and cash equivalents	\$ 577	2%	0 - 5%	\$ 130	\$ 447	
Equities			25 - 40			
U.S. large cap equity ⁽²⁾	3,376	13		1,382		
International equities ⁽²⁾	2,631	10		1,780		
Global equities ⁽²⁾	1,397	5				
U.S. SMID cap equity	926	4		916	10	
Fixed-income securities			40 - 60			
Corporate	6,502	25			6,502	
Government ⁽²⁾	4,194	16			2,335	
Mortgage-backed and other ⁽²⁾	1,514	6			205	
Alternative investments ⁽²⁾	4,777	19	15 - 25			\$ 1,075
Other	(97)	—		(111)	14	
Total U.S. plan assets	<u>\$ 25,797</u>	<u>100%</u>		<u>\$ 4,097</u>	<u>\$ 9,513</u>	<u>\$ 1,075</u>
Asset Class (International Plan)						
Cash and cash equivalents	\$ 8	2%		\$ 8		
Fixed-income securities						
Corporate ⁽²⁾	62	18				
Government ⁽²⁾	177	52		149		
Other ⁽²⁾	94	28				
Total international plan assets	<u>\$ 341</u>	<u>100%</u>		<u>\$ 157</u>	<u>\$ —</u>	

(1) Target ranges have not been provided for international plan assets as they are managed at an individual country level.

(2) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy but are included in the total.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Asset Class (U.S. Plans)	Plan Assets at Measurement Date					
	2023					
	Fair Value	Actual %	Target Range % ⁽¹⁾	Quoted Prices in Active Markets Level 1	Other Observable Inputs Level 2	Unobservable Inputs Level 3
Cash and cash equivalents	\$ 815	3%	0 - 5%	\$ 22	\$ 793	
Equities			30 - 50			
U.S. large cap equity ⁽²⁾	2,928	12		1,268		
International equities ⁽²⁾	2,821	11		1,912		
Global equities ⁽²⁾	1,192	5				
U.S. SMID cap equity	768	3		764	4	
Fixed-income securities			40 - 60			
Corporate	6,403	26			6,403	
Government ⁽²⁾	4,334	17			2,497	
Mortgage-backed and other ⁽²⁾	1,386	6			527	
Alternative investments ⁽²⁾	4,196	17	0 - 15			\$ 937
Other	(17)	—		(33)	16	
Total U.S. plan assets	\$ 24,826	100%		\$ 3,933	\$ 10,240	\$ 937
Asset Class (International Plan)						
Cash and cash equivalents	\$ 7	2%		\$ 7		
Fixed-income securities						
Corporate ⁽²⁾	57	17				
Government ⁽²⁾	178	53		159		
Other ⁽²⁾	95	28				
Total international plan assets	\$ 337	100%		\$ 166	\$ —	

(1) Target ranges have not been provided for international plan assets as they are managed at an individual country level.

(2) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy but are included in the total.

The change in fair value of Level 3 assets that use significant unobservable inputs is shown in the table below (in millions):

	U.S. Pension Plans	
	2024	2023
Balance at beginning of year	\$ 937	\$ 811
Actual return on plan assets:		
Assets held during current year	59	66
Assets sold during the year	30	28
Purchases, sales, and settlements, net	49	32
Balance at end of year	<u>\$ 1,075</u>	<u>\$ 937</u>

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables provide a reconciliation of the changes in the pension and postretirement healthcare plans' benefit obligations and fair value of assets over the two-year period ended May 31, 2024 and a statement of the funded status as of May 31, 2024 and 2023 (in millions):

	U.S. Pension Plans		International Pension Plans		Postretirement Healthcare Plans	
	2024	2023	2024	2023	2024	2023
Accumulated Benefit Obligation ("ABO")	\$ 25,756	\$ 25,825	\$ 885	\$ 848		
Changes in PBO and Accumulated Postretirement Benefit Obligation ("APBO")						
PBO/APBO at the beginning of year	\$ 26,426	\$ 28,702	\$ 990	\$ 1,096	\$ 1,169	\$ 1,286
Service cost	544	651	38	44	27	37
Interest cost	1,362	1,218	42	34	61	55
Actuarial (gain) loss	(514)	(2,882)	3	(121)	18	(138)
Benefits paid	(1,534)	(1,263)	(39)	(35)	(89)	(107)
Settlements	—	—	(11)	(20)	—	—
Other	—	—	(5)	(8)	(24)	36
PBO/APBO at the end of year	\$ 26,284	\$ 26,426	\$ 1,018	\$ 990	\$ 1,162	\$ 1,169
Change in Plan Assets						
Fair value of plan assets at the beginning of year	\$ 24,826	\$ 25,970	\$ 579	\$ 663	\$ —	\$ —
Actual return on plan assets	1,674	(707)	12	(83)	—	—
Company contributions	831	826	50	55	67	71
Benefits paid	(1,534)	(1,263)	(39)	(35)	(89)	(107)
Settlements	—	—	(11)	(20)	—	—
Other	—	—	11	(1)	22	36
Fair value of plan assets at the end of year	\$ 25,797	\$ 24,826	\$ 602	\$ 579	\$ —	\$ —
Funded Status of the Plans	\$ (487)	\$ (1,600)	\$ (416)	\$ (411)	\$ (1,162)	\$ (1,169)
Amount Recognized in the Balance Sheet at May 31:						
Noncurrent asset	\$ —	\$ —	\$ 73	\$ 88	\$ —	\$ —
Current pension, and other benefit obligations	(35)	(39)	(22)	(23)	(81)	(84)
Noncurrent pension, and other benefit obligations	(452)	(1,561)	(467)	(476)	(1,081)	(1,085)
Net amount recognized	\$ (487)	\$ (1,600)	\$ (416)	\$ (411)	\$ (1,162)	\$ (1,169)
Amounts Recognized in AOCL and not yet reflected in Net Periodic Benefit Cost:						
Prior service cost (credit)	\$ (39)	\$ (47)	\$ 3	\$ 4	\$ (43)	\$ —

Our pension plans included the following components at May 31 (in millions):

	PBO	Fair Value of Plan Assets	Funded Status
2024			
Qualified	\$ 26,152	\$ 25,797	\$ (355)
Nonqualified	132	—	(132)
International Plans	1,018	602	(416)
Total	\$ 27,302	\$ 26,399	\$ (903)
2023			
Qualified	\$ 26,269	\$ 24,826	\$ (1,443)
Nonqualified	157	—	(157)
International Plans	990	579	(411)
Total	\$ 27,416	\$ 25,405	\$ (2,011)

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The table above provides the PBO, fair value of plan assets, and funded status of our pension plans on an aggregated basis. The following tables present our plans on a disaggregated basis to show those plans (as a group) whose assets did not exceed their liabilities. The fair value of plan assets for pension plans with a PBO or ABO in excess of plan assets at May 31 were as follows (in millions):

	PBO Exceeds the Fair Value of Plan Assets	
	2024	2023
U.S. Pension Benefits		
Fair value of plan assets	\$ 25,797	\$ 24,826
PBO	(26,284)	(26,426)
Net funded status	\$ (487)	\$ (1,600)
International Pension Benefits		
Fair value of plan assets	\$ 239	\$ 223
PBO	(728)	(722)
Net funded status	\$ (489)	\$ (499)
	ABO Exceeds the Fair Value of Plan Assets	
	2024	2023
U.S. Pension Benefits		
ABO ⁽¹⁾	\$ (124)	\$ (25,825)
Fair value of plan assets	—	24,826
PBO	(132)	(26,426)
Net funded status	\$ (132)	\$ (1,600)
International Pension Benefits		
ABO ⁽¹⁾	\$ (575)	\$ (562)
Fair value of plan assets	216	201
PBO	(703)	(700)
Net funded status	\$ (487)	\$ (499)

(1) ABO not used in determination of funded status.

Contributions to our qualified U.S. Pension Plans for the years ended May 31 were as follows (in millions):

	2024	2023
Required	\$ —	\$ —
Voluntary	800	800
	\$ 800	\$ 800

For 2025, no pension contributions are required for our U.S. Pension Plan as it is fully funded under the Employee Retirement Income Security Act. However, we expect to make voluntary contributions of \$800 million to the plan in 2025.

Net periodic benefit (income) cost for the years ended May 31 were as follows (in millions):

	U.S. Pension Plans			International Pension Plans			Postretirement Healthcare Plans		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Service cost	\$ 544	\$ 651	\$ 835	\$ 38	\$ 44	\$ 56	\$ 27	\$ 37	\$ 48
Interest cost	1,362	1,218	1,020	42	34	32	61	55	41
Expected return on plan assets	(1,598)	(1,688)	(1,910)	(18)	(14)	(26)	—	—	—
Amortization of prior service credit	(7)	(7)	(7)	—	(2)	(2)	(3)	—	—
Actuarial losses (gains) and other	(590)	(487)	1,683	13	(25)	87	16	(138)	(192)
Net periodic benefit (income) cost	\$ (289)	\$ (313)	\$ 1,621	\$ 75	\$ 37	\$ 147	\$ 101	\$ (46)	\$ (103)

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Amounts recognized in other comprehensive loss were primarily related to amortization of prior service cost in our U.S. Pension Plans of \$7 million in 2024 and \$7 million in 2023 (\$6 million, net of tax, in 2024 and \$6 million, net of tax, in 2023).

Benefit payments, which reflect expected future service, are expected to be paid as follows for the years ending May 31 (in millions):

	U.S. Pension Plan	International Pension Plans	Postretirement Healthcare Plans
2025	\$ 1,555	\$ 57	\$ 81
2026	1,620	51	91
2027	1,695	56	102
2028	1,762	59	113
2029	1,824	70	121
2030-2034	9,805	417	652

These estimates are based on assumptions about future events. Actual benefit payments may vary significantly from these estimates.

Future medical benefit claims costs are estimated to increase at an annual rate of 7.30% during 2025, decreasing to an annual growth rate of 4.0% in 2045 and thereafter.

NOTE 14: BUSINESS SEGMENTS AND DISAGGREGATED REVENUE

FedEx Express, FedEx Ground, and FedEx Freight represented our major service lines and, along with FedEx Services, constituted our reportable segments for 2024, 2023 and 2022. Our reportable segments for these periods included the following businesses:

FedEx Express Segment	FedEx Express (express transportation, small-package ground delivery, and freight transportation) FedEx Custom Critical, Inc. (time-critical transportation)
FedEx Ground Segment	FedEx Ground (small-package ground delivery)
FedEx Freight Segment	FedEx Freight (LTL freight transportation)
FedEx Services Segment	FedEx Services (sales, marketing, information technology, communications, customer service, technical support, billing and collection services, and back-office functions)

In the fourth quarter of 2023, FedEx announced one FedEx, a consolidation plan to bring FedEx Ground and FedEx Services into Federal Express Corporation, becoming a single company operating a unified, fully integrated air-ground express network under the respected FedEx brand. The organizational redesign was implemented in phases with full legal implementation effective June 1, 2024. During the implementation process in 2024, each of our reportable segments continued to have discrete financial information that was regularly reviewed when evaluating performance and making resource allocation decisions, and aligned with our management reporting structure and our internal financial reporting. Beginning in the first quarter of fiscal 2025, our reportable segments will be Federal Express Corporation and FedEx Freight. Additionally, the results of FedEx Custom Critical, Inc. will be included in the FedEx Freight segment instead of the Federal Express segment. This change was made to reflect our new management reporting structure. Prior-year amounts will be revised to reflect this presentation.

References to our transportation segments include, collectively, the FedEx Express segment, the FedEx Ground segment, and the FedEx Freight segment.

FedEx Services Segment

During 2024, 2023, and 2022, the FedEx Services segment operated combined sales, marketing, administrative, and information-technology functions in shared services operations for U.S. customers of our major business units and certain back-office support to our operating segments which allowed us to obtain synergies from the combination of these functions. For the international regions of FedEx Express, some of these functions were performed on a regional basis and reported by FedEx Express in their natural expense line items.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The FedEx Services segment provided direct and indirect support to our operating segments, and we allocated all of the net operating costs of the FedEx Services segment to reflect the full cost of operating our businesses in the results of those segments. We reviewed and evaluated the performance of our transportation segments based on operating income (inclusive of FedEx Services segment allocations). For the FedEx Services segment, performance was evaluated based on the effect of its total allocated net operating costs on our operating segments.

Operating expenses for each of our transportation segments included the allocations from the FedEx Services segment to the respective transportation segments. These allocations included charges and credits for administrative services provided between operating companies. The allocations of net operating costs were based on metrics such as relative revenue or estimated services provided. We believe these allocations approximated the net cost of providing these functions. Our allocation methodologies were refined periodically, as necessary, to reflect changes in our businesses.

Other Intersegment Transactions

Corporate and other includes corporate headquarters costs for executive officers and certain legal and finance functions, including certain other costs and credits not attributed to our core business, as well as certain costs associated with developing integrated business solutions through our FedEx Dataworks operating segment. FedEx Dataworks is focused on creating solutions to transform the digital and physical experiences of our customers and team members. ShopRunner, Inc. was merged into FedEx Dataworks during 2023.

Also included in Corporate and other is the FedEx Office and Print Services, Inc. (“FedEx Office”) operating segment, which provides an array of document and business services and retail access to our customers for our package transportation businesses, and the FedEx Logistics operating segment, which provides integrated supply chain management solutions, specialty transportation, customs brokerage, and global ocean and air freight forwarding.

The results of Corporate, other, and eliminations are not allocated to the other business segments.

Certain FedEx operating companies provide transportation and related services for other FedEx companies outside their reportable segment in order to optimize our resources. Billings for such services are based on negotiated rates, and are reflected as revenue of the billing segment. These rates are adjusted from time to time based on market conditions. Such intersegment revenue and expenses are eliminated in our consolidated results and are not separately identified in the following segment information because the amounts are not material.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table provides a reconciliation of reportable segment revenue, depreciation and amortization, operating income (loss), and segment assets to consolidated financial statement totals (in millions) for the years ended or as of May 31:

	FedEx Express Segment	FedEx Ground Segment	FedEx Freight Segment	FedEx Services Segment	Corporate, other, and eliminations	Consolidated Total
Revenue						
2024	\$ 40,857	\$ 34,256	\$ 9,082	\$ 260	\$ 3,238	\$ 87,693
2023	42,743	33,507	9,632	301	3,972	90,155
2022	45,814	33,232	9,532	253	4,681	93,512
Depreciation and amortization						
2024	\$ 2,172	\$ 1,119	\$ 402	\$ 465	\$ 129	\$ 4,287
2023	2,105	1,020	387	529	135	4,176
2022	2,007	919	406	513	125	3,970
Operating income (loss)						
2024 ⁽¹⁾	\$ 776	\$ 4,049	\$ 1,814	\$ —	\$ (1,080)	\$ 5,559
2023 ⁽²⁾	1,064	3,140	1,925	—	(1,217)	4,912
2022 ⁽³⁾	2,922	2,642	1,663	—	(982)	6,245
Segment assets⁽⁴⁾						
2024	\$ 48,699	\$ 17,884	\$ 11,389	\$ 7,078	\$ 1,957	\$ 87,007
2023	47,754	36,815	10,197	7,415	(15,038)	87,143
2022	47,604	32,645	8,904	8,389	(11,548)	85,994

- (1) Includes business optimization costs of \$331 million included in “Corporate, other, and eliminations” and \$143 million and \$108 million included in the FedEx Express and FedEx Ground segments, respectively. Includes noncash asset impairment charges of \$157 million related to the decision to permanently retire certain aircraft and related engines at FedEx Express. Also includes a \$57 million benefit included in “Corporate, other, and eliminations” for an insurance reimbursement related to pre- and post-judgment interest in connection with a FedEx Ground legal matter.
- (2) Includes business optimization costs of \$262 million included in “Corporate, other, and eliminations” and business optimization and realignment costs of \$11 million and \$36 million, respectively, included in the FedEx Express segment. Includes noncash other asset impairment charges of \$70 million related to the decision to permanently retire certain aircraft and related engines at FedEx Express and goodwill and other asset impairment charges of \$47 million at FedEx Dataworks related to the ShopRunner acquisition. Also includes \$35 million in connection with a FedEx Ground legal matter included in “Corporate, other, and eliminations.”
- (3) Includes business realignment costs of \$278 million included in the FedEx Express segment, as well as a charge of \$210 million related to the pre- and post-judgment interest in connection with a separate FedEx Ground legal matter included in “Corporate, other, and eliminations.” Also includes TNT Express integration expenses of \$132 million included in “Corporate, other, and eliminations” and the FedEx Express segment.
- (4) Segment assets include intercompany receivables. In the fourth quarter of 2024, FedEx Ground settled an intercompany balance of \$19.5 billion with FedEx in preparation for the one FedEx consolidation.

The following table provides a reconciliation of reportable segment capital expenditures to consolidated totals for the years ended May 31 (in millions):

	FedEx Express Segment	FedEx Ground Segment	FedEx Freight Segment	FedEx Services Segment	Other	Consolidated Total
2024	\$ 3,291	\$ 1,018	\$ 461	\$ 282	\$ 124	\$ 5,176
2023	3,055	1,995	556	431	137	6,174
2022	3,637	2,139	319	565	103	6,763

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents revenue by service type and geographic information for the years ended or as of May 31 (in millions):

	2024	2023	2022
REVENUE BY SERVICE TYPE			
FedEx Express segment:			
Package:			
U.S. overnight box	\$ 8,689	\$ 8,916	\$ 9,084
U.S. overnight envelope	1,854	1,980	1,971
U.S. deferred	4,928	5,128	5,330
Total U.S. domestic package revenue	15,471	16,024	16,385
International priority	9,455	10,939	12,130
International economy	4,273	2,911	2,838
Total international export package revenue	13,728	13,850	14,968
International domestic ⁽¹⁾	4,178	4,043	4,340
Total package revenue	33,377	33,917	35,693
Freight:			
U.S.	2,418	2,906	3,041
International priority	2,205	3,060	3,840
International economy	1,677	1,510	1,653
International airfreight	126	166	177
Total freight revenue	6,426	7,642	8,711
Other	1,054	1,184	1,410
Total FedEx Express segment	40,857	42,743	45,814
FedEx Ground segment	34,256	33,507	33,232
FedEx Freight segment	9,082	9,632	9,532
FedEx Services segment	260	301	253
Other and eliminations ⁽²⁾	3,238	3,972	4,681
	<u>\$ 87,693</u>	<u>\$ 90,155</u>	<u>\$ 93,512</u>
GEOGRAPHICAL INFORMATION⁽³⁾			
Revenue:			
U.S.	\$ 63,531	\$ 64,890	\$ 64,941
International:			
FedEx Express segment	22,291	23,090	25,564
FedEx Ground segment	844	860	857
FedEx Freight segment	266	264	235
FedEx Services segment	1	1	1
Other	760	1,050	1,914
Total international revenue	24,162	25,265	28,571
	<u>\$ 87,693</u>	<u>\$ 90,155</u>	<u>\$ 93,512</u>
Noncurrent assets:			
U.S.	\$ 56,822	\$ 56,449	\$ 53,311
International	11,978	12,084	12,318
	<u>\$ 68,800</u>	<u>\$ 68,533</u>	<u>\$ 65,629</u>

(1) International domestic revenue relates to our intra-country operations.

(2) Includes the FedEx Office, FedEx Logistics, and FedEx Dataworks operating segments.

(3) International revenue includes shipments that either originate in or are destined to locations outside the United States, which could include U.S. payors. Noncurrent assets include property and equipment, operating lease right-of-use assets, goodwill, and other long-term assets. Our flight equipment is registered in the U.S. and is included as U.S. assets; however, many of our aircraft operate internationally.



FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15: DERIVATIVE FINANCIAL INSTRUMENTS

RISK MANAGEMENT OBJECTIVE OF USING DERIVATIVES. We enter into derivative financial instruments to reduce the effects of volatility in foreign currency exchange exposure on operating results and cash flows. Our derivative financial instruments are used to manage differences in the amount, timing, and duration of cash receipts and cash payments principally related to our investments.

Certain of our foreign operations expose us to fluctuations of foreign exchange rates. These fluctuations may impact the value of our cash receipts and payments in terms of our functional currency.

NET INVESTMENT HEDGES. We are exposed to fluctuations in foreign exchange rates on investments we hold in foreign entities. We use debt denominated in foreign currency and fixed-to-fixed cross-currency swaps to hedge our exposure to changes in foreign exchange rates on certain of our foreign investments. Cross-currency swaps involve the receipt of functional-currency-fixed rate amounts from a counterparty in exchange for us making foreign-currency-fixed rate payments over the life of the agreement. Cross-currency swaps also involve final exchanges of the functional-currency principal amounts for the foreign-currency principal amounts between us and the counterparty.

For debt and foreign currency derivatives designated as net investment hedges, the gain or loss on the derivative is reported in AOCL as part of the cumulative translation adjustment. Amounts are reclassified out of AOCL into earnings when the hedged net investment is either sold or substantially liquidated.

As of May 31, 2024, we had €173 million of debt designated to reduce the volatility of the U.S. dollar value of a portion of our net investment in a euro-denominated consolidated subsidiary.

During 2024, we entered into certain foreign currency derivatives to hedge our net investments in foreign operations. The following foreign currency derivatives were outstanding as of May 31, 2024 (notional amounts in millions):

Foreign Currency Derivative	Number of Instruments	Notional Sold	Notional Purchased
Cross-currency swaps	4	€ (468)	\$ 500

The following table presents the fair value of our derivatives, including their classification on the consolidated balance sheet, as of May 31, 2024 (in millions):

	Balance Sheet Location	2024
Asset Derivatives		
Cross-currency swaps	Prepaid expenses and other	\$ 8
Liability Derivatives		
Cross-currency swaps	Other liabilities	\$ 14

The estimated fair values were determined using pricing models that rely on market-based inputs such as foreign currency exchange rates and yield curves. The fair value of our derivative financial instruments is classified as Level 2 within the fair value hierarchy. This classification is defined as a fair value determined using market-based inputs other than quoted prices that are observable for the derivative financial instruments, either directly or indirectly.

During 2024, we recognized a \$6 million loss in AOCL related to our cross-currency swaps, which excludes any adjustments for the impact of deferred income taxes.

As of May 31, 2024, we have not posted any collateral related to our cross-currency swaps. No amounts have been reclassified out of AOCL during 2024 for our net investment hedges. As of May 31, 2024, our net investment hedges remain effective.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16: SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest expense and income taxes for the years ended May 31 was as follows (in millions):

	2024	2023	2022
Cash payments for:			
Interest (net of capitalized interest)	\$ 744	\$ 694	\$ 695
Income taxes	\$ 1,555	\$ 1,096	\$ 751
Income tax refunds received	(122)	(53)	(574)
Cash tax payments, net	<u>\$ 1,433</u>	<u>\$ 1,043</u>	<u>\$ 177</u>

NOTE 17: GUARANTEES AND INDEMNIFICATIONS

In conjunction with certain transactions, primarily the lease, sale, or purchase of real estate, operating assets, or services in the ordinary course of business and in connection with business sales and acquisitions, we may provide routine guarantees or indemnifications (e.g., environmental, fuel, tax, and intellectual property infringement), the terms of which range in duration, and often they are not limited and have no specified maximum obligation. The overall maximum potential amount of the obligation under such guarantees and indemnifications cannot be reasonably estimated. Historically, we have not been required to make significant payments under our guarantee or indemnification obligations and no material amounts have been recognized in our financial statements for the underlying fair value of these obligations.

NOTE 18: COMMITMENTS

Annual purchase commitments under various contracts as of May 31, 2024 were as follows (in millions):

	Aircraft and Aircraft Related	Other ⁽¹⁾	Total
2025	\$ 1,408	\$ 860	\$ 2,268
2026	665	656	1,321
2027	276	426	702
2028	342	321	663
2029	309	253	562
Thereafter	1,338	14	1,352
Total	<u>\$ 4,338</u>	<u>\$ 2,530</u>	<u>\$ 6,868</u>

⁽¹⁾ Primarily information technology and advertising contracts.

The amounts reflected in the table above for purchase commitments represent noncancelable agreements to purchase goods or services. Open purchase orders that are cancelable are not considered unconditional purchase obligations for financial reporting purposes and are not included in the table above.

We have several aircraft modernization programs under way that are supported by the purchase of Boeing 777 Freighter (“B777F”) and Boeing 767-300 Freighter (“B767F”) aircraft. These aircraft are significantly more fuel-efficient per unit than the aircraft types previously utilized, and these expenditures are necessary to achieve significant long-term operating savings and to replace older aircraft. Our ability to delay the timing of these aircraft-related expenditures is limited without incurring significant costs to modify existing purchase agreements.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of May 31, 2024, we had \$611 million in deposits and progress payments on aircraft purchases and other planned aircraft-related transactions. These deposits are classified in the “Other assets” caption of our accompanying consolidated balance sheets. Aircraft and aircraft-related contracts are subject to price escalations. The following table is a summary of the aircraft we were committed to purchase as of May 31, 2024, with the year of expected delivery:

	Cessna SkyCourier 408	ATR 72-600F	B767F	B777F	Total
2025	17	7	11	2	37
2026	14	3	3	—	20
2027	—	—	—	—	—
2028	—	—	—	—	—
2029	—	—	—	—	—
Thereafter	—	—	—	—	—
Total	31	10	14	2	57

NOTE 19: INVESTMENTS

EQUITY SECURITIES

The summary of our investments in equity securities at May 31, 2024 and 2023 is as follows (in millions):

	2024	2023
Equity securities with readily determinable fair values	\$ 100	\$ 91
Equity securities without readily determinable fair values - NAV practical expedient	37	26
Equity securities without readily determinable fair values - measurement alternative	223	185
Total equity securities	\$ 360	\$ 302

Equity securities with a readily determinable fair value are Level 1 investments that are valued at the closing price or last trade reported on the major market on which the individual securities are traded. For equity securities without readily determinable fair values that qualify for the NAV practical expedient, we have elected to apply the NAV practical expedient to estimate fair value. We apply the measurement alternative for all other equity securities without readily determinable fair values, where adjustments to cost are made for observable price changes and any impairments. For equity securities where the measurement alternative is applied, annual and cumulative amounts of impairments, downward adjustments, and upward adjustments were immaterial for 2024 and 2023.

Unrealized gains and (losses) recognized during the reporting period on all equity securities still held at May 31, 2024, 2023, and 2022 were \$14 million, (\$48) million, and \$60 million respectively.

DEBT SECURITIES

The carrying values of our investments in debt securities are classified as available-for-sale and reported at their estimated fair values in our consolidated balance sheets and consisted of the following (in millions):

	Cost	Gross Unrealized		Estimated Fair Value
		Gains	Losses	
May 31, 2024				
Fixed-income securities	\$ 76	\$ 1	\$ —	\$ 77
Total debt securities	\$ 76	\$ 1	\$ —	\$ 77

Debt securities are Level 2 within the fair value hierarchy. This classification is defined as a fair value determined using market-based inputs other than quoted prices that are observable for the financial instruments, either directly or indirectly. Realized gains and losses were immaterial for 2024. We did not invest in debt securities during 2023.

FEDEX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 20: CONTINGENCIES

Service Provider Lawsuits. FedEx Ground is defending against lawsuits in which it is alleged that FedEx Ground should be treated as an employer or joint employer of drivers employed by service providers engaged by FedEx Ground. These cases are in varying stages of litigation, and we are not currently able to estimate an amount or range of potential loss in all of these matters. However, we do not expect to incur, individually or in the aggregate, a material loss in these matters. Nevertheless, adverse determinations in these matters could, among other things, entitle service providers' drivers to certain payments, including wages and penalties, from the service providers and FedEx Ground and result in employment and withholding tax and benefit liability for FedEx Ground. We continue to believe that FedEx Ground is not an employer or joint employer of the drivers of these independent businesses.

FedEx Services Employment Lawsuit. In May 2021, FedEx Services was named as a defendant in a lawsuit filed in the U.S. District Court for the Southern District of Texas related to the termination of a former FedEx Services employee. The complaint alleged race discrimination and retaliation for complaints of discrimination under Section 1981 of the Civil Rights Act of 1866 and Title VII of the Civil Rights Act of 1964. After trial, in October 2022, the jury found in favor of FedEx Services on the race discrimination claims but awarded the plaintiff compensatory damages of approximately \$1.0 million for emotional distress and punitive damages of \$365 million for the retaliation claims. The court entered final judgment in the amount of approximately \$366 million. FedEx Services appealed the verdict to the U.S. Court of Appeals for the Fifth Circuit. FedEx Services argued on appeal that FedEx Services is entitled to judgment as a matter of law on the retaliation claims, plaintiff's claims were not timely filed, punitive damages are not available as a matter of law and, if allowed, must be reduced to no greater than a single-digit multiple of the award for compensatory damages based on the United States Supreme Court's ruling in *State Farm v. Campbell*, and the compensatory damages award must be reduced to conform with the evidence and the Fifth Circuit's maximum recovery rule. FedEx Services argued in the alternative that a new trial should be granted.

In February 2024, a three-judge panel of the U.S. Court of Appeals for the Fifth Circuit reduced the jury's emotional distress award of approximately \$1.0 million to approximately \$250,000 and vacated the jury's \$365 million award for punitive damages based on its finding that FedEx Services made good faith efforts to comply with the law. In March 2024, the full Fifth Circuit unanimously denied plaintiff's petition for rehearing. In June 2024, plaintiff petitioned the U.S. Supreme Court for review of the Fifth Circuit's reduction of the emotional distress award and determination that FedEx Services's employment agreement provides a reasonable time for filing Section 1981 claims. The petition does not challenge the Fifth's Circuit's decision to vacate the punitive damages award. An immaterial loss accrual has been recorded in FedEx's consolidated financial statements.

FedEx Ground Negligence Lawsuit. In December 2022, FedEx Ground was named as a defendant in a lawsuit filed in Texas state court related to the alleged kidnapping and first-degree murder of a minor by a driver employed by a service provider engaged by FedEx Ground. The complaint alleges compensatory and punitive damages against FedEx Ground for negligent and gross negligent hiring and retention, as well as negligent entrustment. The service provider and driver are also named as defendants in the lawsuit. An immaterial loss accrual has been recorded in FedEx's consolidated financial statements. It is reasonably possible that an additional material loss could be incurred. At this stage of the litigation, we cannot estimate the amount or range of such additional loss, if any.

Other Matters. FedEx and its subsidiaries are subject to other legal proceedings that arise in the ordinary course of business, including certain lawsuits containing various class-action allegations of wage-and-hour violations in which plaintiffs claim, among other things, that they were forced to work "off the clock," were not paid overtime, or were not provided work breaks or other benefits, as well as other lawsuits containing allegations that FedEx and its subsidiaries are responsible for third-party losses related to vehicle accidents that could exceed our insurance coverage for such losses. In the opinion of management, the aggregate liability, if any, with respect to these other actions will not have a material adverse effect on our financial position, results of operations, or cash flows.

Environmental Matters. SEC regulations require us to disclose certain information about proceedings arising under federal, state, or local environmental provisions if we reasonably believe that such proceedings may result in monetary sanctions above a stated threshold. Pursuant to the SEC regulations, FedEx uses a threshold of \$1 million or more for purposes of determining whether disclosure of any such proceedings is required. Applying this threshold, there are no environmental matters required to be disclosed for this period.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

The management of FedEx, with the participation of our principal executive and financial officers, has evaluated the effectiveness of our disclosure controls and procedures in ensuring that the information required to be disclosed in our filings under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, including ensuring that such information is accumulated and communicated to FedEx management as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive and financial officers have concluded that such disclosure controls and procedures were effective as of May 31, 2024 (the end of the period covered by this Annual Report).

Assessment of Internal Control Over Financial Reporting

Management's report on our internal control over financial reporting and the report of Ernst & Young LLP with respect to our internal control over financial reporting are presented in "Item 8. Financial Statements and Supplementary Data" of this Annual Report.

Changes in Internal Control Over Financial Reporting

During 2024, we successfully completed a significant migration to an enterprise resource planning cloud-based financial system for a number of our operating companies, building on the phased migration plan which began with our international operating companies in prior years. We implemented new internal controls in conjunction with the migration. During our fiscal quarter ended May 31, 2024, no change occurred in our internal control over financial reporting, including the new controls described above, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Additional migrations to the cloud-based financial system will occur through 2025 and will result in further changes to our internal control over financial reporting. As changes occur, we will evaluate quarterly whether such changes materially affect our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Trading Arrangements

During our fiscal quarter ended May 31, 2024, no director or officer of FedEx adopted, modified, or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as such terms are defined in Item 408(a) of Regulation S-K.

Executive Officer Retirement

On July 14, 2024, Mark R. Allen informed FedEx of his intention to step down as Executive Vice President, General Counsel and Secretary of FedEx on September 23, 2024, and to retire from FedEx effective December 31, 2024. Mr. Allen will remain employed by FedEx as Executive Vice President and Senior Advisor from September 24, 2024 through December 31, 2024. FedEx will provide Mr. Allen with security services, computer and communications support, and digital protection services for a period of one year following his retirement. There were no other changes to Mr. Allen's compensation made as a result of his change in role and retirement. Mr. Allen's successor will be named at a later date.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Information regarding members of the Board of Directors and certain other aspects of FedEx's corporate governance (such as the procedures by which FedEx's stockholders may recommend nominees to the Board of Directors, information about the Audit and Finance Committee, including its members and our "audit committee financial expert," and information regarding FedEx's policies and procedures regarding insider trading and the timing of awards of stock options in relation to the disclosure of material, non-public information) will be presented in FedEx's definitive proxy statement for its 2024 annual meeting of stockholders, which will be held on September 23, 2024, and is incorporated herein by reference. Information regarding executive officers of FedEx is included above in Part I of this Annual Report under the caption "Information About Our Executive Officers" pursuant to the Instruction to Item 401 of Regulation S-K and General Instruction G(3) of Form 10-K. Information regarding FedEx's Code of Conduct is included above in "Item 1. Business" of this Annual Report under the caption "Reputation and Responsibility — Governance."

ITEM 11. EXECUTIVE COMPENSATION

Information regarding director and executive compensation will be presented in FedEx's definitive proxy statement for its 2024 annual meeting of stockholders, which will be held on September 23, 2024, and is incorporated herein by reference; provided that the information in the "Executive Compensation — Pay Versus Performance" section of the definitive proxy statement is not incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding security ownership of certain beneficial owners and management and related stockholder matters, as well as equity compensation plan information, will be presented in FedEx's definitive proxy statement for its 2024 annual meeting of stockholders, which will be held on September 23, 2024, and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information regarding certain relationships and transactions with related persons (including FedEx's policies and procedures for the review and preapproval of related person transactions) and director independence will be presented in FedEx's definitive proxy statement for its 2024 annual meeting of stockholders, which will be held on September 23, 2024, and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information regarding the fees for services provided by Ernst & Young LLP during 2024 and 2023 and the Audit and Finance Committee's administration of the engagement of Ernst & Young LLP, including the Committee's preapproval policies and procedures (such as FedEx's Policy on Engagement of Independent Auditor), will be presented in FedEx's definitive proxy statement for its 2024 annual meeting of stockholders, which will be held on September 23, 2024, and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) and (2) Financial Statements; Financial Statement Schedules

FedEx's consolidated financial statements, together with the notes thereto and the report of Ernst & Young LLP dated July 15, 2024 thereon, are presented in "Item 8. Financial Statements and Supplementary Data" of this Annual Report. FedEx's "Schedule II — Valuation and Qualifying Accounts," together with the report of Ernst & Young LLP dated July 15, 2024 thereon, is presented on pages 129 through 130 of this Annual Report. All other financial statement schedules have been omitted because they are not applicable or the required information is included in FedEx's consolidated financial statements or the notes thereto.

(a)(3) Exhibits

Exhibit Number	Description of Exhibit
	<i>Certificate of Incorporation and Bylaws</i>
3.1	<u>Third Amended and Restated Certificate of Incorporation of FedEx. (Filed as Exhibit 3.1 to FedEx's Current Report on Form 8-K dated September 26, 2011 and filed September 28, 2011, and incorporated herein by reference.)</u>
3.2	<u>Amended and Restated Bylaws of FedEx. (Filed as Exhibit 3.1 to FedEx's Current Report on Form 8-K dated and filed March 11, 2024, and incorporated herein by reference.)</u>
	<i>Long-Term Debt Instruments</i>
* 4.1	<u>Description of Capital Stock and Debt Securities.</u>
4.2	<u>Indenture, dated as of August 8, 2006, between FedEx, the Guarantors named therein and The Bank of New York Mellon Trust Company, N.A. (formerly, The Bank of New York Trust Company, N.A.), as trustee. (Filed as Exhibit 4.3 to FedEx's Registration Statement on Form S-3 filed on September 19, 2012, and incorporated herein by reference.)</u>
4.3	<u>Supplemental Indenture No. 3, dated as of July 27, 2012, between FedEx, the Guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee. (Filed as Exhibit 4.5 to FedEx's Registration Statement on Form S-3 filed on September 19, 2012, and incorporated herein by reference.)</u>
4.4	<u>Form of 3.875% Note due 2042. (Included in Exhibit 4.5 to FedEx's Registration Statement on Form S-3 filed on September 19, 2012, and incorporated herein by reference.)</u>
4.5	<u>Supplemental Indenture No. 4, dated as of April 11, 2013, between FedEx, the Guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee. (Filed as Exhibit 4.1 to FedEx's Current Report on Form 8-K dated and filed April 11, 2013, and incorporated herein by reference.)</u>
4.6	<u>Form of 4.10% Note due 2043. (Included in Exhibit 4.1 to FedEx's Current Report on Form 8-K dated and filed April 11, 2013, and incorporated herein by reference.)</u>
4.7	<u>Supplemental Indenture No. 5, dated as of January 9, 2014, between FedEx, the Guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee. (Filed as Exhibit 4.1 to FedEx's Current Report on Form 8-K dated and filed January 9, 2014, and incorporated herein by reference.)</u>
4.8	<u>Form of 4.900% Note due 2034. (Included in Exhibit 4.1 to FedEx's Current Report on Form 8-K dated and filed January 9, 2014, and incorporated herein by reference.)</u>
4.9	<u>Form of 5.100% Note due 2044. (Included in Exhibit 4.1 to FedEx's Current Report on Form 8-K dated and filed January 9, 2014, and incorporated herein by reference.)</u>
4.10	<u>Supplemental Indenture No. 6, dated as of January 9, 2015, between FedEx, the Guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee. (Filed as Exhibit 4.1 to FedEx's Current Report on Form 8-K dated and filed January 9, 2015, and incorporated herein by reference.)</u>
4.11	<u>Form of 3.900% Note due 2035. (Included in Exhibit 4.1 to FedEx's Current Report on Form 8-K dated and filed January 9, 2015, and incorporated herein by reference.)</u>
4.12	<u>Form of 4.100% Note due 2045. (Included in Exhibit 4.1 to FedEx's Current Report on Form 8-K dated and filed January 9, 2015, and incorporated herein by reference.)</u>

- 4.13 [Form of 4.500% Note due 2065. \(Included in Exhibit 4.1 to FedEx's Current Report on Form 8-K dated and filed January 9, 2015, and incorporated herein by reference.\)](#)
- 4.14 [Indenture, dated as of October 23, 2015, between FedEx, the Guarantors named therein and Wells Fargo Bank, National Association, as trustee. \(Filed as Exhibit 4.1 to FedEx's Current Report on Form 8-K dated and filed October 23, 2015, and incorporated herein by reference.\)](#)
- 4.15 [Supplemental Indenture No. 1, dated as of October 23, 2015, between FedEx, the Guarantors named therein and Wells Fargo Bank, National Association, as trustee. \(Filed as Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed October 23, 2015, and incorporated herein by reference.\)](#)
- 4.16 [Form of 4.750% Note due 2045. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed October 23, 2015, and incorporated herein by reference.\)](#)
- 4.17 [Supplemental Indenture No. 2, dated as of March 24, 2016, between FedEx, the Guarantors named therein and Wells Fargo Bank, National Association, as trustee. \(Filed as Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed March 24, 2016, and incorporated herein by reference.\)](#)
- 4.18 [Form of 3.250% Note due 2026. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed March 24, 2016, and incorporated herein by reference.\)](#)
- 4.19 [Form of 4.550% Note due 2046. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed March 24, 2016, and incorporated herein by reference.\)](#)
- 4.20 [Supplemental Indenture No. 3, dated as of April 11, 2016, between FedEx, the Guarantors named therein, Wells Fargo Bank, National Association, as trustee, and Elavon Financial Services Limited, UK Branch, as paying agent. \(Filed as Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed April 11, 2016, and incorporated herein by reference.\)](#)
- 4.21 [Form of 1.625% Note due 2027. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed April 11, 2016, and incorporated herein by reference.\)](#)
- 4.22 [Supplemental Indenture No. 4, dated as of January 6, 2017, between FedEx, the Guarantors named therein and Wells Fargo Bank, National Association, as trustee. \(Filed as Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed January 6, 2017, and incorporated herein by reference.\)](#)
- 4.23 [Form of 4.400% Note due 2047. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed January 6, 2017, and incorporated herein by reference.\)](#)
- 4.24 [Supplemental Indenture No. 5, dated as of January 31, 2018, between FedEx, the Guarantors named therein and Wells Fargo Bank, National Association, as trustee. \(Filed as Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed January 31, 2018, and incorporated herein by reference.\)](#)
- 4.25 [Form of 3.400% Note due 2028. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed January 31, 2018, and incorporated herein by reference.\)](#)
- 4.26 [Form of 4.050% Note due 2048. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed January 31, 2018, and incorporated herein by reference.\)](#)
- 4.27 [Supplemental Indenture No. 6, dated as of October 17, 2018, between FedEx, the Guarantors named therein and Wells Fargo Bank, National Association, as trustee. \(Filed as Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed October 17, 2018, and incorporated herein by reference.\)](#)
- 4.28 [Form of 4.200% Note due 2028. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed October 17, 2018, and incorporated herein by reference.\)](#)
- 4.29 [Form of 4.950% Note due 2048. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed October 17, 2018, and incorporated herein by reference.\)](#)
- 4.30 [Supplemental Indenture No. 9, dated as of July 24, 2019, between FedEx, the Guarantors named therein and Wells Fargo Bank, National Association, as trustee. \(Filed as Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed July 24, 2019, and incorporated herein by reference.\)](#)
- 4.31 [Form of 3.100% Note due 2029. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed July 24, 2019, and incorporated herein by reference.\)](#)
- 4.32 [Supplemental Indenture No. 10, dated as of August 5, 2019, between FedEx, the Guarantors named therein, Wells Fargo Bank, National Association, as trustee, and Elavon Financial Services DAC, UK Branch, as paying agent. \(Filed as Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed August 5, 2019, and incorporated herein by reference.\)](#)

- 4.33 [Form of 0.450% Note due 2025. \(Included in Exhibit 4.2 to FedEx’s Current Report on Form 8-K dated and filed August 5, 2019, and incorporated herein by reference.\)](#)
- 4.34 [Form of 1.300% Note due 2031. \(Included in Exhibit 4.2 to FedEx’s Current Report on Form 8-K dated and filed August 5, 2019, and incorporated herein by reference.\)](#)
- 4.35 [Supplemental Indenture No. 11, dated as of April 7, 2020, between FedEx, the Guarantors named therein and Wells Fargo Bank, National Association, as trustee. \(Filed as Exhibit 4.2 to FedEx’s Current Report on Form 8-K dated and filed April 7, 2020, and incorporated herein by reference.\)](#)
- 4.36 [Form of 4.250% Note due 2030. \(Included in Exhibit 4.2 to FedEx’s Current Report on Form 8-K dated and filed April 7, 2020, and incorporated herein by reference.\)](#)
- 4.37 [Form of 5.250% Note due 2050. \(Included in Exhibit 4.2 to FedEx’s Current Report on Form 8-K dated and filed April 7, 2020, and incorporated herein by reference.\)](#)
- 4.38 [Pass Through Trust Agreement, dated as of August 13, 2020, between FedEx Express and Wilmington Trust Company. \(Filed as Exhibit 4.1 to FedEx’s Current Report on Form 8-K dated and filed August 13, 2020 \(the “August 13, 2020 Form 8-K”\), and incorporated herein by reference.\)](#)
- 4.39 [Trust Supplement No. 2020-1AA, dated as of August 13, 2020, between FedEx Express and Wilmington Trust Company, as Trustee, to the Pass Through Trust Agreement dated as of August 13, 2020. \(Filed as Exhibit 4.2 to the August 13, 2020 Form 8-K, and incorporated herein by reference.\)](#)
- 4.40 [Guarantee of FedEx dated August 13, 2020. \(Filed as Exhibit 4.3 to the August 13, 2020 Form 8-K, and incorporated herein by reference.\)](#)
- 4.41 [Form of Pass Through Trust Certificate, Series 2020-1AA. \(Included in Exhibit A to Exhibit 4.2 to the August 13, 2020 Form 8-K, and incorporated herein by reference.\)](#)
- 4.42 [Intercreditor Agreement, dated as of August 13, 2020, among Wilmington Trust Company, as Trustee of the FedEx Pass Through Trust 2020-1AA, BNP Paribas, acting through its New York Branch, as Liquidity Provider, and Wilmington Trust Company, as Subordination Agent. \(Filed as Exhibit 4.5 to the August 13, 2020 Form 8-K, and incorporated herein by reference.\)](#)
- 4.43 [Revolving Credit Agreement \(2020-1AA\), dated as of August 13, 2020, between Wilmington Trust Company, as Subordination Agent, agent and trustee for the trustee of the FedEx Pass Through Trust 2020-1AA and as Borrower, and BNP Paribas, acting through its New York Branch, as Liquidity Provider \(the “Liquidity Provider Revolving Credit Agreement”\). \(Filed as Exhibit 4.6 to the August 13, 2020 Form 8-K, and incorporated herein by reference.\)](#)
- 4.44 [Amendment No. 1, dated May 22, 2023, to the Liquidity Provider Revolving Credit Agreement. \(Filed as Exhibit 4.44 to FedEx’s FY23 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- ** †4.45 [Participation Agreement \(N126FE\), dated as of August 13, 2020, among FedEx Express, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein. \(Filed as Exhibit 4.7 to the August 13, 2020 Form 8-K, and incorporated herein by reference.\)](#)
- *** †4.46 [Participation Agreement \(N869FD\), dated as of August 13, 2020, among FedEx Express, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein. \(Filed as Exhibit 4.8 to the August 13, 2020 Form 8-K, and incorporated herein by reference.\)](#)
- **4.47 [Indenture and Security Agreement \(N126FE\), dated as of August 13, 2020, between FedEx Express and Wilmington Trust Company, as Loan Trustee. \(Filed as Exhibit 4.9 to the August 13, 2020 Form 8-K, and incorporated herein by reference.\)](#)
- ***4.48 [Indenture and Security Agreement \(N869FD\), dated as of August 13, 2020, between FedEx Express and Wilmington Trust Company, as Loan Trustee. \(Filed as Exhibit 4.10 to the August 13, 2020 Form 8-K, and incorporated herein by reference.\)](#)
- 4.49 [Form of Series 2020-1AA Equipment Notes. \(Included in Exhibit 4.9 to the August 13, 2020 Form 8-K, and incorporated herein by reference.\)](#)

- 4.50 [Supplemental Indenture No. 12, dated as of April 29, 2021, between FedEx, the Guarantors named therein and Wells Fargo Bank, National Association, as trustee. \(Filed as Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed April 29, 2021, and incorporated herein by reference.\)](#)
- 4.51 [Form of 2.400% Note due 2031. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed April 29, 2021, and incorporated herein by reference.\)](#)
- 4.52 [Form of 3.250% Note due 2041. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed April 29, 2021, and incorporated herein by reference.\)](#)
- 4.53 [Supplemental Indenture No. 13, dated as of May 4, 2021, between FedEx, the Guarantors named therein, Wells Fargo Bank, National Association, as trustee, and Elavon Financial Services DAC, UK Branch, as paying agent. \(Filed as Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed May 4, 2021, and incorporated herein by reference.\)](#)
- 4.54 [Form of 0.450% Note due 2029. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed May 4, 2021, and incorporated herein by reference.\)](#)
- 4.55 [Form of 0.950% Note due 2033. \(Included in Exhibit 4.2 to FedEx's Current Report on Form 8-K dated and filed May 4, 2021, and incorporated herein by reference.\)](#)
- 4.56 [Succession Agreement, dated as of December 13, 2021, among FedEx, the guarantors named therein, The Bank of New York Mellon Trust Company, N.A., and U.S. Bank National Association. \(Filed as Exhibit 4.1 to FedEx's Current Report on Form 8-K dated December 13, 2021 and filed December 16, 2021, and incorporated herein by reference.\)](#)
- 4.57 [Succession Agreement, dated as of December 13, 2021, among FedEx, the guarantors named therein, Computershare Trust Company, N.A., as agent for Wells Fargo Bank, National Association, and U.S. Bank National Association. \(Filed as Exhibit 4.2 to FedEx's Current Report on Form 8-K dated December 13, 2021 and filed December 16, 2021, and incorporated herein by reference.\)](#)

Facility Lease Agreements

- 10.1 [Composite Lease Agreement dated May 21, 2007 \(but effective as of January 1, 2007\) between the Memphis-Shelby County Airport Authority and FedEx Express \(the "Composite Lease Agreement"\). \(Filed as Exhibit 10.1 to FedEx's FY07 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- 10.2 [First Amendment dated December 29, 2009 \(but effective as of September 1, 2008\) to the Composite Lease Agreement. \(Filed as Exhibit 10.1 to FedEx's FY10 Third Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- 10.3 [Second Amendment dated March 30, 2010 \(but effective as of June 1, 2009\) and Third Amendment dated April 27, 2010 \(but effective as of July 1, 2009\), each to the Composite Lease Agreement. \(Filed as Exhibit 10.3 to FedEx's FY10 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- 10.4 [Fourth Amendment dated December 22, 2011 \(but effective as of December 15, 2011\) to the Composite Lease Agreement. \(Filed as Exhibit 10.4 to FedEx's FY12 Third Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- 10.5 [Fifth Amendment dated December 19, 2012 \(but effective as of January 1, 2013\) to the Composite Lease Agreement. \(Filed as Exhibit 10.5 to FedEx's FY13 Third Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- 10.6 [Sixth Amendment dated September 19, 2013 \(but effective as of July 1, 2014\) to the Composite Lease Agreement. \(Filed as Exhibit 10.5 to FedEx's FY14 Second Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- 10.7 [Seventh Amendment dated June 1, 2016 \(but effective as of April 1, 2016\) to the Composite Lease Agreement. \(Filed as Exhibit 10.7 to FedEx's FY16 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- 10.8 [Eighth Amendment dated July 29, 2016 \(but effective as of April 1, 2017\) to the Composite Lease Agreement. \(Filed as Exhibit 10.14 to FedEx's FY17 First Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- 10.9 [Ninth Amendment dated August 14, 2017 \(but effective as of September 1, 2017\) to the Composite Lease Agreement. \(Filed as Exhibit 10.9 to FedEx's FY18 First Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- 10.10 [Tenth Amendment dated May 22, 2018 \(but effective as of May 1, 2018\) to the Composite Lease Agreement. \(Filed as Exhibit 10.10 to FedEx's FY18 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)

- 10.11 [Eleventh Amendment dated January 22, 2019 \(but effective as of January 1, 2019\) to the Composite Lease Agreement. \(Filed as Exhibit 10.9 to FedEx's FY19 Third Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- †10.12 [Twelfth Amendment dated April 9, 2019 \(but effective as of April 1, 2019\) to the Composite Lease Agreement. \(Filed as Exhibit 10.12 to FedEx's FY19 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †10.13 [Thirteenth Amendment dated and effective July 26, 2021 to the Composite Lease Agreement. \(Filed as Exhibit 10.3 to FedEx's FY22 First Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- †10.14 [Fourteenth Amendment dated March 14, 2022 \(but effective as of February 1, 2022\) to the Composite Lease Agreement. \(Filed as Exhibit 10.14 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †10.15 [Fifteenth Amendment dated and effective May 19, 2022 to the Composite Lease Agreement. \(Filed as Exhibit 10.15 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †10.16 [Sixteenth Amendment dated June 27, 2023 \(but effective as of May 1, 2023\) to the Composite Lease Agreement. \(Filed as Exhibit 10.16 to FedEx's FY23 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)

Aircraft-Related Agreements

- †^10.17 [The Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.53 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †^10.18 [Supplemental Agreement No. 1 \(and related side letters\) dated as of June 29, 2012, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.54 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †^10.19 [Supplemental Agreement No. 2 dated as of October 8, 2012, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.55 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †^10.20 [Supplemental Agreement No. 3 \(and related side letters\) dated as of December 11, 2012, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.56 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †^10.21 [Supplemental Agreement No. 4 \(and related side letter\) dated as of December 10, 2013, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.57 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †^10.22 [Supplemental Agreement No. 5 \(and related side letters\) dated as of September 29, 2014, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.58 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †^10.23 [Letter Agreement dated as of January 22, 2015, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.59 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †^10.24 [Supplemental Agreement No. 6 \(and related side letters\) dated as of July 21, 2015, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.60 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †^10.25 [Supplemental Agreement No. 7 dated as of April 18, 2016, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.61 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †^10.26 [Supplemental Agreement No. 8 \(and related side letters\) dated as of June 10, 2016, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.62 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †^10.27 [Supplemental Agreement No. 9 dated as of February 16, 2017, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.63 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- †^10.28 [Supplemental Agreement No. 10 dated as of May 10, 2017, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.64 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)

- ^10.29 [Supplemental Agreement No. 11 \(and related side letters\) dated as of June 18, 2018, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.65 to FedEx's FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- ^10.30 [Letter Agreement dated as of May 10, 2019, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.53 to FedEx's FY19 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- ^10.31 [Letter Agreement dated as of May 29, 2019, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.54 to FedEx's FY19 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- ^10.32 [Letter Agreement dated as of May 29, 2019, amending the Boeing 767-3S2 Freighter Purchase Agreement and the Boeing 777 Freighter Purchase Agreement. \(Filed as Exhibit 10.55 to FedEx's FY19 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- † ^10.33 [Supplemental Agreement No. 12 \(and related side letters\) dated as of June 24, 2019, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.6 to FedEx's FY20 First Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- † ^10.34 [Letter Agreement dated as of July 9, 2019, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.7 to FedEx's FY20 First Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- † ^10.35 [Supplemental Agreement No. 13 dated as of September 4, 2019, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.6 to FedEx's FY20 Second Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- ^10.36 [Letter Agreement dated as of December 19, 2019, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.11 to FedEx's FY20 Third Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- ^10.37 [Letter Agreement dated as of January 30, 2020, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.12 to FedEx's FY20 Third Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- † ^10.38 [Supplemental Agreement No. 14 \(and related side letters\) dated as of February 28, 2020, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.13 to FedEx's FY20 Third Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- † ^10.39 [Supplemental Agreement No. 15 \(and related side letters\) dated as of June 25, 2020, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.4 to FedEx's FY21 First Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- ^10.40 [Letter Agreement dated as of May 28, 2021, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.68 to FedEx's FY21 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- ^10.41 [Letter Agreement dated as of June 8, 2021, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.1 to FedEx's FY22 First Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- ^10.42 [Supplemental Agreement No. 16 \(and related side letters\) dated as of June 22, 2021, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.2 to FedEx's FY22 First Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- † ^10.43 [Letter Agreement dated as of January 31, 2023, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.2 to FedEx's FY23 Third Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- ^10.44 [Letter Agreement dated as of May 31, 2023, amending the Boeing 767-3S2 Freighter Purchase Agreement. \(Filed as Exhibit 10.83 to FedEx's FY23 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- ^10.45 [Letter Agreement dated as of September 20, 2023, amending the Boeing 767-3S2F Freighter Purchase Agreement. \(Filed as Exhibit 10.1 to FedEx's FY24 Second Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- ^10.46 [Letter Agreement dated as of September 29, 2023, amending the Boeing 767-3S2F Freighter Purchase Agreement. \(Filed as Exhibit 10.3 to FedEx's FY24 Second Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)

Financing Agreements

- *†10.47 [Three-Year Credit Agreement dated as of March 15, 2024, among FedEx, JPMorgan Chase Bank, N.A., individually and as administrative agent, and other financial institutions.](#)

*†10.48 [Five-Year Credit Agreement dated as of March 15, 2024, among FedEx, JPMorgan Chase Bank, N.A., individually and as administrative agent, and other financial institutions.](#)

Management Contracts/Compensatory Plans or Arrangements

- 10.49 [FedEx 2010 Omnibus Stock Incentive Plan, as amended \(the “2010 Omnibus Stock Incentive Plan”\). \(Filed as Exhibit 10.12 to FedEx’s FY18 Second Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- 10.50 [Form of Terms and Conditions of stock option grant pursuant to the 2010 Omnibus Stock Incentive Plan. \(Filed as Exhibit 4.4 to FedEx’s Registration Statement No. 333-171232 on Form S-8, and incorporated herein by reference.\)](#)
- 10.51 [Form of Terms and Conditions of restricted stock grant pursuant to the 2010 Omnibus Stock Incentive Plan. \(Filed as Exhibit 4.5 to FedEx’s Registration Statement No. 333-171232 on Form S-8, and incorporated herein by reference.\)](#)
- 10.52 [Form of Restricted Stock Agreement pursuant to the 2010 Omnibus Stock Incentive Plan. \(Filed as Exhibit 4.5 to FedEx’s Registration Statement No. 333-192957 on Form S-8, and incorporated herein by reference.\)](#)
- 10.53 [FedEx 2019 Omnibus Stock Incentive Plan, as amended \(the “2019 Omnibus Stock Incentive Plan”\). \(Filed as Exhibit 99.1 to FedEx’s Registration Statement No. 333-267559 on Form S-8, and incorporated herein by reference.\)](#)
- 10.54 [Form of Terms and Conditions of Stock Option Grant for U.S. Employees pursuant to the 2019 Omnibus Stock Incentive Plan. \(Filed as Exhibit 99.2 to FedEx’s Registration Statement No. 333-234010 on Form S-8, and incorporated herein by reference.\)](#)
- 10.55 [Form of Stock Option Agreement for Non-U.S. Participants pursuant to the 2019 Omnibus Stock Incentive Plan. \(Filed as Exhibit 99.3 to FedEx’s Registration Statement No. 333-234010 on Form S-8, and incorporated herein by reference.\)](#)
- 10.56 [Form of Stock Option Agreement for Non-Management Members of the Board of Directors pursuant to the 2019 Omnibus Stock Incentive Plan. \(Filed as Exhibit 99.4 to FedEx’s Registration Statement No. 333-234010 on Form S-8, and incorporated herein by reference.\)](#)
- 10.57 [Form of Restricted Stock Agreement for U.S. Participants pursuant to the 2019 Omnibus Stock Incentive Plan. \(Filed as Exhibit 99.5 to FedEx’s Registration Statement No. 333-234010 on Form S-8, and incorporated herein by reference.\)](#)
- 10.58 [Form of Restricted Stock Agreement for Non-U.S. Participants pursuant to the 2019 Omnibus Stock Incentive Plan. \(Filed as Exhibit 99.6 to FedEx’s Registration Statement No. 333-234010 on Form S-8, and incorporated herein by reference.\)](#)
- 10.59 [Form of Restricted Stock Unit Agreement for Non-Management Directors pursuant to the 2019 Omnibus Stock Incentive Plan. \(Filed as Exhibit 10.1 to FedEx’s Current Report on Form 8-K dated September 21, 2023 and filed September 22, 2023, and incorporated herein by reference.\)](#)
- *10.60 [Amended and Restated FedEx Retirement Parity Pension Plan, effective June 1, 2024.](#)
- 10.61 [FedEx Express Supplemental Long Term Disability Plan and Amendment to the Plan. \(Filed as Exhibit 10.56 to FedEx’s FY11 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- 10.62 [FedEx Office Supplemental Retirement Plan dated December 30, 2019 \(but effective as of January 1, 2020\). \(Filed as Exhibit 10.102 to FedEx’s FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- 10.63 [First Amendment to FedEx Office Supplemental Retirement Plan dated December 22, 2021 \(but effective as of January 1, 2021\). \(Filed as Exhibit 10.103 to FedEx’s FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- 10.64 [Second Amendment to FedEx Office Supplemental Retirement Plan dated June 20, 2022 \(but effective as of August 1, 2022\). \(Filed as Exhibit 10.104 to FedEx’s FY22 Annual Report on Form 10-K, and incorporated herein by reference.\)](#)
- 10.65 [FedEx’s Amended and Restated Retirement Plan for Outside Directors. \(Filed as Exhibit 10.2 to FedEx’s FY09 Second Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- 10.66 [Form of Management Retention Agreement between FedEx and each of Frederick W. Smith, Rajesh Subramaniam, Mark R. Allen, Tracy B. Brightman, Brie A. Carere, John W. Dietrich, Sriram Krishnasamy, John A. Smith, and Richard W. Smith. \(Filed as Exhibit 10.5 to FedEx’s FY10 Third Quarter Report on Form 10-Q, and incorporated herein by reference.\)](#)
- *10.67 [Letter Agreement, dated July 11, 2022, between FedEx and Sriram Krishnasamy.](#)

- 10.68 [Separation and Release Agreement, dated June 19, 2023, between FedEx and Michael C. Lenz \(Filed as Exhibit 10.1 to FedEx's Current Report on Form 8-K dated June 16, 2023 and filed June 20, 2023, and incorporated herein by reference.\)](#)

Other Exhibits

- *19 [FedEx Securities Manual, amended as of June 10, 2024.](#)
- *21 [Subsidiaries of Registrant.](#)
- *22 [List of Guarantor Subsidiaries.](#)
- *23 [Consent of Independent Registered Public Accounting Firm.](#)
- *24 [Powers of Attorney \(presented on the signature pages of this Annual Report\).](#)
- *31.1 [Certification of Principal Executive Officer Pursuant to Rules 13a-14\(a\) and 15d-14\(a\) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- *31.2 [Certification of Principal Financial Officer Pursuant to Rules 13a-14\(a\) and 15d-14\(a\) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- *32.1 [Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- *32.2 [Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- *97.1 [FedEx Policy on Recoupment of Incentive Compensation.](#)
- **99.1 [Schedule I related to the FedEx Express Pass Through Certificates, Series 2020-1AA \(the "Certificates"\). \(Filed as Exhibit 99.1 to the August 13, 2020 Form 8-K, and incorporated herein by reference\).](#)
- ***99.2 [Schedule II related to the Certificates. \(Filed as Exhibit 99.2 to the August 13, 2020 Form 8-K, and incorporated herein by reference\).](#)
- *101.1 [Interactive Data Files pursuant to Rule 405 of Regulation S-T formatted in Inline Extensible Business Reporting Language \("Inline XBRL"\).](#)
- *104 [Cover Page Interactive Data File \(formatted in Inline XBRL and contained in Exhibit 101.1\).](#)

* Filed herewith.

** Pursuant to Instruction 2 to Item 601 of Regulation S-K, Exhibit 99.1 to the August 13, 2020 Form 8-K contains a list of documents applicable to the Boeing 767-300F aircraft (other than the aircraft bearing Registration No. N126FE) that relate to the offering of the Certificates, which documents are substantially identical to those which are filed as Exhibits 4.7 and 4.9 to the August 13, 2020 Form 8-K, except for the information identifying such aircraft in question and various information relating to the principal amounts of the equipment notes relating to such aircraft. Exhibit 99.1 to the August 13, 2020 Form 8-K sets forth the details by which such documents differ from the corresponding representative sample of documents filed as Exhibits 4.7 and 4.9 to the August 13, 2020 Form 8-K with respect to the aircraft bearing Registration No. N976JT.

*** Pursuant to Instruction 2 to Item 601 of Regulation S-K, Exhibit 99.2 to the August 13, 2020 Form 8-K contains a list of documents applicable to the Boeing 777F aircraft (other than the aircraft bearing Registration No. N869FD) that relate to the offering of the Certificates, which documents are substantially identical to those which are filed as Exhibits 4.8 and 4.10 to the August 13, 2020 Form 8-K, except for the information identifying such aircraft in question and various information relating to the principal amounts of the equipment notes relating to such aircraft. Exhibit 99.2 to the August 13, 2020 Form 8-K sets forth the details by which such documents differ from the corresponding representative sample of documents filed as Exhibits 4.8 and 4.10 to the August 13, 2020 Form 8-K with respect to the aircraft bearing Registration No. N869FD.

† Certain attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K because the information contained therein is not material and is not otherwise publicly disclosed. FedEx will furnish supplementally copies of such attachments to the SEC or its staff upon request.

^ Information in this exhibit identified by brackets is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it (i) is not material and (ii) would likely cause competitive harm to FedEx if publicly disclosed.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

FEDEX CORPORATION

Dated: July 15, 2024

By: /s/ Rajesh Subramaniam
 Rajesh Subramaniam
 President and Chief Executive Officer

Power of Attorney. KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Rajesh Subramaniam, John W. Dietrich, and Guy M. Erwin II, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with any and all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
<u>/s/ Rajesh Subramaniam</u> Rajesh Subramaniam	President and Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	July 15, 2024
<u>/s/ John W. Dietrich</u> John W. Dietrich	Executive Vice President and Chief Financial Officer <i>(Principal Financial Officer)</i>	July 15, 2024
<u>/s/ Guy M. Erwin II</u> Guy M. Erwin II	Corporate Vice President and Chief Accounting Officer <i>(Principal Accounting Officer)</i>	July 15, 2024
<u>/s/ Frederick W. Smith</u> Frederick W. Smith	Executive Chairman and Chairman of the Board and Director	July 15, 2024
<u>/s/ Silvia Davila</u> Silvia Davila	Director	July 15, 2024
<u>/s/ Marvin R. Ellison</u> Marvin R. Ellison	Director	July 15, 2024
<u>/s/ Stephen E. Gorman</u> Stephen E. Gorman	Director	July 15, 2024
<u>/s/ Susan Patricia Griffith</u> Susan Patricia Griffith	Director	July 15, 2024
<u>/s/ Amy B. Lane</u> Amy B. Lane	Director	July 15, 2024
<u>/s/ R. Brad Martin</u> R. Brad Martin	Director	July 15, 2024



/s/ Nancy A. Norton
Nancy A. Norton

Director

July 15, 2024

/s/ Frederick Perpoll
Frederick Perpoll

Director

July 15, 2024

/s/ Joshua Cooper Ramo
Joshua Cooper Ramo

Director

July 15, 2024

/s/ Susan C. Schwab
Susan C. Schwab

Director

July 15, 2024

/s/ David P. Steiner
David P. Steiner

Director

July 15, 2024

/s/ Paul S. Walsh
Paul S. Walsh

Director

July 15, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of
FedEx Corporation

We have audited the consolidated financial statements of FedEx Corporation (the Company) as of May 31, 2024 and 2023, and for each of the three years in the period ended May 31, 2024, and have issued our report thereon dated July 15, 2024 included elsewhere in this Form 10-K. Our audits of the consolidated financial statements included the financial statement schedule listed in Item 15(a) of this Form 10-K (the “schedule”). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's schedule, based on our audits.

In our opinion, the schedule presents fairly, in all material respects, the information set forth therein when considered in conjunction with the consolidated financial statements.

/s/ Ernst & Young LLP

Memphis, Tennessee

July 15, 2024

FEDEX CORPORATION
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED MAY 31, 2024, 2023, AND 2022
(IN MILLIONS)

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	ADDITIONS		DEDUCTIONS	BALANCE AT END OF YEAR
		CHARGED TO EXPENSES	CHARGED TO OTHER ACCOUNTS		
Accounts Receivable Reserves:					
<i>Allowance for Credit Losses</i>					
2024	\$ 472	\$ 422	\$ —	\$ 458	(a) \$ 436
2023	340	696	—	564	(a) 472
2022	358	403	—	421	(a) 340
<i>Allowance for Revenue Adjustments</i>					
2024	\$ 328	\$ —	\$ 1,534	(b) \$ 1,523	(c) \$ 339
2023	352	—	1,662	(b) 1,686	(c) 328
2022	384	—	1,795	(b) 1,827	(c) 352
Inventory Valuation Allowance:					
2024	\$ 276	\$ 40	\$ —	\$ 28	\$ 288
2023	360	33	—	117	276
2022	349	35	—	24	360

(a) Uncollectible accounts written off, net of recoveries, and other adjustments.

(b) Principally charged against revenue.

(c) Service failures, rebills, and other.

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

As of July 11, 2024, FedEx Corporation (“FedEx,” the “Company,” “we,” “us,” and “our”) had six classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”): our Common Stock; our 0.450% Notes due 2025; our 1.625% Notes due 2027; our 0.450% Notes due 2029; our 1.300% Notes due 2031; and our 0.950% Notes due 2033.

DESCRIPTION OF COMMON STOCK

The following description of our Common Stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our Third Amended and Restated Certificate of Incorporation (the “Certificate of Incorporation”) and our Amended and Restated Bylaws (the “Bylaws”), each of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.1 is a part. We encourage you to read our Certificate of Incorporation, our Bylaws, and the applicable provisions of the General Corporation Law of the State of Delaware (“DGCL”) for additional information.

Authorized Shares of Capital Stock

Our authorized capital stock consists of 800,000,000 shares of common stock, \$0.10 par value per share, and 4,000,000 shares of series preferred stock, without par value. On July 11, 2024, there were outstanding (a) 244,302,246 shares of common stock and (b) stock options to purchase an aggregate of 12,792,699 shares of common stock, of which options to purchase an aggregate of 9,014,605 shares of common stock were exercisable. As of July 11, 2024, no shares of our preferred stock were issued or outstanding.

Voting Rights

Holders of common stock are entitled to one vote per share on all matters voted on generally by the stockholders, including the election of directors, and possess all voting power (except as may, in the future, be provided by Delaware law, our Certificate of Incorporation, or a resolution of our board of directors authorizing a series of our preferred stock). Our common stock does not have cumulative voting rights.

Dividends

Holders of our common stock are entitled to receive dividends when, as, and if declared by the board of directors out of funds legally available for payment of dividends, subject to the rights of the holders of any outstanding shares of preferred stock. The holders of common stock will share equally, share for share, in such dividends, whether payable in cash, in property, or in shares of our stock.

Liquidation Rights

Subject to any preferential rights of outstanding shares of preferred stock, holders of common stock will share ratably in our assets legally available for distribution to our stockholders in the event of our liquidation, dissolution, or winding up.

Absence of Other Rights

Our common stock has no preemptive, subscription, preferential, conversion, or exchange rights.

Listing

Our common stock is listed on the New York Stock Exchange under the symbol “FDX.”

Miscellaneous

The outstanding shares of our common stock are, and any shares of common stock offered by a prospectus supplement upon issuance and payment therefor will be, fully paid and nonassessable.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A., P.O. Box 43006, Providence, Rhode Island 02940-3006.

Certain Anti-Takeover Effects

General. Certain provisions of our Certificate of Incorporation, our Bylaws, and the DGCL may have the effect of impeding the acquisition of control of us. These provisions are designed to reduce, or have the effect of reducing, our vulnerability to unsolicited takeover attempts.

Delaware Takeover Statute. We are subject to the provisions of Section 203 of the DGCL. Section 203 prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A “business combination” includes mergers, asset sales, and other transactions resulting in a financial benefit to the interested stockholder. Subject to specified exceptions, an “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation’s voting stock.

Stockholder Action by Written Consent. Our Certificate of Incorporation and Bylaws require that all stockholder action be taken at a duly called meeting of the stockholders and prohibit taking action by written consent of stockholders.

Additional Authorized Shares of Capital Stock. The additional shares of authorized common stock and preferred stock available for issuance under our Certificate of Incorporation could be issued at such times, under such circumstances, and with such terms and conditions as to impede a change in control.

DESCRIPTION OF THE NOTES

The following description of our 0.450% Notes due 2025 (the “2025 Notes”), our 1.625% Notes due 2027 (the “2027 Notes”), our 0.450% Notes due 2029 (the “2029 Notes”), our 1.300% Notes due 2031 (the “2031 Notes”), and our 0.950% Notes due 2033 (the “2033 Notes,” and together with the 2025 Notes, the 2027 Notes, the 2029 Notes, and the 2031 Notes, the “Notes”) is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the indenture, dated as of October 23, 2015, among FedEx, the subsidiary guarantors named below, and U.S. Bank Trust Company, National Association, as successor trustee (the “Base Indenture”), as supplemented, in the case of the 2025 Notes and the 2031 Notes, by supplemental indenture no. 10, dated as of August 5, 2019, among FedEx, the subsidiary guarantors named below, the trustee, and the paying agent named below; in the case of the 2027 Notes, by supplemental indenture no. 3, dated as of April 11, 2016, among FedEx, the subsidiary guarantors named below, the trustee, and the paying agent named below; and in the case of the 2029 Notes and the 2033 Notes, by supplemental indenture no. 13, dated as of May 4, 2021, among FedEx, the subsidiary guarantors named below, the trustee, and the paying agent named below (collectively, the “Indenture”), which are incorporated by reference as exhibits to the Annual Report on Form 10-K of which this Exhibit 4.1 is a part. We encourage you to read the Indenture for additional information. References in this section to the “Company,” “us,” “we” and “our” are solely to FedEx and not to any of its subsidiaries, unless the context requires otherwise.

The Base Indenture

Merger, Consolidation, and Sale of Assets

The Base Indenture provides that we may not consolidate with or merge into any other person, or convey, transfer, or lease our properties and assets as, or substantially as, an entirety to any person, unless:

- our successor is a corporation organized and existing under the laws of the United States, any state thereof, or the District of Columbia;
 - our successor shall expressly assume, by a supplemental indenture, the due and punctual payment of the principal of and any premium and interest on the Notes and the performance of every covenant in the Base Indenture that we would otherwise have to perform;
-

- immediately after giving effect to such transaction, there will not be any defaults under the Base Indenture; and
- we shall have delivered to the trustee an officers' certificate and an opinion of counsel, each stating that the transaction and the supplemental indenture comply with the Base Indenture.

We have agreed that we will not sell or dispose of any subsidiary guarantor whose assets exceed 10% of our consolidated total assets (determined as of the date of our most recent interim or fiscal year-end balance sheet filed with the Securities and Exchange Commission ("SEC") prior to the date such guarantee is released) (each, a "10% subsidiary guarantor") unless at least 75% of the net proceeds of such sale or disposition will consist of any combination of:

- cash (including assumption by the acquiror of any indebtedness of FedEx or its subsidiaries) or readily marketable securities;
- property or assets (other than current assets) of a nature or type similar or related to the nature or type of the property or assets of FedEx and its subsidiaries existing on the date of such sale or disposition; or
- interests in companies or businesses having property or assets or engaged in businesses similar or related to the nature or type of the property or assets or businesses of FedEx and its subsidiaries on the date of such sale or disposition.

Application of Proceeds Upon Release of a 10% Subsidiary Guarantor

In the event that the net proceeds from the sale or disposition of a 10% subsidiary guarantor consist of cash or readily marketable securities, we will apply, within 12 months of such sale or disposition, an amount equal to 100% of the fair market value, as determined in good faith by our board of directors, of such net proceeds to:

- repay unsubordinated indebtedness of FedEx or any subsidiary guarantor, in each case owing to a person other than an affiliate of FedEx (such repayment is not required to be made pro rata among all our unsubordinated indebtedness);
- invest in property or assets (other than current assets) of a nature or type similar or related to the nature or type of the property or assets of FedEx and its subsidiaries existing on the date of such investment; or
- invest in a company or business having property or assets or engaged in a business similar or related to the nature or type of the property or assets or businesses of FedEx and its subsidiaries on the date of such investment.

Modification, Amendment, and Waiver

We and the trustee may modify and amend the Base Indenture with the consent of the holders of a majority in principal amount of each series of Notes to be affected (voting as a single class). However, no modification or amendment may, without the consent of the holder of such Notes affected thereby:

- change the stated maturity of the principal of, or any premium or installment of interest on, such Notes;
 - reduce the principal amount of, rate of interest on, or premium payable upon the redemption of, such Notes;
 - change any place of payment where, or the currency in which, any principal of, or interest or premium on, such Notes is payable;
 - impair the right to institute suit for the enforcement of any payment on such Notes on or after the stated maturity, or, in the case of redemption, on or after the redemption date;
 - reduce the percentage in principal amount of such Notes the consent of whose holders is required for modification or amendment of the Base Indenture, for waiver of compliance with certain provisions of the Base Indenture, or for waiver of certain defaults; or
 - if such Notes are convertible or exchangeable into or for other securities or property, make any change that adversely affects the right to convert or exchange such Notes or decrease the conversion or
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exchange rate or increase the conversion price of such Notes, unless such decrease or increase is permitted by the terms of such Notes.

The holders of a majority in principal amount of the Notes of any series may on behalf of the holders of Notes of that series waive any past default under the Base Indenture and its consequences, except a default in the payment of the principal of or any premium or interest on such Notes or in respect of a covenant or provision that under the Base Indenture cannot be modified or amended without the consent of the holder of such Notes affected.

In addition, we and the trustee can modify and amend the Base Indenture without the consent of any holders in order to, among other things:

- allow a successor to FedEx or a subsidiary guarantor to assume our or its obligations under the Base Indenture;
- add to the covenants of FedEx or a subsidiary guarantor for the benefit of the holders of all or any series of Notes, or surrender any right or power conferred upon FedEx or a subsidiary guarantor by the Base Indenture;
- add any additional events of default of FedEx or a subsidiary guarantor for the benefit of the holders of all or any series of Notes;
- establish the form or terms of any series of Notes;
- secure the Notes of any series;
- correct any ambiguity, defect, or inconsistency under the Base Indenture, or to make other provisions with respect to matters or questions arising under the Base Indenture, provided that such action does not adversely affect the interests of the holders of any debt securities in any material respect;
- add to, change, or eliminate any provision of the Base Indenture applying to one or more series of Notes, provided that if such action adversely affects in any material respect the interests of holders such series of Notes, such addition, change, or elimination will become effective with respect to such series only when no such Notes of that series remain outstanding;
- add additional subsidiary guarantors of the Notes;
- provide for the release of subsidiary guarantors as permitted under the Base Indenture;
- evidence and provide for the appointment of a successor trustee or to add to or change any provisions to the extent necessary to appoint a separate trustee for a specific series of Notes;
- supplement any of the provisions of the Base Indenture to the extent necessary to permit or facilitate the defeasance and discharge of any series of Notes, *provided* that no such supplement shall materially adversely affect the interests of any holders of the Notes;
- make provisions with respect to conversion or exchange rights of holders of Notes;
- comply with the requirements of the SEC to effect or maintain the qualification of the Base Indenture under the Trust Indenture Act; or
- make any other amendment or supplement to the Base Indenture as long as that amendment or supplement does not materially adversely affect the interests of any holders of Notes.

Events of Default

Unless otherwise provided in a supplemental indenture with respect to a series of Notes, an event of default with respect to a series of Notes will occur if:

- we fail to pay interest when due on any Notes of that series for 30 days;
 - we fail to pay the principal of or any premium on any Notes of that series when due;
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- we fail to perform any covenant in the Base Indenture and this failure continues for 90 days after we receive written notice as provided in the Base Indenture;
- we fail to deposit any sinking fund payment when and as due by the terms of the Notes of that series;
- we or a court takes certain actions relating to our bankruptcy, insolvency, or reorganization for the benefit of our creditors; or
- any subsidiary guarantor whose consolidated total assets constitute 60% or more of our consolidated total assets (determined as of the date of our most recent interim or fiscal year-end balance sheet filed with the SEC prior to such determination date) or a court takes certain actions relating to the bankruptcy, insolvency, or reorganization of such subsidiary guarantor for the benefit of its creditors.

If an event of default with respect to the Notes of any series occurs and continues, the trustee or the holders of a majority in principal amount of the outstanding Notes of that series may require us to repay immediately the principal amount of the Notes of that series. The holders of a majority in principal amount of the outstanding Notes of that series may rescind and annul such acceleration if all events of default with respect to Notes of that series, other than the nonpayment of accelerated principal, have been cured or waived as provided in the Base Indenture. For information as to waiver of defaults, see “—Modification, Amendment, and Waiver” above.

Other than its duties in case of a default, the trustee will not be obligated to exercise any of its rights or powers under the Base Indenture at the request or direction of any of the holders, unless the holders offer to the trustee reasonable indemnity. If the holders provide this reasonable indemnity, the holders of a majority in principal amount of the outstanding Notes of such series will have the right, subject to certain limitations, to direct the time, method, and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to any series of Notes.

No holder of any Notes of any series will have any right to institute any proceeding with respect to the Base Indenture or for any remedy under the Base Indenture unless:

- the holder has previously given to the trustee written notice of a continuing event of default;
- the holders of a majority in principal amount of the outstanding Notes of that series have made a written request, and offered reasonable indemnity, to the trustee to institute a proceeding as trustee; and
- the trustee has not received from the holders of a majority in principal amount of the outstanding Notes of that series a direction inconsistent with the request, and the trustee has failed to institute such proceeding within 60 days.

However, the holder of any Notes will have an absolute right to receive payment of the principal of and any premium and interest on such Notes as expressed in the Notes, or, in the case of redemption, on the redemption date, and to institute suit for the enforcement of any payment.

We will be required to furnish to the trustee annually a statement as to the absence of certain defaults under the Base Indenture. The trustee may withhold notice to the holders of Notes of any default, except as to payment of principal of (or premium, if any) or interest with respect to the Notes, if the trustee considers such withholding to be in the interest of the holders of the Notes.

Discharge and Defeasance

We may satisfy and discharge obligations with respect to the Notes of a particular series by either delivering to the trustee for cancellation all outstanding Notes of that series, or depositing with the trustee, after the outstanding Notes of that series have become due and payable, or will become due and payable within one year, at maturity or by redemption, sufficient cash or government securities to pay the principal, interest, any premium, and any other sums due to the stated maturity date or redemption date of the Notes of that series.

In addition, the Base Indenture provides that at our option we may:

- be discharged from our obligations with respect to Notes of a particular series (“defeasance and discharge”), or
- cease to comply with certain restrictive covenants under the Base Indenture, including those described under “—Merger, Consolidation, and Sale of Assets,” and certain events of default will no longer apply to us (“covenant defeasance”),

if we deposit with the trustee sufficient cash or government securities to pay the principal, interest, any premium, and any other sums due to the stated maturity date or redemption date of the Notes of that series. Upon defeasance and discharge, the holders of the Notes of the affected series will not be entitled to the benefits of the Base Indenture, except for registration of transfer and exchange of Notes and replacement of lost, stolen, or mutilated Notes. Such holders may look only to such deposited funds or obligations for payment.

The defeasance and discharge and covenant defeasance described above are effective only if, among other things, we deliver to the trustee an opinion of counsel to the effect that (i) the holders of such Notes will not recognize income, gain, or loss for federal income tax purposes as result of such defeasance and discharge or covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner, and at the same time as would have been the case if such defeasance and discharge or covenant defeasance had not occurred, and (ii) in the case of defeasance and discharge, the opinion as to tax consequences is based upon an Internal Revenue Service ruling or a change in applicable federal income tax law.

With respect to the Notes, “government securities” shall include (1) securities that are direct obligations of the Federal Republic of Germany for the payment of which its full faith and credit is pledged or (2) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the Federal Republic of Germany, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the Federal Republic of Germany, which, in either case under clauses (1) or (2) are not callable or redeemable at the option of the issuer thereof.

General

We issued €500,000,000 aggregate principal amount of the 2025 Notes on August 5, 2019, €1,250,000,000 aggregate principal amount of the 2027 Notes on April 11, 2016, €600,000,000 aggregate principal amount of the 2029 Notes on May 4, 2021, €500,000,000 aggregate principal amount of the 2031 Notes on August 5, 2019, and €650,000,000 aggregate principal amount of the 2033 Notes on May 4, 2021. The 2025 Notes, the 2027 Notes, the 2029 Notes, the 2031 Notes, and the 2033 Notes will mature on August 5, 2025, January 11, 2027, May 4, 2029, August 5, 2031, and May 4, 2033, respectively.

The Notes are our general unsecured obligations and rank equally with all our other unsecured and unsubordinated indebtedness. The Notes are fully and unconditionally guaranteed by Federal Express Corporation, FedEx Freight, Inc., FedEx Office and Print Services, Inc., Federal Express Europe, Inc., Federal Express Holdings S.A., LLC, and Federal Express International, Inc. Pursuant to the one FedEx consolidation, on June 1, 2024 FedEx Ground Package System, Inc. and FedEx Corporate Services, Inc. were merged into Federal Express Corporation, and FedEx Freight Corporation merged into FedEx Freight, Inc. These subsidiaries guarantee our obligations under our outstanding unsecured debt securities and revolving credit facilities. If we sell, transfer, or dispose (by merger or otherwise), other than a lease, of a subsidiary guarantor or all of the capital stock or all or substantially all of the assets of a subsidiary guarantor to any person that is not an affiliate of FedEx, the guarantee of that subsidiary will automatically terminate and holders of the Notes will no longer have a claim against such subsidiary under the guarantee.

We may redeem a series of the Notes, in whole or in part, at any time at the applicable redemption price described under “—Optional Redemption” below. In addition, we may redeem any series of the Notes, in whole but not in part, at any time, if certain events occur involving changes in United States taxation, at the applicable redemption price described under “—Redemption for Tax Reasons” below. We may issue additional notes of any series from time to time at any time. The Notes of a series and any additional new notes of such series subsequently issued under the Indenture would be treated as a single series for all purposes under the Indenture, including, without limitation, waivers, amendments, and redemptions. If the additional notes of a series, if any, are not fungible with

the notes of that series previously offered for U.S. federal income tax purposes, the additional notes will have separate CUSIP, Common Code, and ISIN numbers. The Notes do not have the benefit of a sinking fund. If a Change of Control Repurchase Event (as defined below) occurs with respect to a series of the Notes, except to the extent we have exercised our right to redeem such Notes, we will be required to offer to repurchase the Notes of such series, as described under “—Change of Control Repurchase Event” below.

The Indenture does not limit the aggregate amount of debt securities which may be issued under the Indenture. Other than the provisions relating to a Change of Control Repurchase Event, the Indenture does not contain any debt covenants or provisions which would afford the holders of the Notes protection in the event of a highly leveraged or similar transaction. The trustee will not be liable for special, indirect, exemplary, incidental, punitive, or consequential or other similar loss or damage of any kind under the Indenture. We and the trustee, and each holder of a note by its acceptance thereof, irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to the Indenture, the notes, or any transaction contemplated thereby.

The Notes were issued in fully registered form without coupons in denominations of €100,000 and integral multiples of €1,000 in excess of €100,000. The Notes of each series are represented by one or more permanent global notes that have been deposited with a common depository and registered in the name of the nominee of the common depository for the accounts of Clearstream and Euroclear.

Interest

The 2025 Notes bear interest at the rate of 0.450% per year. The 2027 Notes bear interest at the rate of 1.625% per year. The 2029 Notes bear interest at the rate of 0.450% per year. The 2031 Notes bear interest at the rate of 1.300% per year. The 2033 Notes bear interest at the rate of 0.950% per year. Interest on the 2025 Notes accrued from August 5, 2019, or from the most recent date to which interest on the 2025 Notes has been paid. Interest on the 2027 Notes accrued from April 11, 2016, or from the most recent date to which interest on the 2027 Notes has been paid. Interest on the 2029 Notes accrued from May 4, 2021, or from the most recent date to which interest on the 2029 Notes has been paid. Interest on the 2031 Notes accrued from August 5, 2019, or from the most recent date to which interest on the 2031 Notes has been paid. Interest on the 2033 Notes accrued from May 4, 2021, or from the most recent date to which interest on the 2033 Notes has been paid.

Interest is payable annually in arrears on August 5 of each year, commencing on August 5, 2020, in the case of the 2025 Notes, on January 11 of each year, commencing on January 11, 2017, in the case of the 2027 Notes, on May 4 of each year, commencing on May 4, 2022, in the case of the 2029 Notes, on August 5 of each year, commencing on August 5, 2020, in the case of the 2031 Notes, and on May 4 of each year, commencing on May 4, 2022, in the case of the 2033 Notes, to the persons in whose names the Notes are registered at the close of business on the preceding July 21 in the case of the 2025 Notes, December 25 in the case of the 2027 Notes, April 19 in the case of the 2029 Notes, July 21 in the case of the 2031 Notes, and April 19 in the case of the 2033 Notes, or, if the Notes of the series are represented by one or more global notes, the close of business on the business day (for this purpose a day on which Clearstream and Euroclear are open for business) immediately preceding July 21 in the case of the 2025 Notes, December 25 in the case of the 2027 Notes, April 19 in the case of the 2029 Notes, July 21 in the case of the 2031 Notes, and April 19 in the case of the 2033 Notes. Interest on the Notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the Notes (or August 5, 2019 if no interest has been paid on the 2025 Notes in the case of the 2025 Notes, January 11, 2016 if no interest has been paid on the 2027 Notes in the case of the 2027 Notes, May 4, 2021 if no interest has been paid on the 2029 Notes in the case of the 2029 Notes, August 5, 2019 if no interest has been paid on the 2031 Notes in the case of the 2031 Notes, and May 4, 2021 if no interest has been paid on the 2033 Notes in the case of the 2033 Notes) to, but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If the maturity date or any redemption date of a series of the Notes falls on a day that is not a business day, the related payment of principal, premium, and additional amounts, if any, and interest will be made on the next business day as if it were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the next business day. If any interest payment date would

otherwise be a day that is not a business day, that interest payment date will be postponed to the next date that is a business day.

Optional Redemption

At our option, we may redeem the 2025 Notes, in whole or in part, at any time prior to the applicable Par Call Date (as defined below), on at least 10 days' but no more than 60 days', prior written notice mailed (or otherwise delivered in accordance with the applicable clearing system's procedures) to the registered holders of the 2025 Notes to be redeemed.

At our option, we may redeem the 2027 Notes, in whole or in part, at any time prior to the applicable Par Call Date (as defined below), on at least 30 days' but no more than 60 days', prior written notice mailed (or otherwise delivered in accordance with the applicable clearing system's procedures) to the registered holders of the 2027 Notes to be redeemed.

At our option, we may redeem the 2029 Notes, in whole or in part, at any time prior to the applicable Par Call Date (as defined below), on at least 10 days' but no more than 60 days', prior written notice mailed (or otherwise delivered in accordance with the applicable clearing system's procedures) to the registered holders of the 2029 Notes to be redeemed.

At our option, we may redeem the 2031 Notes, in whole or in part, at any time prior to the applicable Par Call Date (as defined below), on at least 10 days' but no more than 60 days', prior written notice mailed (or otherwise delivered in accordance with the applicable clearing system's procedures) to the registered holders of the 2031 Notes to be redeemed.

At our option, we may redeem the 2033 Notes, in whole or in part, at any time prior to the applicable Par Call Date (as defined below), on at least 10 days' but no more than 60 days', prior written notice mailed (or otherwise delivered in accordance with the applicable clearing system's procedures) to the registered holders of the 2033 Notes to be redeemed.

Upon redemption of the Notes, we will pay a redemption price equal to the greater of:

- (1) 100% of the principal amount of the Notes to be redeemed; and
- (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) of principal and interest on the Notes to be redeemed that would be due if such Notes matured on the applicable Par Call Date (not including any portion of such payments of interest accrued as of the redemption date), discounted to the redemption date on an ACTUAL/ACTUAL (ICMA) day count basis, at the applicable Comparable Government Bond Rate (as defined below) plus 20 basis points in the case of the 2025 Notes, 25 basis points in the case of the 2027 Notes, 15 basis points in the case of the 2029 Notes, 25 basis points in the case of the 2031 Notes, and 20 basis points in the case of the 2033 Notes,

in each case, plus accrued and unpaid interest to the date of redemption on the principal amount of the Notes being redeemed.

At any time on or after the applicable Par Call Date, we may redeem a series of the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest to the date of redemption on the principal amount of the Notes being redeemed.

“Comparable Government Bond” means, with respect to the series of the Notes to be redeemed prior to the applicable Par Call Date, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by us, a bond that is a direct obligation of the Federal Republic of Germany (“German government bond”), whose maturity is closest to the Par Call Date of such Notes to be redeemed (in the case of the 2025 Notes, the 2029 Notes, the 2031 Notes, and 2033 Notes) or whose maturity is closest to the maturity of the Notes to be redeemed (in the case of the 2027 Notes), or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German

government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

“Comparable Government Bond Rate” means the yield to maturity, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), on the third business day prior to the date fixed for redemption, of the Comparable Government Bond (as defined above) on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such business day as determined by an independent investment bank selected by us.

“Par Call Date” means May 5, 2025 in the case of the 2025 Notes, October 11, 2026 in the case of the 2027 Notes, February 4, 2029 in the case of the 2029 Notes, May 5, 2031 in the case of the 2031 Notes, and February 4, 2033 in the case of the 2033 Notes.

“Remaining Scheduled Payments” means with respect to each Note to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related redemption date but for such redemption; provided, however, that, if such redemption date is not an interest payment date with respect to such Notes, the amount of the next succeeding scheduled interest payment thereon will be deemed to be reduced (solely for the purposes of this calculation) by the amount of interest accrued thereon to such redemption date. Unless we default in payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the Notes or portions of the Notes called for redemption.

If less than all of a series of the Notes are to be redeemed, the Notes to be redeemed shall be selected by the trustee by such method as the trustee deems to be fair and appropriate in accordance with the applicable clearing system’s procedures.

Redemption for Tax Reasons

If, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the United States (or any taxing authority in the United States), or any change in, or amendments to, an official position regarding the application or interpretation of such laws, regulations, or rulings, which change or amendment is announced or becomes effective on or after the date of the initial sale of the applicable series of the Notes, we become or, based upon a written opinion of independent counsel selected by us, will become obligated to pay additional amounts as described herein under the heading “—Payment of Additional Amounts” with respect to that series of the Notes, then we may at any time at our option redeem, in whole, but not in part, the outstanding Notes of such series on not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest on those Notes to, but not including, the date fixed for redemption.

Redemption for Reason of Minimal Outstanding Amount

In the case of the 2029 Notes and the 2033 Notes, in the event that we have purchased the Notes of a series equal to or greater than 80% of the aggregate principal amount of the Notes of such series initially issued, we may redeem, in whole, but not in part, the remaining Notes of such series on not less than 30 nor more than 60 days prior notice, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, together with accrued and unpaid interest on those Notes to, but not including, the date fixed for redemption.

Payment of Additional Amounts

We will, subject to the exceptions and limitations set forth below, pay as additional interest on the Notes such additional amounts as are necessary in order that the net payment by us of the principal of and interest on the Notes to a holder who is not a United States person (as defined below), after withholding or deduction for any present or future tax, assessment, or other governmental charge imposed by the United States or a taxing authority in the United States (including any withholding or deduction with respect to the payment of such additional amounts), will not be less than the amount provided in the Notes to be then due and payable; *provided, however*, that the foregoing obligation to pay additional amounts shall not apply:

- (1) to any tax, assessment, or other governmental charge that is imposed by reason of the holder (or the beneficial owner for whose benefit such holder holds such note), or a fiduciary, settlor, beneficiary, member, or shareholder of the holder or beneficial owner if the holder or beneficial owner is an estate, trust, partnership, corporation, or other entity, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as:
- (a) being or having been engaged in a trade or business in the United States or having or having had a permanent establishment in the United States;
 - (b) having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of the Notes, the receipt of any payment thereon or the enforcement of any rights thereunder), including being or having been a citizen or resident of the United States;
 - (c) being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation for United States federal income tax purposes or a corporation that has accumulated earnings to avoid United States federal income tax;
 - (d) being or having been a “10-percent shareholder” of FedEx as defined in Section 871(h)(3) of the United States Internal Revenue Code of 1986, as amended (the “Code”), or any successor provision; or
 - (e) being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;
- (2) to any holder that is not the sole beneficial owner of the Notes, or a portion of the Notes, or that is a fiduciary, partnership, or limited liability company, but only to the extent that a beneficial owner with respect to the holder, a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of such additional amounts had the beneficiary, settlor, beneficial owner, or member received directly its beneficial or distributive share of the payment;
- (3) to any tax, assessment, or other governmental charge that would not have been imposed but for the failure of the holder or any other person to comply with certification, identification, or information reporting requirements concerning the nationality, residence, identity, or connection with the United States of such holder or other person, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from, or reduction in, such tax, assessment, or other governmental charge;
- (4) to any tax, assessment, or other governmental charge that is imposed otherwise than by withholding by us or a paying agent from payments on the Notes;
- (5) to any tax, assessment, or other governmental charge that would not have been imposed but for a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;
- (6) to any estate, inheritance, gift, sales, excise, transfer, wealth, capital gains, or personal property tax or similar tax, assessment, or other governmental charge;
- (7) in the case of the 2027 Notes, to any withholding or deduction that is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any Directive amending, supplementing, or replacing such Directive, or any law implementing or complying with, or introduced in order to conform to, such Directive or Directives;
- (8) to any tax, assessment, or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on any note, if such payment can be made without such withholding by presenting such note (where presentation is required) to at least one other paying agent;
- (9) to any tax, assessment, or other governmental charge that would not have been imposed but for the presentation by the holder of any note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
- (10) to any tax, assessment, or other governmental charge that is imposed or withheld solely by reason of the beneficial owner being a bank (i) purchasing the Notes in the ordinary course of its lending business or (ii) that is neither (A) buying the Notes for investment purposes only nor (B) buying the Notes for resale to a third-party that either is not a bank or holding the Notes for investment purposes only;
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(11) to any tax, assessment, or other governmental charge imposed under Sections 1471 through 1474 of the Code (or any amended or successor provisions), any current or future regulations or official interpretations thereof; any agreement entered into pursuant to Section 1471(b) of the Code; or any fiscal or regulatory legislation, rules, or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code; or

(12) in the case of any combination of items (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), and (11).

The Notes are subject in all cases to any tax, fiscal, or other law or regulation or administrative or judicial interpretation applicable to the Notes. Except as specifically provided under this heading “—Payment of Additional Amounts,” we will not be required to make any payment for any tax, assessment, or other governmental charge imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision.

As used under this heading “—Payment of Additional Amounts” and under the heading “—Redemption for Tax Reasons,” the term “United States” means the United States of America (including the states of the United States and the District of Columbia and any political subdivision thereof) and the term “United States person” means any individual who is a citizen or resident of the United States for U.S. federal income tax purposes; a corporation, partnership, or other entity created or organized in or under the laws of the United States, any state of the United States, or the District of Columbia (other than a partnership that is not treated as a United States person under any applicable Treasury regulations); or any estate or trust the income of which is subject to United States federal income taxation regardless of its source.

Any reference to amounts payable in respect of the Notes herein or in the Indenture shall be deemed to include any additional amounts which may be payable as described above.

Change of Control Repurchase Event

If a Change of Control Repurchase Event occurs with respect to a series of the Notes, except to the extent we have exercised our right to redeem such Notes as described above, we will make an offer to each holder of the Notes of such series to repurchase all or any part (in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof) of that holder’s Notes at a repurchase price (the “repurchase price”) in cash equal to 101% of the aggregate principal amount of such Notes repurchased plus any accrued and unpaid interest on such Notes repurchased to, but not including, the repurchase date. Within 30 days following a Change of Control Repurchase Event or, at our option, prior to a Change of Control, but after the public announcement of such Change of Control, we will mail, or cause to be mailed, or otherwise deliver in accordance with the applicable clearing system’s procedures, a notice to each holder of the Notes of such series, with a copy to the trustee and the paying agent, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase the Notes of such series on the payment date specified in the notice (such offer, the “repurchase offer” and such date the “repurchase date”), which repurchase date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures described in such notice. The notice shall, if mailed or delivered prior to the date of consummation of the Change of Control, state that the repurchase offer is conditioned on a Change of Control Repurchase Event occurring on or prior to the repurchase date.

We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of a series of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the Notes by virtue of such conflict.

On the repurchase date following a Change of Control Repurchase Event, we will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to the repurchase offer;
 - (2) deposit with the paying agent an amount equal to the aggregate repurchase price for all Notes or portions of Notes properly tendered; and
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(3) deliver, or cause to be delivered, to the trustee the Notes properly accepted for payment by us, together with an officers' certificate stating the aggregate principal amount of Notes being repurchased by us pursuant to the repurchase offer and, to the extent applicable, an executed new note or notes evidencing any unredeemed portion of any note or notes surrendered for which the trustee shall be required to authenticate and deliver a new note or notes as provided below.

The trustee will promptly mail, or cause the paying agent to promptly mail, or otherwise deliver in accordance with the applicable clearing system's procedures, to each holder of such Notes, or portions of such Notes, properly tendered and accepted for payment by us the repurchase price for such Notes, or portions of such Notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new note duly executed by us equal in principal amount to any unredeemed portion of any notes surrendered, as applicable; *provided* that each new note will be in a principal amount equal to €100,000 or any integral multiple of €1,000 in excess thereof.

We will not be required to make a repurchase offer upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by FedEx and such third party purchases all Notes or portions of Notes properly tendered and not withdrawn under its offer.

For purposes of the foregoing discussion of a repurchase at the option of holders, the following definitions are applicable:

"Below Investment Grade Ratings Event" means, with respect to a series of the Notes, on any day within the 60-day period (which period shall be extended so long as the rating of such series of the Notes is under publicly announced consideration for a possible downgrade by any Rating Agency) after the earlier of (1) the occurrence of a Change of Control, or (2) the public announcement of the occurrence of a Change of Control or our intention to effect a Change of Control, the Notes of such series are rated below Investment Grade by each and every Rating Agency. Notwithstanding the foregoing, a Below Investment Grade Ratings Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Ratings Event for purposes of the definition of Change of Control Repurchase Event hereunder) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not publicly announce or publicly confirm or inform the trustee in writing at our request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Ratings Event).

"Change of Control" means the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act), other than (1) FedEx or any of its subsidiaries, (2) any employee benefit plan (or a trust forming a part thereof) maintained by FedEx or any of its subsidiaries, or (3) any underwriter temporarily holding Voting Stock of FedEx pursuant to an offering of such Voting Stock, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the combined voting power of FedEx's Voting Stock or other Voting Stock into which FedEx's Voting Stock is reclassified, consolidated, exchanged, or changed measured by voting power rather than number of shares.

"Change of Control Repurchase Event" means the occurrence of both a Change of Control and a Below Investment Grade Ratings Event with respect to a series of the Notes.

"Investment Grade" means, with respect to Moody's, a rating of Baa3 or better (or its equivalent under any successor rating categories of Moody's); with respect to S&P, a rating of BBB- or better (or its equivalent under any successor rating categories of S&P); and, with respect to any additional Rating Agency or Rating Agencies selected by FedEx, the equivalent investment grade credit rating.

"Moody's" means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

“Rating Agency” means (1) each of Moody’s and S&P, and (2) if either of Moody’s or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of FedEx’s control, a “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) of the Exchange Act, selected by FedEx (as certified by a board resolution) as a replacement agency for Moody’s or S&P, or both of them, as the case may be.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and its successors.

“Voting Stock” of any specified “person” (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date means the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

The Change of Control Repurchase Event provisions of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of FedEx and, thus, the removal of incumbent management. We could, in the future, enter into certain transactions, including acquisitions, refinancings, or other recapitalizations, that would not constitute a Change of Control Repurchase Event under the Notes, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings on the Notes.

If we experience a Change of Control Repurchase Event, we may not have sufficient financial resources available to satisfy our obligations to repurchase all Notes or portions of Notes properly tendered. Furthermore, debt agreements to which we may become a party in the future may contain restrictions and provisions limiting our ability to repurchase the Notes. Our failure to repurchase the Notes as required under the Indenture would result in a default under the Indenture, which could have material adverse consequences for us and the holders of the Notes.

Issuance in Euro

If we are unable to obtain euro in amounts sufficient to make a required payment under the Notes due to the imposition of exchange controls or other circumstances beyond our control (including the dissolution of the European Monetary Union) or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the Notes will be made in U.S. dollars until the euro is again available to us or so used. In such circumstances, the amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second business day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the then most recent U.S. dollar/euro exchange rate available on or prior to the second business day prior to the relevant payment date as determined by us in our sole discretion. Any payment in respect of the Notes so made in U.S. dollars will not constitute an Event of Default under the Notes or the Base Indenture governing the Notes. Neither the trustee nor the paying agent shall have any responsibility for any calculation or conversion in connection with the foregoing.

Investors are subject to foreign exchange risks as to payments of principal and interest that may have important economic and tax consequences to them.

Global Clearance and Settlement

The Notes are issued in the form of one or more global notes (the “Euro Global Notes”) in fully registered form, without coupons, and are deposited with, or on behalf of, a common depository, and registered in the name of the nominee of the common depository, for, and in respect of interests held through, Euroclear and Clearstream. Except as described herein, certificates will not be issued in exchange for beneficial interests in the Euro Global Notes.

Except as set forth below, the Euro Global Notes may be transferred, in whole and not in part, only to Euroclear or Clearstream or their respective nominees.

Beneficial interests in the Euro Global Notes are represented, and transfers of such beneficial interests are effected, through accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in Euroclear or Clearstream. Those beneficial interests will be in denominations of €100,000 and integral multiples of

€1,000 in excess thereof. Investors may hold Notes directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems. It is possible that the clearing systems may process trades that could result in amounts being held in denominations smaller than the minimum denominations. If definitive Notes are required to be issued in relation to such Notes in accordance with the provisions of the relevant Euro Global Notes, a holder who does not have the minimum denomination or a multiple of €1,000 in excess thereof in its account with the relevant clearing system at the relevant time may not receive all of its entitlement in the form of definitive Notes unless and until such time as its holding satisfies the minimum denomination requirement.

So long as Euroclear or Clearstream or their nominee or their common depositary is the registered holder of the Euro Global Notes, Euroclear, Clearstream, or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Euro Global Notes for all purposes under the Indenture and the Notes. Payments of principal, interest, and premium and additional amounts, if any, in respect of the Euro Global Notes will be made to Euroclear, Clearstream, or such nominee, as the case may be, as registered holder thereof.

Certificated Notes

Subject to certain conditions, the Notes represented by the Euro Global Notes are exchangeable for certificated Notes in definitive form of like tenor in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof if:

- (1) the common depositary provides notification that it is unwilling, unable, or no longer qualified to continue as depositary for the Euro Global Notes and a successor is not appointed within 90 days;
- (2) we in our discretion at any time determine not to have all of the Notes represented by the Euro Global Notes; or
- (3) default entitling the holders of the applicable Notes to accelerate the maturity thereof has occurred and is continuing.

Any note that is exchangeable as above is exchangeable for certificated Notes issuable in authorized denominations and registered in such names as the common depositary shall direct. Subject to the foregoing, a Euro Global Note is not exchangeable, except for a global note of the same aggregate denomination to be registered in the name of the common depositary (or its nominee).

Same-day Payment

Payments (including principal, premium, and additional amounts, if any, and interest) and transfers with respect to Notes in certificated form may be executed at the office or agency maintained for such purpose in London (initially the corporate trust office of the paying agent) or, at our option, by check mailed to the holders thereof at the respective addresses set forth in the register of holders of the Notes (maintained by the registrar), *provided* that all payments (including principal, premium, and additional amounts, if any, and interest) on Notes in certificated form, for which the holders thereof have given wire transfer instructions, will be required to be made by wire transfer of immediately available funds to the accounts specified by the holders thereof. No service charge will be made for any registration of transfer, but payment of a sum sufficient to cover any tax or governmental charge payable in connection with that registration may be required.

Paying Agent

The paying agent for the Notes is Elavon Financial Services DAC, UK Branch.

\$1,750,000,000

THREE-YEAR CREDIT AGREEMENT

Dated as of

March 15, 2024

Among

FEDEX CORPORATION,
as Borrower,

BANK OF AMERICA, N.A.,
as Syndication Agent,

CITIBANK, N.A.,
THE BANK OF NOVA SCOTIA,
WELLS FARGO BANK, NATIONAL ASSOCIATION
and
TRUIST BANK,
as Documentation Agents,

The Several Lenders Party Hereto,

And

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

JPMORGAN CHASE BANK, N.A., BOFA SECURITIES, INC., CITIBANK, N.A., THE BANK OF
NOVA SCOTIA, WELLS FARGO SECURITIES, LLC and TRUIST SECURITIES, INC.,
as Joint Lead Arrangers and Joint Bookrunners

TABLE OF CONTENTS

ARTICLE I DEFINITIONS		1
SECTION 1.01.	Defined Terms	1
SECTION 1.02.	Classification of Loans and Borrowings	27
SECTION 1.03.	Terms Generally	28
SECTION 1.04.	Accounting Terms; GAAP	28
SECTION 1.05.	Currency Conversion and Fluctuations	28
SECTION 1.06.	Interest Rates; Benchmark Notification	29
SECTION 1.07.	Termination of the Existing Three-Year Credit Agreement	29
SECTION 1.08.	Letter of Credit Amounts	29
ARTICLE II THE CREDITS		30
SECTION 2.01.	Commitments	30
SECTION 2.02.	Loans and Borrowings	30
SECTION 2.03.	Requests for Borrowings	31
SECTION 2.04.	Funding of Borrowings	31
SECTION 2.05.	Interest Elections	32
SECTION 2.06.	Termination and Reduction of Commitments	34
SECTION 2.07.	Repayment of Loans; Evidence of Debt	34
SECTION 2.08.	Prepayment of Loans	35
SECTION 2.09.	Fees	35
SECTION 2.10.	Interest	36
SECTION 2.11.	Alternate Rate of Interest	36
SECTION 2.12.	Increased Costs; Illegality	39
SECTION 2.13.	Break Funding Payments	41
SECTION 2.14.	Taxes	42
SECTION 2.15.	Payments Generally; Pro Rata Treatment; Sharing of Set-offs	45
SECTION 2.16.	Defaulting Lenders	46
SECTION 2.17.	Mitigation Obligations; Replacement of Lenders	48
SECTION 2.18.	Commitment Increases	49
SECTION 2.19.	Extension of Maturity Date	50
ARTICLE III LETTERS OF CREDIT		51
SECTION 3.01.	L/C Commitment	51
SECTION 3.02.	Procedure for Issuance of Letter of Credit	51
SECTION 3.03.	Fees and Other Charges	52
SECTION 3.04.	L/C Participations	52
SECTION 3.05.	Reimbursement Obligation of the Borrower	53
SECTION 3.06.	Obligations Absolute	53
SECTION 3.07.	Letter of Credit Payments	54
SECTION 3.08.	Applications	54
SECTION 3.09.	Cash Collateralization	54
SECTION 3.10.	Currency Adjustments	54
SECTION 3.11.	Existing Letters of Credit	55
SECTION 3.12.	Replacement and Resignation of an Issuing Bank	55
ARTICLE IV REPRESENTATIONS AND WARRANTIES		55
SECTION 4.01.	Organization; Powers	55
SECTION 4.02.	Authorization; Enforceability	55
SECTION 4.03.	Governmental Approvals; No Conflicts	55
SECTION 4.04.	Financial Statements	56
SECTION 4.05.	Taxes	56
SECTION 4.06.	Litigation and Environmental Matters	56

SECTION 4.07.	Subsidiaries	56
SECTION 4.08.	ERISA	57
SECTION 4.09.	Compliance with Laws and Agreements	57
SECTION 4.10.	Properties; Liens	57
SECTION 4.11.	Investment Company Status	57
SECTION 4.12.	Anti-Corruption Laws and Sanctions	57
SECTION 4.13.	Patriot Act Compliance	57
SECTION 4.14.	Affected Financial Institutions	57
ARTICLE V	CONDITIONS	58
SECTION 5.01.	Effective Date	58
SECTION 5.02.	Each Credit Event	59
ARTICLE VI	AFFIRMATIVE COVENANTS	59
SECTION 6.01.	Financial Statements and Other Information	59
SECTION 6.02.	Use of Proceeds	60
SECTION 6.03.	Notice of Material Events	60
SECTION 6.04.	Existence; Conduct of Business	60
SECTION 6.05.	Payment of Taxes	61
SECTION 6.06.	Compliance with Laws	61
SECTION 6.07.	Maintenance of Properties; Insurance	61
SECTION 6.08.	Books and Records; Inspection Rights	61
SECTION 6.09.	Leverage	61
ARTICLE VII	NEGATIVE COVENANTS	62
SECTION 7.01.	Liens	62
SECTION 7.02.	Merger and Consolidation	64
SECTION 7.03.	[Reserved]	65
SECTION 7.04.	[Reserved]	65
SECTION 7.05.	Use of Proceeds	65
ARTICLE VIII	EVENTS OF DEFAULT	65
ARTICLE IX	THE AGENTS	67
SECTION 9.01.	Appointment	67
SECTION 9.02.	Delegation of Duties	68
SECTION 9.03.	Exculpatory Provisions	68
SECTION 9.04.	Reliance by Administrative Agent	68
SECTION 9.05.	Notice of Default	68
SECTION 9.06.	Acknowledgements of Lenders and Issuing Banks	69
SECTION 9.07.	Indemnification	70
SECTION 9.08.	Agent in Its Individual Capacity	71
SECTION 9.09.	Successor Administrative Agent	71
SECTION 9.10.	Documentation Agents and Syndication Agent	71
SECTION 9.11.	Certain ERISA Matters	72
SECTION 9.12.	Borrower Communications	73
SECTION 9.13.	Posting of Communications	74
ARTICLE X	MISCELLANEOUS	75
SECTION 10.01.	Amendments and Waivers	75
SECTION 10.02.	Notices	76
SECTION 10.03.	No Waiver; Cumulative Remedies	77
SECTION 10.04.	Survival of Representations and Warranties	77
SECTION 10.05.	Payment of Expenses and Taxes; Indemnity; Limitation of Liability; Etc	77
SECTION 10.06.	Successors and Assigns; Participations and Assignments	79
SECTION 10.07.	Adjustments; Set-off	81

SECTION 10.08.	Counterparts	82
SECTION 10.09.	Severability	82
SECTION 10.10.	Integration	82
SECTION 10.11.	Governing Law	83
SECTION 10.12.	Submission To Jurisdiction; Waivers	83
SECTION 10.13.	Acknowledgements	83
SECTION 10.14.	Guarantors	84
SECTION 10.15.	Confidentiality	84
SECTION 10.16.	WAIVERS OF JURY TRIAL	85
SECTION 10.17.	Interest Rate Limitation	85
SECTION 10.18.	Headings	85
SECTION 10.19.	USA Patriot Act; Beneficial Ownership Regulation	85
SECTION 10.20.	Judgment Currency	86
SECTION 10.21.	Acknowledgement and Consent to Bail-In of Affected Financial Institutions	86

SCHEDULES:

- Schedule 2.01 – Lenders and Commitments
- Schedule 3.01 – Existing Letters of Credit
- Schedule 4.06 – Disclosed Matters
- Schedule 4.07 – Significant Subsidiaries
- Schedule 10.14 – Initial Subsidiary Guarantors

EXHIBITS:

- Exhibit A – Form of Borrowing Request
- Exhibit B – Form of Interest Election Request
- Exhibit C – Form of Guarantee Agreement
- Exhibit D – Form of Opinion of Borrower’s Counsel
- Exhibit E – Form of Assignment and Acceptance
- Exhibit F – Form of Exemption Certificate
- Exhibit G-1 – Form of Increased Facility Activation Notice
- Exhibit G-2 – Form of Increasing Lender Supplement
- Exhibit G-3 – Form of New Lender Supplement
- Exhibit H – Form of Compliance Certificate

THREE-YEAR CREDIT AGREEMENT, dated as of March 15, 2024 (this "Agreement"), among FEDEX CORPORATION (the "Borrower"), the several banks and other financial institutions from time to time party hereto (the "Lenders") and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate. All ABR Loans shall be denominated in Dollars.

"Acquisition" means any transaction or series of related transactions (excluding any transaction or series of related transactions solely among the Borrower and/or one or more of its Subsidiaries) for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of all or substantially all of any business or division of a Person, (b) the acquisition of in excess of 50% of the capital stock, partnership interests, membership interests or equity of any Person, or otherwise causing any Person to become a Subsidiary, or (c) a merger or consolidation or any other combination with another Person; provided that the Borrower or a Subsidiary is the surviving entity.

"Additional Lender" has the meaning assigned to such term in Section 2.19.

"Adjusted Daily Simple RFR" means, (i) with respect to any RFR Borrowing denominated in Pounds Sterling, an interest rate per annum equal to (a) the Daily Simple RFR for Pounds Sterling, plus (b) 0.0326 % and (ii) with respect to any RFR Borrowing denominated in Dollars, an interest rate per annum equal to Adjusted Daily Simple SOFR; *provided that* if the Adjusted Daily Simple RFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted Daily Simple SOFR" means, with respect to any Daily Simple SOFR Borrowing, an interest rate per annum equal to (a) the Daily Simple SOFR, plus (b) 0.10%.

"Adjusted EURIBOR Rate" means, with respect to any Term Benchmark Borrowing denominated in Euros for any Interest Period, an interest rate per annum equal to (a) the EURIBOR Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; *provided that* if the Adjusted EURIBOR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted Term SOFR Rate" means, with respect to any Term Benchmark Borrowing denominated in Dollars for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, plus (b) 0.10%; *provided that* if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Administrative Agent” means JPMorgan Chase Bank, N.A., together with its Affiliates, as the administrative agent for the Lenders hereunder, together with any of its successors.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agents” means, collectively, the Syndication Agent, the Documentation Agents and the Administrative Agent.

“Aggregate Exposure” means, with respect to any Lender at any time, an amount equal to (a) until the Effective Date, the amount of such Lender’s Commitments at such time and (b) thereafter, such Lender’s Commitment then in effect or, if the Commitments have been terminated, the amount of such Lender’s Loans and L/C Exposure (and, in the case of Foreign Currency Loans and Foreign Currency Letters of Credit, the Dollar Equivalent of such Lender’s Foreign Currency Loans and L/C Exposure with respect to Foreign Currency Letters of Credit) then outstanding; provided that, in the case of Section 2.16, when a Defaulting Lender shall exist, any such Defaulting Lender’s Commitment shall be disregarded in the calculation.

“Aggregate Exposure Percentage” means, with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

“Agreed Currencies” means Dollars and each Alternative Currency.

“Agreement” means this Three-Year Credit Agreement, as amended, supplemented or otherwise modified from time to time.

“Alternate Base Rate” means, for any day, a rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) the New York Fed Bank Rate in effect on such day plus ½ of 1% and (c) the Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a U.S. Government Securities Business Day, the immediately preceding U.S. Government Securities Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m. Chicago time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the New York Fed Bank Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the New York Fed Bank Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.11 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.11(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

“Alternative Currency” means Pounds Sterling and Euros.

“Anti-Corruption Laws” means the United States Foreign Corrupt Practices Act of 1977, as amended, and the UK Bribery Act 2010, as amended.

“Applicable Rate” means, for any day with respect to (a) any Term Benchmark Loan denominated in any currency, a rate per annum equal to the applicable rate per annum set forth in the Pricing Grid under the caption “Applicable Rate (Term Benchmark Loan)” based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt, (b) any RFR Loan denominated in any currency, a rate per annum equal to the applicable rate per annum set forth in the Pricing Grid under the caption “Applicable Rate (RFR Loan)” based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt, (c) any ABR Loan, a rate per annum equal to the applicable rate per annum set forth in the Pricing Grid under the caption “Applicable Rate (ABR Loan)” based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt, or (d) commitment fees payable hereunder, the applicable rate per annum set forth in the Pricing Grid under the caption “Commitment Fee Rate” based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt.

“Application” means an application, as required by the relevant Issuing Bank and using such Issuing Bank’s standard form, requesting such Issuing Bank to open a Letter of Credit.

“Approved Borrower Portal” has the meaning assigned to it in Section 9.12(a).

“Approved Electronic Platform” has the meaning assigned to it in Section 9.13(a).

“Assignee” has the meaning assigned to such term in Section 10.06(c).

“Assignment and Acceptance” means an assignment and acceptance entered into by a Lender and an Assignee (with the consent of any party whose consent is required by Section 10.06), and accepted by the Administrative Agent, in the form of Exhibit E.

“Assignor” has the meaning assigned to such term in Section 10.06(c).

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark for any Agreed Currency, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (e) of Section 2.11.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Benchmark” means, initially, with respect to any (i) RFR Loan in any Alternative Currency, the applicable Relevant Rate for such Alternative Currency or (ii) Term Benchmark Loan, the Relevant Rate for such Agreed Currency; *provided* that if a Benchmark Transition Event, and the related Benchmark Replacement Date have occurred with respect to the applicable Relevant Rate or the then-current Benchmark for such Agreed Currency, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 2.11.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date; *provided* that, in the case of any Loan denominated in an Alternative Currency, “Benchmark Replacement” shall mean the alternative set forth in (2) below:

(1) in the case of any Loan denominated in Dollars, the Adjusted Daily Simple SOFR;

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Agreed Currency at such time in the United States and (b) the related Benchmark Replacement Adjustment;

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Currency at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement and/or any Term Benchmark Revolving Loan denominated in Dollars, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “RFR Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides in its reasonable discretion, in

consultation with the Borrower, may be appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Replacement Date” means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or component thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if such Benchmark (or component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the U.S. Federal Reserve Board, the New York Fed, the CME Term SOFR Administrator, the central bank for the Agreed Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such

component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component thereof), in each case which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document pursuant to Section 2.11.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code, or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan.”

“Benefitted Lender” has the meaning assigned to such term in Section 10.07(a).

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means FedEx Corporation, a Delaware corporation.

“Borrowing” means Loans of the same Type, made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03.

“Business Day” means, any day (other than a Saturday or a Sunday) on which banks are open for business in New York City; provided that, (a) in relation to Loans denominated in Sterling, any day (other than a Saturday or a Sunday) on which banks are open for business in London, (b) in relation to

Loans denominated in Euros and in relation to the calculation or computation of EURIBOR, any day which is a TARGET Day, (c) in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings in the applicable Agreed Currency of such RFR Loan, any such day that is only an RFR Business Day and (d) in relation to Loans referencing the Adjusted Term SOFR Rate and any interest rate settings, fundings, disbursements, settlements or payments of any Loans referencing the Adjusted Term SOFR Rate or any other dealings of such Loans referencing the Adjusted Term SOFR Rate, any such day that is a U.S. Government Securities Business Day.

“CBR Loan” means a Loan that bears interest at a rate determined by reference to the Central Bank Rate.

“CBR Spread” means the Applicable Rate, applicable to such Loan that is replaced by a CBR Loan.

“Central Bank Rate” means, the greater of (A) the sum of (i) for any Loan denominated in (a) Pounds Sterling, the Bank of England (or any successor thereto)’s “Bank Rate” as published by the Bank of England (or any successor thereto) from time to time, (b) Euro, one of the following three rates as may be selected by the Administrative Agent in its reasonable discretion: (1) the fixed rate for the main refinancing operations of the European Central Bank (or any successor thereto), or, if that rate is not published, the minimum bid rate for the main refinancing operations of the European Central Bank (or any successor thereto), each as published by the European Central Bank (or any successor thereto) from time to time, (2) the rate for the marginal lending facility of the European Central Bank (or any successor thereto), as published by the European Central Bank (or any successor thereto) from time to time or (3) the rate for the deposit facility of the central banking system of the Participating Member States, as published by the European Central Bank (or any successor thereto) from time to time and (c) any other Alternative Currency determined after the Effective Date, a central bank rate as determined by the Administrative Agent in its reasonable discretion and (ii) the applicable Central Bank Rate Adjustment; and (B) the Floor.

“Central Bank Rate Adjustment” means, for any day, for any Loan denominated in (a) Euro, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Adjusted EURIBOR Rate for the five most recent Business Days preceding such day for which the EURIBOR Screen Rate was available (excluding, from such averaging, the highest and the lowest Adjusted EURIBOR Rate applicable during such period of five Business Days) minus (ii) the Central Bank Rate in respect of Euro in effect on the last Business Day in such period, (b) Pounds Sterling, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of Adjusted Daily Simple RFR for Pounds Sterling Borrowings for the five most recent RFR Business Days preceding such day for which SONIA was available (excluding, from such averaging, the highest and the lowest such Adjusted Daily Simple RFR applicable during such period of five RFR Business Days) minus (ii) the Central Bank Rate in respect of Pounds Sterling in effect on the last RFR Business Day in such period and (c) any other Alternative Currency determined after the Effective Date, a Central Bank Rate Adjustment as determined by the Administrative Agent in its reasonable discretion. For purposes of this definition, (x) the term Central Bank Rate shall be determined disregarding clause (B) of the definition of such term and (y) the EURIBOR Rate on any day shall be based on the EURIBOR Screen Rate on such day at approximately the time referred to in the definition of such term for deposits in the applicable Agreed Currency for a maturity of one month.

“Change in Law” means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or Issuing Bank (or, for purposes of Section 2.12(b), by any lending office of such Lender or by such Lender’s or Issuing Bank’s holding company, if any) with any request, guideline or directive (whether or not having

the force of law) of any Governmental Authority made or issued after the date of this Agreement. Notwithstanding anything herein to the contrary (solely for the purposes of Sections 2.12(a), 2.12(b) and 2.12(g)), (i) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities, in each case pursuant to Basel III, and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof, shall in each case be deemed to be a Change in Law, regardless of the date enacted, adopted, issued or implemented.

“Change of Control” means any of the following: (a) any “person” (as such term is used in Sections 13(d) and 14 of the Securities Exchange Act of 1934, as amended), other than (1) the Borrower, (2) any Subsidiary, (3) any employee benefit plan (or a trust forming a part thereof) maintained by the Borrower or any Subsidiary, or (4) any underwriter temporarily holding securities of the Borrower pursuant to an offering of such securities becoming the “beneficial owner” (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of securities of the Borrower representing 30% or more of the Borrower’s then outstanding Voting Stock; or (b) directors who, as of the date of this Agreement, constitute the Board of Directors of the Borrower (the “Incumbent Board”) ceasing to constitute at least a majority of the Board of Directors of the Borrower (or, in the event of any merger, consolidation or reorganization the principal purpose of which is to change the Borrower’s state of incorporation, form a holding company or effect a similar reorganization as to form, the board of directors of such surviving company or its ultimate parent company), provided, however, that any individual becoming a member of the Board of Directors of the Borrower subsequent to the date of this Agreement whose election, or nomination for election by the Borrower’s stockholders, was approved by a vote of a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board.

“CME Term SOFR Administrator” means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Commitment” means, with respect to any Lender, the obligation of such Lender, if any, to make Loans and participate in Letters of Credit hereunder, in an amount not to exceed the amount set forth under the heading “Commitment” opposite such Lender’s name on Schedule 2.01(a) (as may be increased pursuant to Section 2.18) or in the Assignment and Acceptance pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The aggregate original amount of the Commitments on the Effective Date is \$1,750,000,000.

“Conduit Lender” means any special purpose corporation organized and administered by any Lender for the purpose of making Loans otherwise required to be made by such Lender and designated by such Lender in a written instrument; provided, that the designation by any Lender of a Conduit Lender shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 2.12, 2.13, 2.14, 2.15 or 10.05 than the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender, or (b) be deemed to have any Commitment.

“Consolidated Adjusted Total Assets” means, at any date as of which the amount thereof is to be determined, (a) the aggregate amount set forth as the assets of the Borrower and the consolidated Subsidiaries on a consolidated balance sheet of the Borrower and the consolidated Subsidiaries prepared as of such date in accordance with GAAP, minus (b) the aggregate book value as of such date of determination of all assets of the Borrower or any consolidated Subsidiary subject on such date of determination to a Lien permitted by Section 7.01(j).

“Consolidated EBITDA” means, for any period, Consolidated Operating Income for such period plus, without duplication and to the extent reducing such Consolidated Operating Income for such period, the sum of (a) depreciation and amortization expense, (b) amortization of intangibles (including, but not limited to, goodwill), (c) all non-cash pension expenses and losses, including, but not limited to, pension service costs, (d) non-cash asset impairment charges related to long-lived assets (including intangible asset impairment charges), (e) expenses related to business optimization and restructuring and (f) synergies and cost savings of the Borrower and its Subsidiaries related to operational changes, restructuring, reorganizations, operating expense reductions, operating improvements and similar restructuring initiatives relating to an Acquisition (it being understood any such increases pursuant to this clause (f) shall only be available subject to the consummation of such Acquisition and not in contemplation thereof), in each case, that are set forth in a certificate of a Responsible Officer of the Borrower and are factually supportable (in the good faith determination of the Borrower, as certified in the applicable certificate) and are reasonably anticipated by the Borrower in good faith to be realized within 24 months following the completion of such Acquisition (in each case calculated for the applicable period on a pro forma basis as if the synergies and cost savings with respect to such period had been realized on the first day of such period, and net of the amount of actual benefits realized during such period from such actions to the extent already included in Consolidated Operating Income for such period), and minus, without duplication, to the extent included in such Consolidated Operating Income for such period, non-cash periodic mark-to-market credits related to pension gains, all as determined on a consolidated basis; provided that the aggregate amount added back pursuant to clauses (e) and (f) above shall not exceed 10% of Consolidated EBITDA (calculated after giving effect to any such addback and such cap and all other permitted addbacks and adjustments) in any period.

“Consolidated Operating Income” means, for any period, the consolidated operating income (or loss) of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions.

“Consolidated Total Debt” means, as of any date with respect to the Borrower and its Subsidiaries, (a) all liabilities of the Borrower and its Subsidiaries outstanding on such date which would in accordance with GAAP be classified as short-term or long-term debt (including the current portion of long-term debt) of the Borrower and its Subsidiaries (including, without limitation, finance lease obligations) on a consolidated balance sheet of the Borrower and its Subsidiaries as of such date minus (b) Unrestricted Cash in an aggregate amount not to exceed \$500,000,000.

“Contingent Obligation” of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses (other than endorsements for collection or deposit in the ordinary course of business), contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the payment obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter or take-or-pay contract.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Loans and L/C Exposure (and, in the case of Foreign Currency Loans and Foreign Currency Letters of Credit, the Dollar Equivalent of such Lender’s Foreign Currency Loans and L/C Exposure with respect to Foreign Currency Letters of Credit) at such time.

“Current Maturities” means, as of any date with respect to the Long Term Debt of any Person, any portion of such Long Term Debt that would in accordance with GAAP be classified as a current liability of such Person.

“Daily Simple RFR” means, for any day (an “RFR Interest Day”), an interest rate per annum equal to, for any RFR Loan denominated in (i) Pounds Sterling, SONIA for the day that is five (5) RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day and (ii) Dollars, Daily Simple SOFR (following a Benchmark Transition Event and a Benchmark Replacement Date with respect to the Term SOFR Rate).

“Daily Simple SOFR” means, for any day (a “SOFR Rate Day”), a rate per annum equal to SOFR for the day (such day “SOFR Determination Date”) that is five (5) RFR Business Days prior to (i) if such SOFR Rate Day is an RFR Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower. If by 5:00 p.m. (New York City time) on the second (2nd) RFR Business Day immediately following any SOFR Determination Date, SOFR in respect of such SOFR Determination Date has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to the Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Date will be SOFR as published in respect of the first preceding RFR Business Day for which such SOFR was published on the SOFR Administrator’s Website.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means any Lender that has (a) failed to within three (3) Business Days of the date required hereunder (i) fund any portion of its Loans or (ii) fund any portion of its participations in Letters of Credit, unless, in the case of clause (i) above, such Lender, acting in good faith, notifies the Administrative Agent and the Borrower in writing within three (3) Business Days of the date such Lender was required to fund such portion of its Loans that such failure to fund is the result of such Lender’s reasonable determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, (b) notified the Borrower or the Administrative Agent in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement (unless such writing or public statement (i) relates to such Lender’s obligation to fund a Loan hereunder, (ii) states, in good faith,

that such position is based on such Lender's reasonable determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied and (iii) is issued within three (3) Business Days of the date such Lender was required to fund a portion of its Loans hereunder) or generally under similar agreements in which it has committed to extend credit, (c) failed, within three (3) Business Days after written request by the Administrative Agent (whether acting on its own behalf or at the reasonable request of the Borrower (it being understood that the Administrative Agent shall comply with any such reasonable request)), to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit; provided that any such Lender shall cease to be a Defaulting Lender under this clause (c) upon receipt of such confirmation by the Administrative Agent, (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three (3) Business Days of the date when due, unless the subject of a good faith dispute, (e) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has a parent company that has become other than via an Undisclosed Administration the subject of a bankruptcy or insolvency proceeding or a Bail-In Action, or has had a receiver, conservator, trustee or custodian appointed for it, or (f) has become the subject of a Bail-In Action. No Lender shall be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in such Lender or a parent company thereof by a Governmental Authority or an instrumentality thereof so long as such ownership does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority or instrumentality thereof) to reject, repudiate, disavow or disaffirm any contracts or agreements with or of such Lender.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in (i) the Borrower's most recent annual report on Form 10-K or most recent quarterly report on Form 10-Q filed, in each case, prior to the date of this Agreement and only as and to the extent disclosed therein (but excluding any risk factor disclosures contained under the heading "Risk Factors," any disclosure of risks included in any "forward-looking statements" disclaimer or any other statements that are similarly predictive or forward-looking in nature) or (ii) as otherwise disclosed in Schedule 4.06.

"Dividing Person" has the meaning assigned to it in the definition of "Division".

"Division" means the division of the assets, liabilities and/or obligations of a Person (the "Dividing Person") among two or more Persons (whether pursuant to a "plan of division" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

"Division Successor" means any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

"Dollar Equivalent" means, for any amount, at the time of determination thereof, (a) if such amount is expressed in dollars, such amount, (b) if such amount is expressed in an Alternative Currency, the equivalent of such amount in dollars determined by using the rate of exchange for the purchase of dollars with the Alternative Currency last provided (either by publication or otherwise provided to the Administrative Agent) by Reuters on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of dollars with the Alternative Currency, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters chosen by the

Administrative Agent in its sole discretion (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion) and (c) if such amount is denominated in any other currency, the equivalent of such amount in dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion.

“Dollar Revolving Loans” has the meaning assigned to such term in Section 2.01.

“Dollars” or “\$” refers to lawful money of the United States of America.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent;

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions specified in Section 5.01 are satisfied (or waived in accordance with Section 10.01).

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority that are in each case relating to pollution or the protection of the environment, the preservation or reclamation of natural resources, the management, storage or release of any Hazardous Material, or to health and safety matters as they relate to Hazardous Materials or natural resources.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) the violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any consent order or consent agreement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means (i) any entity (whether or not incorporated) that, together with any Loan Party, is treated as a single employer under Sections 414(b) or (c) of the Code or, solely for purposes of Sections 302 and 303 of ERISA and Sections 412 and 430 of the Code, is treated as a single employer under Sections 414(m) or (o) of the Code and (ii) any entity (whether or not incorporated) that, together with the Borrower, is under common control within the meaning of Section 4001(a)(14) of ERISA.

“ERISA Event” means (a) a Reportable Event with respect to a Plan; (b) the failure to meet the minimum funding standard of Sections 412 or 430 of the Code or Sections 302 or 303 of ERISA with respect to any Single Employer Plan (whether or not waived in accordance with Section 412(c) of the Code) or the failure to make by its due date a required installment under Section 430(j) of the Code or Section 303(j) of ERISA with respect to any Single Employer Plan or the failure to make any required payment or contribution to a Multiemployer Plan; (c) the incurrence by any Loan Party or any ERISA Affiliate of any liability under Title IV of ERISA, other than for PBGC premiums; (d) a determination that any Plan is, or is expected to be, in “at risk” status (within the meaning of Section 430 of the Code or Title IV of ERISA); (e) the receipt by any Loan Party or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan or the commencement of proceedings by the PBGC to terminate a Plan; (f) the incurrence by any Loan Party or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by any Loan Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is insolvent (within the meaning of Section 4245 of ERISA), or in “endangered” or “critical” status (within the meaning of Section 432 of the Code or Section 305 of ERISA).

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“EURIBOR Rate” means, with respect to any Term Benchmark Borrowing denominated in Euros and for any Interest Period, the EURIBOR Screen Rate, two TARGET Days prior to the commencement of such Interest Period.

“EURIBOR Screen Rate” means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters as published at approximately 11:00 a.m. Brussels time two TARGET Days prior to the commencement of such Interest Period. If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Borrower.

“Euro” and “€” mean the single currency of Participating Member States introduced in accordance with the provisions of Article 109(1)4 of the Treaty and, in respect of all payments to be made under this Agreement in Euro, means immediately available, freely transferable funds.

“Euro Revolving Loans” has the meaning assigned to such term in Section 2.01.

“Event of Default” has the meaning assigned to such term in Article VIII.

“Excluded Taxes” shall mean (i) net income taxes, branch profits taxes and franchise taxes (imposed on or measured by net income) imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document), (ii) Taxes that are attributable to a Lender’s failure to comply with the requirements of Section 2.14(f), (iii) in the case of a Lender, United States federal withholding taxes

imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or commitment resulting from any Requirement of Law in effect on the date (a) such Lender becomes a party to this Agreement or otherwise acquires such interest or commitment (other than pursuant to an assignment request by the Borrower under Section 2.17(b)), or (b) such Lender changes its lending office, except, in each case, except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, or such Lender was entitled immediately before it changed its lending office, to receive additional amounts with respect to such Taxes pursuant to Section 2.14 or (iv) any U.S. federal withholding Taxes imposed under FATCA.

“Existing Five-Year Credit Agreement” means the Second Amended and Restated Five-Year Credit Agreement, dated as of March 16, 2021, among the Borrower, various financial institutions and JPMorgan Chase Bank, N.A., as administrative agent (as amended by the First Amendment, dated as of March 15, 2022, and as further amended, restated or otherwise modified from time to time prior to the Effective Date).

“Existing Letters of Credit” means the letters of credit set forth in Schedule 3.01.

“Existing Maturity Date” has the meaning assigned to such term in Section 2.19.

“Extended Maturity Date” has the meaning assigned to such term in Section 2.19.

“Existing Three-Year Credit Agreement” means the Three-Year Credit Agreement, dated as of March 15, 2022, among the Borrower, various financial institutions and JPMorgan Chase Bank, N.A., as administrative agent (as amended, restated or otherwise modified from time to time prior to the Effective Date).

“Extending Lender” has the meaning assigned to such term in Section 2.19.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement, and any regulations or official interpretations thereof.

“Federal Aviation Act” means the Federal Aviation Act of 1958, as amended from time to time.

“Federal Funds Effective Rate” means, for any day, an interest rate per annum equal to the rate calculated by the New York Fed based on such day's federal funds transactions by depository institutions (as determined in such manner as the New York Fed shall set forth on the Federal Reserve Bank of New York's Website from time to time) and published on the next succeeding Business Day by the New York Fed as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Federal Reserve Bank of New York's Website” means the website of the New York Fed at <http://www.newyorkfed.org>, or any successor source.

“Fee Payment Date” means (a) the last day of March, June, September and December of each year, or, in the case of any Commitment Fee, the fifteenth day after the last day of March, June, September and December of each year, and (b) the date on which the Commitments terminate.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer, staff vice president and assistant treasurer or controller of the Borrower.

“Five-Year Credit Agreement” means the Five-Year Credit Agreement, dated as of March 15, 2024, among the Borrower, the lenders from time to time parties thereto and JPMorgan Chase Bank, N.A., as administrative agent, and as further amended, restated or otherwise modified from time to time.

“Flight Equipment” means, individually and collectively, aircraft, aircraft engines, appliances and spare parts, all as defined in the Federal Aviation Act, and related parts.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate, Adjusted EURIBOR Rate, each Adjusted Daily Simple RFR or the Central Bank Rate, as applicable. For the avoidance of doubt the initial Floor for each of Adjusted Term SOFR Rate, Adjusted EURIBOR Rate, each Adjusted Daily Simple RFR or the Central Bank Rate shall be zero.

“Foreign Currency Letter of Credit” means a Letter of Credit denominated in Euros or Pounds Sterling.

“Foreign Currency Loans” has the meaning assigned to such term in Section 2.01.

“Foreign Subsidiary” means any Subsidiary of the Borrower that is organized and existing under the laws of any jurisdiction outside of the United States of America or that is a Foreign Subsidiary Holding Company.

“Foreign Subsidiary Holding Company” means any Subsidiary of the Borrower or its domestic Subsidiaries that has no material assets other than (a) securities of one (1) or more Foreign Subsidiaries, and other assets relating to an ownership interest in any such securities or Subsidiaries, (b) intercompany accounts or loans receivables with Borrower or another Subsidiary of Borrower, and (c) goodwill.

“GAAP” means generally accepted principles of accounting as in effect from time to time in the United States of America. In the event that any “Accounting Change” (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then upon delivery of notice of such Accounting Change from either the Borrower or the Administrative Agent, each of the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower’s financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as notice of such Accounting Change has been delivered pursuant to the preceding sentence and an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. “Accounting Changes” refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee Agreement” means, collectively, the Guarantee Agreement, substantially in the form of Exhibit C attached hereto, to be executed by certain Subsidiaries in accordance with the terms of this Agreement.

“Guarantor” means each Subsidiary that is a party to the Guarantee Agreement.

“Hazardous Materials” means (a) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas, and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant (or terms of similar meaning), under any Requirement of Law.

“Hedge Agreement” means any interest rate swap, exchange or cap agreement.

“Increased Facility Activation Notice” means a notice substantially in the form of Exhibit G-1.

“Increased Facility Closing Date” means any Business Day designated as such in an Increased Facility Activation Notice.

“Indebtedness” of a Person means, without duplication, (i) obligations of such Person for borrowed money, (ii) obligations of such Person representing the deferred purchase price of Property or services (other than accounts payable arising in the ordinary course of such Person’s business payable), (iii) Indebtedness of others, whether or not assumed, secured by Liens on any Property now or hereafter owned or acquired by such Person, (iv) obligations of such Person which are evidenced by notes, bonds, debentures, or other similar instruments, (v) net liabilities of such Person under Hedge Agreements, (vi) Contingent Obligations of such Person, and (vii) obligations of such Person created through asset securitization financing programs.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Index Debt” means senior, unsecured, non-credit enhanced long-term debt issued by the Borrower.

“Individual L/C Sublimit” has the meaning assigned to such term in the definition of “L/C Sublimit”.

“Initial Extended Maturity Date” has the meaning assigned to such term in Section 2.19.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December, (b) with respect to any RFR Loan, (1) each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and (2) the Maturity Date and (c) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period and the Maturity Date.

“Interest Period” means with respect to any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one (1), three (3) or six (6) months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment for any Agreed Currency), as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to Section 2.11(e) shall be available for specification in such Borrowing Request or Interest Election Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“IRS” means the Internal Revenue Service.

“Issuing Bank” means each of JPMorgan Chase Bank, N.A., Bank of America, N.A., The Bank of Nova Scotia, Citibank, N.A., Wells Fargo Bank, National Association, Truist Bank and any other Lender approved by the Administrative Agent and the Borrower that has agreed in its sole discretion to act as an “Issuing Bank” hereunder, or any of their respective affiliates, in each case in its capacity as issuer of any Letter of Credit. Each reference herein to “the Issuing Bank” shall be deemed to be a reference to the relevant Issuing Bank.

“Judgment Currency” has the meaning assigned to such term in Section 10.20(a).

“Judgment Currency Conversion Date” has the meaning assigned to such term in Section 10.20(a).

“L/C Exposure” means, at any time, the total L/C Obligations. The L/C Exposure of any Lender at any time shall be an amount equal to its Aggregate Exposure Percentage of the total L/C Exposure at such time; provided that in the case of Section 2.16 when a Defaulting Lender shall exist, the L/C Exposure of any Lender shall be adjusted to give effect to any reallocation effected pursuant to Section 2.16.

“L/C Obligations” means at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 3.05.

“L/C Participants” means the collective reference to all the Lenders other than the Issuing Banks.

“L/C Sublimit” means an amount equal to the lesser of (a) \$125,000,000 and (b) the remaining outstanding Commitments; provided that, with respect to each Person acting as an Issuing Bank as of the Effective Date, there shall be an individual L/C Sublimit (the “Individual L/C Sublimit”) in an amount not to exceed the amount set forth under the heading “Individual L/C Sublimit” opposite such Issuing Bank’s name on Schedule 2.01(b). The L/C Sublimit is part of, and not in addition to, the Commitments and each Issuing Bank’s Individual L/C Sublimit is part of, and not in addition to such Issuing Bank’s (or its Affiliate’s) Commitments.

“Lender Affiliate” means (a) any Affiliate of any Lender, (b) any Person that is administered or managed by any Lender or any Affiliate of any Lender and that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business, or (c) with respect to any Lender which is a fund that invests in commercial loans and similar extensions of credit, any other fund that invests in commercial loans and similar extensions of credit and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such Lender or investment advisor.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Acceptance, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance. Unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender and any Issuing Bank.

“Letters of Credit” has the meaning assigned to such term in Section 3.01(a).

“Liabilities” means any liabilities, losses, claims (including intraparty claims), demands, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind.

“Lien” means any lien (statutory or other), mortgage, pledge, hypothecation, encumbrance or other security interest of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, capital lease or other title retention agreement).

“LLC” means any Person that is a limited liability company under the laws of its jurisdiction of formation.

“Loan Documents” means this Agreement, the Guarantee Agreement and the Notes, if any.

“Loan Parties” means the collective reference to the Borrower and each Guarantor.

“Loans” means the Dollar Revolving Loans, Euro Revolving Loans and Sterling Revolving Loans made by the Lenders to the Borrower pursuant to this Agreement.

“Local Time” means (a) with respect to a Loan or Letter of Credit denominated in Dollars, New York City time and (b) with respect to a Loan or Letter of Credit denominated in Euros or Pounds Sterling, London time.

“Long Term Debt” means, as of any date with respect to any Person, all liabilities of such Person outstanding on such date which would in accordance with GAAP be classified as long term debt of such Person (including, without limitation, finance lease obligations of such Person).

“Margin Stock” has the meaning assigned to such term in Regulation U.

“Material Acquisition” means an Acquisition the aggregate cash consideration for which is equal to or greater than \$250,000,000.

“Material Adverse Effect” means a material adverse effect on (i) the business, Property, financial condition or results of operations of the Borrower and its consolidated Subsidiaries taken as a whole, (ii) the ability of the Borrower to perform its obligations under the Loan Documents, or (iii) the validity or enforceability of any of the Loan Documents to which Borrower or any of the Significant Subsidiaries is a party or the rights or remedies of the Administrative Agent or the Lenders thereunder.

“Material Indebtedness” means Indebtedness (other than the Loans or other Obligations) of any one (1) or more of the Borrower and its consolidated Subsidiaries in an aggregate principal amount exceeding \$200,000,000 (or the equivalent thereof in any other currency).

“Maturity Date” means March 15, 2027, or if such date is not a Business Day, the next preceding Business Day, as the same may be extended (in the case of each Lender consenting thereto) pursuant to Section 2.19.

“Moody’s” means Moody’s Investors Service, Inc., or, if Moody’s shall cease rating Index Debt of the Borrower and its ratings business with respect to Index Debt of the Borrower shall have been transferred to a successor Person, such successor Person; provided, however, that if Moody’s ceases rating securities similar to Index Debt of the Borrower and its ratings business with respect to such securities shall not have been transferred to any successor Person, then “Moody’s” shall mean any other nationally recognized rating agency (other than S&P) selected by the Borrower and reasonably satisfactory to the Administrative Agent that rates any Indebtedness of the Borrower.

“Multiemployer Plan” means a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“New Lenders” has the meaning assigned to such term in Section 2.18(b).

“New York Fed” means the Federal Reserve Bank of New York.

“New York Fed Bank Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term “New York Fed Bank Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Non-Extending Lender” has the meaning assigned to such term in Section 2.19.

“Non-U.S. Lender” has the meaning assigned to such term in Section 2.14(f).

“Notes” means any promissory notes executed by the Borrower in favor of a Lender party hereto pursuant to Section 2.07(e).

“Obligations” means the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans, the Reimbursement Obligations and all other obligations and liabilities of the Borrower to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs or expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant hereto).

“Other Taxes” means any and all present or future stamp, court or documentary, intangible, recording, filing or similar taxes arising from any payment made hereunder or from the execution, delivery, performance, registration or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in Dollars by U.S.–managed banking offices of depository institutions (as such composite rate shall be determined by the New York Fed as set forth on its public website from time to time) and published on the next succeeding Business Day by the New York Fed as an overnight bank funding rate.

“Overnight Rate” means, for any day, (a) with respect to any amount denominated in Dollars, the New York Fed Bank Rate and (b) with respect to any amount denominated in an Alternative Currency, an overnight rate determined by the Administrative Agent or the Issuing Banks, as the case may be, in accordance with banking industry rules on interbank compensation.

“Participant” has the meaning assigned to such term in Section 10.06(b).

“Participant Register” has the meaning assigned to such term in Section 10.06(b).

“Participating Member State” means each state so described in any EMU legislation.

“Patriot Act” means the USA Patriot Act, Title III of Pub. L. 107-56, signed into law on October 26, 2001.

“Payment” has the meaning assigned to it in Section 9.06(b).

“Payment Notice” has the meaning assigned to it in Section 9.06(b).

“PBGC” means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means at a particular time, any employee benefit plan covered by Section 3(3) of ERISA (including a Single Employer Plan), maintained for employees of any Loan Party or any ERISA Affiliate or any such Plan to which any Loan Party or any ERISA Affiliate is required to contribute on behalf of any of its employees.

“Pounds Sterling” or “£” mean the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

“Pricing Grid” means as follows:

Level	Index Debt Ratings	Applicable Rate (Term Benchmark Loan)	Applicable Rate (RFR Loan)	Applicable Rate (ABR Loan)	Commitment Fee Rate
Level 1	≥ A- from S&P or ≥ A3 from Moody’s	0.875%	0.875%	0.00%	0.08%
Level 2	BBB+ from S&P or Baa1 from Moody’s	1.00%	1.00%	0.00%	0.09%
Level 3	BBB from S&P or Baa2 from Moody’s	1.25%	1.25%	0.25%	0.11%
Level 4	BBB- from S&P or Baa3 from Moody’s	1.375%	1.375%	0.375%	0.15%
Level 5	< BBB- from S&P and < Baa3 from Moody’s	1.625%	1.625%	0.625%	0.20%

For purposes of the foregoing, (i) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody’s or S&P), such change shall be effective as of the third Business Day following the date on which it is first announced by the applicable rating agency; (ii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall fall within different Levels, the Applicable Rate shall be based on the higher of the two (2) ratings unless one (1) of the two (2) ratings is two (2) or more Levels lower than the other, in which case the Applicable Rate shall be determined by reference to the Level next below that of the higher of the two (2) ratings; and (iii) if either Moody’s or S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition), then such rating agency shall be deemed to have established a rating in Level 5. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody’s or S&P shall change, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Board (as determined by the Administrative Agent); each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“Property” of a Person means any and all property of such Person, whether real, personal, tangible, intangible, or mixed, and other assets owned or leased by such Person, including cash, securities, accounts, and contract rights.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Recipient” means (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, as applicable.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two U.S. Government Securities Business Days preceding the date of such setting, (2) if such Benchmark is EURIBOR Rate, 11:00 a.m. Brussels time two TARGET Days preceding the date of such setting, (3) if the RFR for such Benchmark is SONIA, then four Business Days prior to such setting, (4) if, following a Benchmark Transition Event and Benchmark Replacement Date with respect to the Term SOFR Rate, the RFR for such Benchmark is Daily Simple SOFR, then four RFR Business Days prior to such setting, or (5) if such Benchmark is none of the Term SOFR Rate, the EURIBOR Rate, SONIA or Daily Simple SOFR, the time determined by the Administrative Agent in its reasonable discretion.

“Register” has the meaning assigned to such term in Section 10.06(d).

“Regulation U” means Regulation U of the Board as from time to time in effect and any successor or other regulation or official interpretation of the Board relating to the extension of credit by banks and/or nonbank lenders other than brokers or dealers that is (i) for the purpose of purchasing or carrying Margin Stock or (ii) secured by Margin Stock, and that is applicable to member banks of the Federal Reserve System and/or nonbank lenders other than brokers or dealers.

“Regulation X” means Regulation X of the Board as from time to time in effect.

“Regulatory Authority” has the meaning assigned to such term in Section 10.15.

“Reimbursement Obligation” means the obligation of the Borrower to reimburse the Issuing Banks pursuant to Section 3.05 for amounts drawn under Letters of Credit.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Relevant Governmental Body” means (i) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, the Board and/or the New York Fed, or a committee officially endorsed or convened by the Board and/or the New York Fed or, in each case, any successor thereto, (ii) with respect to a Benchmark Replacement in respect of Loans denominated in Pounds Sterling, the Bank of England, or a committee officially endorsed or convened by the Bank of England or, in each case, any successor thereto, (iii) with respect to a Benchmark Replacement in respect of Loans denominated in Euros, the European Central Bank, or a committee officially endorsed or convened by the European Central Bank or, in each case, any successor thereto.

“Relevant Rate” means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Adjusted Term SOFR Rate, (ii) with respect to any Term Benchmark Borrowing denominated in Euros, the Adjusted EURIBOR Rate or (iii) with respect to any Borrowing denominated in Pounds Sterling or Dollars, the applicable Adjusted Daily Simple RFR, as applicable.

“Relevant Screen Rate” means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Term SOFR Reference Rate or (ii) with respect to any Term Benchmark Borrowing denominated in Euros, the EURIBOR Screen Rate.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than those events for which the thirty (30) day notice period has been waived under the applicable regulations.

“Required Lenders” means, at any time, Lenders having Credit Exposures and unused Commitments representing more than fifty percent (50%) of the sum of the total Credit Exposures and unused Commitments at such time.

“Requirement of Law” means, as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means the chief executive officer, the president, any executive or senior vice president or vice president or a Financial Officer of the Borrower.

“Restricted Margin Stock” means Margin Stock owned by the Borrower or any Subsidiary which represents not more than twenty-five percent (25%) of the aggregate value (determined in accordance with Regulation U), on a consolidated basis, of the Property and assets of the Borrower and the Subsidiaries (other than Margin Stock) that is subject to the provisions of Article VII (including Section 7.01).

“Revaluation Date” shall mean (a) with respect to any Loan denominated in any Alternative Currency, each of the following: (i) the date of the Borrowing of such Loan and (ii) (A) with respect to any Term Benchmark Loan, each date of a conversion into or continuation of such Loan pursuant to the terms of this Agreement and (B) with respect to any RFR Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month); (b) with respect to any Letter of Credit denominated in an Alternative Currency, each of the following: (i) the date on which such Letter of Credit is issued, (ii) the first Business Day of each calendar month and (iii) the date of any amendment of such Letter of Credit that has the effect of increasing the face amount thereof; and (c) any additional date as the Administrative Agent may determine at any time when an Event of Default exists.

“RFR” means, for any RFR Loan denominated in (a) Pounds Sterling, SONIA and (b) Dollars, Daily Simple SOFR.

“RFR Borrowing” means, as to any Borrowing, the RFR Loans comprising such Borrowing.

“RFR Business Day” means, for any Loan denominated in (a) Pounds Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London, and (b) Dollars, a U.S. Government Securities Business Day.

“RFR Interest Day” has the meaning specified in the definition of “Daily Simple RFR”.

“RFR Loan” means a Loan that bears interest at a rate based on the Adjusted Daily Simple RFR.

“S&P” means Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc., or, if S&P shall cease rating Index Debt of the Borrower and its ratings business with respect to Index Debt

of the Borrower shall have been transferred to a successor Person, such successor Person; provided, however, that if S&P ceases rating securities similar to Index Debt of the Borrower and its ratings business with respect to such securities shall not have been transferred to any successor Person, then “S&P” shall mean any other nationally recognized rating agency (other than Moody’s) selected by the Borrower and reasonably satisfactory to the Administrative Agent that rates any Indebtedness of the Borrower.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the European Union, His Majesty’s Treasury of the United Kingdom, the United Nations Security Council or the Government of Canada or any of its agencies or departments, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

“Sanctions” means all international economic sanctions administered or enforced by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, (b) the European Union or His Majesty’s Treasury of the United Kingdom, (c) the United Nations Security Council or (d) the Government of Canada or any of its agencies or departments.

“SEC” means the Securities and Exchange Commission or any successor thereto.

“Significant Subsidiary” means any Subsidiary that would meet the definition of “significant subsidiary” contained as of the date hereof in Regulation S-X of the SEC, excluding, however, any Foreign Subsidiary Holding Company.

“Single Employer Plan” means any Plan that is covered by Title IV of ERISA or Sections 412 or 430 of the Code or Sections 302 or 303 of ERISA, but that is not a Multiemployer Plan.

“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding business day.

“SOFR Administrator” means the New York Fed (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the New York Fed’s website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Determination Date” has the meaning specified in the definition of “Daily Simple SOFR”.

“SOFR Rate Day” has the meaning specified in the definition of “Daily Simple SOFR”.

“SONIA” means, with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator’s Website on the immediately succeeding Business Day.

“SONIA Administrator” means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

“SONIA Administrator’s Website” means the Bank of England’s website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

“Specified Guarantors” means Federal Express Corporation, FedEx Ground Package System, Inc., FedEx Freight Corporation, FedEx Freight, Inc., FedEx Corporate Services, Inc., and FedEx Office and Print Services, Inc., and, in each case, any other Person to which any such Specified Guarantor sells, transfers or otherwise disposes of all or substantially all of its assets or into which such Specified Guarantor is merged or consolidated.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted EURIBOR Rate, for eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D) or any other reserve ratio or analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Adjusted EURIBOR Rate Loans. Such reserve percentage shall include those imposed pursuant to Regulation D. Term Benchmark Loans for which the associated Benchmark is adjusted by reference to the Statutory Reserve Rate (per the related definition of such Benchmark) shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Sterling Revolving Loans” has the meaning assigned to such term in Section 2.01.

“subsidiary” of a Person means (i) any corporation or similar business organization more than fifty percent (50%) of the outstanding Voting Stock of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one (1) or more of its subsidiaries or by such Person and one (1) or more of its subsidiaries, or (ii) any partnership, association, joint venture or similar business organization more than fifty percent (50%) of the ownership interests having power to direct the ordinary affairs thereof of which shall at the time be so owned or controlled.

“Subsidiary” means any subsidiary of the Borrower.

“T2” means the real time gross settlement system operated by the Eurosystem, or any successor system.

“TARGET Day” means any day on which T2 (or, if such payment system ceases to be operative, such other payment system (if any) reasonably determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges, fees, withholdings (including backup withholdings), assessments or similar charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Benchmark” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Term SOFR Rate or the Adjusted EURIBOR Rate.

“Term SOFR Determination Day” has the meaning assigned to it under the definition of “Term SOFR Reference Rate”.

“Term SOFR Rate” means, with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

“Term SOFR Reference Rate” means, for any day and time (such day, the “Term SOFR Determination Day”), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum published by the CME Term SOFR Administrator and identified by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the “Term SOFR Reference Rate” for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then, so long as such day is otherwise a U.S. Government Securities Business Day, the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding Business Day is not more than five (5) U.S. Government Securities Business Days prior to such Term SOFR Determination Day.

“Total Leverage Ratio” means, at any date of determination, the ratio of (a) Consolidated Total Debt on such day to (b) Consolidated EBITDA as at the last day of any period of four consecutive fiscal quarters of the Borrower.

“Transactions” means the execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party and the borrowing of Loans by the Borrower.

“Transferee” means any Assignee or Participant.

“Type” when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate, the Adjusted EURIBOR Rate, the Alternate Base Rate or the Adjusted Daily Simple RFR.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment; provided that, if the Unadjusted Benchmark Replacement as so determined would be less than zero, such Unadjusted Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

“Undisclosed Administration” means in relation to a Lender or a Person that directly or indirectly controls such Lender, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or Person, as the case may be, is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed.

“Unrestricted Cash” means, as at any date of determination, the aggregate amount of cash and cash equivalents of the Borrower and its Subsidiaries included in the cash accounts that would be listed on the consolidated balance sheet of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP and as calculated consistent with the manner disclosed by the Borrower in its annual report on Form 10-K for the fiscal year ended May 31, 2023, to the extent such cash and cash equivalents are not (a) subject to a Lien securing any other Indebtedness or other obligations or (b) classified as “restricted”.

“Unrestricted Margin Stock” means any Margin Stock owned by the Borrower or any Subsidiary which is not Restricted Margin Stock.

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“Voting Stock” means all outstanding shares of capital stock of a Person entitled to vote generally in the election of directors.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Withholding Agent” means the Borrower and the Administrative Agent.

“Write-Down and Conversion Powers” means (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Term Benchmark Loan” or “RFR Loan”) and Borrowings also may be classified and referred to by Type (e.g., a “Term Benchmark Borrowing” or “RFR Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law, rule or regulation herein shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all Property.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

SECTION 1.05. Currency Conversion and Fluctuations.

(a) If more than one currency or currency unit are at the same time recognized by the central bank of any country as the lawful currency of that country, then (i) any reference in the Loan Documents to, and any obligations arising under the Loan Documents in, the currency of that country shall be translated into or paid in the currency or currency unit of that country designated by the Administrative Agent and (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognized by the central bank for conversion of that currency or currency unit into the other, rounded up or down (to the next 1/16 of 1%) by the Administrative Agent as it deems appropriate.

(b) If a change in any currency of a country occurs, this Agreement shall be amended (and each party hereto agrees to enter into any supplemental agreement necessary to effect any such amendment) to the extent that the Administrative Agent determines such amendment to be necessary to reflect the change in currency and to put the Lenders in the same position, so far as possible, that they would have been in if no change in currency had occurred.

(c) The Administrative Agent or the Issuing Bank, as applicable, shall determine the aggregate amount of the Dollar Equivalents of Term Benchmark Borrowings or RFR Borrowings or Letter of Credit extensions denominated in Alternative Currencies then outstanding (after giving effect to any Loans denominated in Alternative Currencies to be made or repaid on such date). Such Dollar Equivalent shall become effective as of such Revaluation Date and shall be the Dollar Equivalent of such amounts until the next succeeding Revaluation Date to occur. Except for purposes of financial statements delivered by the Borrower hereunder or calculating financial covenants hereunder or except as otherwise provided

herein, the applicable amount of any Agreed Currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or the Issuing Bank, as applicable.

(d) Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Term Benchmark Loan or an RFR Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing, Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the Dollar Equivalent of such amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the Issuing Bank, as applicable.

SECTION 1.06. Interest Rates; Benchmark Notification. The interest rate on a Loan denominated in dollars or an Alternative Currency may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.11(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.07. Termination of the Existing Three-Year Credit Agreement. The parties to this Agreement agree that, on the Effective Date, (i) all amounts payable under the Existing Three-Year Credit Agreement by the Borrower have been paid in full, (ii) all liabilities, obligations and indebtedness owing by the Borrower to the “Lenders” (as defined in the Existing Three-Year Credit Agreement) under the Existing Three-Year Credit Agreement shall be released, discharged and satisfied in full, (iii) the “Commitments” (as defined in the Existing Three-Year Credit Agreement) under the Existing Three-Year Credit Agreement shall be terminated in full and (iv) all guarantees of the “Obligations” (as defined in the Existing Three-Year Credit Agreement) under each “Loan Document” (as defined in the Existing Three-Year Credit Agreement) created in connection with the Existing Three-Year Credit Agreement shall be automatically terminated and released with no further action. Each Lender party hereto which is also party to the Existing Three-Year Credit Agreement hereby waives compliance by the Borrower with the requirement of three (3) Business Days’ (as defined therein) notice thereunder for the termination of the Commitments (as defined therein) pursuant to Section 2.06(b) thereto.

SECTION 1.08. Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit available to be drawn at such time; provided that with respect to any Letter of Credit

that, by its terms, provides for one or more automatic increases in the available amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum amount is available to be drawn at such time.

ARTICLE II

THE CREDITS

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to (i) make revolving credit loans denominated in Dollars (the "Dollar Revolving Loans"), (ii) make revolving credit loans denominated in Euros (the "Euro Revolving Loans") and (iii) make revolving credit loans denominated in Pounds Sterling (the "Sterling Revolving Loans", together with the Euro Revolving Loans, the "Foreign Currency Loans") from time to time during the Availability Period in an aggregate principal amount (based on, in the case of Foreign Currency Loans, the Dollar Equivalent of such Foreign Currency Loans) that will not result in (a) such Lender's Credit Exposure exceeding such Lender's Commitment, or (b) the sum of the total Credit Exposures exceeding the total Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay, and reborrow Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.11, each (i) Borrowing of Dollar Revolving Loans shall be comprised entirely of ABR Loans or Term Benchmark Loans and (ii) Borrowing in any other Agreed Currency shall be comprised entirely of Term Benchmark Loans or RFR Loans, as applicable, in each case of the same Agreed Currency, as the Borrower may request in accordance herewith. Notwithstanding anything to the contrary contained herein, each Lender at its option may make any Loan by causing any domestic or foreign branch or Lender Affiliate to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Term Benchmark Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of (i) in the case of Borrowings denominated in Dollars, \$1,000,000 and not less than \$5,000,000, (ii) in the case of Borrowings denominated in Pounds Sterling, £1,000,000 and not less than £5,000,000 and (iii) in the case of Borrowings denominated in Euros, €1,000,000 and not less than €5,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments. Borrowings of more than one (1) Type may be outstanding at the same time; provided that there shall not at any time be more than a total of fifteen (15) Term Benchmark Borrowings or RFR Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Term Benchmark Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by delivering an irrevocable written Borrowing Request in the form of Exhibit A (a)(i) in the case of a Term Benchmark Borrowing which is a Dollar Revolving Loan, not later than 11:00 a.m., New York City time, at least three (3) U.S. Government Securities Business Days before the date of the proposed Borrowing, (ii) in the case of a Term Benchmark Borrowing which is a Euro Revolving Loan, not later than 11:00 a.m., Local Time, at least three (3) Business Days before the date of the proposed Borrowing and (iii) in the case of an RFR Borrowing which is a Sterling Revolving Loan, not later than 11:00 a.m., New York City time, five (5) RFR Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing; provided that each ABR Borrowing shall consist solely of Dollar Revolving Loans. Each such Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the aggregate amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) the currency of such Borrowing (which shall be Dollars, Euro or Pounds Sterling);
- (iv) in the case of a Borrowing to be denominated in Dollars, whether such Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing;
- (v) in the case of a Term Benchmark Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (vi) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.04.

If no election as to the currency of a Borrowing is specified, then the requested Revolving Borrowing shall be made in Dollars. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Term Benchmark Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one (1) month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Notwithstanding the foregoing, in no event shall the Borrower be permitted to request pursuant to this Section 2.03, a CBR Loan or, prior to a Benchmark Transition Event and Benchmark Replacement Date with respect to the Term SOFR Rate, an RFR Loan bearing interest based on Daily Simple SOFR (it being understood and agreed that a Central Bank Rate and Daily Simple SOFR shall only apply to the extent provided in Sections 2.05(e) (solely with respect to the Central Bank Rate), 2.11(a) and 2.11(f)), as applicable.

SECTION 2.04. Funding of Borrowings. (a) Each Lender shall make (i) each Dollar Revolving Loan to be made by it hereunder on the proposed date thereof in Dollars solely by wire transfer of immediately available funds by 12:00 noon, New York City time and (ii) each Euro Revolving Loan or Sterling Revolving Loan to be made by it hereunder on the proposed date thereof in Euro or Pounds Sterling, as applicable, solely by wire transfer of immediately available funds by 12:00 noon, London time, in each case, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the applicable Borrowing Request.

(b) Unless, prior to the proposed time of any advance of any Borrowing, the Administrative Agent shall have received notice from a Lender that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, or unless the Administrative Agent has knowledge that a Lender is a Defaulting Lender, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, at a rate equal to the greater of (x) the applicable Overnight Rate and (y) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans, or in the case of Alternative Currencies, in accordance with such market practice, in each case, as applicable; provided that, to the extent that the Borrower makes any such payment and the applicable Lender subsequently makes a corresponding payment, then the Borrower shall be entitled (without prejudice to any other rights that the Borrower may have against the applicable Lender) to receive any such payment (with interest) made by such Lender. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.05. Interest Elections. (a) Each Borrowing initially shall be of the Type and Agreed Currency specified in the applicable Borrowing Request and, in the case of a Term Benchmark Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in this Section; provided that only Term Benchmark Borrowings which are Dollar Revolving Loans may be converted into an ABR Borrowing. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by delivering an irrevocable written Interest Election Request in the form of Exhibit B by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Agreed Currency and principal amount of Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

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- (ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;
 - (iii) in the case of a Borrowing to be denominated in Dollars, whether the resulting Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing; and
 - (iv) if the resulting Borrowing is a Term Benchmark Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Term Benchmark Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one (1) month's duration.

Notwithstanding the foregoing, in no event shall the Borrower be permitted to request pursuant to this Section 2.08(c), a CBR Loan or, prior to a Benchmark Transition Event and Benchmark Replacement Date with respect to the Term SOFR Rate, an RFR Loan bearing interest based on Daily Simple SOFR (it being understood and agreed that a Central Bank Rate and Daily Simple SOFR shall only apply to the extent provided in Sections 2.05(e) (solely with respect to the Central Bank Rate), 2.11(a) and 2.11(f)), as applicable.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to (i) a Term Benchmark Borrowing which is a Dollar Revolving Loan prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing or (ii) any other Term Benchmark Borrowing in an Alternative Currency, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall automatically be continued as a Term Benchmark Borrowing in its original Agreed Currency and be converted to a Term Benchmark Borrowing with an Interest Period of one (1) month's duration. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Term Benchmark Borrowing and (ii) unless repaid, (A) each Term Benchmark Borrowing and each RFR Borrowing, in each case that is a Dollar Revolving Loan shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (B) each other Term Benchmark Borrowing and each other RFR Borrowing, in each case denominated in an Alternative Currency shall bear interest at the Central Bank Rate for the applicable Agreed Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Agreed Currency other than Dollars shall either be (a) converted to an ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) at the end of the Interest Period, as applicable, therefor or (b) prepaid at the end of the applicable Interest Period, as applicable, in full; provided that if no election is made by the Borrower by the earlier of (x) the date that is three Business Days after receipt by the Borrower of such notice and (y) the last day of the current Interest Period for the applicable Term Benchmark Loan, the Borrower shall be deemed to have elected clause (a) above.

SECTION 2.06. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of the Dollar Equivalent of \$10,000,000 and not less than the Dollar Equivalent of \$20,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.08, the aggregate Credit Exposures of the Lenders would exceed the total Commitments; provided further that if, after giving effect to any reduction of the Commitments, (i) the L/C Sublimit exceeds the amount of Commitments, the L/C Sublimit shall be automatically reduced by the amount of such excess and (ii) if the Individual L/C Sublimit of any Issuing Bank exceeds the Commitments of such Issuing Bank, such Issuing Bank's Individual L/C Sublimit shall be automatically reduced by the amount of such excess. Except as provided above, the amount of any such Commitment reduction shall not be applied to the L/C Sublimit unless otherwise specified by the Borrower.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.07. Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan in the same currency as the applicable Loan on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in

a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.06) be represented by one (1) or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.08. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part without incurring a prepayment penalty, fee, or other cost (except as otherwise expressly set forth in this Agreement), subject to prior notice in accordance with paragraph (c) of this Section.

(b) If, on any Revaluation Date, the total Credit Exposures (based on the Dollar Equivalent thereof, in the case of Foreign Currency Loans and Foreign Currency Letters of Credit) exceeds 105% of the Commitments, the Borrower shall, on such day, prepay the Loans in an amount equal to the lesser of (x) the amount of such excess and (y) the amount of such Loans.

(c) The Borrower shall notify the Administrative Agent in writing of any prepayment hereunder (i) (x) in the case of prepayment of a Term Benchmark Borrowing denominated in Dollars, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of prepayment, (y) in the case of prepayment of a Term Benchmark Borrowing denominated in Euros, not later than 12:00 p.m., New York City time, three Business Days before the date of prepayment and (z) in the case of prepayment of an RFR Borrowing denominated in Pounds Sterling, not later than 11:00 a.m., New York City time, five (5) RFR Business Days before the date of prepayment, or (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one (1) Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the Type, currency and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.06, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.06. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.10 and any amounts due under Section 2.13.

SECTION 2.09. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the daily undrawn amount of the Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears in Dollars on each Fee Payment Date, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(c) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to an Issuing Bank, in the case of fees payable to it). Fees paid shall not be refundable under any circumstances.

SECTION 2.10. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at a rate per annum equal to the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Term Benchmark Borrowing shall bear interest in the case of a Term Benchmark Loan, at the Adjusted Term SOFR Rate or the Adjusted EURIBOR Rate, as applicable, for the Interest Period in effect for such Borrowing for the relevant currency plus the Applicable Rate.

(c) Each RFR Loan shall bear interest at a rate per annum equal to the applicable Adjusted Daily Simple RFR plus the Applicable Rate.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan, Reimbursement Obligation or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, two percent (2%) plus the rate otherwise applicable to such Loan as provided above, or (ii) in the case of any other amount, two percent (2%) plus the rate applicable to ABR Loans as provided above.

(e) Accrued interest on each Loan shall be payable in arrears in the currency of the applicable Loan on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, (iii) in the event of any conversion of any Term Benchmark Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion, and (iv) all accrued interest shall be payable upon termination of the Commitments.

(f) Interest computed by reference to the Term SOFR Rate or Daily Simple SOFR or the EURIBOR Rate hereunder shall be computed on the basis of a year of 360 days, except that (i) interest computed by reference to the Daily Simple RFR with respect to Pounds Sterling or the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year). In each case interest shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. The applicable Alternate Base Rate, Adjusted Term SOFR Rate, Term SOFR Rate, Adjusted EURIBOR Rate, EURIBOR Rate, Adjusted Daily Simple RFR or Daily Simple RFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.11. Alternate Rate of Interest.

(a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.11, if:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate, the Term SOFR Rate, the Adjusted EURIBOR Rate or the EURIBOR Rate (including because the Relevant Screen Rate is not available or published on a current basis), for the applicable Agreed Currency and such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple RFR for the applicable Agreed Currency; or

(ii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR Rate or the Adjusted EURIBOR Rate for the applicable Agreed Currency and such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable Agreed Currency and such Interest Period or (B) at any time, the applicable Adjusted Daily Simple RFR for the applicable Agreed Currency will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable Agreed Currency;

(b) then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.05 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in Dollars, any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing shall instead be deemed to be an Interest Election Request or a Borrowing Request, as applicable, for (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not also the subject of Section 2.11(a)(i) or (ii) above or (y) an ABR Borrowing if the Adjusted Daily Simple RFR for Dollar Borrowings also is the subject of Section 2.11(a)(i) or (ii) above and (B) for Loans denominated in an Alternative Currency, any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing or an RFR Borrowing, in each case, for the relevant Benchmark, shall be ineffective; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then all other Types of Borrowings shall be permitted. Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.11(a) with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.05 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in Dollars, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan, be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not also the subject of Section 2.11(a)(i) or (ii) above or (y) an ABR Loan if the Adjusted Daily Simple RFR for Dollar Borrowings also is the subject of Section 2.11(a)(i) or (ii) above, on such day and (B) for Loans denominated in an Alternative Currency, (1) any Term Benchmark Loan shall, on the last day of the Interest Period applicable to such Loan bear interest at the Central Bank Rate for the applicable Alternative Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Alternative Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Alternative Currency shall, at the Borrower's election prior to such day: (A) be prepaid by the Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in any Alternative Currency shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Alternative Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Alternative

Currency cannot be determined, any outstanding affected RFR Loans denominated in any Alternative Currency, at the Borrower's election, shall either (A) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) immediately or (B) be prepaid in full immediately. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" with respect to Dollars for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark (including any related adjustments) for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" with respect to any Agreed Currency for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders of each affected Type.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document, the Administrative Agent, in consultation with the Borrower, will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (e) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.11, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.11.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Rate or EURIBOR Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for (i) a Term Benchmark Borrowing, conversion to or continuation of Term Benchmark Loans to be made, converted or continued or (ii) a RFR Borrowing or conversion to RFR Loans, during any Benchmark Unavailability Period and, failing that, either (x) the Borrower will be deemed to have converted any request for (1) a Term Benchmark Borrowing or RFR Borrowing, as applicable, denominated in Dollars into a request for a Borrowing of or conversion to (A) solely with respect to any such request for a Term Benchmark Borrowing, an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not the subject of a Benchmark Transition Event or (B) an ABR Borrowing if the Adjusted Daily Simple RFR for Dollar Borrowings is the subject of a Benchmark Transition Event or (y) any request relating to a Term Benchmark Borrowing or RFR Borrowing denominated in an Alternative Currency shall be ineffective. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until such time as a Benchmark Replacement for such Agreed Currency is implemented pursuant to this Section 2.11, (A) for Loans denominated in Dollars, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not the subject of a Benchmark Transition Event or (y) an ABR Loan if the Adjusted Daily Simple RFR for Dollar Borrowings is the subject of a Benchmark Transition Event, on such day and (B) for Loans denominated in an Alternative Currency, (1) any Term Benchmark Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day) bear interest at the Central Bank Rate for the applicable Alternative Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Alternative Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Alternative Currency shall, at the Borrower's election prior to such day: (A) be prepaid by the Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in any Alternative Currency shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Alternative Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Alternative Currency cannot be determined, any outstanding affected RFR Loans denominated in any Alternative Currency, at the Borrower's election, shall either (A) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) immediately or (B) be prepaid in full immediately.

SECTION 2.12. Increased Costs; Illegality. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or Issuing Bank (except any such reserve requirement reflected in the Adjusted Term SOFR Rate or Adjusted EURIBOR Rate, as applicable);

(ii) impose on any Lender or Issuing Bank or the applicable offshore interbank market for the applicable Agreed Currency any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Tax (except for (1) Indemnified Taxes, (2) Taxes described in clauses (ii) through (iv) of the definition of Excluded Taxes and (3) Taxes imposed, as a result of a present or former connection between the Recipient and the jurisdiction imposing such Taxes (other than a connection arising from such Recipient having executed, delivered or performed its obligations under, or enforced, this Agreement or any other Loan Document), on gross or net income, profits or revenue (including value-added or similar Taxes or that are franchise Taxes or branch profits Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender, Issuing Bank or such other Recipient of making, converting into, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, such Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, Issuing Bank or such other Recipient hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement, the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy or liquidity ratios), then from time to time the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(c) If by reason of any change in a Requirement of Law subsequent to the Effective Date, disruption of currency or foreign exchange markets, war or civil disturbance or similar event, the funding of any Foreign Currency Loan in any currency or the funding of any Foreign Currency Loan in any currency to an office located other than in New York shall be impossible or such currency is no longer available or readily convertible to Dollars, or the Dollar Equivalent of such currency is no longer readily calculable, then, at the election of the Administrative Agent, no Foreign Currency Loans in the relevant currency shall be made or any Foreign Currency Loan in the relevant currency shall be made to an office of the Administrative Agent located in New York, as the case may be.

(d) (i) If payment in respect of any Foreign Currency Loan shall be due in a currency other than Dollars and/or at a place of payment other than New York and if, by reason of any change in a Requirement of Law subsequent to the Effective Date, disruption of currency or foreign exchange markets, war or civil disturbance or similar event, payment of such Obligations in such currency or such place of payment shall be impossible or, in the reasonable judgment of the Administrative Agent, such currency is no longer available or readily convertible to Dollars, or the Dollar Equivalent of such currency is no longer readily calculable, then, at the election of any affected Lender, the Borrower shall make payment of such

Loan in Dollars (based upon the Dollar Equivalent for the day on which such payment occurs, as determined by the Administrative Agent in accordance with the terms hereof) and/or in New York or (ii) if any Foreign Currency in which Loans are outstanding is redenominated then, at the election of any affected Lender, such affected Loan and all obligations of the applicable Borrower in respect thereof shall be converted into obligations in Dollars (based upon the Dollar Equivalent on such date, as determined by the Administrative Agent in accordance with the terms hereof), and, in each case, the Borrower shall indemnify the Lenders, against any currency exchange losses or reasonable out-of-pocket expenses that it shall sustain as a result of such alternative payment.

(e) A certificate of a Lender or Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section, setting forth in reasonable detail the calculations upon which such Lender determined such amount and the effective date of the relevant Change in Law, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Bank, as the case may be, the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

(f) Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than three (3) months prior to the date that such Lender or Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the three (3) month period referred to above shall be extended to include the period of retroactive effect thereof.

(g) If any Change in Law shall make it unlawful for any Lender to make or maintain (A) Term Benchmark Loans, (i) the commitment of such Lender hereunder to make Term Benchmark Loans, continue Term Benchmark Loans as such and convert ABR Loans to Term Benchmark Loans shall forthwith be suspended until such time as it shall no longer be unlawful for such Lender to make or maintain Term Benchmark Loans and (ii) such Lender's Loans then outstanding as Term Benchmark Loans, if any, shall be converted automatically to ABR Loans in Dollars on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law or (B) RFR Loans, (i) the commitment of such Lender hereunder to make RFR Loans shall forthwith be suspended until such time as it shall no longer be unlawful for such Lender to make RFR Loans and (ii) such Lender's Loans then outstanding as RFR Loans, if any, shall be converted automatically to ABR Loans in Dollars (the Dollar Equivalent of such Alternative Currency Loans). If any such conversion of a Term Benchmark Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.13.

SECTION 2.13. Break Funding Payments. (a) With respect to Loans that are not RFR Loans, in the event of (i) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Loans), (ii) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto, (iii) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.08(c) and is revoked in accordance therewith), (iv) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.17 or (v) the failure by the Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in an

Alternative Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower, setting forth in reasonable detail the calculation upon which such Lender determined such amount, and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(b) With respect to RFR Loans, in the event of (i) the payment of any principal of any RFR Loan other than on the Interest Payment Date applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Loans), (ii) the failure to borrow or prepay any RFR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.08(c) and is revoked in accordance therewith), (iii) the assignment of any RFR Loan other than on the Interest Payment Date applicable thereto as a result of a request by the Borrower pursuant to Section 2.17 or (iv) the failure by the Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower, setting forth in reasonable detail the calculation upon which such Lender determined such amount, and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.14. Taxes. (a) All payments made by the Loan Parties under this Agreement shall (except as required by applicable law) be made free and clear of, and without deduction or withholding for or on account of, any Taxes imposed, levied, collected, withheld or assessed by any Governmental Authority. If any Taxes are required to be deducted or withheld from any amounts payable to the Administrative Agent or any Lender, as determined in good faith by the applicable Withholding Agent, (i) such amounts shall be paid to the relevant Governmental Authority in accordance with applicable law and (ii) if such deducted or withheld Taxes are Indemnified Taxes, the amounts so payable by the applicable Loan Party to the Administrative Agent or such Lender, as the case may be, shall be increased to the extent necessary to yield to the Administrative Agent or such Lender, as the case may be, (after payment of all Indemnified Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement as if such withholding or deduction had not been made.

(b) The Loan Parties shall timely pay, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Indemnified Taxes are payable by the Loan Parties pursuant to paragraph (a) of this Section, as promptly as possible thereafter the applicable Loan Party shall pay such Indemnified Taxes and shall send to the Administrative Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an original official receipt, to the extent reasonably available, received by the applicable Loan Party showing payment thereof. If (i) the applicable Loan Party fails to pay any Indemnified Taxes when due to the appropriate taxing authority, (ii) the applicable Loan Party fails to remit to the Administrative Agent the required receipts or other required documentary evidence, or (iii) any Indemnified Taxes are imposed directly upon the Administrative Agent or any Lender, the applicable Loan Party shall indemnify the Administrative Agent and the Lenders, within 10 days after demand therefor, for such amounts and any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result, and any reasonable expenses arising therefrom or with respect thereto (whether or not such Indemnified Taxes were correctly or legally imposed or asserted

by the relevant Governmental Authority). A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Each Lender shall severally indemnify the Administrative Agent within 10 days after demand therefor, for the full amount of any Taxes attributable to such Lender that are payable or paid by the Administrative Agent, and reasonable expenses arising therefrom or with respect thereto, but only to the extent that the applicable Loan Party has not already indemnified the Administrative Agent for such Taxes and without limiting the obligation of the Loan Parties under this Section 2.14 to do so, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) As soon as practicable after any payment of Taxes by a Loan Party to a Governmental Authority pursuant to this Section 2.14, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) (i) At any time or times reasonably requested by the Borrower or the Administrative Agent, any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments made under any Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.14(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment (A) the failure to complete, execute or submit such documentation would not render the terms of this Agreement unenforceable by law and (B) such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) Each Lender that is a "United States person" as defined in Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement two (2) properly completed and duly signed copies of U.S. Internal Revenue Service Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal withholding tax.

(B) Each Lender that is not a “United States person” as defined in Section 7701(a)(30) of the Code (a “Non-U.S. Lender”) shall deliver to the Borrower and the Administrative Agent whichever of the following is applicable:

(1) in the case of a Non-U.S. Lender claiming benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 881(c) of the Code with respect to payments of “portfolio interest,” (x) a statement substantially in the form of Exhibit F-1 to the effect that such Non-U.S. Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of any Loan Party within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”), and (y) executed copies of IRS Form W-8BEN or W-8BEN-E;

(4) to the extent a Non-U.S. Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Non-U.S. Lender is a partnership and one or more direct or indirect partners of such Non-U.S. Lender are claiming the portfolio interest exemption, such Non-U.S. Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(C) any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) executed copies of any other form prescribed by applicable requirements of U.S. federal income tax law as a basis for claiming exemption from or a reduction in U.S. federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable requirements of law to permit the Borrower and the Administrative Agent to determine the withholding or deduction required to be made.

(D) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA, to determine that such Lender has or has not complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.14(f)(ii)(D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

All forms described in this Section 2.14(f) shall be delivered by each Lender on or before the date it becomes a party to this Agreement and from time to time thereafter upon the request of the Borrower or the Administrative Agent. In addition, each Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Lender. Each Lender shall promptly notify the Borrower and the Administrative Agent at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this Section 2.14(f), a Lender shall not be required to deliver any form pursuant to this Section that such Lender is not legally able to deliver.

(g) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) The agreements in this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, termination of this Agreement and the repayment, satisfaction or discharge of the Loans and all other amounts payable hereunder or under any Loan Document.

SECTION 2.15. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or under Sections 2.12, 2.13 or 2.14, or otherwise) prior to 12:00 noon, Local Time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 270 Park Avenue, New York, New York (or such other address designated by the Administrative Agent to Borrower pursuant to Section 10.02) and except that payments pursuant to Sections 2.12, 2.13, 2.14 and 10.05 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in the currencies specified hereunder.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or Reimbursement Obligations resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and Reimbursement Obligations and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and Reimbursement Obligations of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and Reimbursement Obligations; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph (c) shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans and Reimbursement Obligations to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph (c) shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Banks, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Banks, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the applicable Overnight Rate.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b), 2.15(d) or 3.04(a), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender or the relevant Issuing Bank to satisfy such Lender's or Issuing Bank's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.16. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, the Administrative Agent shall deliver written notice to such effect, upon the Administrative Agent's obtaining knowledge of such event, to the Borrower and such Defaulting Lender, and the following provisions shall apply for so long as such Lender is a Defaulting Lender:

- (a) fees shall cease to accrue on the undrawn portion of the Commitment of such Defaulting Lender pursuant to Section 2.09(a).

(b) the Commitment and Aggregate Exposure of such Defaulting Lender shall not be included in determining whether all Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 10.01), provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender which would increase or extend the term of the Commitment of a Defaulting Lender, extend the date fixed for payment of principal or interest owing to a Defaulting Lender, reduce the amount of or the rate or amount of interest on any amount owing to a Defaulting Lender or of any fee payable to a Defaulting Lender (except as otherwise provided in this Section 2.16) or alter the terms and conditions of this sentence or affect such Defaulting Lender differently than other affected Lenders shall, in each case, require the consent of such Defaulting Lender.

(c) any amount payable to such Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise and including any amount that would otherwise be payable to such Defaulting Lender pursuant to Section 2.15(c) but excluding Section 2.17(b)) shall, in lieu of being distributed to such Defaulting Lender, subject to any applicable requirements of law, be applied (i) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder, (ii) second, to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent, and (iii) third, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction.

(d) if any L/C Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the L/C Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Aggregate Exposure Percentages but only to the extent (i) the sum of all non-Defaulting Lenders' Loans and L/C Exposure then outstanding plus such Defaulting Lender's L/C Exposure does not exceed the total of all non-Defaulting Lenders' Commitments and (ii) that after giving effect to such reallocation, no non-Defaulting Lender's Loans and L/C Exposure exceeds its Commitment;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent cash collateralize in Dollars (or, at the option of the Administrative Agent, in the applicable currency) for the benefit of the Issuing Banks only the Borrower's obligations corresponding to such Defaulting Lender's L/C Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) (assuming for such calculation, in the case of cash collateralization in Dollars, that the Dollar Equivalent of such Defaulting Lender's L/C Exposure with respect to Foreign Currency Letters of Credit is 115% of such amount) in accordance with the procedures set forth in Article VIII for so long as such L/C Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's L/C Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 3.03(a) with respect to such Defaulting Lender's L/C Exposure during the period such Defaulting Lender's L/C Exposure is cash collateralized;

(iv) if the L/C Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 3.03(a) shall be adjusted in accordance with such non-Defaulting Lenders' Aggregate Exposure Percentages; and

(v) if all or any portion of such Defaulting Lender's L/C Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Banks or any other Lender hereunder, all fees payable under Section 3.03(a) with respect to such Defaulting Lender's L/C Exposure shall be payable to the Issuing Banks until and to the extent that such L/C Exposure is reallocated and/or cash collateralized; and

(e) so long as such Lender is a Defaulting Lender, the Issuing Banks shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding L/C Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.16(d), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.16(d)(i) (and such Defaulting Lender shall not participate therein).

In the event that the Administrative Agent and the Borrower each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender or upon receipt by the Administrative Agent of the confirmation referred to in clause (c) of the definition of "Defaulting Lender", as applicable, then on such date such Lender shall purchase at par such portion of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans ratably in accordance with its respective Commitment.

For purposes of this Section 2.16, the term "Lender" includes the Issuing Banks.

SECTION 2.17. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.12, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Sections 2.12 or 2.14, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed costs or expenses and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) The Borrower shall, at its sole expense and effort, have the right, by giving at least fifteen (15) Business Days' prior written notice (or, in the case of a Defaulting Lender, at least three (3) Business Days' prior written notice) to the affected Lender and the Administrative Agent, at any time when no Default or Event of Default has occurred and is continuing, to require any affected Lender to assign all of its rights and obligations under the Loan Documents to one (1) or more Lenders (other than any Conduit Lender), or, with the approval of the Administrative Agent and the Issuing Banks (which approval will not unreasonably be withheld, delayed or conditioned), to one (1) or more banks, financial institutions or other entities selected by the Borrower. Such assignment shall be substantially in the form of Exhibit E hereto or in such other form as may be agreed to by the parties thereto (or, to the extent applicable, an agreement incorporating an Assignment and Acceptance by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants) but, except in the case of an assignment by a Defaulting Lender (in which case such form shall be as reasonably specified by the Administrative Agent) shall be on terms and conditions reasonably satisfactory to the affected Lender; provided that, no such assignment shall, unless otherwise specified, transfer any liability of a Defaulting Lender hereunder or release any such liability. The Borrower shall remain liable to the affected Lender for any indemnification provided under Section 2.13 with respect to Loans of such Lender outstanding on the effective date of an assignment required under this Section 2.17(b), as well as for all other Obligations owed to such Lender under this Agreement as of such effective date.

SECTION 2.18. Commitment Increases.

(a) The Borrower and any one or more Lenders (including New Lenders) may from time to time agree that such Lenders shall make, obtain or increase the amount of their Commitments, as applicable, by executing and delivering to the Administrative Agent an Increased Facility Activation Notice substantially in the form of Exhibit G-1 specifying (i) the amount of such increase, and (ii) the applicable Increased Facility Closing Date. Notwithstanding the foregoing, (i) without the consent of the Required Lenders, the aggregate amount of incremental Commitments obtained after the Effective Date pursuant to this paragraph shall not exceed \$500,000,000 and (ii) without the consent of the Administrative Agent, each increase effected pursuant to this paragraph shall be in a minimum amount of at least \$25,000,000. No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion. The Administrative Agent shall have received (i) a certificate, dated as such Increased Facility Closing Date and signed by a Responsible Officer of the Borrower, stating that (a) the representations and warranties contained in Article IV hereof are true and correct on and as of such Increased Facility Closing Date, and (b) as of such Increased Facility Closing Date, no Default has occurred and is continuing, (ii) if reasonably requested by the Administrative Agent, duly executed resolutions of the Borrower authorizing the request for and the incurrence of such increase in the Commitments (to the extent not already authorized in a prior resolution which authorization remains in full force and effect) and (iii) if reasonably requested by the Administrative Agent, an opinion of counsel to the Borrower, dated as of the Increased Facility Closing Date, substantially in the form of the opinion delivered by the Borrower on the Effective Date.

(b) Any existing Lender increasing its Commitments shall execute an Increasing Lender Supplement (each, an “Increasing Lender Supplement”), substantially in the form of Exhibit G-2, whereupon such Lender’s Commitments shall be increased by the amount specified therein and any additional bank, financial institution or other entity which, with the consent of the Borrower, the Issuing Banks and the Administrative Agent (which consent shall not be unreasonably withheld), elects to become a “Lender” under this Agreement in connection with any transaction described in Section 2.18(a) shall execute a New Lender Supplement (each, a “New Lender Supplement”), substantially in the form of Exhibit G-3, whereupon such bank, financial institution or other entity (a “New Lender”) shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement.

(c) Unless otherwise agreed by the Administrative Agent, on each Increased Facility Closing Date the Borrower shall prepay all then outstanding Loans made to it, which prepayment shall be accompanied by payment of all accrued interest on the amount prepaid and any amounts payable pursuant to Section 2.12 or Section 2.13 in connection therewith, and, to the extent it determines to do so, reborrow Loans from all the Lenders (after giving effect to the new and/or increased Commitments becoming effective on such date). Any prepayment and reborrowing pursuant to the preceding sentence shall be effected, to the maximum extent practicable, through the netting of amounts payable between the Borrower and the respective Lenders.

(d) Notwithstanding anything to the contrary in this Agreement, each of the parties hereto hereby agrees that, on each Increased Facility Closing Date, this Agreement (and the Schedules and Exhibits hereto) shall be amended to the extent (but only to the extent) necessary to reflect the existence and terms of the increased Commitments evidenced thereby. Any such deemed amendment may be effected in writing by the Administrative Agent with the Borrower’s consent (not to be unreasonably withheld) and furnished to the other parties hereto.

SECTION 2.19. Extension of Maturity Date.

(a) The Borrower may, by notice to the Administrative Agent (who shall promptly notify the Lenders) not less than 30 Business Days prior to the Maturity Date or the initial Extended Maturity Date (the "Initial Extended Maturity Date"), request that each Lender extend such Lender's Maturity Date for additional one year periods (each, an "Extended Maturity Date" and the maturity date in effect prior to such extension, the "Existing Maturity Date"); provided that (i) no more than two such requests shall be made and (ii) in no event, after giving effect to such extension, shall the Maturity Date extend beyond the fifth anniversary of the Effective Date.

(b) Each Lender, in its sole discretion, shall advise the Administrative Agent whether or not such Lender agrees to such extension. If a Lender agrees to such extension (an "Extending Lender"), it shall notify the Administrative Agent, in writing, of its decision to do so within 15 Business Days of such notice. A Lender that determines not to so extend its Commitment (a "Non-Extending Lender") shall so notify the Administrative Agent promptly after making such determination. If a Lender does not give timely notice within such 15 Business Day period to the Administrative Agent of whether or not such Lender agrees to such extension, it shall be deemed to be a Non-Extending Lender; provided that any Non-Extending Lender may, with the consent of the Borrower and the Administrative Agent (such consent of the Administrative Agent not to be unreasonably withheld, conditioned or delayed), subsequently become an Extending Lender by notice to the Administrative Agent and the Borrower.

(c) The Administrative Agent shall notify the Borrower promptly of each Lender's determination.

(d) The Borrower shall have the right on or before the applicable Extended Maturity Date, at its own expense, to require any Non-Extending Lender to transfer and assign without recourse (in accordance with and subject to the restrictions contained in Section 10.06) all its interests, rights and obligations under this Agreement to one or more banks or other financial institutions identified to the Non-Extending Lender, which may include any Lender (each an "Additional Lender"), provided that (x) if such Additional Lender is not already a Lender hereunder, such Additional Lender shall be subject to the approval of the Administrative Agent, each Issuing Bank and the Borrower (such approvals not to be unreasonably withheld); (y) such assignment shall become effective as of a date specified by the Borrower; and (z) the Additional Lender shall pay to such Non-Extending Lender in immediately available funds on the effective date of such assignment the principal of, and interest accrued to the date of payment on, the Loans made by it hereunder and all other amounts accrued for its account or owed to the Non-Extending Lender hereunder.

(e) If (and only if) the total of the Commitments of the Lenders that have agreed to extend their Maturity Date or their Initial Extended Maturity Date, as applicable, and the additional Commitments of the Additional Lenders shall be more than 50% of the aggregate amount of the Commitments in effect immediately prior to the applicable Extended Maturity Date, then, upon the Borrower's election and prompt notification to the Administrative Agent, the Maturity Date or the Initial Extended Maturity Date, as applicable, of each Extending Lender and of each Additional Lender shall be extended to the date falling one (1) year after the Existing Maturity Date (except that, if such date is not a Business Day, such Maturity Date as so extended shall be the immediately preceding Business Day) and each Additional Lender shall thereupon become a "Lender" for all purposes of this Agreement. In the event of any such extension, the Commitment of each Non-Extending Lender that has not been replaced as provided in Section 2.19(d) shall terminate on the Maturity Date in effect prior to any such extension and the outstanding principal balance of all Loans and other amounts payable hereunder to such Non-Extending Lender shall become due and payable on such Maturity Date and the total Commitments of the Lenders hereunder shall be reduced by the Commitments of the Non-Extending Lenders so terminated on such Maturity Date.

(f) Notwithstanding the foregoing, the extension of the Maturity Date or the Initial Extended Maturity Date, as applicable, pursuant to this Section shall not be effective with respect to any Lender unless (i) no Default or Event of Default has occurred and is continuing on the Existing Maturity Date after giving effect to such extension; and (ii) the representations and warranties of the Borrower set forth in Article IV shall be true and correct in all material respects on and as of the applicable Existing Maturity Date as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, true and correct in all material respects as of such specific date and, for purposes of this Section 2.19, the representations and warranties contained in Section 4.04 shall be deemed to refer to the most recent statements delivered pursuant to clauses (a) and (b), respectively, of Section 6.01) (provided, that such materiality qualifier shall not be applicable to any representation or warranty that already is qualified or modified by materiality in the text thereof). As a condition precedent to each such extension, the Borrower shall deliver to the Administrative Agent a certificate of the Borrower dated as of the effective date of such extension and signed by a Financial Officer of the Borrower certifying as to compliance with this Section 2.19(f).

ARTICLE III

LETTERS OF CREDIT

SECTION 3.01. L/C Commitment. (a) Subject to the terms and conditions hereof, the Issuing Banks, in reliance on the agreements of the other Lenders set forth in Section 3.04(a), agrees to issue standby letters of credit ("Letters of Credit") for the account of the Borrower or any of its Subsidiaries on any Business Day during the Availability Period; provided that the Issuing Banks shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations (including the Dollar Equivalent of such Lender's Foreign Currency Letters of Credit) owing to the relevant Issuing Bank would exceed such Issuing Bank's Individual L/C Sublimit, (ii) the sum of the L/C Obligations owing to the Issuing Banks would exceed the L/C Sublimit or (iii) the sum of the total Credit Exposures would exceed the total Commitments. Each Letter of Credit shall (i) be denominated in Dollars, Euro or Pounds Sterling and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Maturity Date, provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above); provided, further, that any Letter of Credit may, upon the request of the Borrower and without the consent of any other Issuing Bank or Lender, include a provision whereby such Letter of Credit shall be renewed automatically for additional consecutive periods of one year or less (but not beyond the date that is five Business Days prior to the Maturity Date) unless and until the applicable Issuing Bank notifies the beneficiary thereof in writing within the time period specified in such Letter of Credit or, if no such time period is specified, at least 30 days prior to the then-applicable expiration date, that such Letter of Credit will not be renewed.

(b) No Issuing Bank shall at any time be obligated to issue any Letter of Credit if such issuance would violate, or cause such Issuing Bank or any relevant L/C Participant to exceed any limits imposed by, any applicable Requirement of Law or would violate one or more policies of such Issuing Bank applicable to letters of credit generally.

SECTION 3.02. Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that an Issuing Bank issue a Letter of Credit (or any amendment, renewal or extension of an outstanding Letter of Credit) by delivering to such Issuing Bank and the Administrative Agent at their respective addresses for notices specified herein an Application therefor, completed to the satisfaction of such Issuing Bank, and such other certificates, documents and other papers and information as such Issuing Bank may request. Upon receipt of any Application, such Issuing Bank will process such Application and

shall promptly issue the Letter of Credit requested thereby (but in no event shall such Issuing Bank be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by such Issuing Bank and the Borrower. Such Issuing Bank shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. Such Issuing Bank shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

SECTION 3.03. Fees and Other Charges. (a) The Borrower will pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Rate then in effect with respect to Term Benchmark Loans hereunder, shared ratably among the Lenders and payable quarterly in arrears in the currency such Letter of Credit was issued in on each Fee Payment Date after the issuance date. In addition, the Borrower shall pay to the relevant Issuing Bank for its own account a fronting fee of 0.125% per annum on the undrawn and unexpired amount of each Letter of Credit, payable quarterly in arrears in Dollars on each Fee Payment Date after the issuance date.

(b) In addition to the foregoing fees, the Borrower shall pay the Issuing Bank's standard fees with respect to the issuing, amendment, renewal or extension of any Letter of Credit.

SECTION 3.04. L/C Participations. (a) The Issuing Banks irrevocably agree to grant and hereby grant to each L/C Participant, and, to induce the Issuing Banks to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Banks, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Aggregate Exposure Percentage in the Issuing Banks' obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by an Issuing Bank thereunder. Each L/C Participant agrees with the Issuing Banks that, if a draft is paid under any Letter of Credit for which an Issuing Bank is not reimbursed in full by the Borrower in accordance with the terms of this Agreement (or in the event that any reimbursement received by an Issuing Bank shall be required to be returned by it at any time), such L/C Participant shall pay to the relevant Issuing Bank upon demand at the relevant Issuing Bank's address for notices specified herein an amount equal to such L/C Participant's Aggregate Exposure Percentage of the amount that is not so reimbursed (or is so returned). Each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against the Issuing Banks, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Article 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(b) If any amount required to be paid by any L/C Participant to the Issuing Banks pursuant to Section 3.04(a) in respect of any unreimbursed portion of any payment made by the Issuing Banks under any Letter of Credit is paid to the Issuing Banks within three Business Days after the date such payment is due, such L/C Participant shall pay to the Issuing Banks on demand an amount equal to the product of (i) such amount, times (ii) the New York Fed Bank Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Banks, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.04(a) is not made available to the relevant Issuing Bank by such L/C Participant within three Business Days after the date such payment is due, the relevant Issuing Bank shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at

the rate per annum applicable to ABR Loans hereunder. A certificate of the relevant Issuing Bank submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the relevant Issuing Bank has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.04(a), the relevant Issuing Bank receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by the relevant Issuing Bank), or any payment of interest on account thereof, the relevant Issuing Bank will distribute to such L/C Participant its pro rata share thereof (it being understood that any such distribution shall be in Dollars and the Issuing Bank shall convert any amounts received by it in a currency other than Dollars into the Dollar Equivalent thereof for purposes of such distribution); provided, however, that in the event that any such payment received by the relevant Issuing Bank shall be required to be returned by the relevant Issuing Bank, such L/C Participant shall return to the relevant Issuing Bank the portion thereof previously distributed by the relevant Issuing Bank to it.

SECTION 3.05. Reimbursement Obligation of the Borrower. If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount in the currency of such LC Disbursement equal to such LC Disbursement not later than 12:00 noon, New York City time, on the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on such date, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 12:00 noon, New York City time, on the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt. Each such payment shall be made to the Issuing Banks at its address for notices referred to herein in Dollars and in immediately available funds. Interest shall be payable on any such amounts from the date on which the relevant draft is paid until payment in full at the rate set forth in (x) until the Business Day next succeeding the date of the relevant notice, Section 2.10(a) and (y) thereafter, Section 2.10(c).

SECTION 3.06. Obligations Absolute. The Borrower's obligations to repay amounts paid under any Letter of Credit shall be absolute, unconditional and irrevocable under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against the Issuing Banks, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with the Issuing Banks that the Issuing Banks shall not be responsible for, and the Borrower's Reimbursement Obligations under Section 3.05 shall not be affected by, among other things, (a) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (b) any draft or other document presented under a Letter of Credit proving to be invalid, fraudulent or forged in any respect or any statement therein being untrue or inaccurate in any respect, (c) payment by the Issuing Banks under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (d) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. The Issuing Banks shall not have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or message or advice, however transmitted, in connection with any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Banks; provided that the foregoing shall not be construed to excuse the Issuing Banks from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect

of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Banks' failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of any Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

SECTION 3.07. Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the relevant Issuing Bank shall promptly notify the Borrower of the date and amount thereof. The responsibility of the relevant Issuing Bank to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are in conformity with such Letter of Credit.

SECTION 3.08. Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall apply.

SECTION 3.09. Cash Collateralization. If on any date the L/C Obligations (including the Dollar Equivalent of any L/C Obligations with respect to a Foreign Currency Letter of Credit) exceed the L/C Sublimit or the L/C Obligations (including the Dollar Equivalent of such Lender's Foreign Currency Letters of Credit) owing to the relevant Issuing Bank would exceed such Issuing Bank's Individual L/C Sublimit, then, in either case, the Borrower shall within three Business Days after notice thereof from the Administrative Agent deposit in a cash collateral account opened by the Administrative Agent an amount in Dollars (or, at the option of the Administrative Agent, in the applicable currency) equal to such excess (in the case of cash collateralization in Dollars of L/C Obligations with respect to any Foreign Currency Letter of Credit, 115% of such excess) plus accrued and unpaid interest thereon. Any cash collateral delivered by the Borrower to the Administrative Agent pursuant to this Section 3.09 shall be maintained by the Administrative Agent in an interest bearing account in the name of the Borrower.

SECTION 3.10. Currency Adjustments.

(a) Notwithstanding anything to the contrary contained in this Agreement, for purposes of calculating any fee in respect of any Letter of Credit in respect of any Business Day, the Administrative Agent shall convert the amount available to be drawn under any Letter of Credit denominated in a currency other than Dollars into the Dollar Equivalent of such amount.

(b) Notwithstanding anything to the contrary contained in this Article III, prior to demanding any reimbursement from the L/C Participants pursuant to Section 3.04 in respect of any Letter of Credit denominated in a currency other than Dollars, the relevant Issuing Bank shall convert the Borrower's obligations under Section 3.04 to reimburse the Issuing Bank in such currency into an obligation to reimburse the relevant Issuing Bank in Dollars. The Dollar amount of the reimbursement obligation of the Borrower and the L/C Participants shall be computed by the relevant Issuing Bank based upon the Dollar Equivalent for the day on which such conversion occurs, as determined by the Administrative Agent in accordance with the terms hereof.

SECTION 3.11. Existing Letters of Credit. The Administrative Agent, the Lenders (including any Lender that issued any Existing Letter of Credit) and the Borrower agrees that, notwithstanding the provisions specified in the Existing Letters of Credit, effective as of the Effective Date, the Existing Letters of Credit shall be deemed to have been issued as of the Effective Date and deemed to be maintained under, and to be governed by the terms and conditions of, this Agreement as Letters of Credit as obligations of the Borrower.

SECTION 3.12. Replacement and Resignation of an Issuing Bank. Subject to the appointment and acceptance of a successor Issuing Bank acceptable to the Borrower (which consent not to be unreasonably withheld), any Issuing Bank may resign as an Issuing Bank by providing at least thirty (30) days' prior written notice to the Administrative Agent, the Lenders and the Borrower, in which case, such resigning Issuing Bank shall be replaced in accordance with this Section 3.12. An Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such resignation or replacement of an Issuing Bank. At the time any such resignation or replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the resigning or replaced Issuing Bank pursuant to Section 2.09(c). From and after the effective date of any such replacement or resignation, (x) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (y) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the resignation or replacement of an Issuing Bank hereunder, the resigning or replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit or extend or otherwise amend any existing Letter of Credit.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders that:

SECTION 4.01. Organization; Powers. The Borrower and each of the Significant Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 4.02. Authorization; Enforceability. The Transactions are within each Loan Party's corporate or organizational powers and authority and have been duly authorized by all necessary corporate or organizational action. The Loan Documents (i) have been duly executed and delivered by each Loan Party that is a party thereto, and (ii) constitute legal, valid and binding obligations of each Loan Party that is a party thereto, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 4.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, and except to the extent that the failure to obtain such consent or approval, or register, file, or take such action, would not,

individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower, any Guarantor or any of the Significant Subsidiaries or any order of any Governmental Authority, except such violations of any law, regulation, or order, individually or in the aggregate, that would not reasonably be expected to result in a Material Adverse Effect, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower, any Guarantor or any of the Significant Subsidiaries or their assets, or give rise to a right thereunder to require any payment to be made by the Borrower, any Guarantor or any of the Significant Subsidiaries, in each case (except in the case of any indenture or other agreement governing Material Indebtedness) which would, individually or in the aggregate with such other instances, reasonably be expected to result in a Material Adverse Effect, and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of the Significant Subsidiaries, other than any Liens permitted by Section 7.01.

SECTION 4.04. Financial Statements. The Borrower has heretofore furnished to the Lenders its consolidated balance sheet, and related consolidated statement of income, consolidated statement of cash flows and consolidated statement of changes in stockholders' investment and comprehensive income, and the accompanying notes to such consolidated financial statements, as of and for the fiscal year ended May 31, 2023, reported on by Ernst & Young LLP, independent public accountants. Such financial statements, together with the accompanying notes to such financial statements, present fairly, in all material respects, the consolidated financial condition of the Borrower and its consolidated Subsidiaries as of such date and the results of operation and cash flows of the Borrower and its consolidated Subsidiaries for the year then ended, all in accordance with GAAP.

SECTION 4.05. Taxes. The Borrower and each of its Significant Subsidiaries has filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Significant Subsidiary, as applicable, has set aside on its books, in accordance with GAAP, adequate reserves or (b) to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.06. Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Financial Officer, threatened against the Borrower or any of its Significant Subsidiaries (i) that would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters), or (ii) that purport to affect the legality, validity, or enforceability of this Agreement or the other Loan Documents or the transactions contemplated thereby.

(b) Except for the Disclosed Matters and except for any such matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, each of the Borrower and its Significant Subsidiaries (i) is in compliance with all applicable Environmental Laws and has obtained and maintained any permit, license, or other approval currently required under any applicable Environmental Law, (ii) is not subject to any Environmental Liability, and (iii) has not, to its knowledge, received notice of any claim with respect to any Environmental Liability or has knowledge of any event or circumstance that would reasonably be expected to give rise to such a claim.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in a Material Adverse Effect.

SECTION 4.07. Subsidiaries. Schedule 4.07 hereto contains an accurate list of all of the Significant Subsidiaries of the Borrower as of the Effective Date, setting forth their respective jurisdictions of incorporation and the percentage of their respective capital stock owned by the Borrower or other Subsidiaries. All of the issued and outstanding shares of capital stock of such Significant Subsidiaries have been duly authorized and issued and are fully paid and non-assessable.

SECTION 4.08. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, either individually or when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect. The present value of the aggregate benefit liabilities under each Single Employer Plan sponsored, maintained or contributed to by Borrower, or its ERISA Affiliates (determined as of the end of the most recent plan year on the basis of the actuarial assumptions specified for funding purposes in the most recent actuarial valuation for such Single Employer Plan), did not exceed the aggregate current value of the assets of such Single Employer Plan in an amount that could reasonably be likely to result in a Material Adverse Effect.

SECTION 4.09. Compliance with Laws and Agreements. Each of the Borrower and its Significant Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its Property and all indentures, agreements and other instruments binding upon it or its Property, except where the failure to so comply, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 4.10. Properties; Liens. The Borrower and each of the Significant Subsidiaries has good title to, or valid leasehold interests in, all its real and personal Property material to its business, except for any such defects that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, and none of such Property is subject to any Lien except as permitted by Section 7.01.

SECTION 4.11. Investment Company Status. Neither the Borrower nor any of its Significant Subsidiaries is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 4.12. Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures reasonably designed to achieve compliance in all material respects by the Borrower, its Subsidiaries and their respective directors, officers, employees and, to the extent acting on behalf of Borrower or its Subsidiaries, agents with applicable Anti-Corruption Laws and applicable Sanctions. None of (a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, or use of proceeds from either will be used, directly, or to the knowledge of the Borrower, indirectly, to (a) make any offer, payment or give anything else of value to any person in violation of applicable Anti-Corruption Laws or (b) finance or facilitate any activity which violates applicable Sanctions.

SECTION 4.13. Patriot Act Compliance. Each of the Borrower and its Significant Subsidiaries is in compliance with applicable provisions of the Patriot Act, except where the failure to so comply, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.14. Affected Financial Institutions. No Loan Party is an Affected Financial Institution.

ARTICLE V

CONDITIONS

SECTION 5.01. Effective Date. The obligations of the Lenders to make Loans and issue or participate in Letters of Credit shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.01):

(a) The Administrative Agent (or its counsel) shall have received (i) from each party hereto either a counterpart of this Agreement signed on behalf of such party or written evidence satisfactory to the Administrative Agent (which may include telecopy transmission or electronic mail of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement, and (ii) the Guarantee Agreement, executed and delivered by each Subsidiary set forth on Schedule 10.14 hereto.

(b) The Administrative Agent shall have received satisfactory evidence that the Existing Three-Year Credit Agreement has been terminated and all amounts payable by the Borrower thereunder have been paid in full. Such satisfactory evidence shall include the effectiveness of Section 1.07, which shall become effective on the Effective Date.

(c) The Lenders shall have received a written opinion from counsel to the Borrower, substantially in the form of Exhibit D.

(d) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower and the domestic Significant Subsidiaries and the authorization of the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(e) The Administrative Agent shall have received a certificate, dated as of the Effective Date and signed by a Responsible Officer of the Borrower, stating that (a) the representations and warranties contained in Article IV hereof are true and correct on and as of the Effective Date, and (b) as of the Effective Date, no Default has occurred and is continuing.

(f) Since May 31, 2023, there has been no change in the business, Property, financial condition or results of operations of the Borrower and its consolidated Subsidiaries taken as a whole which would reasonably be expected to have a Material Adverse Effect, and the Administrative Agent shall have received a certificate to that effect, dated as of the Effective Date and signed by a Responsible Officer of the Borrower.

(g) The Administrative Agent shall have received all fees required to be paid hereunder or under any other agreements related to the revolving credit facility established in this Agreement on or prior to the Effective Date and all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder for which invoices have been presented to the Borrower.

(h) The Administrative Agent shall have received one Business Day prior to the Effective Date all documentation and other information with respect to the Borrower and the Guarantors as required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

(i) The Administrative Agent shall have received evidence satisfactory to it that the Existing Five-Year Credit Agreement has been terminated and all amounts payable by the Borrower thereunder have been paid in full and the Five-Year Credit Agreement shall have been executed and delivered by all parties thereto and that all conditions precedent to the effectiveness thereof shall have been satisfied or waived.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 10.01) at or prior to 5:00 p.m., New York City time, on March 15, 2024 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 5.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing and issue or participate in Letters of Credit is subject to the satisfaction of the following conditions:

- (a) The representations and warranties of the Borrower set forth in Article IV hereof shall be true and correct on and as of the date of such Borrowing (except to the extent that any such representation or warranty expressly relates to a specified earlier date, in which case such representation or warranty shall be true and correct as of such earlier date).
- (b) At the time of and immediately after giving effect to such Borrowing no Default shall have occurred and be continuing.

Each Borrowing by and issuance of a Letter of Credit on behalf of the Borrower shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section 5.02.

ARTICLE VI

AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated, the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and no Letter of Credit remains outstanding (unless such Letters of Credit have been cash collateralized pursuant to the terms hereof) the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent and each Lender:

- (a) within fifteen (15) days after the same are required to be filed with the SEC (or, to the extent no longer required to be filed with the SEC, within ninety (90) days after the end of each fiscal year of the Borrower), its audited consolidated balance sheet and related consolidated statements of income, cash flows and changes in stockholders' investment and comprehensive income as of the end of and for each fiscal year of the Borrower, setting forth in each case the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) (it being understood that the filing of such financial statements with the SEC shall constitute delivery thereof to the Administrative Agent and each Lender);
- (b) within fifteen (15) days after the same are required to be filed with the SEC (or, to the extent no longer required to be filed with the SEC, within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower), an unaudited

condensed consolidated balance sheet and related condensed consolidated statements of income and cash flows as of the end of and for each of the first three (3) fiscal quarters of each fiscal year of the Borrower and the then elapsed portion of the fiscal year, setting forth in each case the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, and, solely in the event such financial statements are no longer required to be filed with the SEC, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis as of, and for, such periods in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes (it being understood that the filing of such financial statements with the SEC shall constitute delivery thereof to the Administrative Agent and each Lender);

(c) concurrently with, or within ten (10) days after, any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default or Event of Default has occurred and, if a Default or Event of Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, and (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.09, which certificate shall be substantially in the form of Exhibit H hereto;

(d) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and prospectuses filed by the Borrower, any Guarantor or any Significant Subsidiary with the SEC (it being understood that the filing of such documents with the SEC shall constitute delivery thereof to the Administrative Agent and each Lender); and

(e) as promptly as reasonably practicable following any request therefor, such other information (including relevant non-financial information) as the Administrative Agent or any Lender may from time to time reasonably request.

SECTION 6.02. Use of Proceeds. The proceeds of the Loans and Letters of Credit will be used only for general corporate purposes, including acquisitions. No part of the proceeds of any Loan or Letter of Credit will be used, whether directly or indirectly, for any purpose that entails a violation of any of the regulations of the Board, including Regulation U, to the extent applicable. If requested by any Lender or the Administrative Agent in connection with or immediately following a drawing, the Borrower will furnish to the Administrative Agent and each such requesting Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

SECTION 6.03. Notice of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the occurrence of any Default or Event of Default or any other development that results in, or would reasonably be expected to result in, a Material Adverse Effect. Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 6.04. Existence; Conduct of Business. Except as permitted by Section 7.02, the Borrower will, and will cause each Significant Subsidiary to do all things necessary to preserve and maintain its legal existence and the rights, licenses, permits, privileges, and franchises material to the conduct of its business, except where the failure to maintain any such rights, licenses, permits, privileges, and franchises would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 6.05. Payment of Taxes. The Borrower will, and will cause each Subsidiary to, pay and discharge all taxes, assessments, and governmental charges or levies imposed upon it or upon its income or profits, or upon any Property belonging to it, except where failure to do any of the foregoing would not have a Material Adverse Effect and provided that neither the Borrower nor a Subsidiary shall be required to pay any such tax, assessment, charge, or levy the payment of which is being contested in good faith and by appropriate proceedings and as to which appropriate reserves are being maintained in accordance with GAAP.

SECTION 6.06. Compliance with Laws. The Borrower will, and will cause each of its Significant Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its Property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures reasonably designed to achieve compliance in all material respects by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents acting on behalf of the Borrower or its Subsidiaries, with applicable Anti-Corruption Laws and applicable Sanctions.

SECTION 6.07. Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Significant Subsidiaries to, (a) keep and maintain all Property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where failure to do so would not reasonably be expected to have a Material Adverse Effect, and (b) maintain, with financially sound and reputable insurance companies, insurance on its Property in such amounts and against such risks as are consistent with prudent business practice, and the Borrower will furnish to any Lender upon request full information as to the insurance carried.

SECTION 6.08. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Significant Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Significant Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, but no more than once a year unless an Event of Default has occurred and is continuing, to visit and inspect its Properties (subject to such limitations as the Borrower may reasonably impose to ensure safety or compliance with any applicable legal or contractual restrictions or obligations), to examine and make extracts from its books of accounts and other financial records (to the extent reasonable), and to discuss its affairs, finances and condition with its officers and independent accountants (to the extent reasonable), all at such reasonable times and intervals as the Lenders may designate.

SECTION 6.09. Leverage. The Borrower will maintain, on the last day of each fiscal quarter of Borrower ended after the Effective Date, a Total Leverage Ratio of not more than 3.50 to 1.00; provided that at the Borrower's election and upon written notice from the Borrower to the Administrative Agent within thirty (30) days after the consummation of a Material Acquisition, for the fiscal quarter in which such Material Acquisition is consummated and each of the three fiscal quarters thereafter, the maximum Total Leverage Ratio pursuant to this Section 6.09 shall increase to 4.00 to 1.00; provided that following any such increase, the maximum Total Leverage Ratio shall be 3.50 to 1.00 for at least two consecutive fiscal quarter end dates before the maximum Total Leverage Ratio may be increased to 4.00 to 1.00 again as a result of a subsequent Material Acquisition.

ARTICLE VII

NEGATIVE COVENANTS

Until the Commitments have expired or been terminated, the principal of and interest on each Loan and all fees payable hereunder has been paid in full and no Letter of Credit remains outstanding (unless such Letters of Credit have been cash collateralized pursuant to the terms hereof) the Borrower covenants and agrees with the Lenders that:

SECTION 7.01. Liens. The Borrower will not, nor will it permit any consolidated Subsidiary to, create, incur, assume or suffer to exist, any Lien on any of its Property or assets now owned or hereafter acquired (other than Unrestricted Margin Stock), except:

- (a) Liens which may be hereafter created to secure payment of the Obligations;
- (b) Liens incurred or deposits or pledges, made in the ordinary course of business, to secure payment of workers' compensation, unemployment insurance, old age pensions, or other social security obligations;
- (c) Liens incurred or deposits or pledges, made in the ordinary course of business, to secure performance of bids, tenders, contracts (other than contracts for Indebtedness), leases, public, or statutory obligations, surety bonds, appeal bonds, or other Liens or deposits or pledges for purposes of like general nature made in the ordinary course of business;
- (d) Deposits or pledges for the purpose of securing an appeal, stay or discharge in the course of legal proceedings, or Liens for judgments or awards which were not incurred in connection with Indebtedness or the obtaining of advances or credits; provided such deposits, pledges and Liens do not, in the aggregate for the Borrower and the consolidated Subsidiaries, materially detract from the value of their assets or Properties or materially impair the use thereof in the ordinary course of business and such appeal, judgment or award, as the case may be, is being diligently contested or litigated in good faith by appropriate proceedings; provided further, there has been set aside on the books of the Borrower or the consolidated Subsidiaries, as the case may be, reserves in accordance with GAAP with respect thereto; and provided further execution is not levied upon any such judgment or award;
- (e) Liens for taxes, fees, assessments and governmental charges not delinquent or which are being contested in good faith by appropriate proceedings, provided there has been set aside on the books of the Borrower or the consolidated Subsidiaries, as the case may be, adequate reserves in accordance with GAAP with respect thereto; and provided further, execution is not levied upon any such Lien;
- (f) Mechanics', carriers', workers', repairmen's or other like Liens arising in the ordinary course of business securing obligations which are not overdue for a period of more than ninety (90) calendar days, or which are being contested in good faith by appropriate proceedings; provided there has been set aside on the books of the Borrower and the consolidated Subsidiaries, as the case may be, adequate reserves in accordance with GAAP with respect thereto; and provided further, execution is not levied upon any such Lien;
- (g) Lessors' interests under capital leases;
- (h) Liens on Property acquired or constructed with the proceeds of any tax-exempt bond financing to secure such financing;

(i) Liens securing Indebtedness of a consolidated Subsidiary to the Borrower or any Guarantor or, in the case of Indebtedness of a consolidated Subsidiary which is not a Guarantor, to any consolidated Subsidiary which is not a Guarantor;

(j) Liens existing on the Property of a corporation or other business entity immediately prior to its being consolidated with or merged into the Borrower or a consolidated Subsidiary or its becoming a consolidated Subsidiary, or Liens existing on any Property acquired by the Borrower or a consolidated Subsidiary at the time such is so acquired (whether or not the Indebtedness secured thereby shall have been assumed), provided that (i) no such Lien was created or assumed in contemplation of such consolidation or merger or such entity's becoming a consolidated Subsidiary or such acquisition of Property, and (ii) each such Lien shall only cover the acquired Property and, if required by the terms of the instrument originally creating such Lien, Property which is an improvement to or is acquired for specific use in connection with such acquired Property;

(k) Liens on Flight Equipment acquired on or after the date of this Agreement which (i) secure the payment of all or any part of the purchase price of such Flight Equipment or improvements thereon or modifications thereto, (ii) are limited to the Flight Equipment so acquired and improvements thereon or modifications thereto, and (iii) attach to such Flight Equipment within one (1) year after the acquisition, improvement, or modification of such Flight Equipment;

(l) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(m) Zoning, building or other restrictions, variances, covenants, rights of way, encumbrances, easements, and other minor irregularities in title, none of which, individually or in the aggregate, (i) interfere in any material respect with the present use or occupancy of the affected parcel by the Borrower or any Subsidiary, (ii) have no more than an immaterial effect on the value thereof or its use, or (iii) would impair the ability of such parcel to be sold for its present use;

(n) Liens arising solely by virtue of (i) any law or regulation relating to banker's liens, or (ii) rights of set-off or similar rights and remedies, in each case as to deposit accounts or other funds maintained with a creditor depository institution;

(o) Liens to secure Indebtedness for the purpose of financing all or any part of the purchase price or the cost of construction or improvement of the Property subject to such Lien; provided, however, that (i) the principal amount of any Indebtedness secured by such Lien does not exceed one hundred percent (100%) of such purchase price or cost, and (ii) such Lien does not extend to or cover any other Property other than such item of Property so acquired, constructed, or improved;

(p) Liens arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by clauses (h), (j), (k), and (o) of this Section 7.01; provided that such Indebtedness is not increased and is not secured by any additional assets;

(q) Liens incurred or deposits or pledges made for the purpose of complying with any cash collateralization requirements resulting from defaults by lenders under any syndicated letter of credit facility the Borrower may have in place from time to time;

(r) Liens not otherwise permitted by Sections 7.01(a) through (q); provided that, as of the date any Lien is incurred and as of the end of each fiscal quarter of the Borrower ending after February 29, 2024, the sum of (i) the aggregate principal amount of all outstanding Long Term Debt of the consolidated Subsidiaries which are not Guarantors (excluding the Current Maturities of any such Long

Term Debt and any Long Term Debt of a consolidated Subsidiary owing to the Borrower or another consolidated Subsidiary that is a Guarantor), plus (ii) the aggregate principal amount of all outstanding Long Term Debt of the Borrower or any Guarantor (excluding the Current Maturities of any such Long Term Debt and any Long Term Debt of a consolidated Subsidiary owing to the Borrower or another consolidated Subsidiary that is a Guarantor) which is secured as permitted by this Section 7.01(r), does not exceed ten percent (10%) of Consolidated Adjusted Total Assets.

SECTION 7.02. Merger and Consolidation. The Borrower will not, nor will it permit any consolidated Subsidiary to, merge with or into, or consolidate, or consummate a Division as the Dividing Person, or enter into any analogous transaction with, any other Person, or sell all or substantially all of the assets of the Borrower and its consolidated Subsidiaries taken as a whole, except:

- (a) Any consolidated Subsidiary or other corporation or entity may merge with or into, or consolidate or enter into any analogous transaction with, the Borrower, provided that, immediately after giving effect to any such merger or consolidation, (i) the Borrower shall be the continuing or surviving corporation, and (ii) no Default or Event of Default shall exist;
- (b) Any consolidated Subsidiary may merge with or into, or consolidate or enter into any analogous transaction with, any consolidated Subsidiary so long as, immediately after giving effect thereto, no Default or Event of Default shall exist;
- (c) The Borrower or any consolidated Subsidiary may transfer its assets to the Borrower or any consolidated Subsidiary, so long as immediately after giving effect thereto, no Default or Event of Default shall exist;
- (d) Any corporation or other entity may merge with or into, or consolidate or enter into any analogous transaction with, any consolidated Subsidiary, so long as immediately after giving effect to any such merger or consolidation, (i) the continuing or surviving entity shall be a consolidated Subsidiary, and (ii) no Default or Event of Default shall exist;
- (e) Any consolidated Subsidiary that is not a Significant Subsidiary may merge with or into, or consolidate, or enter into any analogous transaction with, any Person if the primary purpose of such transaction is to discontinue the existence of such consolidated Subsidiary or dispose of such consolidated Subsidiary, so long as immediately after giving effect thereto, no Default or Event of Default shall exist; and
- (f) Any Specified Guarantor, other Guarantor, Significant Subsidiary or other Subsidiary that is an LLC or a limited partnership may consummate a Division as the Dividing Person if, immediately upon the consummation of such Division, the assets of the applicable Dividing Person are held by (i) in the case of a Dividing Person that was a Specified Guarantor immediately prior to the consummation of such Division, one or more Specified Guarantors immediately upon the consummation of the such Division (ii) in the case of a Dividing Person that was such other Guarantor immediately prior to the consummation of such Division, one or more Guarantors immediately upon the consummation of the such Division, (iii) in the case of a Dividing Person that was a Significant Subsidiary immediately prior to the consummation of such Division, one or more Significant Subsidiaries immediately upon the consummation of the such Division or (iv) in the case of a Dividing Person that was such other Subsidiary immediately prior to the consummation of such Division, one or more Subsidiaries immediately prior to the consummation of such Division, or, with respect to assets not so held by one or more Specified Guarantors, other Guarantors, Significant Subsidiaries or other Subsidiaries, respectively the sale, transfer or other disposition of such assets would otherwise be permitted under this Agreement.

SECTION 7.03. [Reserved].

SECTION 7.04. [Reserved].

SECTION 7.05. Use of Proceeds. The Borrower will not request any Borrowing or Letter of Credit, and the Borrower shall not directly, or knowingly, indirectly, use, and shall procure that its Subsidiaries and its or their respective directors, officers and employees and agents acting on behalf of Borrower or its Subsidiaries in connection with this Agreement shall not use the proceeds of any Borrowing or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any applicable Anti-Corruption Laws, or (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country to the extent such activities, business or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or in a European Union member state.

ARTICLE VIII

EVENTS OF DEFAULT

If any of the following events ("Events of Default") shall occur:

- (a) the Borrower fails to pay any principal of any Loan or Reimbursement Obligation when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;
- (b) the Borrower fails to pay any interest on any Loan, Reimbursement Obligation or any fee or any other amount (other than an amount referred to in paragraph (a) of this Article VIII) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days;
- (c) any representation or warranty made or deemed made by or on behalf of the Borrower or any Subsidiary in or in connection with this Agreement or any amendment or modification hereof, or in any certificate furnished pursuant to or in connection with this Agreement or any amendment or modification hereof, prove to have been incorrect in any material respect when made or deemed made;
- (d) the Borrower fails to observe or perform any covenant, condition, or agreement contained in Sections 6.02, 6.03, 6.09, 7.01 or 7.02;
- (e) the Borrower fails to observe or perform any covenant, condition, or agreement contained in this Agreement (other than those specified in paragraphs (a), (b), (c), or (d) of this Article VIII), and such failure shall continue unremedied for a period of thirty (30) days after written notice thereof to the Borrower from the Administrative Agent or any Lender;
- (f) the Borrower or any Significant Subsidiary fails to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, after giving effect to any applicable grace period;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time, or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption, or defeasance thereof, prior to its scheduled maturity; provided that this paragraph (g) shall not apply to (i) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the Property or assets securing such Indebtedness and (ii) secured Indebtedness that becomes due in accordance with its terms as a result of the voluntary or involuntary sale, transfer, or disposition of the Property or assets securing such Indebtedness;

(h) an involuntary proceeding is commenced or an involuntary petition is filed seeking (i) liquidation, reorganization, or other relief in respect of the Borrower or any Significant Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state, or foreign bankruptcy, insolvency, receivership, or similar law now or hereafter in effect, or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator, or similar official for the Borrower or any Significant Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Significant Subsidiary (i) voluntarily commences any proceeding or files any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consents to the institution of, or fails to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article VIII, (iii) applies for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Significant Subsidiary or for a substantial part of its assets, (iv) files an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) makes a general assignment for the benefit of creditors, or (vi) takes any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Significant Subsidiary fails to pay, or admits in writing its inability to pay, its debts generally as they become due;

(k) the guarantee of any Significant Subsidiary contained in its respective Guarantee Agreement ceases, for any reason, to be in full force and effect or the Borrower or such Significant Subsidiary so asserts;

(l) the Borrower or any Significant Subsidiary fails within forty-five (45) days to pay, bond or otherwise discharge any judgment or order for the payment of money in excess of \$200,000,000, which is not stayed on appeal or otherwise being appropriately contested in good faith;

(m) an ERISA Event has occurred that, when taken together with all other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect; or

(n) a Change of Control occurs;

then, and in every such event (other than an event with respect to the Borrower described in paragraphs (h) or (i) of this Article VIII), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may

thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder), shall become due and payable immediately, without presentment, demand, protest, or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in paragraphs (h) or (i) of this Article VIII, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder), shall automatically become due and payable, without presentment, demand, protest, or other notice of any kind, all of which are hereby waived by the Borrower. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount in Dollars (or, at the option of the Administrative Agent, in the applicable currency) equal to the aggregate then undrawn and unexpired amount of such Letters of Credit (in the case of cash collateralization in Dollars of any Foreign Currency Letters of Credit, 115% of such amount). Amounts held in such cash collateral account shall be maintained by the Administrative Agent in an interest bearing account in the name of the Borrower and shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

If, within fourteen (14) days after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans hereunder as a result of any Default (other than any Default as described in paragraphs (h) or (i) of this Article VIII) and before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Administrative Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination, provided that the Borrower certifies to the Lenders to their satisfaction that, upon giving effect to such rescission, no other Indebtedness of the Borrower shall be accelerated by virtue of a cross-default or cross-acceleration to Indebtedness under this Agreement.

ARTICLE IX

THE AGENTS

SECTION 9.01. Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations, or liabilities shall be read into this Agreement or any other Loan Document or otherwise

exist against the Administrative Agent. In performing its functions and duties hereunder and under the other Loan Documents, the Administrative Agent is acting solely on behalf of the Lenders and the Issuing Banks (except in limited circumstances expressly provided for herein relating to the maintenance of the Register), and its duties are entirely mechanical and administrative in nature. The motivations of the Administrative Agent are commercial in nature and not to invest in the general performance or operations of the Borrower.

SECTION 9.02. Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

SECTION 9.03. Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact, or Affiliates shall be (i) liable to any Lender for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations, or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement, or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability, or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party that is a party thereto to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the Properties, books or records of any Loan Party.

SECTION 9.04. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex, or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

SECTION 9.05. Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the

Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

SECTION 9.06. Acknowledgements of Lenders and Issuing Banks. (a) Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact, or Affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any Affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, Property, financial, and other condition and creditworthiness of the Loan Parties and their Affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, Property, financial, and other condition and creditworthiness of the Loan Parties and their Affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, Property, condition (financial or otherwise), prospects, or creditworthiness of any Loan Party or any Affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact, or Affiliates. Each Lender and each Issuing Bank represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and (ii) in participating as a Lender, it is engaged in making, acquiring or holding commercial loans and in providing other facilities set forth herein as may be applicable to such Lender or Issuing Bank, in each case in the ordinary course of business, and not for the purpose of investing in the general performance or operations of the Borrower, or for the purpose of purchasing, acquiring or holding any other type of financial instrument such as a security (and each Lender and each Issuing Bank agrees not to assert a claim in contravention of the foregoing, such as a claim under the federal or state securities law).

(b) (i) Each Lender and Issuing Bank hereby agrees that (x) if the Administrative Agent notifies such Lender or Issuing Bank that the Administrative Agent has determined in its sole discretion that any funds received by such Lender or Issuing Bank from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "Payment") were erroneously transmitted to such Lender or Issuing Bank (whether or not known to such Lender or Issuing Bank), and demands the return of such Payment (or a portion thereof), such Lender or Issuing Bank shall promptly, but in no event later than one Business Day thereafter (or such later date as the Administrative Agent, may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender or Issuing Bank to the date such amount is repaid to the Administrative Agent at the greater of the New York Fed Bank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to

time in effect, and (y) to the extent permitted by applicable law, such Lender or Issuing Bank shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on “discharge for value” or any similar doctrine. A notice of the Administrative Agent to any Lender or Issuing Bank under this Section 9.06(b) shall be conclusive, absent manifest error.

(ii) Each Lender and Issuing Bank hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a “Payment Notice”) or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender or Issuing Bank agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender or Issuing Bank shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter (or such later date as the Administrative Agent, may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender or Issuing Bank to the date such amount is repaid to the Administrative Agent at the greater of the New York Fed Bank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(iii) The Borrower and each other Loan Party hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender or Issuing Bank that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender or Issuing Bank with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party.

(iv) Each party’s obligations under this Section 9.06(b) shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Bank, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

(c) Each Lender, by delivering its signature page to this Agreement on the Effective Date, or delivering its signature page to an Assignment and Acceptance or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date.

SECTION 9.07. Indemnification. The Lenders agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section 9.07 (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the

Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements that are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence or willful misconduct. The agreements in this Section 9.07 shall survive the payment of the Loans and all other amounts payable hereunder. The respective obligations of the Lenders under this Agreement are several and not joint, and no Lender shall be responsible for the failure of any other Lender to satisfy its obligations hereunder.

SECTION 9.08. Agent in Its Individual Capacity. Each Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

SECTION 9.09. Successor Administrative Agent. (a) The Administrative Agent may resign as Administrative Agent upon ten (10) days' notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under paragraph (a) of Article VIII or paragraph (i) of Article VIII with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers, and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers, and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is thirty (30) days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

(b) The Administrative Agent agrees that in the event it shall fail to fund its portion of any Borrowing within three (3) Business Days of the date on which it shall have been required to fund same, it shall cooperate in good faith with efforts by the Borrower to replace it with a successor administrative agent that is satisfactory to the Required Lenders and the Borrower (including resigning in connection with such replacement).

SECTION 9.10. Documentation Agents and Syndication Agent. None of the Documentation Agents or the Syndication Agent shall have any duties or responsibilities hereunder in its capacity as such.

SECTION 9.11. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person becomes a Lender party hereto, and (y) covenants, from the date such Person becomes a Lender party hereto, to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments, or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person becomes a Lender party hereto, and (y) covenants, from the date such Person becomes a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Administrative Agent, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

(c) The Administrative Agent, and each Arranger, Syndication Agent and Documentation Agent hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such

Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement and any other Loan Documents (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing. Nothing in this Agreement or any Loan Document shall require the Administrative Agent to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account.

SECTION 9.12. Borrower Communications. (a) The Administrative Agent, the Lenders and the Issuing Banks agree that the Borrower may, but shall not be obligated to, make any Borrower Communications to the Administrative Agent through an electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Borrower Portal").

(b) Although the Approved Borrower Portal and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system), each of the Lenders, each of the Issuing Banks and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of the Borrower that are added to the Approved Borrower Portal, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders, each of the Issuing Banks and the Borrower hereby approves distribution of Borrower Communications through the Approved Borrower Portal and understands and assumes the risks of such distribution.

(c) THE APPROVED BORROWER PORTAL IS PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER COMMUNICATION, OR THE ADEQUACY OF THE APPROVED BORROWER PORTAL AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED BORROWER PORTAL AND THE BORROWER COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE BORROWER COMMUNICATIONS OR THE APPROVED BORROWER PORTAL. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY ARRANGER, ANY DOCUMENTATION AGENT, ANY SYNDICATION AGENT OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "APPLICABLE PARTIES") HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER, ANY ISSUING BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S TRANSMISSION OF BORROWER COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED BORROWER PORTAL.

"Borrower Communications" means, collectively, any Borrowing Request, Interest Election Request, notice of prepayment, notice requesting the issuance, amendment or extension of a Letter of Credit or other notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Borrower to the Administrative Agent through an Approved Borrower Portal.

(a) Each of the Lenders, each of the Issuing Banks and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Borrower Communications on the Approved Borrower Portal in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(b) Nothing herein shall prejudice the right of the Borrower to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 9.13. Posting of Communications. (a) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders and the Issuing Banks by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders, each of the Issuing Banks and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders, each of the Issuing Banks and the Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY ARRANGER, ANY DOCUMENTATION AGENT, ANY SYNDICATION AGENT OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "APPLICABLE PARTIES") HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER, ANY ISSUING BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

“Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Bank by means of electronic communications pursuant to this Section, including through an Approved Electronic Platform.

(d) Each Lender and each Issuing Bank agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender and Issuing Bank agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender’s or Issuing Bank’s (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Lenders, each of the Issuing Banks and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent’s generally applicable document retention procedures and policies.

(f) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or any Issuing Bank to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Amendments and Waivers. (a) None of this Agreement, any other Loan Document, or any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.01. The Required Lenders and each Loan Party that is party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party that is party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding, deleting or modifying any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder, or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive the principal amount or extend the final scheduled date of maturity of any Loan or Letter of Credit, reduce the stated rate of any interest or fee payable hereunder (except (x) in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders), and (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender’s Commitment, in each case without the written consent of each Lender directly affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 10.01 without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, or release the Guarantee Agreement or any Guarantor that is incurring, issuing or guaranteeing any debt securities or any other Material Indebtedness from its obligations under the Guarantee Agreement, in each case without the written consent of all Lenders (except for releases of Guarantors (other than any Specified Guarantor) in connection with any transaction otherwise expressly

permitted to be consummated pursuant to this Agreement which releases, notwithstanding anything herein to the contrary, shall be governed by Section 10.14(d); (iv) amend, modify or waive any provision of Section 2.15 without the written consent of the Lenders adversely affected thereby; (v) amend, modify or waive any provision of Article IX without the written consent of the Administrative Agent or (vi) amend, modify or waive any provision of Article III without the written consent of the Issuing Banks. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Notwithstanding anything to the contrary contained herein, as to any amendment, amendment and restatement or other modifications otherwise approved in accordance with this Section 10.01, it shall not be necessary to obtain the consent or approval of any Lender that, upon giving effect to such amendment, amendment and restatement or other modification, would have no Commitments or outstanding Loans so long as such Lender receives payment in full of the principal of and interest accrued on each Loan made by, and all other amounts owing to, such Lender or accrued for the account of such Lender under this Agreement and the other Loan Documents at the time such amendment, amendment and restatement or other modification becomes effective.

(b) Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, and the Borrower (i) to add one (1) or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Loans and extensions of credit and the accrued interest and fees in respect thereof, and (ii) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

(c) Notwithstanding anything to the contrary in the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any ambiguity, omission, mistake, defect or inconsistency, it being agreed that the Administrative Agent shall provide the Lenders at least five Business Days' prior written notice of such amendment, and any such amendment shall be deemed approved by the Lenders unless the Administrative Agent shall have received, within five Business Days of the date that a draft of such amendment is provided to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment.

SECTION 10.02. Notices. (a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by electronic mail), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three (3) Business Days after being deposited in the mail, postage prepaid, or, in the case of electronic mail notice, when received,

addressed as follows in the case of the Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified in writing by the respective parties hereto:

Borrower: FedEx Corporation
942 S. Shady Grove Road
Memphis, Tennessee 38120
Attention: Corporate Vice President-
Corporate Development and Treasurer

with a copy to: FedEx Corporation
942 S. Shady Grove Road
Memphis, Tennessee 38120
Attention: Staff Vice President- Securities
& Corporate Law

Administrative Agent: At the address separately provided to the Borrower

An Issuing Bank: To it at the address separately provided to the Borrower

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

Notices delivered through Approved Electronic Platforms or Approved Borrower Portals, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by using Approved Electronic Platforms or Approved Borrower Portals (as applicable), in each case, pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

SECTION 10.03. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent, Borrower, or any Lender, any right, remedy, power, or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. The rights, remedies, powers, and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.

SECTION 10.04. Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document or certificate delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

SECTION 10.05. Payment of Expenses and Taxes; Indemnity; Limitation of Liability; Etc.

(a) Payment of Expenses and Taxes; Indemnity: The Borrower agrees (a) to pay or reimburse the Administrative Agent for all its reasonable out-of-pocket costs and expenses incurred in

connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent as separately agreed by the Administrative Agent and the Borrower, and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower prior to the Effective Date (in the case of amounts to be paid on the Effective Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender, the Issuing Banks and the Administrative Agent for all its reasonable out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the reasonable fees and disbursements of counsel to each Lender, the Issuing Banks and of counsel to the Administrative Agent, (c) to pay, indemnify, and hold each Lender, the Issuing Banks and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to stamp, excise, and other taxes, if any, that are payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement, or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender, the Agents, the Issuing Banks and the Administrative Agent and their respective officers, directors, employees, affiliates, and agents (each, an "Indemnitee") harmless from and against any and all Liabilities with respect to the execution, delivery, enforcement, performance, and administration of and any action taken in connection with this Agreement and the other Loan Documents, including any of the foregoing relating to the payment of principal, interest, and fees, the use of proceeds of the Loans or Letters of Credit (including any refusal by the Issuing Banks to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit) or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of the Borrower, any Guarantor or any Subsidiary or any of their respective Properties, any Environmental Liability, and the reasonable fees and expenses of legal counsel actually incurred in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this paragraph (d), collectively, the "Indemnified Liabilities"), provided, that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs, and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee.

(b) Limitation of Liability: To the extent permitted by applicable law (i) the Borrower and its Subsidiaries shall not assert, and the Borrower and its Subsidiaries hereby waive, any claim against the Administrative Agent, any Syndication Agent, any Documentation Agent and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a "Lender-Related Person") for any Liabilities arising from the use by others of information or other materials (including, without limitation, any personal data) obtained through telecommunications, electronic or other information transmission systems (including the Internet, any Approved Electronic Platform and any Approved Borrower Portal), and (ii) no party hereto shall assert, and each such party hereby waives, any Liabilities against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby,

the transactions contemplated by this Agreement or any other Loan Document, any Loan or the use of the proceeds thereof; provided that, nothing in this Section 10.05(b) shall relieve the Borrower and each of its Subsidiaries of any obligation it may have to indemnify an Indemnitee, as provided in Section 10.05(a), against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(c) Payments: All amounts due under this Section 10.05 shall be payable not later than thirty (30) days after written demand therefor, which shall set forth in reasonable detail the nature, basis and description of such Indemnified Liability. Statements payable by the Borrower pursuant to this Section 10.05 shall be submitted to FedEx Corporation, Attn: Corporate Vice President- Corporate Development and Treasurer, at the address of the Borrower set forth in Section 10.02, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.05 shall survive repayment of the Loans and all other amounts payable hereunder.

SECTION 10.06. Successors and Assigns; Participations and Assignments. (a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Lenders, the Issuing Banks (including any affiliate of an Issuing Bank that issues any Letter of Credit), the Administrative Agent, all future holders of the Loans and their respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender other than any Conduit Lender may, without the consent of the Borrower, the Administrative Agent or the Issuing Banks, in accordance with applicable law, at any time sell to one (1) or more banks, financial institutions or other entities (each, a "Participant") participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents, provided that, no Lender shall sell its participating interests to the Borrower or any Affiliate of the Borrower. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Loans or any fees payable hereunder, or postpone the date of the final maturity of the Loans, in each case to the extent subject to such participation. The Borrower agrees that if amounts outstanding under this Agreement and the Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent permitted by applicable law, be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 10.07(a) as fully as if it were a Lender hereunder. The Borrower also agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.14 with respect to its participation in the Commitments and the Loans outstanding from time to time as if it were a Lender; provided that, in the case of Sections 2.13 and 2.14, such Participant shall have complied with the requirements of said Sections as if it were a Lender (it being understood that the documentation required under Section 2.14(f) shall be delivered to the participating Lender); and provided, further, that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor

Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower (but without giving rise to any fiduciary obligation of any kind to the Borrower), maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided, however, that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, letters of credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender and the Issuing Banks shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for purposes of this Agreement notwithstanding any notice to the contrary.

(c) Any Lender other than any Conduit Lender (an "Assignor") may, in accordance with applicable law, at any time and from time to time assign to any Lender (other than any Defaulting Lender) or any Lender Affiliate or, with the consent of the Borrower, each Issuing Bank and the Administrative Agent (which, in each case, shall not be unreasonably withheld or delayed), to an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement and the other Loan Documents pursuant to an Assignment and Acceptance, executed by such Assignee, such Assignor and any other Person whose consent is required pursuant to this paragraph, and delivered to the Administrative Agent for its acceptance and recording in the Register (as defined below); provided that, unless otherwise agreed by the Borrower and the Administrative Agent, no such assignment to an Assignee (other than any Lender or any Lender Affiliate) shall be in an aggregate principal amount of less than \$5,000,000 and after giving effect to such assignment, such assigning Lender shall have Commitments and Loans in an aggregate amount of at least \$5,000,000 as described in this sentence except in the case of an assignment of all of a Lender's interests under this Agreement. For purposes of the proviso contained in the preceding sentence, the amount described therein shall be aggregated in respect of each Lender and its Lender Affiliates, if any. The Assignee shall purchase, at par, all Loans and pay all accrued interest and other amounts owing to such Assignor under this Agreement on or prior to the date of assignment for any assignment pursuant to Section 2.17. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with a Commitment and/or Loans as set forth therein, and (y) the Assignor thereunder shall, to the extent provided in such Assignment and Acceptance, relinquish its rights (other than its rights under Sections 2.13, 2.14, and 10.05 to the extent any claim thereunder relates to an event arising prior to the effective date of such assignment) and be released from its obligations (other than its obligations under Section 9.07 with respect to matters arising prior to the effective date of such assignment) under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor's rights and obligations under this Agreement, such Assignor shall cease to be a party hereto). Notwithstanding any provision of this Section 10.06, (i) the consent of the Borrower shall not be required for any assignment that occurs after the occurrence and during the continuance of an Event of Default, (ii) no assignment shall be made to the Borrower or any Affiliate of the Borrower and (iii) if the consent of the Borrower is otherwise required by this paragraph with respect to any assignment of Loans or Commitments, and the Borrower has not given the Administrative Agent written notice of its objection to such assignment within ten Business Days after written notice to the Borrower, the Borrower shall be deemed to have consented to such assignment. Notwithstanding the foregoing, any Conduit Lender may assign at any time to its designating Lender hereunder without the consent of the Borrower or the Administrative Agent any or all of the Loans it may have funded hereunder and pursuant to its designation agreement and without regard to the limitations set forth in the first sentence of this Section 10.06(c).

(d) The Administrative Agent shall, on behalf of the Borrower, maintain at its address referred to in Section 10.02 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of, and the principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, each other Loan Party, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any Notes evidencing the Loans recorded therein for all purposes of this Agreement. Any assignment of any Loan, whether or not evidenced by a Note, shall be effective only upon appropriate entries with respect thereto being made in the Register (and each Note shall expressly so provide). Any assignment or transfer of all or part of a Loan evidenced by a Note shall be registered on the Register only upon surrender for registration of assignment or transfer of the Note evidencing such Loan, accompanied by a duly executed Assignment and Acceptance, and thereupon one or more new Notes shall be issued to the designated Assignee.

(e) Upon its receipt of (x) an Assignment and Acceptance executed by an Assignor, an Assignee and any other Person whose consent is required by Section 10.06(c) or (y) to the extent applicable, an agreement incorporating an Assignment and Acceptance by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Acceptance are participants, together with payment to the Administrative Agent of a registration and processing fee of \$4,000, the Administrative Agent shall (i) promptly accept such Assignment and Acceptance, (ii) record the information contained therein in the Register on the effective date determined pursuant thereto, and (iii) promptly notify Borrower of its receipt of such Assignment and Acceptance.

(f) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 10.06 concerning assignments relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including any pledge or assignment by a Lender to any Federal Reserve Bank or central bank in accordance with applicable law.

(g) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (f) above.

(h) Each of the Borrower, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceeding under any state bankruptcy or similar law, for one (1) year and one (1) day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party to this Agreement for any loss, cost, damage, or expense arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

SECTION 10.07. Adjustments; Set-off. (a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders, if any Lender (a "Benefitted Lender") shall, at any time after the Loans and other amounts payable hereunder shall immediately become due and payable pursuant to Article VIII, receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in paragraph (i) of Article VIII, or

otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders and the Lender Affiliates provided by law, if an Event of Default shall have occurred and be continuing, each Lender and Lender Affiliate shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration, or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured, or unmatured, at any time held or owing by such Lender or Lender Affiliate or any branch or agency thereof to or for the credit or the account of the Borrower, as the case may be. Each Lender and Lender Affiliate agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender or Lender Affiliate, provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 10.08. Counterparts. This Agreement may be executed by one (1) or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one (1) and the same instrument. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Agreement and/or any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, “Electronic Signatures” means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 10.09. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.10. Integration. This Agreement, the other Loan Documents, and any commitment letters or similar documents related to the Transactions, represent the entire agreement of the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations, or warranties by the Borrower, Administrative Agent, or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

SECTION 10.11. Governing Law.

(a) THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) Each of the Lenders and the Administrative Agent hereby irrevocably and unconditionally agrees that, notwithstanding the governing law provisions of any applicable Loan Document, any claims brought against the Administrative Agent by any Lender relating to this Agreement, any other Loan Document or the consummation or administration of the transactions contemplated hereby or thereby shall be construed in accordance with and governed by the law of the State of New York.

SECTION 10.12. Submission To Jurisdiction; Waivers. The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in New York City, Borough of Manhattan), and appellate courts from any thereof;

(b) consents that any such action or proceeding shall be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower at its address set forth in Section 10.02 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive, or consequential damages.

SECTION 10.13. Acknowledgements. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution, and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent and Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor;

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrower and the Lenders;

(d) the Loan Parties have been advised that the Administrative Agent and Lenders are engaged in a broad range of transactions that may involve interests that differ from the Loan Parties' interests and that the Administrative Agent and Lenders have no obligation to disclose such interests and transactions to the Loan Parties; and

(e) each of the Administrative Agent, each Issuing Bank or any other Lender, together with its Affiliates, in addition to providing or participating in commercial lending facilities such as that provided hereunder, is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services.

SECTION 10.14. Guarantors. (a) The Guarantors as of the date hereof are set forth on Schedule 10.14 hereto.

(b) Upon any Subsidiary incurring, issuing or guaranteeing any debt securities or any other Material Indebtedness, within thirty (30) days thereafter, the Borrower shall cause such Subsidiary to execute the Guarantee Agreement pursuant to an Addendum thereto in the form of Annex I to the Guarantee Agreement, and in the case of a Significant Subsidiary, to deliver documentation, to the extent requested by the Administrative Agent, similar to that described in Section 5.01(c) and (d) relating to the authorization for, execution and delivery of, and validity of such Significant Subsidiary's obligations as a Guarantor, such documentation to be in form and substance reasonably satisfactory to the Administrative Agent.

(c) The Borrower covenants and agrees with the Lenders that each Specified Guarantor is, and shall remain, an entity organized under the laws of any jurisdiction within the United States. For the avoidance of doubt, this Section 10.14(c) shall not prohibit any merger or consolidation of a Specified Guarantor; provided, that, in accordance with the definition of "Specified Guarantor", any Person into which such Specified Guarantor is merged or consolidated, or to which all or substantially all of its assets are sold, transferred or disposed, shall become a Specified Guarantor and be subject to the provisions of this Section 10.14(c).

(d) Notwithstanding anything to the contrary contained herein or in any other Loan Document, upon the termination or release of any Guarantor (other than any Specified Guarantor) from its incurrence, issuance and guarantee of any and all debt securities or any other Material Indebtedness, such Guarantor shall be deemed to be automatically and unconditionally released and discharged from all its obligations under the Guarantee Agreement without any further action required on the part of the Administrative Agent or any Lender. At the request and sole expense of the Borrower following any such release and discharge, the Administrative Agent shall execute and deliver to the Borrower such documents as the Borrower shall reasonably request to evidence such release and discharge. For the avoidance of doubt, it is agreed and understood that any release of any Specified Guarantor from its obligations under the Guarantee Agreement shall be subject to Section 10.01.

SECTION 10.15. Confidentiality. Each of the Administrative Agent, each Issuing Bank and each Lender agrees to keep confidential all Information provided to it or its Affiliates by any Loan Party or its Affiliates pursuant to this Agreement; provided that nothing herein shall prevent the Administrative Agent, any Issuing Bank or any Lender from disclosing any such Information (a) to the Administrative Agent, any Issuing Bank or any other Lender, (b) subject to an agreement by such Person to comply with the provisions of this Section, to any actual or prospective Transferee or any actual or prospective direct or indirect counterparty to any Hedge Agreement (or any professional advisor to such counterparty), (c) to its employees or directors, or those of its Affiliates, agents, attorneys, accountants, and other professional advisors, or any Lender Affiliates, who are made aware of the confidential requirements of this Section 10.15 and who are instructed to keep such Information confidential in accordance therewith, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court

or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to Information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (i) in connection with the exercise of any remedy hereunder or under any other Loan Document, or (j) with the written consent of the Borrower. The provisions of this Section 10.15 shall survive any expiration or termination of this Agreement for a period of one (1) year. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a non-confidential basis prior to disclosure by the Borrower and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential.

For the avoidance of doubt, nothing in this Section 10.15 shall prohibit any Person from voluntarily disclosing or providing any Information within the scope of this confidentiality provision to any governmental, regulatory or self-regulatory organization (any such entity, a "Regulatory Authority") to the extent that any such prohibition on disclosure set forth in this Section 10.15 shall be prohibited by the laws or regulations applicable to such Regulatory Authority.

SECTION 10.16. WAIVERS OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT, AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 10.17. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively, the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received, or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 10.18. Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 10.19. USA Patriot Act: Beneficial Ownership Regulation.

(a) Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower and its subsidiaries, which information includes the name and business address of the Borrower, its subsidiaries and other required information that will allow such Lender to identify the Borrower and its subsidiaries in accordance with the Act, such as tax identification numbers and legal organizational documents. The Borrower and its subsidiaries shall promptly provide such information upon request by any Lender.

(b) Promptly following any request therefor, the Borrower shall provide information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with the Beneficial Ownership Regulation.

In connection therewith, each Lender hereby agrees that such information shall be covered by the confidentiality provisions set forth in Section 10.15 hereof.

SECTION 10.20. Judgment Currency.

(a) The Loan Parties' obligations hereunder and under the other Loan Documents to make payments in Dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than Dollars, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent, the respective Lender or Issuing Bank of the full amount of Dollars expressed to be payable to the Administrative Agent or such Lender or Issuing Bank under this Agreement or the other Loan Documents. If, for the purpose of obtaining or enforcing judgment against any Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than Dollars (such other currency being hereinafter referred to as the "Judgment Currency") an amount due in Dollars, the conversion shall be made at the Dollar Equivalent determined as of the Business Day immediately preceding the day on which the judgment is given (such Business Day being hereinafter referred to as the "Judgment Currency Conversion Date").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, the Loan Parties shall pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of Dollars which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining the Dollar Equivalent or any other rate of exchange for this Section 10.20, such amounts shall include any premium and costs payable in connection with the purchase of Dollars.

SECTION 10.21. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

FEDEX CORPORATION, as Borrower

By: /s/ Benjamin J. Huwer

Name: Benjamin J. Huwer

Title: Staff Vice President and Assistant Treasurer,
Corporate Development & Treasury

[FedEx Three-Year Credit Agreement]

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent, a Lender and an Issuing Bank

By: /s/ Jackie Castillo
Name: Jackie Castillo
Title: Vice President

[FedEx Three-Year Credit Agreement]

BANK OF AMERICA, N.A.,
as a Lender and an Issuing Bank

By: /s/ Jason Yakabu
Name: Jason Yakabu
Title: Director

[FedEx Three-Year Credit Agreement]

CITIBANK, N.A.,
as a Lender and an Issuing Bank

By: /s/ Maureen Maroney
Name: Maureen Maroney
Title: Vice President

[FedEx Three-Year Credit Agreement]

The Bank of Nova Scotia,
as a Lender and an Issuing Bank

By: /s/ Kevin McCarthy _____
Name: Kevin McCarthy
Title: Director

[FedEx Three-Year Credit Agreement]

WELLS FARGO BANK, National Association,
as a Lender and an Issuing Bank

By: /s/ Mylissa Merten
Name: Mylissa Merten
Title: Vice President

[FedEx Three-Year Credit Agreement]

Truist Bank,
as a Lender and an Issuing Bank

By: /s/ Chris Hursey _____

Name: Chris Hursey

Title: Director

[FedEx Three-Year Credit Agreement]

BNP Paribas,
as a Lender

By: /s/ Nader Tannous

Name: Nader Tannous

Title: Managing Director

By: /s/ Todd Grossnickle

Name: Todd Grossnickle

Title: Managing Director

[FedEx Three-Year Credit Agreement]

Goldman Sachs Bank USA,
as a Lender

By: /s/ Rebeca Kratz

Name: Rebecca Kratz

Title: Authorized Signatory

[FedEx Three-Year Credit Agreement]

HSBC Bank USA, National Association,
as a Lender

By: /s/ Patrick Mueller

Name: Patrick Mueller

Title: Managing Director

[FedEx Three-Year Credit Agreement]

ING Bank N.V., Dublin Branch
as a Lender

By: /s/ Louise Gough

Name: Louise Gough

Title: Vice President

By: /s/ Robert O'Donoghue

Name: Robert O'Donoghue

Title: Country Manager

[FedEx Three-Year Credit Agreement]

MIZUHO BANK, LTD.,
as a Lender

By: /s/ Donna DeMagistris

Name: Donna DeMagistris

Title: Executive Director

[FedEx Three-Year Credit Agreement]

Morgan Stanley Bank, N.A.,
as a Lender

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

[FedEx Three-Year Credit Agreement]

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Tracey Silverman

Name: Tracey Silverman

Title: Senior Vice President

[FedEx Three-Year Credit Agreement]

Deutsche Bank AG New York Branch,
as a Lender

By: /s/ Mark Lukin

Name: Mark Lukin

Title: Vice President

By: /s/ Alison Lugo

Name: Alison Lugo

Title: Vice President

[FedEx Three-Year Credit Agreement]

Regions Bank,
as a Lender

By: /s/ Christopher J. Brearey

Name: Christopher J. Brearey

Title: Director- Credit Products

[FedEx Three-Year Credit Agreement]

Sumitomo Mitsui Banking Corporation,
as a Lender

By: /s/ Minxiao Tian

Name: Minxiao Tian

Title: Director

[FedEx Three-Year Credit Agreement]

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Andrew C. Beckman

Name: Andrew C. Beckman

Title: Senior Vice President

[FedEx Three-Year Credit Agreement]

KBC BANK N.V.,
as a Lender

By: /s/ Nicholas Fiore
Name: Nicholas Fiore
Title: Managing Director

By: /s/ Francis X. Payne
Name: Francis X. Payne
Title: Managing Director

[FedEx Three-Year Credit Agreement]

STANDARD CHARTERED BANK,
as a Lender

By: /s/ Kristopher Tracy _____

Name: Kristopher Tracy

Title: Director, Financing Solutions

[FedEx Three-Year Credit Agreement]

State Street Bank & Trust Company,
as a Lender

By: /s/ Terence Whelan

Name: Terence Whelan

Title: VP

[FedEx Three-Year Credit Agreement]

First Horizon Bank,
as a Lender

By: /s/ Patrick Wredling

Name: Patrick Wredling

Title: Senior Vice President

[FedEx Three-Year Credit Agreement]

THE TORONTO-DOMINION BANK, NEW YORK
BRANCH,
as a Lender

By: /s/ David Perlman

Name: David Perlman

Title: Authorized Signatory

Omitted Attachments

Schedule 4.07 and all exhibits listed on page iv of this agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K because the information contained therein is not material and is not otherwise publicly disclosed. FedEx will furnish supplementally copies of these exhibits to the Securities and Exchange Commission or its staff upon request.

[FedEx Three-Year Credit Agreement]

SCHEDULE 2.01

LENDERS AND COMMITMENTS

SCHEDULE 2.01(a)

<u>Lender</u>	<u>Commitment</u>
JPMorgan Chase Bank, N.A.	\$ 130,000,000
Bank of America, N.A.	\$ 130,000,000
Citibank, N.A.	\$ 130,000,000
The Bank of Nova Scotia	\$ 130,000,000
Truist Bank	\$ 130,000,000
Wells Fargo Bank, National Association	\$ 130,000,000
BNP Paribas	\$ 87,500,000
Goldman Sachs Bank USA	\$ 87,500,000
HSBC Bank USA, National Association	\$ 87,500,000
ING Bank N.V., Dublin Branch	\$ 87,500,000
Mizuho Bank, Ltd.	\$ 87,500,000
Morgan Stanley Bank, N.A.	\$ 87,500,000
PNC Bank, National Association	\$ 87,500,000
Deutsche Bank AG New York Branch	\$ 62,500,000
Regions Bank	\$ 50,000,000
Sumitomo Mitsui Banking Corporation	\$ 50,000,000
U.S. Bank National Association	\$ 50,000,000
KBC Bank N.V.	\$ 37,500,000
Standard Chartered Bank	\$ 37,500,000
State Street Bank and Trust Company	\$ 25,000,000
First Horizon Bank	\$ 22,500,000
The Toronto-Dominion Bank, New York Branch	\$ 22,500,000
	<u>Total: \$1,750,000,000</u>

[FedEx Three-Year Credit Agreement]

SCHEDULE 2.01(b)

<u>Issuing Bank</u>	<u>Individual L/C Sublimit</u>
JPMorgan Chase Bank, N.A.	\$ 20,833,333.34
Bank of America, N.A.	\$ 20,833,333.34
Citibank, N.A.	\$ 20,833,333.33
The Bank of Nova Scotia	\$ 20,833,333.33
Truist Bank	\$ 20,833,333.33
Wells Fargo Bank, National Association	\$ 20,833,333.33
	<u>Total: \$125,000,000</u>

[FedEx Three-Year Credit Agreement]

SCHEDULE 3.01

EXISTING LETTERS OF CREDIT

None

[FedEx Three-Year Credit Agreement]

SCHEDULE 4.06

DISCLOSED MATTERS

None.

[FedEx Three-Year Credit Agreement]

SCHEDULE 10.14

INITIAL SUBSIDIARY GUARANTORS

Federal Express Corporation
Federal Express Europe, Inc.
Federal Express Holdings S.A., LLC
Federal Express International, Inc.
FedEx Corporate Services, Inc.
FedEx Freight Corporation
FedEx Freight, Inc.
FedEx Ground Package System, Inc.
FedEx Office and Print Services, Inc.

[FedEx Three-Year Credit Agreement]

\$1,750,000,000

FIVE-YEAR CREDIT AGREEMENT

Dated as of

March 15, 2024

Among

FEDEX CORPORATION,
as Borrower,

BANK OF AMERICA, N.A.,
as Syndication Agent,

CITIBANK, N.A.,
THE BANK OF NOVA SCOTIA,
WELLS FARGO BANK, NATIONAL ASSOCIATION
and
TRUIST BANK,
as Documentation Agents,

The Several Lenders Party Hereto,

And

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

JPMORGAN CHASE BANK, N.A., BOFA SECURITIES, INC., CITIBANK, N.A., THE BANK OF
NOVA SCOTIA, WELLS FARGO SECURITIES, LLC and TRUIST SECURITIES, INC.,
as Joint Lead Arrangers and Joint Bookrunners

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS	1
SECTION 1.01. Defined Terms	1
SECTION 1.02. Classification of Loans and Borrowings	28
SECTION 1.03. Terms Generally	28
SECTION 1.04. Accounting Terms; GAAP	28
SECTION 1.05. Currency Conversion and Fluctuations	28
SECTION 1.06. Interest Rates; Benchmark Notification	29
SECTION 1.07. Termination of the Existing Five-Year Credit Agreement	29
SECTION 1.08. Letter of Credit Amounts	30
ARTICLE II THE CREDITS	30
SECTION 2.01. Commitments	30
SECTION 2.02. Loans and Borrowings	30
SECTION 2.03. Requests for Borrowings	31
SECTION 2.04. Funding of Borrowings	32
SECTION 2.05. Interest Elections	32
SECTION 2.06. Termination and Reduction of Commitments	34
SECTION 2.07. Repayment of Loans; Evidence of Debt	34
SECTION 2.08. Prepayment of Loans	35
SECTION 2.09. Fees	35
SECTION 2.10. Interest	36
SECTION 2.11. Alternate Rate of Interest	36
SECTION 2.12. Increased Costs; Illegality	40
SECTION 2.13. Break Funding Payments	42
SECTION 2.14. Taxes	42
SECTION 2.15. Payments Generally; Pro Rata Treatment; Sharing of Set-offs	45
SECTION 2.16. Defaulting Lenders	47
SECTION 2.17. Mitigation Obligations; Replacement of Lenders	48
SECTION 2.18. Commitment Increases	49
SECTION 2.19. Extension of Maturity Date	50
ARTICLE III LETTERS OF CREDIT	51
SECTION 3.01. L/C Commitment	51
SECTION 3.02. Procedure for Issuance of Letter of Credit	52
SECTION 3.03. Fees and Other Charges	52
SECTION 3.04. L/C Participations	52
SECTION 3.05. Reimbursement Obligation of the Borrower	53
SECTION 3.06. Obligations Absolute	53
SECTION 3.07. Letter of Credit Payments	54
SECTION 3.08. Applications	54
SECTION 3.09. Cash Collateralization	54
SECTION 3.10. Currency Adjustments	55
SECTION 3.11. Existing Letters of Credit	55
SECTION 3.12. Replacement and Resignation of an Issuing Bank	55

ARTICLE IV REPRESENTATIONS AND WARRANTIES	55
SECTION 4.01. Organization; Powers	55
SECTION 4.02. Authorization; Enforceability	56
SECTION 4.03. Governmental Approvals; No Conflicts	56
SECTION 4.04. Financial Statements	56
SECTION 4.05. Taxes	56
SECTION 4.06. Litigation and Environmental Matters	56
SECTION 4.07. Subsidiaries	57
SECTION 4.08. ERISA	57
SECTION 4.09. Compliance with Laws and Agreements	57
SECTION 4.10. Properties; Liens	57
SECTION 4.11. Investment Company Status	57
SECTION 4.12. Anti-Corruption Laws and Sanctions	57
SECTION 4.13. Patriot Act Compliance	58
SECTION 4.14. Affected Financial Institutions	58
ARTICLE V CONDITIONS	58
SECTION 5.01. Effective Date	58
SECTION 5.02. Each Credit Event	59
ARTICLE VI AFFIRMATIVE COVENANTS	59
SECTION 6.01. Financial Statements and Other Information	59
SECTION 6.02. Use of Proceeds	60
SECTION 6.03. Notice of Material Events	61
SECTION 6.04. Existence; Conduct of Business	61
SECTION 6.05. Payment of Taxes	61
SECTION 6.06. Compliance with Laws	61
SECTION 6.07. Maintenance of Properties; Insurance	61
SECTION 6.08. Books and Records; Inspection Rights	61
SECTION 6.09. Leverage	62
ARTICLE VII NEGATIVE COVENANTS	62
SECTION 7.01. Liens	62
SECTION 7.02. Merger and Consolidation	64
SECTION 7.03. [Reserved]	65
SECTION 7.04. [Reserved]	65
SECTION 7.05. Use of Proceeds	65
ARTICLE VIII EVENTS OF DEFAULT	65
ARTICLE IX THE AGENTS	68
SECTION 9.01. Appointment	68
SECTION 9.02. Delegation of Duties	68
SECTION 9.03. Exculpatory Provisions	68
SECTION 9.04. Reliance by Administrative Agent	68
SECTION 9.05. Notice of Default	69
SECTION 9.06. Acknowledgements of Lenders and Issuing Banks	69
SECTION 9.07. Indemnification	71
SECTION 9.08. Agent in Its Individual Capacity	71
SECTION 9.09. Successor Administrative Agent	71
SECTION 9.10. Documentation Agents and Syndication Agent	72
SECTION 9.11. Certain ERISA Matters	72
SECTION 9.12. Borrower Communications	73
SECTION 9.13. Posting of Communications	74

ARTICLE X MISCELLANEOUS	75
SECTION 10.01. Amendments and Waivers	75
SECTION 10.02. Notices	77
SECTION 10.03. No Waiver; Cumulative Remedies	77
SECTION 10.04. Survival of Representations and Warranties	78
SECTION 10.05. Payment of Expenses and Taxes; Indemnity; Limitation of Liability; Etc.	78
SECTION 10.06. Successors and Assigns; Participations and Assignments	79
SECTION 10.07. Adjustments; Set-off	82
SECTION 10.08. Counterparts	82
SECTION 10.09. Severability	82
SECTION 10.10. Integration	83
SECTION 10.11. Governing Law	83
SECTION 10.12. Submission To Jurisdiction; Waivers	83
SECTION 10.13. Acknowledgements	83
SECTION 10.14. Guarantors	84
SECTION 10.15. Confidentiality	85
SECTION 10.16. WAIVERS OF JURY TRIAL	85
SECTION 10.17. Interest Rate Limitation	85
SECTION 10.18. Headings	86
SECTION 10.19. USA Patriot Act; Beneficial Ownership Regulation	86
SECTION 10.20. Judgment Currency	86
SECTION 10.21. Acknowledgement and Consent to Bail-In of Affected Financial Institutions	86

SCHEDULES:

- Schedule 2.01 – Lenders and Commitments
- Schedule 3.01 – Existing Letters of Credit
- Schedule 4.06 – Disclosed Matters
- Schedule 4.07 – Significant Subsidiaries
- Schedule 10.14 – Initial Subsidiary Guarantors

EXHIBITS:

- Exhibit A – Form of Borrowing Request
- Exhibit B – Form of Interest Election Request
- Exhibit C – Form of Guarantee Agreement
- Exhibit D – Form of Opinion of Borrower’s Counsel
- Exhibit E – Form of Assignment and Acceptance
- Exhibit F – Form of Exemption Certificate
- Exhibit G-1 – Form of Increased Facility Activation Notice
- Exhibit G-2 – Form of Increasing Lender Supplement
- Exhibit G-3 – Form of New Lender Supplement
- Exhibit H – Form of Compliance Certificate

FIVE-YEAR CREDIT AGREEMENT, dated as of March 15, 2024 (this "Agreement"), among FEDEX CORPORATION (the "Borrower"), the several banks and other financial institutions from time to time party hereto (the "Lenders") and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate. All ABR Loans shall be denominated in Dollars.

"Acquisition" means any transaction or series of related transactions (excluding any transaction or series of related transactions solely among the Borrower and/or one or more of its Subsidiaries) for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of all or substantially all of any business or division of a Person, (b) the acquisition of in excess of 50% of the capital stock, partnership interests, membership interests or equity of any Person, or otherwise causing any Person to become a Subsidiary, or (c) a merger or consolidation or any other combination with another Person; provided that the Borrower or a Subsidiary is the surviving entity.

"Additional Lender" has the meaning assigned to such term in Section 2.19.

"Adjusted Daily Simple RFR" means, (i) with respect to any RFR Borrowing denominated in Pounds Sterling, an interest rate per annum equal to (a) the Daily Simple RFR for Pounds Sterling, plus (b) 0.0326 % and (ii) with respect to any RFR Borrowing denominated in Dollars, an interest rate per annum equal to Adjusted Daily Simple SOFR; provided that if the Adjusted Daily Simple RFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted Daily Simple SOFR" means, with respect to any Daily Simple SOFR Borrowing, an interest rate per annum equal to (a) the Daily Simple SOFR, plus (b) 0.10%.

"Adjusted EURIBOR Rate" means, with respect to any Term Benchmark Borrowing denominated in Euros for any Interest Period, an interest rate per annum equal to (a) the EURIBOR Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; provided that if the Adjusted EURIBOR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted Term SOFR Rate" means, with respect to any Term Benchmark Borrowing denominated in Dollars for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, plus (b) 0.10%; provided that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Administrative Agent” means JPMorgan Chase Bank, N.A., together with its Affiliates, as the administrative agent for the Lenders hereunder, together with any of its successors.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agents” means, collectively, the Syndication Agent, the Documentation Agents and the Administrative Agent.

“Aggregate Exposure” means, with respect to any Lender at any time, an amount equal to (a) until the Effective Date, the amount of such Lender’s Commitments at such time and (b) thereafter, such Lender’s Commitment then in effect or, if the Commitments have been terminated, the amount of such Lender’s Loans and L/C Exposure (and, in the case of Foreign Currency Loans and Foreign Currency Letters of Credit, the Dollar Equivalent of such Lender’s Foreign Currency Loans and L/C Exposure with respect to Foreign Currency Letters of Credit) then outstanding; provided that, in the case of Section 2.16, when a Defaulting Lender shall exist, any such Defaulting Lender’s Commitment shall be disregarded in the calculation.

“Aggregate Exposure Percentage” means, with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

“Agreed Currencies” means Dollars and each Alternative Currency.

“Agreement” means this Five-Year Credit Agreement, as amended, supplemented or otherwise modified from time to time.

“Alternate Base Rate” means, for any day, a rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) the New York Fed Bank Rate in effect on such day plus ½ of 1% and (c) the Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a U.S. Government Securities Business Day, the immediately preceding U.S. Government Securities Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m. Chicago time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the New York Fed Bank Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the New York Fed Bank Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.11 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.11(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

“Alternative Currency” means Pounds Sterling and Euros.

“Anti-Corruption Laws” means the United States Foreign Corrupt Practices Act of 1977, as amended, and the UK Bribery Act 2010, as amended.

“Applicable Rate” means, for any day with respect to (a) any Term Benchmark Loan denominated in any currency, a rate per annum equal to the applicable rate per annum set forth in the Pricing Grid under the caption “Applicable Rate (Term Benchmark Loan)” based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt, (b) any RFR Loan denominated in any currency, a rate per annum equal to the applicable rate per annum set forth in the Pricing Grid under the caption “Applicable Rate (RFR Loan)” based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt, (c) any ABR Loan, a rate per annum equal to the applicable rate per annum set forth in the Pricing Grid under the caption “Applicable Rate (ABR Loan)” based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt, or (d) commitment fees payable hereunder, the applicable rate per annum set forth in the Pricing Grid under the caption “Commitment Fee Rate” based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt.

“Application” means an application, as required by the relevant Issuing Bank and using such Issuing Bank’s standard form, requesting such Issuing Bank to open a Letter of Credit.

“Approved Borrower Portal” has the meaning assigned to it in Section 9.12(a).

“Approved Electronic Platform” has the meaning assigned to it in Section 9.13(a).

“Assignee” has the meaning assigned to such term in Section 10.06(c).

“Assignment and Acceptance” means an assignment and acceptance entered into by a Lender and an Assignee (with the consent of any party whose consent is required by Section 10.06), and accepted by the Administrative Agent, in the form of Exhibit E.

“Assignor” has the meaning assigned to such term in Section 10.06(c).

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark for any Agreed Currency, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (e) of Section 2.11.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Benchmark” means, initially, with respect to any (i) RFR Loan in any Alternative Currency, the applicable Relevant Rate for such Alternative Currency or (ii) Term Benchmark Loan, the Relevant Rate for such Agreed Currency; *provided* that if a Benchmark Transition Event, and the related Benchmark Replacement Date have occurred with respect to the applicable Relevant Rate or the then-current Benchmark for such Agreed Currency, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 2.11.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date; *provided* that, in the case of any Loan denominated in an Alternative Currency, “Benchmark Replacement” shall mean the alternative set forth in (2) below:

(1) in the case of any Loan denominated in Dollars, the Adjusted Daily Simple SOFR;

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Agreed Currency at such time in the United States and (b) the related Benchmark Replacement Adjustment;

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Currency at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement and/or any Term Benchmark Revolving Loan denominated in Dollars, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “RFR Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation

notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides in its reasonable discretion, in consultation with the Borrower, may be appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Replacement Date” means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or
- (2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or component thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if such Benchmark (or component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof);
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the U.S. Federal Reserve Board, the New York Fed, the CME Term SOFR

Administrator, the central bank for the Agreed Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component thereof), in each case which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document pursuant to Section 2.11.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code, or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan.”

“Benefitted Lender” has the meaning assigned to such term in Section 10.07(a).

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means FedEx Corporation, a Delaware corporation.

“Borrowing” means Loans of the same Type, made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03.

“Business Day” means, any day (other than a Saturday or a Sunday) on which banks are open for business in New York City; provided that, (a) in relation to Loans denominated in Sterling, any day (other than a Saturday or a Sunday) on which banks are open for business in London, (b) in relation to Loans denominated in Euros and in relation to the calculation or computation of EURIBOR, any day which is a TARGET Day, (c) in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings in the applicable Agreed Currency of such RFR Loan, any such day that is only an RFR Business Day and (d) in relation to Loans referencing the Adjusted Term SOFR Rate and any interest rate settings, fundings, disbursements, settlements or payments of any Loans referencing the Adjusted Term SOFR Rate or any other dealings of such Loans referencing the Adjusted Term SOFR Rate, any such day that is a U.S. Government Securities Business Day.

“CBR Loan” means a Loan that bears interest at a rate determined by reference to the Central Bank Rate.

“CBR Spread” means the Applicable Rate, applicable to such Loan that is replaced by a CBR Loan.

“Central Bank Rate” means, the greater of (A) the sum of (i) for any Loan denominated in (a) Pounds Sterling, the Bank of England (or any successor thereto)’s “Bank Rate” as published by the Bank of England (or any successor thereto) from time to time, (b) Euro, one of the following three rates as may be selected by the Administrative Agent in its reasonable discretion: (1) the fixed rate for the main refinancing operations of the European Central Bank (or any successor thereto), or, if that rate is not published, the minimum bid rate for the main refinancing operations of the European Central Bank (or any successor thereto), each as published by the European Central Bank (or any successor thereto) from time to time, (2) the rate for the marginal lending facility of the European Central Bank (or any successor thereto), as published by the European Central Bank (or any successor thereto) from time to time or (3) the rate for the deposit facility of the central banking system of the Participating Member States, as published by the European Central Bank (or any successor thereto) from time to time and (c) any other Alternative Currency determined after the Effective Date, a central bank rate as determined by the Administrative Agent in its reasonable discretion and (ii) the applicable Central Bank Rate Adjustment; and (B) the Floor.

“Central Bank Rate Adjustment” means, for any day, for any Loan denominated in (a) Euro, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Adjusted EURIBOR Rate for the five most recent Business Days preceding such day for which the EURIBOR Screen Rate was available (excluding, from such averaging, the highest and the lowest Adjusted EURIBOR Rate applicable during such period of five Business Days) minus (ii) the Central Bank Rate in respect of Euro in effect on the last Business Day in such period, (b) Pounds Sterling, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of Adjusted Daily Simple RFR for Pounds Sterling Borrowings for the five most recent RFR Business Days preceding such day for which SONIA was available (excluding, from such averaging, the highest and the lowest such Adjusted Daily Simple RFR applicable during such period of five RFR Business Days) minus (ii) the Central Bank Rate in respect of Pounds Sterling in effect on the last RFR Business Day in such period and (c) any other Alternative Currency determined after the Effective Date, a Central Bank Rate Adjustment as determined by the Administrative Agent in its reasonable discretion. For purposes of this definition, (x) the term Central Bank Rate shall be determined disregarding clause (B) of the definition of such term and (y) the EURIBOR Rate on any day shall be based on the EURIBOR Screen Rate on such day at approximately the time referred to in the definition of such term for deposits in the applicable Agreed Currency for a maturity of one month.

“Change in Law” means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or Issuing Bank (or, for purposes of Section 2.12(b), by any lending office of such Lender or by such Lender’s or Issuing Bank’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement. Notwithstanding anything herein to the contrary (solely for the purposes of Sections 2.12(a), 2.12(b) and 2.12(g)), (i) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities, in each case pursuant to Basel III, and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof, shall in each case be deemed to be a Change in Law, regardless of the date enacted, adopted, issued or implemented.

“Change of Control” means any of the following: (a) any “person” (as such term is used in Sections 13(d) and 14 of the Securities Exchange Act of 1934, as amended), other than (1) the Borrower, (2) any Subsidiary, (3) any employee benefit plan (or a trust forming a part thereof) maintained by the Borrower or any Subsidiary, or (4) any underwriter temporarily holding securities of the Borrower pursuant to an offering of such securities becoming the “beneficial owner” (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of securities of the Borrower representing 30% or more of the Borrower’s then outstanding Voting Stock; or (b) directors who, as of the date of this Agreement, constitute the Board of Directors of the Borrower (the “Incumbent Board”) ceasing to constitute at least a majority of the Board of Directors of the Borrower (or, in the event of any merger, consolidation or reorganization the principal purpose of which is to change the Borrower’s state of incorporation, form a holding company or effect a similar reorganization as to form, the board of directors of such surviving company or its ultimate parent company), provided, however, that any individual becoming a member of the Board of Directors of the Borrower subsequent to the date of this Agreement whose election, or nomination for election by the Borrower’s stockholders, was approved by a vote of a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board.

“CME Term SOFR Administrator” means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Commitment” means, with respect to any Lender, the obligation of such Lender, if any, to make Loans and participate in Letters of Credit hereunder, in an amount not to exceed the amount set forth under the heading “Commitment” opposite such Lender’s name on Schedule 2.01(a) (as may be increased pursuant to Section 2.18) or in the Assignment and Acceptance pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The aggregate original amount of the Commitments on the Effective Date is \$1,750,000,000.

“Conduit Lender” means any special purpose corporation organized and administered by any Lender for the purpose of making Loans otherwise required to be made by such Lender and designated by such Lender in a written instrument; provided, that the designation by any Lender of a Conduit Lender shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or

requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 2.12, 2.13, 2.14, 2.15 or 10.05 than the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender, or (b) be deemed to have any Commitment.

“Consolidated Adjusted Total Assets” means, at any date as of which the amount thereof is to be determined, (a) the aggregate amount set forth as the assets of the Borrower and the consolidated Subsidiaries on a consolidated balance sheet of the Borrower and the consolidated Subsidiaries prepared as of such date in accordance with GAAP, minus (b) the aggregate book value as of such date of determination of all assets of the Borrower or any consolidated Subsidiary subject on such date of determination to a Lien permitted by Section 7.01(j).

“Consolidated EBITDA” means, for any period, Consolidated Operating Income for such period plus, without duplication and to the extent reducing such Consolidated Operating Income for such period, the sum of (a) depreciation and amortization expense, (b) amortization of intangibles (including, but not limited to, goodwill), (c) all non-cash pension expenses and losses, including, but not limited to, pension service costs, (d) non-cash asset impairment charges related to long-lived assets (including intangible asset impairment charges), (e) expenses related to business optimization and restructuring and (f) synergies and cost savings of the Borrower and its Subsidiaries related to operational changes, restructuring, reorganizations, operating expense reductions, operating improvements and similar restructuring initiatives relating to an Acquisition (it being understood any such increases pursuant to this clause (f) shall only be available subject to the consummation of such Acquisition and not in contemplation thereof), in each case, that are set forth in a certificate of a Responsible Officer of the Borrower and are factually supportable (in the good faith determination of the Borrower, as certified in the applicable certificate) and are reasonably anticipated by the Borrower in good faith to be realized within 24 months following the completion of such Acquisition (in each case calculated for the applicable period on a pro forma basis as if the synergies and cost savings with respect to such period had been realized on the first day of such period, and net of the amount of actual benefits realized during such period from such actions to the extent already included in Consolidated Operating Income for such period), and minus, without duplication, to the extent included in such Consolidated Operating Income for such period, non-cash periodic mark-to-market credits related to pension gains, all as determined on a consolidated basis; provided that the aggregate amount added back pursuant to clauses (e) and (f) above shall not exceed 10% of Consolidated EBITDA (calculated after giving effect to any such addback and such cap and all other permitted addbacks and adjustments) in any period.

“Consolidated Operating Income” means, for any period, the consolidated operating income (or loss) of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions.

“Consolidated Total Debt” means, as of any date with respect to the Borrower and its Subsidiaries, (a) all liabilities of the Borrower and its Subsidiaries outstanding on such date which would in accordance with GAAP be classified as short-term or long-term debt (including the current portion of long-term debt) of the Borrower and its Subsidiaries (including, without limitation, finance lease obligations) on a consolidated balance sheet of the Borrower and its Subsidiaries as of such date minus (b) Unrestricted Cash in an aggregate amount not to exceed \$500,000,000.

“Contingent Obligation” of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses (other than endorsements for collection or deposit in the

ordinary course of business), contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the payment obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter or take-or-pay contract.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Loans and L/C Exposure (and, in the case of Foreign Currency Loans and Foreign Currency Letters of Credit, the Dollar Equivalent of such Lender’s Foreign Currency Loans and L/C Exposure with respect to Foreign Currency Letters of Credit) at such time.

“Current Maturities” means, as of any date with respect to the Long Term Debt of any Person, any portion of such Long Term Debt that would in accordance with GAAP be classified as a current liability of such Person.

“Daily Simple RFR” means, for any day (an “RFR Interest Day”), an interest rate per annum equal to, for any RFR Loan denominated in (i) Pounds Sterling, SONIA for the day that is five (5) RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day and (ii) Dollars, Daily Simple SOFR (following a Benchmark Transition Event and a Benchmark Replacement Date with respect to the Term SOFR Rate).

“Daily Simple SOFR” means, for any day (a “SOFR Rate Day”), a rate per annum equal to SOFR for the day (such day “SOFR Determination Date”) that is five (5) RFR Business Days prior to (i) if such SOFR Rate Day is an RFR Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower. If by 5:00 p.m. (New York City time) on the second (2nd) RFR Business Day immediately following any SOFR Determination Date, SOFR in respect of such SOFR Determination Date has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to the Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Date will be SOFR as published in respect of the first preceding RFR Business Day for which such SOFR was published on the SOFR Administrator’s Website.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means any Lender that has (a) failed to within three (3) Business Days of the date required hereunder (i) fund any portion of its Loans or (ii) fund any portion of its participations in Letters of Credit, unless, in the case of clause (i) above, such Lender, acting in good faith, notifies the Administrative Agent and the Borrower in writing within three (3) Business Days of the date such Lender was required to fund such portion of its Loans that such failure to fund is the result of such Lender’s

reasonable determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, (b) notified the Borrower or the Administrative Agent in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement (unless such writing or public statement (i) relates to such Lender's obligation to fund a Loan hereunder, (ii) states, in good faith, that such position is based on such Lender's reasonable determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied and (iii) is issued within three (3) Business Days of the date such Lender was required to fund a portion of its Loans hereunder) or generally under similar agreements in which it has committed to extend credit, (c) failed, within three (3) Business Days after written request by the Administrative Agent (whether acting on its own behalf or at the reasonable request of the Borrower (it being understood that the Administrative Agent shall comply with any such reasonable request)), to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit; provided that any such Lender shall cease to be a Defaulting Lender under this clause (c) upon receipt of such confirmation by the Administrative Agent, (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three (3) Business Days of the date when due, unless the subject of a good faith dispute, (e) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has a parent company that has become other than via an Undisclosed Administration the subject of a bankruptcy or insolvency proceeding or a Bail-In Action, or has had a receiver, conservator, trustee or custodian appointed for it, or (f) has become the subject of a Bail-In Action. No Lender shall be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in such Lender or a parent company thereof by a Governmental Authority or an instrumentality thereof so long as such ownership does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority or instrumentality thereof) to reject, repudiate, disavow or disaffirm any contracts or agreements with or of such Lender.

“Disclosed Matters” means the actions, suits and proceedings and the environmental matters disclosed in (i) the Borrower's most recent annual report on Form 10-K or most recent quarterly report on Form 10-Q filed, in each case, prior to the date of this Agreement and only as and to the extent disclosed therein (but excluding any risk factor disclosures contained under the heading “Risk Factors,” any disclosure of risks included in any “forward-looking statements” disclaimer or any other statements that are similarly predictive or forward-looking in nature) or (ii) as otherwise disclosed in Schedule 4.06.

“Dividing Person” has the meaning assigned to it in the definition of “Division”.

“Division” means the division of the assets, liabilities and/or obligations of a Person (the “Dividing Person”) among two or more Persons (whether pursuant to a “plan of division” or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

“Division Successor” means any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

“Dollar Equivalent” means, for any amount, at the time of determination thereof, (a) if such amount is expressed in dollars, such amount, (b) if such amount is expressed in an Alternative Currency,

the equivalent of such amount in dollars determined by using the rate of exchange for the purchase of dollars with the Alternative Currency last provided (either by publication or otherwise provided to the Administrative Agent) by Reuters on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of dollars with the Alternative Currency, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters chosen by the Administrative Agent in its sole discretion (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion) and (c) if such amount is denominated in any other currency, the equivalent of such amount in dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion.

“Dollar Revolving Loans” has the meaning assigned to such term in Section 2.01.

“Dollars” or “\$” refers to lawful money of the United States of America.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent;

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions specified in Section 5.01 are satisfied (or waived in accordance with Section 10.01).

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority that are in each case relating to pollution or the protection of the environment, the preservation or reclamation of natural resources, the management, storage or release of any Hazardous Material, or to health and safety matters as they relate to Hazardous Materials or natural resources.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) the violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any consent order or consent agreement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means (i) any entity (whether or not incorporated) that, together with any Loan Party, is treated as a single employer under Sections 414(b) or (c) of the Code or, solely for purposes of Sections 302 and 303 of ERISA and Sections 412 and 430 of the Code, is treated as a single employer under Sections 414(m) or (o) of the Code and (ii) any entity (whether or not incorporated) that, together with the Borrower, is under common control within the meaning of Section 4001(a)(14) of ERISA.

“ERISA Event” means (a) a Reportable Event with respect to a Plan; (b) the failure to meet the minimum funding standard of Sections 412 or 430 of the Code or Sections 302 or 303 of ERISA with respect to any Single Employer Plan (whether or not waived in accordance with Section 412(c) of the Code) or the failure to make by its due date a required installment under Section 430(j) of the Code or Section 303(j) of ERISA with respect to any Single Employer Plan or the failure to make any required payment or contribution to a Multiemployer Plan; (c) the incurrence by any Loan Party or any ERISA Affiliate of any liability under Title IV of ERISA, other than for PBGC premiums; (d) a determination that any Plan is, or is expected to be, in “at risk” status (within the meaning of Section 430 of the Code or Title IV of ERISA); (e) the receipt by any Loan Party or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan or the commencement of proceedings by the PBGC to terminate a Plan; (f) the incurrence by any Loan Party or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by any Loan Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is insolvent (within the meaning of Section 4245 of ERISA), or in “endangered” or “critical” status (within the meaning of Section 432 of the Code or Section 305 of ERISA).

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“EURIBOR Rate” means, with respect to any Term Benchmark Borrowing denominated in Euros and for any Interest Period, the EURIBOR Screen Rate, two TARGET Days prior to the commencement of such Interest Period.

“EURIBOR Screen Rate” means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters as published at approximately 11:00 a.m. Brussels time two TARGET Days prior to the commencement of such Interest Period. If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Borrower.

“Euro” and “€” mean the single currency of Participating Member States introduced in accordance with the provisions of Article 109(1)4 of the Treaty and, in respect of all payments to be made under this Agreement in Euro, means immediately available, freely transferable funds.

“Euro Revolving Loans” has the meaning assigned to such term in Section 2.01.

“Event of Default” has the meaning assigned to such term in Article VIII.

“Excluded Taxes” shall mean (i) net income taxes, branch profit taxes and franchise taxes (imposed on or measured by net income) imposed on the Administrative Agent or any Lender as a result of

a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document), (ii) Taxes that are attributable to a Lender's failure to comply with the requirements of Section 2.14(f), (iii) in the case of a Lender, United States federal withholding taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or commitment resulting from any Requirement of Law in effect on the date (a) such Lender becomes a party to this Agreement or otherwise acquires such interest or commitment (other than pursuant to an assignment request by the Borrower under Section 2.17(b)), or (b) such Lender changes its lending office, except, in each case, to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, or such Lender was entitled immediately before it changed its lending office, to receive additional amounts with respect to such Taxes pursuant to Section 2.14 or (iv) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Five-Year Credit Agreement" means the Second Amended and Restated Five-Year Credit Agreement, dated as of March 16, 2021, among the Borrower, various financial institutions and JPMorgan Chase Bank, N.A., as administrative agent (as amended by the First Amendment, dated as of March 15, 2022, and as further amended, restated or otherwise modified from time to time prior to the Effective Date).

"Existing Letters of Credit" means the letters of credit set forth in Schedule 3.01.

"Existing Maturity Date" has the meaning assigned to such term in Section 2.19.

"Extended Maturity Date" has the meaning assigned to such term in Section 2.19.

"Existing Three-Year Credit Agreement" means the Three-Year Credit Agreement, dated as of March 15, 2022 among the Borrower, various financial institutions and JPMorgan Chase Bank, N.A., as administrative agent (as amended, restated or otherwise modified from time to time prior to the Effective Date).

"Extending Lender" has the meaning assigned to such term in Section 2.19.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement, and any regulations or official interpretations thereof.

"Federal Aviation Act" means the Federal Aviation Act of 1958, as amended from time to time.

"Federal Funds Effective Rate" means, for any day, an interest rate per annum equal to the rate calculated by the New York Fed based on such day's federal funds transactions by depository institutions (as determined in such manner as the New York Fed shall set forth on the Federal Reserve Bank of New York's Website from time to time) and published on the next succeeding Business Day by the New York Fed as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Federal Reserve Bank of New York's Website" means the website of the New York Fed at <http://www.newyorkfed.org>, or any successor source.

“Fee Payment Date” means (a) the last day of March, June, September and December of each year, or, in the case of any Commitment Fee, the fifteenth day after the last day of March, June, September and December of each year, and (b) the date on which the Commitments terminate.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer, staff vice president and assistant treasurer or controller of the Borrower.

“Flight Equipment” means, individually and collectively, aircraft, aircraft engines, appliances and spare parts, all as defined in the Federal Aviation Act, and related parts.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate, Adjusted EURIBOR Rate, each Adjusted Daily Simple RFR or the Central Bank Rate, as applicable. For the avoidance of doubt the initial Floor for each of Adjusted Term SOFR Rate, Adjusted EURIBOR Rate, each Adjusted Daily Simple RFR or the Central Bank Rate shall be zero.

“Foreign Currency Letter of Credit” means a Letter of Credit denominated in Euros or Pounds Sterling.

“Foreign Currency Loans” has the meaning assigned to such term in Section 2.01.

“Foreign Subsidiary” means any Subsidiary of the Borrower that is organized and existing under the laws of any jurisdiction outside of the United States of America or that is a Foreign Subsidiary Holding Company.

“Foreign Subsidiary Holding Company” means any Subsidiary of the Borrower or its domestic Subsidiaries that has no material assets other than (a) securities of one (1) or more Foreign Subsidiaries, and other assets relating to an ownership interest in any such securities or Subsidiaries, (b) intercompany accounts or loans receivables with Borrower or another Subsidiary of Borrower, and (c) goodwill.

“GAAP” means generally accepted principles of accounting as in effect from time to time in the United States of America. In the event that any “Accounting Change” (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then upon delivery of notice of such Accounting Change from either the Borrower or the Administrative Agent, each of the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower’s financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as notice of such Accounting Change has been delivered pursuant to the preceding sentence and an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. “Accounting Changes” refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee Agreement” means, collectively, the Guarantee Agreement, substantially in the form of Exhibit C attached hereto, to be executed by certain Subsidiaries in accordance with the terms of this Agreement.

“Guarantor” means each Subsidiary that is a party to the Guarantee Agreement.

“Hazardous Materials” means (a) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas, and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant (or terms of similar meaning), under any Requirement of Law.

“Hedge Agreement” means any interest rate swap, exchange or cap agreement.

“Increased Facility Activation Notice” means a notice substantially in the form of Exhibit G-1.

“Increased Facility Closing Date” means any Business Day designated as such in an Increased Facility Activation Notice.

“Indebtedness” of a Person means, without duplication, (i) obligations of such Person for borrowed money, (ii) obligations of such Person representing the deferred purchase price of Property or services (other than accounts payable arising in the ordinary course of such Person’s business payable), (iii) Indebtedness of others, whether or not assumed, secured by Liens on any Property now or hereafter owned or acquired by such Person, (iv) obligations of such Person which are evidenced by notes, bonds, debentures, or other similar instruments, (v) net liabilities of such Person under Hedge Agreements, (vi) Contingent Obligations of such Person, and (vii) obligations of such Person created through asset securitization financing programs.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Index Debt” means senior, unsecured, non-credit enhanced long-term debt issued by the Borrower.

“Individual L/C Sublimit” has the meaning assigned to such term in the definition of “L/C Sublimit”.

“Initial Extended Maturity Date” has the meaning assigned to such term in Section 2.19.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December, (b) with respect to any RFR Loan, (1) each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and

(2) the Maturity Date and (c) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Maturity Date.

“Interest Period” means with respect to any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one (1), three (3) or six (6) months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment for any Agreed Currency), as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to Section 2.11(e) shall be available for specification in such Borrowing Request or Interest Election Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“IRS” means the Internal Revenue Service.

“Issuing Bank” means each of JPMorgan Chase Bank, N.A., Bank of America, N.A., The Bank of Nova Scotia, Citibank, N.A., Wells Fargo Bank, National Association, Truist Bank and any other Lender approved by the Administrative Agent and the Borrower that has agreed in its sole discretion to act as an “Issuing Bank” hereunder, or any of their respective affiliates, in each case in its capacity as issuer of any Letter of Credit. Each reference herein to “the Issuing Bank” shall be deemed to be a reference to the relevant Issuing Bank.

“Judgment Currency” has the meaning assigned to such term in Section 10.20(a).

“Judgment Currency Conversion Date” has the meaning assigned to such term in Section 10.20(a).

“L/C Exposure” means, at any time, the total L/C Obligations. The L/C Exposure of any Lender at any time shall be an amount equal to its Aggregate Exposure Percentage of the total L/C Exposure at such time; provided that in the case of Section 2.16 when a Defaulting Lender shall exist, the L/C Exposure of any Lender shall be adjusted to give effect to any reallocation effected pursuant to Section 2.16.

“L/C Obligations” means at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 3.05.

“L/C Participants” means the collective reference to all the Lenders other than the Issuing Banks.

“L/C Sublimit” means an amount equal to the lesser of (a) \$125,000,000 and (b) the remaining outstanding Commitments; provided that, with respect to each Person acting as an Issuing Bank as of the Effective Date, there shall be an individual L/C Sublimit (the “Individual L/C Sublimit”) in an

amount not to exceed the amount set forth under the heading “Individual L/C Sublimit” opposite such Issuing Bank’s name on Schedule 2.01(b). The L/C Sublimit is part of, and not in addition to, the Commitments and each Issuing Bank’s Individual L/C Sublimit is part of, and not in addition to such Issuing Bank’s (or its Affiliate’s) Commitments.

“Lender Affiliate” means (a) any Affiliate of any Lender, (b) any Person that is administered or managed by any Lender or any Affiliate of any Lender and that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business, or (c) with respect to any Lender which is a fund that invests in commercial loans and similar extensions of credit, any other fund that invests in commercial loans and similar extensions of credit and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such Lender or investment advisor.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Acceptance, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance. Unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender and any Issuing Bank.

“Letters of Credit” has the meaning assigned to such term in Section 3.01(a).

“Liabilities” means any liabilities, losses, claims (including intraparty claims), demands, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind.

“Lien” means any lien (statutory or other), mortgage, pledge, hypothecation, encumbrance or other security interest of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, capital lease or other title retention agreement).

“LLC” means any Person that is a limited liability company under the laws of its jurisdiction of formation.

“Loan Documents” means this Agreement, the Guarantee Agreement and the Notes, if any.

“Loan Parties” means the collective reference to the Borrower and each Guarantor.

“Loans” means the Dollar Revolving Loans, Euro Revolving Loans and Sterling Revolving Loans made by the Lenders to the Borrower pursuant to this Agreement.

“Local Time” means (a) with respect to a Loan or Letter of Credit denominated in Dollars, New York City time and (b) with respect to a Loan or Letter of Credit denominated in Euros or Pounds Sterling, London time.

“Long Term Debt” means, as of any date with respect to any Person, all liabilities of such Person outstanding on such date which would in accordance with GAAP be classified as long term debt of such Person (including, without limitation, finance lease obligations of such Person).

“Margin Stock” has the meaning assigned to such term in Regulation U.

“Material Acquisition” means an Acquisition the aggregate cash consideration for which is equal to or greater than \$250,000,000.

“Material Adverse Effect” means a material adverse effect on (i) the business, Property, financial condition or results of operations of the Borrower and its consolidated Subsidiaries taken as a whole, (ii) the ability of the Borrower to perform its obligations under the Loan Documents, or (iii) the validity or enforceability of any of the Loan Documents to which Borrower or any of the Significant Subsidiaries is a party or the rights or remedies of the Administrative Agent or the Lenders thereunder.

“Material Indebtedness” means Indebtedness (other than the Loans or other Obligations) of any one (1) or more of the Borrower and its consolidated Subsidiaries in an aggregate principal amount exceeding \$200,000,000 (or the equivalent thereof in any other currency).

“Maturity Date” means March 15, 2029, or if such date is not a Business Day, the next preceding Business Day, as the same may be extended (in the case of each Lender consenting thereto) pursuant to Section 2.19.

“Moody’s” means Moody’s Investors Service, Inc., or, if Moody’s shall cease rating Index Debt of the Borrower and its ratings business with respect to Index Debt of the Borrower shall have been transferred to a successor Person, such successor Person; provided, however, that if Moody’s ceases rating securities similar to Index Debt of the Borrower and its ratings business with respect to such securities shall not have been transferred to any successor Person, then “Moody’s” shall mean any other nationally recognized rating agency (other than S&P) selected by the Borrower and reasonably satisfactory to the Administrative Agent that rates any Indebtedness of the Borrower.

“Multiemployer Plan” means a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“New Lenders” has the meaning assigned to such term in Section 2.18(b).

“New York Fed” means the Federal Reserve Bank of New York.

“New York Fed Bank Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term “New York Fed Bank Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Non-Extending Lender” has the meaning assigned to such term in Section 2.19.

“Non-U.S. Lender” has the meaning assigned to such term in Section 2.14(f).

“Notes” means any promissory notes executed by the Borrower in favor of a Lender party hereto pursuant to Section 2.07(e).

“Obligations” means the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans, the Reimbursement Obligations and all other obligations and liabilities of the Borrower to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now

existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs or expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant hereto).

“Other Taxes” means any and all present or future stamp, court or documentary, intangible, recording, filing or similar taxes arising from any payment made hereunder or from the execution, delivery, performance, registration or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in Dollars by U.S.-managed banking offices of depository institutions (as such composite rate shall be determined by the New York Fed as set forth on its public website from time to time) and published on the next succeeding Business Day by the New York Fed as an overnight bank funding rate.

“Overnight Rate” means, for any day, (a) with respect to any amount denominated in Dollars, the New York Fed Bank Rate and (b) with respect to any amount denominated in an Alternative Currency, an overnight rate determined by the Administrative Agent or the Issuing Banks, as the case may be, in accordance with banking industry rules on interbank compensation.

“Participant” has the meaning assigned to such term in Section 10.06(b).

“Participant Register” has the meaning assigned to such term in Section 10.06(b).

“Participating Member State” means each state so described in any EMU legislation.

“Patriot Act” means the USA Patriot Act, Title III of Pub. L. 107-56, signed into law on October 26, 2001.

“Payment” has the meaning assigned to it in Section 9.06(b).

“Payment Notice” has the meaning assigned to it in Section 9.06(b).

“PBGC” means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means at a particular time, any employee benefit plan covered by Section 3(3) of ERISA (including a Single Employer Plan), maintained for employees of any Loan Party or any ERISA Affiliate or any such Plan to which any Loan Party or any ERISA Affiliate is required to contribute on behalf of any of its employees.

“Pounds Sterling” or “£” mean the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

“Pricing Grid” means as follows:

<u>Level</u>	<u>Index Debt Ratings</u>	<u>Applicable Rate (Term Benchmark Loan)</u>	<u>Applicable Rate (RFR Loan)</u>	<u>Applicable Rate (ABR Loan)</u>	<u>Commitment Fee Rate</u>
<u>Level 1</u>	≥ A- from S&P or ≥ A3 from Moody’s	0.875%	0.875%	0.00%	0.08%
<u>Level 2</u>	BBB+ from S&P or Baa1 from Moody’s	1.00%	1.00%	0.00%	0.09%
<u>Level 3</u>	BBB from S&P or Baa2 from Moody’s	1.25%	1.25%	0.25%	0.11%
<u>Level 4</u>	BBB- from S&P or Baa3 from Moody’s	1.375%	1.375%	0.375%	0.15%
<u>Level 5</u>	< BBB- from S&P and < Baa3 from Moody’s	1.625%	1.625%	0.625%	0.20%

For purposes of the foregoing, (i) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody’s or S&P), such change shall be effective as of the third Business Day following the date on which it is first announced by the applicable rating agency; (ii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall fall within different Levels, the Applicable Rate shall be based on the higher of the two (2) ratings unless one (1) of the two (2) ratings is two (2) or more Levels lower than the other, in which case the Applicable Rate shall be determined by reference to the Level next below that of the higher of the two (2) ratings; and (iii) if either Moody’s or S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition), then such rating agency shall be deemed to have established a rating in Level 5. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody’s or S&P shall change, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Board (as determined by the Administrative Agent); each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“Property” of a Person means any and all property of such Person, whether real, personal, tangible, intangible, or mixed, and other assets owned or leased by such Person, including cash, securities, accounts, and contract rights.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Recipient” means (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, as applicable.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two U.S. Government Securities Business Days preceding the date of such setting, (2) if such Benchmark is EURIBOR Rate, 11:00 a.m. Brussels time two TARGET Days preceding the date of such setting, (3) if the RFR for such Benchmark is SONIA, then four Business Days prior to such setting, (4) if, following a Benchmark Transition Event and Benchmark Replacement Date with respect to the Term SOFR Rate, the RFR for such Benchmark is Daily Simple SOFR, then four RFR Business Days prior to such setting, or (5) if such Benchmark is none of the Term SOFR Rate, the EURIBOR Rate, SONIA or Daily Simple SOFR, the time determined by the Administrative Agent in its reasonable discretion.

“Register” has the meaning assigned to such term in Section 10.06(d).

“Regulation U” means Regulation U of the Board as from time to time in effect and any successor or other regulation or official interpretation of the Board relating to the extension of credit by banks and/or nonbank lenders other than brokers or dealers that is (i) for the purpose of purchasing or carrying Margin Stock or (ii) secured by Margin Stock, and that is applicable to member banks of the Federal Reserve System and/or nonbank lenders other than brokers or dealers.

“Regulation X” means Regulation X of the Board as from time to time in effect.

“Regulatory Authority” has the meaning assigned to such term in Section 10.15.

“Reimbursement Obligation” means the obligation of the Borrower to reimburse the Issuing Banks pursuant to Section 3.05 for amounts drawn under Letters of Credit.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Relevant Governmental Body” means (i) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, the Board and/or the New York Fed, or a committee officially endorsed or convened by the Board and/or the New York Fed or, in each case, any successor thereto, (ii) with respect to a Benchmark Replacement in respect of Loans denominated in Pounds Sterling, the Bank of England, or a committee officially endorsed or convened by the Bank of England or, in each case, any successor thereto, (iii) with respect to a Benchmark Replacement in respect of Loans denominated in Euros, the European Central Bank, or a committee officially endorsed or convened by the European Central Bank or, in each case, any successor thereto.

“Relevant Rate” means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Adjusted Term SOFR Rate, (ii) with respect to any Term Benchmark Borrowing denominated in Euros, the Adjusted EURIBOR Rate or (iii) with respect to any Borrowing denominated in Pounds Sterling or Dollars, the applicable Adjusted Daily Simple RFR, as applicable.

“Relevant Screen Rate” means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Term SOFR Reference Rate or (ii) with respect to any Term Benchmark Borrowing denominated in Euros, the EURIBOR Screen Rate.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than those events for which the thirty (30) day notice period has been waived under the applicable regulations.

“Required Lenders” means, at any time, Lenders having Credit Exposures and unused Commitments representing more than fifty percent (50%) of the sum of the total Credit Exposures and unused Commitments at such time.

“Requirement of Law” means, as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means the chief executive officer, the president, any executive or senior vice president or vice president or a Financial Officer of the Borrower.

“Restricted Margin Stock” means Margin Stock owned by the Borrower or any Subsidiary which represents not more than twenty-five percent (25%) of the aggregate value (determined in accordance with Regulation U), on a consolidated basis, of the Property and assets of the Borrower and the Subsidiaries (other than Margin Stock) that is subject to the provisions of Article VII (including Section 7.01).

“Revaluation Date” shall mean (a) with respect to any Loan denominated in any Alternative Currency, each of the following: (i) the date of the Borrowing of such Loan and (ii) (A) with respect to any Term Benchmark Loan, each date of a conversion into or continuation of such Loan pursuant to the terms of this Agreement and (B) with respect to any RFR Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month); (b) with respect to any Letter of Credit denominated in an Alternative Currency, each of the following: (i) the date on which such Letter of Credit is issued, (ii) the first Business Day of each calendar month and (iii) the date of any amendment of such Letter of Credit that has the effect of increasing the face amount thereof; and (c) any additional date as the Administrative Agent may determine at any time when an Event of Default exists.

“RFR” means, for any RFR Loan denominated in (a) Pounds Sterling, SONIA and (b) Dollars, Daily Simple SOFR.

“RFR Borrowing” means, as to any Borrowing, the RFR Loans comprising such Borrowing.

“RFR Business Day” means, for any Loan denominated in (a) Pounds Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London, and (b) Dollars, a U.S. Government Securities Business Day.

“RFR Interest Day” has the meaning specified in the definition of “Daily Simple RFR”.

“RFR Loan” means a Loan that bears interest at a rate based on the Adjusted Daily Simple RFR.

“S&P” means Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc., or, if S&P shall cease rating Index Debt of the Borrower and its ratings business with respect to Index Debt of the Borrower shall have been transferred to a successor Person, such successor Person; provided, however, that if S&P ceases rating securities similar to Index Debt of the Borrower and its ratings business with respect to such securities shall not have been transferred to any successor Person, then “S&P” shall mean any other nationally recognized rating agency (other than Moody’s) selected by the Borrower and reasonably satisfactory to the Administrative Agent that rates any Indebtedness of the Borrower.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, the Crimea Region of Ukraine, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, Cuba, Iran, North Korea and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the European Union, His Majesty’s Treasury of the United Kingdom, the United Nations Security Council or the Government of Canada or any of its agencies or departments, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

“Sanctions” means all international economic sanctions administered or enforced by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, (b) the European Union or His Majesty’s Treasury of the United Kingdom, (c) the United Nations Security Council or (d) the Government of Canada or any of its agencies or departments.

“SEC” means the Securities and Exchange Commission or any successor thereto.

“Significant Subsidiary” means any Subsidiary that would meet the definition of “significant subsidiary” contained as of the date hereof in Regulation S-X of the SEC, excluding, however, any Foreign Subsidiary Holding Company.

“Single Employer Plan” means any Plan that is covered by Title IV of ERISA or Sections 412 or 430 of the Code or Sections 302 or 303 of ERISA, but that is not a Multiemployer Plan.

“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding business day.

“SOFR Administrator” means the New York Fed (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the New York Fed’s website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Determination Date” has the meaning specified in the definition of “Daily Simple SOFR”.

“SOFR Rate Day” has the meaning specified in the definition of “Daily Simple SOFR”.

“SONIA” means, with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator’s Website on the immediately succeeding Business Day.

“SONIA Administrator” means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

“SONIA Administrator’s Website” means the Bank of England’s website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

“Specified Guarantors” means Federal Express Corporation, FedEx Ground Package System, Inc., FedEx Freight Corporation, FedEx Freight, Inc., FedEx Corporate Services, Inc., and FedEx Office and Print Services, Inc., and, in each case, any other Person to which any such Specified Guarantor sells, transfers or otherwise disposes of all or substantially all of its assets or into which such Specified Guarantor is merged or consolidated.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted EURIBOR Rate, for eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D) or any other reserve ratio or analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Adjusted EURIBOR Rate Loans. Such reserve percentage shall include those imposed pursuant to Regulation D. Term Benchmark Loans for which the associated Benchmark is adjusted by reference to the Statutory Reserve Rate (per the related definition of such Benchmark) shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Sterling Revolving Loans” has the meaning assigned to such term in Section 2.01.

“subsidiary” of a Person means (i) any corporation or similar business organization more than fifty percent (50%) of the outstanding Voting Stock of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one (1) or more of its subsidiaries or by such Person and one (1) or more of its subsidiaries, or (ii) any partnership, association, joint venture or similar business organization more than fifty percent (50%) of the ownership interests having power to direct the ordinary affairs thereof of which shall at the time be so owned or controlled.

“Subsidiary” means any subsidiary of the Borrower.

“T2” means the real time gross settlement system operated by the Eurosystem, or any successor system.

“TARGET Day” means any day on which T2 (or, if such payment system ceases to be operative, such other payment system (if any) reasonably determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges, fees, withholdings (including backup withholdings), assessments or similar charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Benchmark” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Term SOFR Rate or the Adjusted EURIBOR Rate.

“Term SOFR Determination Day” has the meaning assigned to it under the definition of “Term SOFR Reference Rate”.

“Term SOFR Rate” means, with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

“Term SOFR Reference Rate” means, for any day and time (such day, the “Term SOFR Determination Day”), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum published by the CME Term SOFR Administrator and identified by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the “Term SOFR Reference Rate” for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then, so long as such day is otherwise a U.S. Government Securities Business Day, the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding Business Day is not more than five (5) U.S. Government Securities Business Days prior to such Term SOFR Determination Day.

“Three-Year Credit Agreement” means the Three-Year Credit Agreement, dated as of March 15, 2024, among the Borrower, the lenders from time to time parties thereto and JPMorgan Chase Bank, N.A., as administrative agent, and as further amended, restated or otherwise modified from time to time.

“Total Leverage Ratio” means, at any date of determination, the ratio of (a) Consolidated Total Debt on such day to (b) Consolidated EBITDA as at the last day of any period of four consecutive fiscal quarters of the Borrower.

“Transactions” means the execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party and the borrowing of Loans by the Borrower.

“Transferee” means any Assignee or Participant.

“Type” when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate, the Adjusted EURIBOR Rate, the Alternate Base Rate or the Adjusted Daily Simple RFR.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential

Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment; provided that, if the Unadjusted Benchmark Replacement as so determined would be less than zero, such Unadjusted Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

“Undisclosed Administration” means in relation to a Lender or a Person that directly or indirectly controls such Lender, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or Person, as the case may be, is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed.

“Unrestricted Cash” means, as at any date of determination, the aggregate amount of cash and cash equivalents of the Borrower and its Subsidiaries included in the cash accounts that would be listed on the consolidated balance sheet of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP and as calculated consistent with the manner disclosed by the Borrower in its annual report on Form 10-K for the fiscal year ended May 31, 2023, to the extent such cash and cash equivalents are not (a) subject to a Lien securing any other Indebtedness or other obligations or (b) classified as “restricted”.

“Unrestricted Margin Stock” means any Margin Stock owned by the Borrower or any Subsidiary which is not Restricted Margin Stock.

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“Voting Stock” means all outstanding shares of capital stock of a Person entitled to vote generally in the election of directors.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Withholding Agent” means the Borrower and the Administrative Agent.

“Write-Down and Conversion Powers” means (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Term Benchmark Loan” or “RFR Loan”) and Borrowings also may be classified and referred to by Type (e.g., a “Term Benchmark Borrowing” or “RFR Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law, rule or regulation herein shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all Property.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

SECTION 1.05. Currency Conversion and Fluctuations.

(a) If more than one currency or currency unit are at the same time recognized by the central bank of any country as the lawful currency of that country, then (i) any reference in the Loan Documents to, and any obligations arising under the Loan Documents in, the currency of that country shall be translated into or paid in the currency or currency unit of that country designated by the Administrative Agent and (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognized by the central bank for conversion of that currency or currency unit into the other, rounded up or down (to the next 1/16 of 1%) by the Administrative Agent as it deems appropriate.

(b) If a change in any currency of a country occurs, this Agreement shall be amended (and each party hereto agrees to enter into any supplemental agreement necessary to effect any such amendment) to the extent that the Administrative Agent determines such amendment to be necessary to reflect the change in currency and to put the Lenders in the same position, so far as possible, that they would have been in if no change in currency had occurred.

(c) The Administrative Agent or the Issuing Bank, as applicable, shall determine the aggregate amount of the Dollar Equivalents of Term Benchmark Borrowings or RFR Borrowings or Letter of Credit extensions denominated in Alternative Currencies then outstanding (after giving effect to any Loans denominated in Alternative Currencies to be made or repaid on such date). Such Dollar Equivalent shall become effective as of such Revaluation Date and shall be the Dollar Equivalent of such amounts until the next succeeding Revaluation Date to occur. Except for purposes of financial statements delivered by the Borrower hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any Agreed Currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or the Issuing Bank, as applicable.

(d) Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Term Benchmark Loan or an RFR Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing, Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the Dollar Equivalent of such amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the Issuing Bank, as the case may be.

SECTION 1.06. Interest Rates; Benchmark Notification. The interest rate on a Loan denominated in dollars or an Alternative Currency may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.11(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.07. Termination of the Existing Five-Year Credit Agreement. The parties to this Agreement agree that, on the Effective Date, (i) all amounts payable under the Existing Five-Year Credit Agreement by the Borrower have been paid in full, (ii) all liabilities, obligations and indebtedness owing by the Borrower to the "Lenders" (as defined in the Existing Five-Year Credit Agreement) under the Existing Five-Year Credit Agreement shall be released, discharged and satisfied in full, (iii) the "Commitments" (as defined in the Existing Five-Year Credit Agreement) under the Existing Five-Year Credit Agreement shall be terminated in full and (iv) all guarantees of the "Obligations" (as defined in the Existing Five-Year Credit Agreement) under each "Loan Document" (as defined in the Existing Five-Year Credit Agreement) created in connection with the Existing Five-Year Credit Agreement shall be automatically terminated and released with no further action. Each Lender party hereto which is also party

to the Existing Five-Year Credit Agreement hereby waives compliance by the Borrower with the requirement of three (3) Business Days' (as defined therein) notice thereunder for the termination of the Commitments (as defined therein) pursuant to Section 2.06 thereto.

SECTION 1.08. Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit available to be drawn at such time; provided that with respect to any Letter of Credit that, by its terms, provides for one or more automatic increases in the available amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum amount is available to be drawn at such time.

ARTICLE II

THE CREDITS

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to (i) make revolving credit loans denominated in Dollars (the "Dollar Revolving Loans"), (ii) make revolving credit loans denominated in Euros (the "Euro Revolving Loans") and (iii) make revolving credit loans denominated in Pounds Sterling (the "Sterling Revolving Loans", together with the Euro Revolving Loans, the "Foreign Currency Loans") from time to time during the Availability Period in an aggregate principal amount (based on, in the case of Foreign Currency Loans, the Dollar Equivalent of such Foreign Currency Loans) that will not result in (a) such Lender's Credit Exposure exceeding such Lender's Commitment, or (b) the sum of the total Credit Exposures exceeding the total Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay, and reborrow Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.11, each (i) Borrowing of Dollar Revolving Loans shall be comprised entirely of ABR Loans or Term Benchmark Loans and (ii) Borrowing in any other Agreed Currency shall be comprised entirely of Term Benchmark Loans or RFR Loans, as applicable, in each case of the same Agreed Currency, as the Borrower may request in accordance herewith. Notwithstanding anything to the contrary contained herein, each Lender at its option may make any Loan by causing any domestic or foreign branch or Lender Affiliate to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Term Benchmark Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of (i) in the case of Borrowings denominated in Dollars, \$1,000,000 and not less than \$5,000,000, (ii) in the case of Borrowings denominated in Pounds Sterling, £1,000,000 and not less than £5,000,000 and (iii) in the case of Borrowings denominated in Euros, €1,000,000 and not less than €5,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments. Borrowings of more than one (1) Type may be outstanding at the same time; provided that there shall not at any time be more than a total of fifteen (15) Term Benchmark Borrowings or RFR Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Term Benchmark Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by delivering an irrevocable written Borrowing Request in the form of Exhibit A (a)(i) in the case of a Term Benchmark Borrowing which is a Dollar Revolving Loan, not later than 11:00 a.m., New York City time, at least three (3) U.S. Government Securities Business Days before the date of the proposed Borrowing, (ii) in the case of a Term Benchmark Borrowing which is a Euro Revolving Loan, not later than 11:00 a.m., Local Time, at least three (3) Business Days before the date of the proposed Borrowing and (iii) in the case of an RFR Borrowing which is a Sterling Revolving Loan, not later than 11:00 a.m., New York City time, five (5) RFR Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing; provided that each ABR Borrowing shall consist solely of Dollar Revolving Loans. Each such Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the aggregate amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) the currency of such Borrowing (which shall be Dollars, Euro or Pounds Sterling);
- (iv) in the case of a Borrowing to be denominated in Dollars, whether such Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing;
- (v) in the case of a Term Benchmark Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (vi) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.04.

If no election as to the currency of a Borrowing is specified, then the requested Revolving Borrowing shall be made in Dollars. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Term Benchmark Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one (1) month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Notwithstanding the foregoing, in no event shall the Borrower be permitted to request pursuant to this Section 2.03, a CBR Loan or, prior to a Benchmark Transition Event and Benchmark Replacement Date with respect to the Term SOFR Rate, an RFR Loan bearing interest based on Daily Simple SOFR (it being understood and agreed that a Central Bank Rate and Daily Simple SOFR shall only apply to the extent provided in Sections 2.05(e) (solely with respect to the Central Bank Rate), 2.11(a) and 2.11(f)), as applicable.

SECTION 2.04. Funding of Borrowings. (a) Each Lender shall make (i) each Dollar Revolving Loan to be made by it hereunder on the proposed date thereof in Dollars solely by wire transfer of immediately available funds by 12:00 noon, New York City time and (ii) each Euro Revolving Loan or Sterling Revolving Loan to be made by it hereunder on the proposed date thereof in Euro or Pounds Sterling, as applicable, solely by wire transfer of immediately available funds by 12:00 noon, London time, in each case, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the applicable Borrowing Request.

(b) Unless, prior to the proposed time of any advance of any Borrowing, the Administrative Agent shall have received notice from a Lender that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, or unless the Administrative Agent has knowledge that a Lender is a Defaulting Lender, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, at a rate equal to the greater of (x) the applicable Overnight Rate and (y) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans, or in the case of Alternative Currencies, in accordance with such market practice, in each case, as applicable; provided that, to the extent that the Borrower makes any such payment and the applicable Lender subsequently makes a corresponding payment, then the Borrower shall be entitled (without prejudice to any other rights that the Borrower may have against the applicable Lender) to receive any such payment (with interest) made by such Lender. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.05. Interest Elections. (a) Each Borrowing initially shall be of the Type and Agreed Currency specified in the applicable Borrowing Request and, in the case of a Term Benchmark Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in this Section; provided that only Term Benchmark Borrowings which are Dollar Revolving Loans may be converted into an ABR Borrowing. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by delivering an irrevocable written Interest Election Request in the form of Exhibit B by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

- (i) the Agreed Currency and principal amount of Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);
- (ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;
- (iii) in the case of a Borrowing to be denominated in Dollars, whether the resulting Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing; and
- (iv) if the resulting Borrowing is a Term Benchmark Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Term Benchmark Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one (1) month's duration.

Notwithstanding the foregoing, in no event shall the Borrower be permitted to request pursuant to this Section 2.08(c), a CBR Loan or, prior to a Benchmark Transition Event and Benchmark Replacement Date with respect to the Term SOFR Rate, an RFR Loan bearing interest based on Daily Simple SOFR (it being understood and agreed that a Central Bank Rate and Daily Simple SOFR shall only apply to the extent provided in Sections 2.05(e) (solely with respect to the Central Bank Rate), 2.11(a) and 2.11(f)), as applicable.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to (i) a Term Benchmark Borrowing which is a Dollar Revolving Loan prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing or (ii) any other Term Benchmark Borrowing in an Alternative Currency, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall automatically be continued as a Term Benchmark Borrowing in its original Agreed Currency and be converted to a Term Benchmark Borrowing with an Interest Period of one (1) month's duration. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Term Benchmark Borrowing and (ii) unless repaid, (A) each Term Benchmark Borrowing and each RFR Borrowing, in each case that is a Dollar Revolving Loan shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (B) each other Term Benchmark Borrowing and each other RFR Borrowing, in each case denominated in an Alternative Currency shall bear interest at the Central Bank Rate for the applicable Agreed Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Agreed Currency other than Dollars shall either be (a) converted to an ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) at the end of the Interest Period, as applicable,

therefor or (b) prepaid at the end of the applicable Interest Period, as applicable, in full; provided that if no election is made by the Borrower by the earlier of (x) the date that is three Business Days after receipt by the Borrower of such notice and (y) the last day of the current Interest Period for the applicable Term Benchmark Loan, the Borrower shall be deemed to have elected clause (a) above.

SECTION 2.06. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of the Dollar Equivalent of \$10,000,000 and not less than the Dollar Equivalent of \$20,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.08, the aggregate Credit Exposures of the Lenders would exceed the total Commitments; provided further that if, after giving effect to any reduction of the Commitments, (i) the L/C Sublimit exceeds the amount of Commitments, the L/C Sublimit shall be automatically reduced by the amount of such excess and (ii) if the Individual L/C Sublimit of any Issuing Bank exceeds the Commitments of such Issuing Bank, such Issuing Bank's Individual L/C Sublimit shall be automatically reduced by the amount of such excess. Except as provided above, the amount of any such Commitment reduction shall not be applied to the L/C Sublimit unless otherwise specified by the Borrower.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.07. Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan in the same currency as the applicable Loan on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.06) be represented by one (1) or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.08. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part without incurring a prepayment penalty, fee, or other cost (except as otherwise expressly set forth in this Agreement), subject to prior notice in accordance with paragraph (c) of this Section.

(b) If, on any Revaluation Date, the total Credit Exposures (based on the Dollar Equivalent thereof, in the case of Foreign Currency Loans and Foreign Currency Letters of Credit) exceeds 105% of the Commitments, the Borrower shall, on such day, prepay the Loans in an amount equal to the lesser of (x) the amount of such excess and (y) the amount of such Loans.

(c) The Borrower shall notify the Administrative Agent in writing of any prepayment hereunder (i) (x) in the case of prepayment of a Term Benchmark Borrowing denominated in Dollars, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of prepayment, (y) in the case of prepayment of a Term Benchmark Borrowing denominated in Euros, not later than 12:00 p.m., New York City time, three Business Days before the date of prepayment and (z) in the case of prepayment of an RFR Borrowing denominated in Pounds Sterling, not later than 11:00 a.m., New York City time, five (5) RFR Business Days before the date of prepayment, or (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one (1) Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the Type, currency and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.06, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.06. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.10 and any amounts due under Section 2.13.

SECTION 2.09. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the daily undrawn amount of the Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears in Dollars on each Fee Payment Date, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(c) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to an Issuing Bank, in the case of fees payable to it). Fees paid shall not be refundable under any circumstances.

SECTION 2.10. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at a rate per annum equal to the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Term Benchmark Borrowing shall bear interest in the case of a Term Benchmark Loan, at the Adjusted Term SOFR Rate or the Adjusted EURIBOR Rate, as applicable, for the Interest Period in effect for such Borrowing for the relevant currency plus the Applicable Rate.

(c) Each RFR Loan shall bear interest at a rate per annum equal to the applicable Adjusted Daily Simple RFR plus the Applicable Rate.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan, Reimbursement Obligation or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, two percent (2%) plus the rate otherwise applicable to such Loan as provided above, or (ii) in the case of any other amount, two percent (2%) plus the rate applicable to ABR Loans as provided above.

(e) Accrued interest on each Loan shall be payable in arrears in the currency of the applicable Loan on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, (iii) in the event of any conversion of any Term Benchmark Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion, and (iv) all accrued interest shall be payable upon termination of the Commitments.

(f) Interest computed by reference to the Term SOFR Rate or Daily Simple SOFR or the EURIBOR Rate hereunder shall be computed on the basis of a year of 360 days, except that (i) interest computed by reference to the Daily Simple RFR with respect to Pounds Sterling or the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year). In each case interest shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. The applicable Alternate Base Rate, Adjusted Term SOFR Rate, Term SOFR Rate, Adjusted EURIBOR Rate, EURIBOR Rate, Adjusted Daily Simple RFR or Daily Simple RFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.11. Alternate Rate of Interest.

(a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.11, if:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate, the Term SOFR Rate, the Adjusted EURIBOR Rate or the EURIBOR Rate (including because the Relevant Screen Rate is not available or published on a current basis),

for the applicable Agreed Currency and such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple RFR for the applicable Agreed Currency; or

(ii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR Rate or the Adjusted EURIBOR Rate for the applicable Agreed Currency and such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable Agreed Currency and such Interest Period or (B) at any time, the applicable Adjusted Daily Simple RFR for the applicable Agreed Currency will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable Agreed Currency;

(b) then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.05 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in Dollars, any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing shall instead be deemed to be an Interest Election Request or a Borrowing Request, as applicable, for (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not also the subject of Section 2.11(a)(i) or (ii) above or (y) an ABR Borrowing if the Adjusted Daily Simple RFR for Dollar Borrowings also is the subject of Section 2.11(a)(i) or (ii) above and (B) for Loans denominated in an Alternative Currency, any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing or an RFR Borrowing, in each case, for the relevant Benchmark, shall be ineffective; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then all other Types of Borrowings shall be permitted. Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.11(a) with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.05 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in Dollars, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan, be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not also the subject of Section 2.11(a)(i) or (ii) above or (y) an ABR Loan if the Adjusted Daily Simple RFR for Dollar Borrowings also is the subject of Section 2.11(a)(i) or (ii) above, on such day and (B) for Loans denominated in an Alternative Currency, (1) any Term Benchmark Loan shall, on the last day of the Interest Period applicable to such Loan bear interest at the Central Bank Rate for the applicable Alternative Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Alternative Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Alternative Currency shall, at the Borrower's election prior to such day: (A) be prepaid by the Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in any Alternative Currency shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest

at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Alternative Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Alternative Currency cannot be determined, any outstanding affected RFR Loans denominated in any Alternative Currency, at the Borrower's election, shall either (A) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) immediately or (B) be prepaid in full immediately. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" with respect to Dollars for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark (including any related adjustments) for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" with respect to any Agreed Currency for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders of each affected Type.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document, the Administrative Agent, in consultation with the Borrower, will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (e) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.11, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.11.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Rate or EURIBOR Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after

such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Interest Period” for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for (i) a Term Benchmark Borrowing, conversion to or continuation of Term Benchmark Loans to be made, converted or continued or (ii) a RFR Borrowing or conversion to RFR Loans, during any Benchmark Unavailability Period and, failing that, either (x) the Borrower will be deemed to have converted any request for (1) a Term Benchmark Borrowing or RFR Borrowing, as applicable, denominated in Dollars into a request for a Borrowing of or conversion to (A) solely with respect to any such request for a Term Benchmark Borrowing, an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not the subject of a Benchmark Transition Event or (B) an ABR Borrowing if the Adjusted Daily Simple RFR for Dollar Borrowings is the subject of a Benchmark Transition Event or (y) any request relating to a Term Benchmark Borrowing or RFR Borrowing denominated in an Alternative Currency shall be ineffective. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until such time as a Benchmark Replacement for such Agreed Currency is implemented pursuant to this Section 2.11, (A) for Loans denominated in Dollars, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not the subject of a Benchmark Transition Event or (y) an ABR Loan if the Adjusted Daily Simple RFR for Dollar Borrowings is the subject of a Benchmark Transition Event, on such day and (B) for Loans denominated in an Alternative Currency, (1) any Term Benchmark Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day) bear interest at the Central Bank Rate for the applicable Alternative Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Alternative Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Alternative Currency shall, at the Borrower’s election prior to such day: (A) be prepaid by the Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in any Alternative Currency shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Alternative Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Alternative Currency cannot be determined, any outstanding affected RFR Loans denominated in any Alternative Currency, at the Borrower’s election, shall either (A) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) immediately or (B) be prepaid in full immediately.

SECTION 2.12. Increased Costs; Illegality. (a) If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or Issuing Bank (except any such reserve requirement reflected in the Adjusted Term SOFR Rate or Adjusted EURIBOR Rate, as applicable);
- (ii) impose on any Lender or Issuing Bank or the applicable offshore interbank market for the applicable Agreed Currency any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or
- (iii) subject any Recipient to any Tax (except for (1) Indemnified Taxes, (2) Taxes described in clauses (ii) through (iv) of the definition of Excluded Taxes and (3) Taxes imposed, as a result of a present or former connection between the Recipient and the jurisdiction imposing such Taxes (other than a connection arising from such Recipient having executed, delivered or performed its obligations under, or enforced, this Agreement or any other Loan Document), on gross or net income, profits or revenue (including value-added or similar Taxes or that are franchise Taxes or branch profits Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender, Issuing Bank or such other Recipient of making, converting into, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, such Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, Issuing Bank or such other Recipient hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement, the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy or liquidity ratios), then from time to time the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(c) If by reason of any change in a Requirement of Law subsequent to the Effective Date, disruption of currency or foreign exchange markets, war or civil disturbance or similar event, the funding of any Foreign Currency Loan in any currency or the funding of any Foreign Currency Loan in any currency to an office located other than in New York shall be impossible or such currency is no longer available or readily convertible to Dollars, or the Dollar Equivalent of such currency is no longer readily calculable, then, at the election of the Administrative Agent, no Foreign Currency Loans in the relevant currency shall be made or any Foreign Currency Loan in the relevant currency shall be made to an office of the Administrative Agent located in New York, as the case may be.

(d) (i) If payment in respect of any Foreign Currency Loan shall be due in a currency other than Dollars and/or at a place of payment other than New York and if, by reason of any change in a Requirement of Law subsequent to the Effective Date, disruption of currency or foreign exchange markets, war or civil disturbance or similar event, payment of such Obligations in such currency or such place of payment shall be impossible or, in the reasonable judgment of the Administrative Agent, such currency is no longer available or readily convertible to Dollars, or the Dollar Equivalent of such currency is no longer readily calculable, then, at the election of any affected Lender, the Borrower shall make payment of such Loan in Dollars (based upon the Dollar Equivalent for the day on which such payment occurs, as determined by the Administrative Agent in accordance with the terms hereof) and/or in New York or (ii) if any Foreign Currency in which Loans are outstanding is redenominated then, at the election of any affected Lender, such affected Loan and all obligations of the applicable Borrower in respect thereof shall be converted into obligations in Dollars (based upon the Dollar Equivalent on such date, as determined by the Administrative Agent in accordance with the terms hereof), and, in each case, the Borrower shall indemnify the Lenders, against any currency exchange losses or reasonable out-of-pocket expenses that it shall sustain as a result of such alternative payment.

(e) A certificate of a Lender or Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section, setting forth in reasonable detail the calculations upon which such Lender determined such amount and the effective date of the relevant Change in Law, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Bank, as the case may be, the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

(f) Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than three (3) months prior to the date that such Lender or Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the three (3) month period referred to above shall be extended to include the period of retroactive effect thereof.

(g) If any Change in Law shall make it unlawful for any Lender to make or maintain (A) Term Benchmark Loans, (i) the commitment of such Lender hereunder to make Term Benchmark Loans, continue Term Benchmark Loans as such and convert ABR Loans to Term Benchmark Loans shall forthwith be suspended until such time as it shall no longer be unlawful for such Lender to make or maintain Term Benchmark Loans and (ii) such Lender's Loans then outstanding as Term Benchmark Loans, if any, shall be converted automatically to ABR Loans in Dollars on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law or (B) RFR Loans, (i) the commitment of such Lender hereunder to make RFR Loans shall forthwith be suspended until such time as it shall no longer be unlawful for such Lender to make RFR Loans and (ii) such Lender's Loans then outstanding as RFR Loans, if any, shall be converted automatically to ABR Loans in Dollars (the Dollar Equivalent of such Alternative Currency Loans). If any such conversion of a Term Benchmark Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.13.

SECTION 2.13. Break Funding Payments.

(a) With respect to Loans that are not RFR Loans, in the event of (i) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Loans), (ii) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto, (iii) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.08(c) and is revoked in accordance therewith), (iv) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.17 or (v) the failure by the Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower, setting forth in reasonable detail the calculation upon which such Lender determined such amount, and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(b) With respect to RFR Loans, in the event of (i) the payment of any principal of any RFR Loan other than on the Interest Payment Date applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Loans), (ii) the failure to borrow or prepay any RFR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.08(c) and is revoked in accordance therewith), (iii) the assignment of any RFR Loan other than on the Interest Payment Date applicable thereto as a result of a request by the Borrower pursuant to Section 2.17 or (iv) the failure by the Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower, setting forth in reasonable detail the calculation upon which such Lender determined such amount, and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.14. Taxes. (a) All payments made by the Loan Parties under this Agreement shall (except as required by applicable law) be made free and clear of, and without deduction or withholding for or on account of, any Taxes imposed, levied, collected, withheld or assessed by any Governmental Authority. If any Taxes are required to be deducted or withheld from any amounts payable to the Administrative Agent or any Lender, as determined in good faith by the applicable Withholding Agent, (i) such amounts shall be paid to the relevant Governmental Authority in accordance with applicable law and (ii) if such deducted or withheld Taxes are Indemnified Taxes, the amounts so payable by the applicable Loan Party to the Administrative Agent or such Lender, as the case may be, shall be increased to the extent necessary to yield to the Administrative Agent or such Lender, as the case may be, (after payment of all Indemnified Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement as if such withholding or deduction had not been made.

(b) The Loan Parties shall timely pay, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Indemnified Taxes are payable by the Loan Parties pursuant to paragraph (a) of this Section, as promptly as possible thereafter the applicable Loan Party shall pay such Indemnified Taxes and shall send to the Administrative Agent for its own account or for the account of the

relevant Lender, as the case may be, a certified copy of an original official receipt, to the extent reasonably available, received by the applicable Loan Party showing payment thereof. If (i) the applicable Loan Party fails to pay any Indemnified Taxes when due to the appropriate taxing authority, (ii) the applicable Loan Party fails to remit to the Administrative Agent the required receipts or other required documentary evidence, or (iii) any Indemnified Taxes are imposed directly upon the Administrative Agent or any Lender, the applicable Loan Party shall indemnify the Administrative Agent and the Lenders, within 10 days after demand therefor, for such amounts and any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result, and any reasonable expenses arising therefrom or with respect thereto (whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority). A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Each Lender shall severally indemnify the Administrative Agent within 10 days after demand therefor, for the full amount of any Taxes attributable to such Lender that are payable or paid by the Administrative Agent, and reasonable expenses arising therefrom or with respect thereto, but only to the extent that the applicable Loan Party has not already indemnified the Administrative Agent for such Taxes and without limiting the obligation of the Loan Parties under this Section 2.14 to do so, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) As soon as practicable after any payment of Taxes by a Loan Party to a Governmental Authority pursuant to this Section 2.14, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) (i) At any time or times reasonably requested by the Borrower or the Administrative Agent, any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments made under any Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.14(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment (A) the failure to complete, execute or submit such documentation would not render the terms of this Agreement unenforceable by law and (B) such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) Each Lender that is a “United States person” as defined in Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement two (2) properly completed and duly signed copies of U.S. Internal Revenue Service Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal withholding tax.

(B) Each Lender that is not a “United States person” as defined in Section 7701(a)(30) of the Code (a “Non-U.S. Lender”) shall deliver to the Borrower and the Administrative Agent whichever of the following is applicable:

(1) in the case of a Non-U.S. Lender claiming benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 881(c) of the Code with respect to payments of “portfolio interest,” (x) a statement substantially in the form of Exhibit F-1 to the effect that such Non-U.S. Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of any Loan Party within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”), and (y) executed copies of IRS Form W-8BEN or W-8BEN-E;

(4) to the extent a Non-U.S. Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Non-U.S. Lender is a partnership and one or more direct or indirect partners of such Non-U.S. Lender are claiming the portfolio interest exemption, such Non-U.S. Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(C) any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) executed copies of any other form prescribed by applicable requirements of U.S. federal income tax law as a basis for claiming exemption from or a reduction in U.S. federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable requirements of law to permit the Borrower and the Administrative Agent to determine the withholding or deduction required to be made.

(D) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.14(f)(ii)(D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

All forms described in this Section 2.14(f) shall be delivered by each Lender on or before the date it becomes a party to this Agreement and from time to time thereafter upon the request of the Borrower or the Administrative Agent. In addition, each Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Lender. Each Lender shall promptly notify the Borrower and the Administrative Agent at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this Section 2.14(f), a Lender shall not be required to deliver any form pursuant to this Section that such Lender is not legally able to deliver.

(g) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) The agreements in this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, termination of this Agreement and the repayment, satisfaction or discharge of the Loans and all other amounts payable hereunder or under any Loan Document.

SECTION 2.15. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or

fees, or under Sections 2.12, 2.13 or 2.14, or otherwise) prior to 12:00 noon, Local Time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 270 Park Avenue, New York, New York (or such other address designated by the Administrative Agent to Borrower pursuant to Section 10.02) and except that payments pursuant to Sections 2.12, 2.13, 2.14 and 10.05 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in the currencies specified hereunder.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or Reimbursement Obligations resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and Reimbursement Obligations and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and Reimbursement Obligations of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and Reimbursement Obligations; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph (c) shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans and Reimbursement Obligations to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph (c) shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Banks, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Banks, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the applicable Overnight Rate.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b), 2.15(d) or 3.04(a), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender or the relevant Issuing Bank to satisfy such Lender's or Issuing Bank's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.16. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, the Administrative Agent shall deliver written notice to such effect, upon the Administrative Agent's obtaining knowledge of such event, to the Borrower and such Defaulting Lender, and the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the undrawn portion of the Commitment of such Defaulting Lender pursuant to Section 2.09(a).

(b) the Commitment and Aggregate Exposure of such Defaulting Lender shall not be included in determining whether all Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 10.01), provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender which would increase or extend the term of the Commitment of a Defaulting Lender, extend the date fixed for payment of principal or interest owing to a Defaulting Lender, reduce the amount of or the rate or amount of interest on any amount owing to a Defaulting Lender or of any fee payable to a Defaulting Lender (except as otherwise provided in this Section 2.16) or alter the terms and conditions of this sentence or affect such Defaulting Lender differently than other affected Lenders shall, in each case, require the consent of such Defaulting Lender.

(c) any amount payable to such Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise and including any amount that would otherwise be payable to such Defaulting Lender pursuant to Section 2.15(c) but excluding Section 2.17(b)) shall, in lieu of being distributed to such Defaulting Lender, subject to any applicable requirements of law, be applied (i) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder, (ii) second, to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent, and (iii) third, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction.

(d) if any L/C Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the L/C Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Aggregate Exposure Percentages but only to the extent (i) the sum of all non-Defaulting Lenders' Loans and L/C Exposure then outstanding plus such Defaulting Lender's L/C Exposure does not exceed the total of all non-Defaulting Lenders' Commitments and (ii) that after giving effect to such reallocation, no non-Defaulting Lender's Loans and L/C Exposure exceeds its Commitment;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent cash collateralize in Dollars (or, at the option of the Administrative Agent, in the applicable currency) for the benefit of the Issuing Banks only the Borrower's obligations corresponding to such Defaulting Lender's L/C Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) (assuming for such calculation, in the case of cash

collateralization in Dollars, that the Dollar Equivalent of such Defaulting Lender's L/C Exposure with respect to Foreign Currency Letters of Credit is 115% of such amount) in accordance with the procedures set forth in Article VIII for so long as such L/C Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's L/C Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 3.03(a) with respect to such Defaulting Lender's L/C Exposure during the period such Defaulting Lender's L/C Exposure is cash collateralized;

(iv) if the L/C Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 3.03(a) shall be adjusted in accordance with such non-Defaulting Lenders' Aggregate Exposure Percentages; and

(v) if all or any portion of such Defaulting Lender's L/C Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Banks or any other Lender hereunder, all fees payable under Section 3.03(a) with respect to such Defaulting Lender's L/C Exposure shall be payable to the Issuing Banks until and to the extent that such L/C Exposure is reallocated and/or cash collateralized; and

(e) so long as such Lender is a Defaulting Lender, the Issuing Banks shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding L/C Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.16(d), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.16(d)(i) (and such Defaulting Lender shall not participate therein).

In the event that the Administrative Agent and the Borrower each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender or upon receipt by the Administrative Agent of the confirmation referred to in clause (c) of the definition of "Defaulting Lender", as applicable, then on such date such Lender shall purchase at par such portion of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans ratably in accordance with its respective Commitment.

For purposes of this Section 2.16, the term "Lender" includes the Issuing Banks.

SECTION 2.17. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.12, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Sections 2.12 or 2.14, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed costs or expenses and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) The Borrower shall, at its sole expense and effort, have the right, by giving at least fifteen (15) Business Days' prior written notice (or, in the case of a Defaulting Lender, at least three (3) Business Days' prior written notice) to the affected Lender and the Administrative Agent, at any time when

no Default or Event of Default has occurred and is continuing, to require any affected Lender to assign all of its rights and obligations under the Loan Documents to one (1) or more Lenders (other than any Conduit Lender), or, with the approval of the Administrative Agent and the Issuing Banks (which approval will not unreasonably be withheld, delayed or conditioned), to one (1) or more banks, financial institutions or other entities selected by the Borrower. Such assignment shall be substantially in the form of Exhibit E hereto or in such other form as may be agreed to by the parties thereto (or, to the extent applicable, an agreement incorporating an Assignment and Acceptance by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants) but, except in the case of an assignment by a Defaulting Lender (in which case such form shall be as reasonably specified by the Administrative Agent) shall be on terms and conditions reasonably satisfactory to the affected Lender; provided that, no such assignment shall, unless otherwise specified, transfer any liability of a Defaulting Lender hereunder or release any such liability. The Borrower shall remain liable to the affected Lender for any indemnification provided under Section 2.13 with respect to Loans of such Lender outstanding on the effective date of an assignment required under this Section 2.17(b), as well as for all other Obligations owed to such Lender under this Agreement as of such effective date.

SECTION 2.18. Commitment Increases. (a) The Borrower and any one or more Lenders (including New Lenders) may from time to time agree that such Lenders shall make, obtain or increase the amount of their Commitments, as applicable, by executing and delivering to the Administrative Agent an Increased Facility Activation Notice substantially in the form of Exhibit G-1 specifying (i) the amount of such increase, and (ii) the applicable Increased Facility Closing Date. Notwithstanding the foregoing, (i) without the consent of the Required Lenders, the aggregate amount of incremental Commitments obtained after the Effective Date pursuant to this paragraph shall not exceed \$500,000,000 and (ii) without the consent of the Administrative Agent, each increase effected pursuant to this paragraph shall be in a minimum amount of at least \$25,000,000. No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion. The Administrative Agent shall have received (i) a certificate, dated as such Increased Facility Closing Date and signed by a Responsible Officer of the Borrower, stating that (a) the representations and warranties contained in Article IV hereof are true and correct on and as of such Increased Facility Closing Date, and (b) as of such Increased Facility Closing Date, no Default has occurred and is continuing, (ii) if reasonably requested by the Administrative Agent, duly executed resolutions of the Borrower authorizing the request for and the incurrence of such increase in the Commitments (to the extent not already authorized in a prior resolution which authorization remains in full force and effect) and (iii) if reasonably requested by the Administrative Agent, an opinion of counsel to the Borrower, dated as of the Increased Facility Closing Date, substantially in the form of the opinion delivered by the Borrower on the Effective Date.

(b) Any existing Lender increasing its Commitments shall execute an Increasing Lender Supplement (each, an "Increasing Lender Supplement"), substantially in the form of Exhibit G-2, whereupon such Lender's Commitments shall be increased by the amount specified therein and any additional bank, financial institution or other entity which, with the consent of the Borrower, the Issuing Banks and the Administrative Agent (which consent shall not be unreasonably withheld), elects to become a "Lender" under this Agreement in connection with any transaction described in Section 2.18(a) shall execute a New Lender Supplement (each, a "New Lender Supplement"), substantially in the form of Exhibit G-3, whereupon such bank, financial institution or other entity (a "New Lender") shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement.

(c) Unless otherwise agreed by the Administrative Agent, on each Increased Facility Closing Date the Borrower shall prepay all then outstanding Loans made to it, which prepayment shall be accompanied by payment of all accrued interest on the amount prepaid and any amounts payable pursuant to Section 2.12 or Section 2.13 in connection therewith, and, to the extent it determines to do so, reborrow

Loans from all the Lenders (after giving effect to the new and/or increased Commitments becoming effective on such date). Any prepayment and reborrowing pursuant to the preceding sentence shall be effected, to the maximum extent practicable, through the netting of amounts payable between the Borrower and the respective Lenders.

(d) Notwithstanding anything to the contrary in this Agreement, each of the parties hereto hereby agrees that, on each Increased Facility Closing Date, this Agreement (and the Schedules and Exhibits hereto) shall be amended to the extent (but only to the extent) necessary to reflect the existence and terms of the increased Commitments evidenced thereby. Any such deemed amendment may be effected in writing by the Administrative Agent with the Borrower's consent (not to be unreasonably withheld) and furnished to the other parties hereto.

SECTION 2.19. Extension of Maturity Date.

(a) The Borrower may, by notice to the Administrative Agent (who shall promptly notify the Lenders) not less than 30 Business Days prior to the Maturity Date or the initial Extended Maturity Date (the "Initial Extended Maturity Date"), request that each Lender extend such Lender's Maturity Date for additional one year periods (each, an "Extended Maturity Date" and the maturity date in effect prior to such extension, the "Existing Maturity Date"); provided that (i) no more than two such requests shall be made and (ii) in no event, after giving effect to such extension, shall the Maturity Date extend beyond the seventh anniversary of the Effective Date.

(b) Each Lender, in its sole discretion, shall advise the Administrative Agent whether or not such Lender agrees to such extension. If a Lender agrees to such extension (an "Extending Lender"), it shall notify the Administrative Agent, in writing, of its decision to do so within 15 Business Days of such notice. A Lender that determines not to so extend its Commitment (a "Non-Extending Lender") shall so notify the Administrative Agent promptly after making such determination. If a Lender does not give timely notice within such 15 Business Day period to the Administrative Agent of whether or not such Lender agrees to such extension, it shall be deemed to be a Non-Extending Lender; provided that any Non-Extending Lender may, with the consent of the Borrower and the Administrative Agent (such consent of the Administrative Agent not to be unreasonably withheld, conditioned or delayed), subsequently become an Extending Lender by notice to the Administrative Agent and the Borrower.

(c) The Administrative Agent shall notify the Borrower promptly of each Lender's determination.

(d) The Borrower shall have the right on or before the applicable Extended Maturity Date, at its own expense, to require any Non-Extending Lender to transfer and assign without recourse (in accordance with and subject to the restrictions contained in Section 10.06) all its interests, rights and obligations under this Agreement to one or more banks or other financial institutions identified to the Non-Extending Lender, which may include any Lender (each an "Additional Lender"), provided that (x) if such Additional Lender is not already a Lender hereunder, such Additional Lender shall be subject to the approval of the Administrative Agent, each Issuing Bank and the Borrower (such approvals not to be unreasonably withheld); (y) such assignment shall become effective as of a date specified by the Borrower; and (z) the Additional Lender shall pay to such Non-Extending Lender in immediately available funds on the effective date of such assignment the principal of, and interest accrued to the date of payment on, the Loans made by it hereunder and all other amounts accrued for its account or owed to the Non-Extending Lender hereunder.

(e) If (and only if) the total of the Commitments of the Lenders that have agreed to extend their Maturity Date or their Initial Extended Maturity Date, as applicable, and the additional

Commitments of the Additional Lenders shall be more than 50% of the aggregate amount of the Commitments in effect immediately prior to the applicable Extended Maturity Date, then, upon the Borrower's election and prompt notification to the Administrative Agent, the Maturity Date or the Initial Extended Maturity Date, as applicable, of each Extending Lender and of each Additional Lender shall be extended to the date falling one (1) year after the Existing Maturity Date (except that, if such date is not a Business Day, such Maturity Date as so extended shall be the immediately preceding Business Day) and each Additional Lender shall thereupon become a "Lender" for all purposes of this Agreement. In the event of any such extension, the Commitment of each Non-Extending Lender that has not been replaced as provided in Section 2.19(d) shall terminate on the Maturity Date in effect prior to any such extension and the outstanding principal balance of all Loans and other amounts payable hereunder to such Non-Extending Lender shall become due and payable on such Maturity Date and the total Commitments of the Lenders hereunder shall be reduced by the Commitments of the Non-Extending Lenders so terminated on such Maturity Date.

(f) Notwithstanding the foregoing, the extension of the Maturity Date or the Initial Extended Maturity Date, as applicable, pursuant to this Section shall not be effective with respect to any Lender unless (i) no Default or Event of Default has occurred and is continuing on the Existing Maturity Date after giving effect to such extension; and (ii) the representations and warranties of the Borrower set forth in Article IV shall be true and correct in all material respects on and as of the applicable Existing Maturity Date as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, true and correct in all material respects as of such specific date and, for purposes of this Section 2.19, the representations and warranties contained in Section 4.04 shall be deemed to refer to the most recent statements delivered pursuant to clauses (a) and (b), respectively, of Section 6.01) (provided, that such materiality qualifier shall not be applicable to any representation or warranty that already is qualified or modified by materiality in the text thereof). As a condition precedent to each such extension, the Borrower shall deliver to the Administrative Agent a certificate of the Borrower dated as of the effective date of such extension and signed by a Financial Officer of the Borrower certifying as to compliance with this Section 2.19(f).

ARTICLE III

LETTERS OF CREDIT

SECTION 3.01. L/C Commitment. (a) Subject to the terms and conditions hereof, the Issuing Banks, in reliance on the agreements of the other Lenders set forth in Section 3.04(a), agrees to issue standby letters of credit ("Letters of Credit") for the account of the Borrower or any of its Subsidiaries on any Business Day during the Availability Period; provided that the Issuing Banks shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations (including the Dollar Equivalent of such Lender's Foreign Currency Letters of Credit) owing to the relevant Issuing Bank would exceed such Issuing Bank's Individual L/C Sublimit, (ii) the sum of the L/C Obligations owing to the Issuing Banks would exceed the L/C Sublimit or (iii) the sum of the total Credit Exposures would exceed the total Commitments. Each Letter of Credit shall (i) be denominated in Dollars, Euro or Pounds Sterling and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Maturity Date, provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above); provided, further, that any Letter of Credit may, upon the request of the Borrower and without the consent of any other Issuing Bank or Lender, include a provision whereby such Letter of Credit shall be renewed automatically for additional consecutive periods of one year or less (but not beyond the date that is five Business Days prior to the Maturity Date) unless and until the applicable Issuing Bank notifies the beneficiary thereof in writing within the time period specified in such Letter of Credit or, if no such time period is specified, at least 30 days prior to the then-applicable expiration date, that such Letter of Credit will not be renewed.

(b) No Issuing Bank shall at any time be obligated to issue any Letter of Credit if such issuance would violate, or cause such Issuing Bank or any relevant L/C Participant to exceed any limits imposed by, any applicable Requirement of Law or would violate one or more policies of such Issuing Bank applicable to letters of credit generally.

SECTION 3.02. Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that an Issuing Bank issue a Letter of Credit (or any amendment, renewal or extension of an outstanding Letter of Credit) by delivering to such Issuing Bank and the Administrative Agent at their respective addresses for notices specified herein an Application therefor, completed to the satisfaction of such Issuing Bank, and such other certificates, documents and other papers and information as such Issuing Bank may request. Upon receipt of any Application, such Issuing Bank will process such Application and shall promptly issue the Letter of Credit requested thereby (but in no event shall such Issuing Bank be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by such Issuing Bank and the Borrower. Such Issuing Bank shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. Such Issuing Bank shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

SECTION 3.03. Fees and Other Charges. (a) The Borrower will pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Rate then in effect with respect to Term Benchmark Loans hereunder, shared ratably among the Lenders and payable quarterly in arrears in the currency such Letter of Credit was issued in on each Fee Payment Date after the issuance date. In addition, the Borrower shall pay to the relevant Issuing Bank for its own account a fronting fee of 0.125% per annum on the undrawn and unexpired amount of each Letter of Credit, payable quarterly in arrears in Dollars on each Fee Payment Date after the issuance date.

(b) In addition to the foregoing fees, the Borrower shall pay the Issuing Bank's standard fees with respect to the issuing, amendment, renewal or extension of any Letter of Credit.

SECTION 3.04. L/C Participations. (a) The Issuing Banks irrevocably agree to grant and hereby grant to each L/C Participant, and, to induce the Issuing Banks to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Banks, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Aggregate Exposure Percentage in the Issuing Banks' obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by an Issuing Bank thereunder. Each L/C Participant agrees with the Issuing Banks that, if a draft is paid under any Letter of Credit for which an Issuing Bank is not reimbursed in full by the Borrower in accordance with the terms of this Agreement (or in the event that any reimbursement received by an Issuing Bank shall be required to be returned by it at any time), such L/C Participant shall pay to the relevant Issuing Bank upon demand at the relevant Issuing Bank's address for notices specified herein an amount equal to such L/C Participant's Aggregate Exposure Percentage of the amount that is not so reimbursed (or is so returned). Each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against the Issuing Banks, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Article 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(b) If any amount required to be paid by any L/C Participant to the Issuing Banks pursuant to Section 3.04(a) in respect of any unreimbursed portion of any payment made by the Issuing Banks under any Letter of Credit is paid to the Issuing Banks within three Business Days after the date such payment is due, such L/C Participant shall pay to the Issuing Banks on demand an amount equal to the product of (i) such amount, times (ii) the New York Fed Bank Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Banks, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.04(a) is not made available to the relevant Issuing Bank by such L/C Participant within three Business Days after the date such payment is due, the relevant Issuing Bank shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans hereunder. A certificate of the relevant Issuing Bank submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the relevant Issuing Bank has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.04(a), the relevant Issuing Bank receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by the relevant Issuing Bank), or any payment of interest on account thereof, the relevant Issuing Bank will distribute to such L/C Participant its pro rata share thereof (it being understood that any such distribution shall be in Dollars and the Issuing Bank shall convert any amounts received by it in a currency other than Dollars into the Dollar Equivalent thereof for purposes of such distribution); provided, however, that in the event that any such payment received by the relevant Issuing Bank shall be required to be returned by the relevant Issuing Bank, such L/C Participant shall return to the relevant Issuing Bank the portion thereof previously distributed by the relevant Issuing Bank to it.

SECTION 3.05. Reimbursement Obligation of the Borrower. If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount in the currency of such LC Disbursement equal to such LC Disbursement not later than 12:00 noon, New York City time, on the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on such date, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 12:00 noon, New York City time, on the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt. Each such payment shall be made to the Issuing Banks at its address for notices referred to herein in Dollars and in immediately available funds. Interest shall be payable on any such amounts from the date on which the relevant draft is paid until payment in full at the rate set forth in (x) until the Business Day next succeeding the date of the relevant notice, Section 2.10(a) and (y) thereafter, Section 2.10(c).

SECTION 3.06. Obligations Absolute. The Borrower's obligations to repay amounts paid under any Letter of Credit shall be absolute, unconditional and irrevocable under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against the Issuing Banks, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with the Issuing Banks that the Issuing Banks shall not be responsible for, and the Borrower's Reimbursement Obligations under Section 3.05 shall not be affected by, among other things, (a) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision

therein, (b) any draft or other document presented under a Letter of Credit proving to be invalid, fraudulent or forged in any respect or any statement therein being untrue or inaccurate in any respect, (c) payment by the Issuing Banks under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (d) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. The Issuing Banks shall not have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or message or advice, however transmitted, in connection with any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Banks; provided that the foregoing shall not be construed to excuse the Issuing Banks from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Banks' failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of any Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

SECTION 3.07. Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the relevant Issuing Bank shall promptly notify the Borrower of the date and amount thereof. The responsibility of the relevant Issuing Bank to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are in conformity with such Letter of Credit.

SECTION 3.08. Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall apply.

SECTION 3.09. Cash Collateralization. If on any date the L/C Obligations (including the Dollar Equivalent of any L/C Obligations with respect to a Foreign Currency Letter of Credit) exceed the L/C Sublimit or the L/C Obligations (including the Dollar Equivalent of such Lender's Foreign Currency Letters of Credit) owing to the relevant Issuing Bank would exceed such Issuing Bank's Individual L/C Sublimit, then, in either case, the Borrower shall within three Business Days after notice thereof from the Administrative Agent deposit in a cash collateral account opened by the Administrative Agent an amount in Dollars (or, at the option of the Administrative Agent, in the applicable currency) equal to such excess (in the case of cash collateralization in Dollars of L/C Obligations with respect to any Foreign Currency Letter of Credit, 115% of such excess) plus accrued and unpaid interest thereon. Any cash collateral delivered by the Borrower to the Administrative Agent pursuant to this Section 3.09 shall be maintained by the Administrative Agent in an interest bearing account in the name of the Borrower.

SECTION 3.10. Currency Adjustments.

(a) Notwithstanding anything to the contrary contained in this Agreement, for purposes of calculating any fee in respect of any Letter of Credit in respect of any Business Day, the Administrative Agent shall convert the amount available to be drawn under any Letter of Credit denominated in a currency other than Dollars into the Dollar Equivalent of such amount.

(b) Notwithstanding anything to the contrary contained in this Article III, prior to demanding any reimbursement from the L/C Participants pursuant to Section 3.04 in respect of any Letter of Credit denominated in a currency other than Dollars, the relevant Issuing Bank shall convert the Borrower's obligations under Section 3.04 to reimburse the Issuing Bank in such currency into an obligation to reimburse the relevant Issuing Bank in Dollars. The Dollar amount of the reimbursement obligation of the Borrower and the L/C Participants shall be computed by the relevant Issuing Bank based upon the Dollar Equivalent for the day on which such conversion occurs, as determined by the Administrative Agent in accordance with the terms hereof.

SECTION 3.11. Existing Letters of Credit. The Administrative Agent, the Lenders (including any Lender that issued any Existing Letter of Credit) and the Borrower agrees that, notwithstanding the provisions specified in the Existing Letters of Credit, effective as of the Effective Date, the Existing Letters of Credit shall be deemed to have been issued as of the Effective Date and deemed to be maintained under, and to be governed by the terms and conditions of, this Agreement as Letters of Credit as obligations of the Borrower.

SECTION 3.12. Replacement and Resignation of an Issuing Bank. Subject to the appointment and acceptance of a successor Issuing Bank acceptable to the Borrower (which consent not to be unreasonably withheld), any Issuing Bank may resign as an Issuing Bank by providing at least thirty (30) days' prior written notice to the Administrative Agent, the Lenders and the Borrower, in which case, such resigning Issuing Bank shall be replaced in accordance with this Section 3.12. An Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such resignation or replacement of an Issuing Bank. At the time any such resignation or replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the resigning or replaced Issuing Bank pursuant to Section 2.09(c). From and after the effective date of any such replacement or resignation, (x) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (y) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the resignation or replacement of an Issuing Bank hereunder, the resigning or replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit or extend or otherwise amend any existing Letter of Credit.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders that:

SECTION 4.01. Organization; Powers. The Borrower and each of the Significant Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 4.02. Authorization; Enforceability. The Transactions are within each Loan Party's corporate or organizational powers and authority and have been duly authorized by all necessary corporate or organizational action. The Loan Documents (i) have been duly executed and delivered by each Loan Party that is a party thereto, and (ii) constitute legal, valid and binding obligations of each Loan Party that is a party thereto, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 4.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, and except to the extent that the failure to obtain such consent or approval, or register, file, or take such action, would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower, any Guarantor or any of the Significant Subsidiaries or any order of any Governmental Authority, except such violations of any law, regulation, or order, individually or in the aggregate, that would not reasonably be expected to result in a Material Adverse Effect, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower, any Guarantor or any of the Significant Subsidiaries or their assets, or give rise to a right thereunder to require any payment to be made by the Borrower, any Guarantor or any of the Significant Subsidiaries, in each case (except in the case of any indenture or other agreement governing Material Indebtedness) which would, individually or in the aggregate with such other instances, reasonably be expected to result in a Material Adverse Effect, and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of the Significant Subsidiaries, other than any Liens permitted by Section 7.01.

SECTION 4.04. Financial Statements. The Borrower has heretofore furnished to the Lenders its consolidated balance sheet, and related consolidated statement of income, consolidated statement of cash flows and consolidated statement of changes in stockholders' investment and comprehensive income, and the accompanying notes to such consolidated financial statements, as of and for the fiscal year ended May 31, 2023, reported on by Ernst & Young LLP, independent public accountants. Such financial statements, together with the accompanying notes to such financial statements, present fairly, in all material respects, the consolidated financial condition of the Borrower and its consolidated Subsidiaries as of such date and the results of operation and cash flows of the Borrower and its consolidated Subsidiaries for the year then ended, all in accordance with GAAP.

SECTION 4.05. Taxes. The Borrower and each of its Significant Subsidiaries has filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Significant Subsidiary, as applicable, has set aside on its books, in accordance with GAAP, adequate reserves or (b) to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.06. Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Financial Officer, threatened against the Borrower or any of its Significant Subsidiaries (i) that would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters), or (ii) that purport to affect the legality, validity, or enforceability of this Agreement or the other Loan Documents or the transactions contemplated thereby.

(b) Except for the Disclosed Matters and except for any such matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, each of the Borrower and its Significant Subsidiaries (i) is in compliance with all applicable Environmental Laws and has obtained and maintained any permit, license, or other approval currently required under any applicable Environmental Law, (ii) is not subject to any Environmental Liability, and (iii) has not, to its knowledge, received notice of any claim with respect to any Environmental Liability or has knowledge of any event or circumstance that would reasonably be expected to give rise to such a claim.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in a Material Adverse Effect.

SECTION 4.07. Subsidiaries; Schedule 4.07 hereto contains an accurate list of all of the Significant Subsidiaries of the Borrower as of the Effective Date, setting forth their respective jurisdictions of incorporation and the percentage of their respective capital stock owned by the Borrower or other Subsidiaries. All of the issued and outstanding shares of capital stock of such Significant Subsidiaries have been duly authorized and issued and are fully paid and non-assessable.

SECTION 4.08. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, either individually or when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect. The present value of the aggregate benefit liabilities under each Single Employer Plan sponsored, maintained or contributed to by Borrower, or its ERISA Affiliates (determined as of the end of the most recent plan year on the basis of the actuarial assumptions specified for funding purposes in the most recent actuarial valuation for such Single Employer Plan), did not exceed the aggregate current value of the assets of such Single Employer Plan in an amount that could reasonably be likely to result in a Material Adverse Effect.

SECTION 4.09. Compliance with Laws and Agreements. Each of the Borrower and its Significant Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its Property and all indentures, agreements and other instruments binding upon it or its Property, except where the failure to so comply, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 4.10. Properties; Liens. The Borrower and each of the Significant Subsidiaries has good title to, or valid leasehold interests in, all its real and personal Property material to its business, except for any such defects that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, and none of such Property is subject to any Lien except as permitted by Section 7.01.

SECTION 4.11. Investment Company Status. Neither the Borrower nor any of its Significant Subsidiaries is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 4.12. Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures reasonably designed to achieve compliance in all material respects by the Borrower, its Subsidiaries and their respective directors, officers, employees and, to the extent acting on behalf of Borrower or its Subsidiaries, agents with applicable Anti-Corruption Laws and applicable Sanctions. None of (a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, or use of proceeds from either will be used, directly, or to the knowledge of the Borrower, indirectly, to (a) make any offer, payment or give anything else of value to any person in violation of applicable Anti-Corruption Laws or (b) finance or facilitate any activity which violates applicable Sanctions.

SECTION 4.13. Patriot Act Compliance. Each of the Borrower and its Significant Subsidiaries is in compliance with applicable provisions of the Patriot Act, except where the failure to so comply, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.14. Affected Financial Institutions. No Loan Party is an Affected Financial Institution.

ARTICLE V

CONDITIONS

SECTION 5.01. Effective Date. The obligations of the Lenders to make Loans and issue or participate in Letters of Credit shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.01):

(a) The Administrative Agent (or its counsel) shall have received (i) from each party hereto either a counterpart of this Agreement signed on behalf of such party or written evidence satisfactory to the Administrative Agent (which may include telecopy transmission or electronic mail of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement, and (ii) the Guarantee Agreement, executed and delivered by each Subsidiary set forth on Schedule 10.14 hereto.

(b) The Administrative Agent shall have received satisfactory evidence that the Existing Five-Year Credit Agreement has been terminated and all amounts payable by the Borrower thereunder have been paid in full. Such satisfactory evidence shall include the effectiveness of Section 1.07, which shall become effective on the Effective Date.

(c) The Lenders shall have received a written opinion from counsel to the Borrower, substantially in the form of Exhibit D.

(d) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower and the domestic Significant Subsidiaries and the authorization of the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(e) The Administrative Agent shall have received a certificate, dated as of the Effective Date and signed by a Responsible Officer of the Borrower, stating that (a) the representations and warranties contained in Article IV hereof are true and correct on and as of the Effective Date, and (b) as of the Effective Date, no Default has occurred and is continuing.

(f) Since May 31, 2023, there has been no change in the business, Property, financial condition or results of operations of the Borrower and its consolidated Subsidiaries taken as a whole which would reasonably be expected to have a Material Adverse Effect, and the Administrative Agent shall have received a certificate to that effect, dated as of the Effective Date and signed by a Responsible Officer of the Borrower.

(g) The Administrative Agent shall have received all fees required to be paid hereunder or under any other agreements related to the revolving credit facility established in this Agreement on or prior to the Effective Date and all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder for which invoices have been presented to the Borrower.

(h) The Administrative Agent shall have received one Business Day prior to the Effective Date all documentation and other information with respect to the Borrower and the Guarantors as required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act.

(i) The Administrative Agent shall have received evidence satisfactory to it that the Existing Three-Year Credit Agreement has been terminated and all amounts payable by the Borrower thereunder have been paid in full and the Three-Year Credit Agreement shall have been executed and delivered by all parties thereto and that all conditions precedent to the effectiveness thereof shall have been satisfied or waived.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 10.01) at or prior to 5:00 p.m., New York City time, on March 15, 2024 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 5.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing and issue or participate in Letters of Credit is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in Article IV hereof shall be true and correct on and as of the date of such Borrowing (except to the extent that any such representation or warranty expressly relates to a specified earlier date, in which case such representation or warranty shall be true and correct as of such earlier date).

(b) At the time of and immediately after giving effect to such Borrowing no Default shall have occurred and be continuing.

Each Borrowing by and issuance of a Letter of Credit on behalf of the Borrower shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section 5.02.

ARTICLE VI

AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated, the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and no Letter of Credit remains outstanding (unless such Letters of Credit have been cash collateralized pursuant to the terms hereof) the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent and each Lender:

(a) within fifteen (15) days after the same are required to be filed with the SEC (or, to the extent no longer required to be filed with the SEC, within ninety (90) days after the end of each fiscal year of the Borrower), its audited consolidated balance

sheet and related consolidated statements of income, cash flows and changes in stockholders' investment and comprehensive income as of the end of and for each fiscal year of the Borrower, setting forth in each case the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) (it being understood that the filing of such financial statements with the SEC shall constitute delivery thereof to the Administrative Agent and each Lender);

(b) within fifteen (15) days after the same are required to be filed with the SEC (or, to the extent no longer required to be filed with the SEC, within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower), an unaudited condensed consolidated balance sheet and related condensed consolidated statements of income and cash flows as of the end of and for each of the first three (3) fiscal quarters of each fiscal year of the Borrower and the then elapsed portion of the fiscal year, setting forth in each case the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, and, solely in the event such financial statements are no longer required to be filed with the SEC, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis as of, and for, such periods in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes (it being understood that the filing of such financial statements with the SEC shall constitute delivery thereof to the Administrative Agent and each Lender);

(c) concurrently with, or within ten (10) days after, any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default or Event of Default has occurred and, if a Default or Event of Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, and (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.09, which certificate shall be substantially in the form of Exhibit H hereto;

(d) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and prospectuses filed by the Borrower, any Guarantor or any Significant Subsidiary with the SEC (it being understood that the filing of such documents with the SEC shall constitute delivery thereof to the Administrative Agent and each Lender); and

(e) as promptly as reasonably practicable following any request therefor, such other information (including relevant non-financial information) as the Administrative Agent or any Lender may from time to time reasonably request.

SECTION 6.02. Use of Proceeds. The proceeds of the Loans and Letters of Credit will be used only for general corporate purposes, including acquisitions. No part of the proceeds of any Loan or Letter of Credit will be used, whether directly or indirectly, for any purpose that entails a violation of any of the regulations of the Board, including Regulation U, to the extent applicable. If requested by any Lender or the Administrative Agent in connection with or immediately following a drawing, the Borrower will furnish to the Administrative Agent and each such requesting Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

SECTION 6.03. Notice of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the occurrence of any Default or Event of Default or any other development that results in, or would reasonably be expected to result in, a Material Adverse Effect. Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 6.04. Existence; Conduct of Business. Except as permitted by Section 7.02, the Borrower will, and will cause each Significant Subsidiary to do all things necessary to preserve and maintain its legal existence and the rights, licenses, permits, privileges, and franchises material to the conduct of its business, except where the failure to maintain any such rights, licenses, permits, privileges, and franchises would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

SECTION 6.05. Payment of Taxes. The Borrower will, and will cause each Subsidiary to, pay and discharge all taxes, assessments, and governmental charges or levies imposed upon it or upon its income or profits, or upon any Property belonging to it, except where failure to do any of the foregoing would not have a Material Adverse Effect and provided that neither the Borrower nor a Subsidiary shall be required to pay any such tax, assessment, charge, or levy the payment of which is being contested in good faith and by appropriate proceedings and as to which appropriate reserves are being maintained in accordance with GAAP.

SECTION 6.06. Compliance with Laws. The Borrower will, and will cause each of its Significant Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its Property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures reasonably designed to achieve compliance in all material respects by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents acting on behalf of the Borrower or its Subsidiaries, with applicable Anti-Corruption Laws and applicable Sanctions.

SECTION 6.07. Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Significant Subsidiaries to, (a) keep and maintain all Property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where failure to do so would not reasonably be expected to have a Material Adverse Effect, and (b) maintain, with financially sound and reputable insurance companies, insurance on its Property in such amounts and against such risks as are consistent with prudent business practice, and the Borrower will furnish to any Lender upon request full information as to the insurance carried.

SECTION 6.08. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Significant Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Significant Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, but no more than once a year unless an Event of Default has occurred and is continuing, to visit and inspect its Properties (subject to such limitations as the Borrower may reasonably impose to ensure safety or compliance with any applicable legal or contractual restrictions or obligations), to examine and make extracts from its books of accounts and other financial records (to the extent reasonable), and to discuss its affairs, finances and condition with its officers and independent accountants (to the extent reasonable), all at such reasonable times and intervals as the Lenders may designate.

SECTION 6.09. Leverage. The Borrower will maintain, on the last day of each fiscal quarter of Borrower ended after the Effective Date, a Total Leverage Ratio of not more than 3.50 to 1.00; provided that at the Borrower's election and upon written notice from the Borrower to the Administrative Agent within thirty (30) days after the consummation of a Material Acquisition, for the fiscal quarter in which such Material Acquisition is consummated and each of the three fiscal quarters thereafter, the maximum Total Leverage Ratio pursuant to this Section 6.09 shall increase to 4.00 to 1.00; provided that following any such increase, the maximum Total Leverage Ratio shall be 3.50 to 1.00 for at least two consecutive fiscal quarter end dates before the maximum Total Leverage Ratio may be increased to 4.00 to 1.00 again as a result of a subsequent Material Acquisition.

ARTICLE VII

NEGATIVE COVENANTS

Until the Commitments have expired or been terminated, the principal of and interest on each Loan and all fees payable hereunder has been paid in full and no Letter of Credit remains outstanding (unless such Letters of Credit have been cash collateralized pursuant to the terms hereof) the Borrower covenants and agrees with the Lenders that:

SECTION 7.01. Liens. The Borrower will not, nor will it permit any consolidated Subsidiary to, create, incur, assume or suffer to exist, any Lien on any of its Property or assets now owned or hereafter acquired (other than Unrestricted Margin Stock), except:

- (a) Liens which may be hereafter created to secure payment of the Obligations;
- (b) Liens incurred or deposits or pledges, made in the ordinary course of business, to secure payment of workers' compensation, unemployment insurance, old age pensions, or other social security obligations;
- (c) Liens incurred or deposits or pledges, made in the ordinary course of business, to secure performance of bids, tenders, contracts (other than contracts for Indebtedness), leases, public, or statutory obligations, surety bonds, appeal bonds, or other Liens or deposits or pledges for purposes of like general nature made in the ordinary course of business;
- (d) Deposits or pledges for the purpose of securing an appeal, stay or discharge in the course of legal proceedings, or Liens for judgments or awards which were not incurred in connection with Indebtedness or the obtaining of advances or credits; provided such deposits, pledges and Liens do not, in the aggregate for the Borrower and the consolidated Subsidiaries, materially detract from the value of their assets or Properties or materially impair the use thereof in the ordinary course of business and such appeal, judgment or award, as the case may be, is being diligently contested or litigated in good faith by appropriate proceedings; provided further, there has been set aside on the books of the Borrower or the consolidated Subsidiaries, as the case may be, reserves in accordance with GAAP with respect thereto; and provided further execution is not levied upon any such judgment or award;
- (e) Liens for taxes, fees, assessments and governmental charges not delinquent or which are being contested in good faith by appropriate proceedings, provided there has been set aside on the books of the Borrower or the consolidated Subsidiaries, as the case may be, adequate reserves in accordance with GAAP with respect thereto; and provided further, execution is not levied upon any such Lien;

(f) Mechanics', carriers', workers', repairmen's or other like Liens arising in the ordinary course of business securing obligations which are not overdue for a period of more than ninety (90) calendar days, or which are being contested in good faith by appropriate proceedings; provided there has been set aside on the books of the Borrower and the consolidated Subsidiaries, as the case may be, adequate reserves in accordance with GAAP with respect thereto; and provided further, execution is not levied upon any such Lien;

(g) Lessors' interests under capital leases;

(h) Liens on Property acquired or constructed with the proceeds of any tax-exempt bond financing to secure such financing;

(i) Liens securing Indebtedness of a consolidated Subsidiary to the Borrower or any Guarantor or, in the case of Indebtedness of a consolidated Subsidiary which is not a Guarantor, to any consolidated Subsidiary which is not a Guarantor;

(j) Liens existing on the Property of a corporation or other business entity immediately prior to its being consolidated with or merged into the Borrower or a consolidated Subsidiary or its becoming a consolidated Subsidiary, or Liens existing on any Property acquired by the Borrower or a consolidated Subsidiary at the time such is so acquired (whether or not the Indebtedness secured thereby shall have been assumed), provided that (i) no such Lien was created or assumed in contemplation of such consolidation or merger or such entity's becoming a consolidated Subsidiary or such acquisition of Property, and (ii) each such Lien shall only cover the acquired Property and, if required by the terms of the instrument originally creating such Lien, Property which is an improvement to or is acquired for specific use in connection with such acquired Property;

(k) Liens on Flight Equipment acquired on or after the date of this Agreement which (i) secure the payment of all or any part of the purchase price of such Flight Equipment or improvements thereon or modifications thereto, (ii) are limited to the Flight Equipment so acquired and improvements thereon or modifications thereto, and (iii) attach to such Flight Equipment within one (1) year after the acquisition, improvement, or modification of such Flight Equipment;

(l) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(m) Zoning, building or other restrictions, variances, covenants, rights of way, encumbrances, easements, and other minor irregularities in title, none of which, individually or in the aggregate, (i) interfere in any material respect with the present use or occupancy of the affected parcel by the Borrower or any Subsidiary, (ii) have no more than an immaterial effect on the value thereof or its use, or (iii) would impair the ability of such parcel to be sold for its present use;

(n) Liens arising solely by virtue of (i) any law or regulation relating to banker's liens, or (ii) rights of set-off or similar rights and remedies, in each case as to deposit accounts or other funds maintained with a creditor depository institution;

(o) Liens to secure Indebtedness for the purpose of financing all or any part of the purchase price or the cost of construction or improvement of the Property subject to such Lien; provided, however, that (i) the principal amount of any Indebtedness secured by such Lien does not exceed one hundred percent (100%) of such purchase price or cost, and (ii) such Lien does not extend to or cover any other Property other than such item of Property so acquired, constructed, or improved;

(p) Liens arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by clauses (h), (j), (k), and (o) of this Section 7.01; provided that such Indebtedness is not increased and is not secured by any additional assets;

(q) Liens incurred or deposits or pledges made for the purpose of complying with any cash collateralization requirements resulting from defaults by lenders under any syndicated letter of credit facility the Borrower may have in place from time to time;

(r) Liens not otherwise permitted by Sections 7.01(a) through (q); provided that, as of the date any Lien is incurred and as of the end of each fiscal quarter of the Borrower ending after February 29, 2024, the sum of (i) the aggregate principal amount of all outstanding Long Term Debt of the consolidated Subsidiaries which are not Guarantors (excluding the Current Maturities of any such Long Term Debt and any Long Term Debt of a consolidated Subsidiary owing to the Borrower or another consolidated Subsidiary that is a Guarantor), plus (ii) the aggregate principal amount of all outstanding Long Term Debt of the Borrower or any Guarantor (excluding the Current Maturities of any such Long Term Debt and any Long Term Debt of a consolidated Subsidiary owing to the Borrower or another consolidated Subsidiary that is a Guarantor) which is secured as permitted by this Section 7.01(r), does not exceed ten percent (10%) of Consolidated Adjusted Total Assets.

SECTION 7.02. Merger and Consolidation. The Borrower will not, nor will it permit any consolidated Subsidiary to, merge with or into, or consolidate, or consummate a Division as the Dividing Person, or enter into any analogous transaction with, any other Person, or sell all or substantially all of the assets of the Borrower and its consolidated Subsidiaries taken as a whole, except:

(a) Any consolidated Subsidiary or other corporation or entity may merge with or into, or consolidate or enter into any analogous transaction with, the Borrower, provided that, immediately after giving effect to any such merger or consolidation, (i) the Borrower shall be the continuing or surviving corporation, and (ii) no Default or Event of Default shall exist;

(b) Any consolidated Subsidiary may merge with or into, or consolidate or enter into any analogous transaction with, any consolidated Subsidiary so long as, immediately after giving effect thereto, no Default or Event of Default shall exist;

(c) The Borrower or any consolidated Subsidiary may transfer its assets to the Borrower or any consolidated Subsidiary, so long as immediately after giving effect thereto, no Default or Event of Default shall exist;

(d) Any corporation or other entity may merge with or into, or consolidate or enter into any analogous transaction with, any consolidated Subsidiary, so long as immediately after giving effect to any such merger or consolidation, (i) the continuing or surviving entity shall be a consolidated Subsidiary, and (ii) no Default or Event of Default shall exist;

(e) Any consolidated Subsidiary that is not a Significant Subsidiary may merge with or into, or consolidate, or enter into any analogous transaction with, any Person if the primary purpose of such transaction is to discontinue the existence of such consolidated Subsidiary or dispose of such consolidated Subsidiary, so long as immediately after giving effect thereto, no Default or Event of Default shall exist; and

(f) Any Specified Guarantor, other Guarantor, Significant Subsidiary or other Subsidiary that is an LLC or a limited partnership may consummate a Division as the Dividing Person if, immediately upon the consummation of such Division, the assets of the applicable Dividing Person are held

by (i) in the case of a Dividing Person that was a Specified Guarantor immediately prior to the consummation of such Division, one or more Specified Guarantors immediately upon the consummation of the such Division (ii) in the case of a Dividing Person that was such other Guarantor immediately prior to the consummation of such Division, one or more Guarantors immediately upon the consummation of the such Division, (iii) in the case of a Dividing Person that was a Significant Subsidiary immediately prior to the consummation of such Division, one or more Significant Subsidiaries immediately upon the consummation of the such Division or (iv) in the case of a Dividing Person that was such other Subsidiary immediately prior to the consummation of such Division, one or more Subsidiaries immediately prior to the consummation of such Division, or, with respect to assets not so held by one or more Specified Guarantors, other Guarantors, Significant Subsidiaries or other Subsidiaries, respectively the sale, transfer or other disposition of such assets would otherwise be permitted under this Agreement.

SECTION 7.03. [Reserved].

SECTION 7.04. [Reserved].

SECTION 7.05. Use of Proceeds. The Borrower will not request any Borrowing or Letter of Credit, and the Borrower shall not directly, or knowingly, indirectly, use, and shall procure that its Subsidiaries and its or their respective directors, officers and employees and agents acting on behalf of Borrower or its Subsidiaries in connection with this Agreement shall not use the proceeds of any Borrowing or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any applicable Anti-Corruption Laws, or (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country to the extent such activities, business or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or in a European Union member state.

ARTICLE VIII

EVENTS OF DEFAULT

If any of the following events ("Events of Default") shall occur:

(a) the Borrower fails to pay any principal of any Loan or Reimbursement Obligation when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower fails to pay any interest on any Loan, Reimbursement Obligation or any fee or any other amount (other than an amount referred to in paragraph (a) of this Article VIII) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any Subsidiary in or in connection with this Agreement or any amendment or modification hereof, or in any certificate furnished pursuant to or in connection with this Agreement or any amendment or modification hereof, prove to have been incorrect in any material respect when made or deemed made;

(d) the Borrower fails to observe or perform any covenant, condition, or agreement contained in Sections 6.02, 6.03, 6.09, 7.01 or 7.02;

(e) the Borrower fails to observe or perform any covenant, condition, or agreement contained in this Agreement (other than those specified in paragraphs (a), (b), (c), or (d) of this Article VIII), and such failure shall continue unremedied for a period of thirty (30) days after written notice thereof to the Borrower from the Administrative Agent or any Lender;

(f) the Borrower or any Significant Subsidiary fails to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, after giving effect to any applicable grace period;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time, or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption, or defeasance thereof, prior to its scheduled maturity; provided that this paragraph (g) shall not apply to (i) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the Property or assets securing such Indebtedness and (ii) secured Indebtedness that becomes due in accordance with its terms as a result of the voluntary or involuntary sale, transfer, or disposition of the Property or assets securing such Indebtedness;

(h) an involuntary proceeding is commenced or an involuntary petition is filed seeking (i) liquidation, reorganization, or other relief in respect of the Borrower or any Significant Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state, or foreign bankruptcy, insolvency, receivership, or similar law now or hereafter in effect, or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator, or similar official for the Borrower or any Significant Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Significant Subsidiary (i) voluntarily commences any proceeding or files any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consents to the institution of, or fails to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article VIII, (iii) applies for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Significant Subsidiary or for a substantial part of its assets, (iv) files an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) makes a general assignment for the benefit of creditors, or (vi) takes any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Significant Subsidiary fails to pay, or admits in writing its inability to pay, its debts generally as they become due;

(k) the guarantee of any Significant Subsidiary contained in its respective Guarantee Agreement ceases, for any reason, to be in full force and effect or the Borrower or such Significant Subsidiary so asserts;

(l) the Borrower or any Significant Subsidiary fails within forty-five (45) days to pay, bond or otherwise discharge any judgment or order for the payment of money in excess of \$200,000,000, which is not stayed on appeal or otherwise being appropriately contested in good faith;

(m) an ERISA Event has occurred that, when taken together with all other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect; or

(n) a Change of Control occurs;

then, and in every such event (other than an event with respect to the Borrower described in paragraphs (h) or (i) of this Article VIII), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder), shall become due and payable immediately, without presentment, demand, protest, or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in paragraphs (h) or (i) of this Article VIII, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder), shall automatically become due and payable, without presentment, demand, protest, or other notice of any kind, all of which are hereby waived by the Borrower. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount in Dollars (or, at the option of the Administrative Agent, in the applicable currency) equal to the aggregate then undrawn and unexpired amount of such Letters of Credit (in the case of cash collateralization in Dollars of any Foreign Currency Letters of Credit, 115% of such amount). Amounts held in such cash collateral account shall be maintained by the Administrative Agent in an interest bearing account in the name of the Borrower and shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

If, within fourteen (14) days after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans hereunder as a result of any Default (other than any Default as described in paragraphs (h) or (i) of this Article VIII) and before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Administrative Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination, provided that the Borrower certifies to the Lenders to their satisfaction that, upon giving effect to such rescission, no other Indebtedness of the Borrower shall be accelerated by virtue of a cross-default or cross-acceleration to Indebtedness under this Agreement.

ARTICLE IX

THE AGENTS

SECTION 9.01. Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations, or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent. In performing its functions and duties hereunder and under the other Loan Documents, the Administrative Agent is acting solely on behalf of the Lenders and the Issuing Banks (except in limited circumstances expressly provided for herein relating to the maintenance of the Register), and its duties are entirely mechanical and administrative in nature. The motivations of the Administrative Agent are commercial in nature and not to invest in the general performance or operations of the Borrower.

SECTION 9.02. Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

SECTION 9.03. Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact, or Affiliates shall be (i) liable to any Lender for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations, or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement, or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability, or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party that is a party thereto to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the Properties, books or records of any Loan Party.

SECTION 9.04. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex, or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this

Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

SECTION 9.05. Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

SECTION 9.06. Acknowledgements of Lenders and Issuing Banks. (a) Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact, or Affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any Affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, Property, financial, and other condition and creditworthiness of the Loan Parties and their Affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, Property, financial, and other condition and creditworthiness of the Loan Parties and their Affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, Property, condition (financial or otherwise), prospects, or creditworthiness of any Loan Party or any Affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact, or Affiliates. Each Lender and each Issuing Bank represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and (ii) in participating as a Lender, it is engaged in making, acquiring or holding commercial loans and in providing other facilities set forth herein as may be applicable to such Lender or Issuing Bank, in each case in the ordinary course of business, and not for the purpose of investing in the general performance or operations of the Borrower, or for the purpose of purchasing, acquiring or holding any other type of financial instrument such as a security (and each Lender and each Issuing Bank agrees not to assert a claim in contravention of the foregoing, such as a claim under the federal or state securities law).

(b) (i) Each Lender and Issuing Bank hereby agrees that (x) if the Administrative Agent notifies such Lender or Issuing Bank that the Administrative Agent has determined in its sole discretion that any funds received by such Lender or Issuing Bank from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a “Payment”) were erroneously transmitted to such Lender or Issuing Bank (whether or not known to such Lender or Issuing Bank), and demands the return of such Payment (or a portion thereof), such Lender or Issuing Bank shall promptly, but in no event later than one Business Day thereafter (or such later date as the Administrative Agent, may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender or Issuing Bank to the date such amount is repaid to the Administrative Agent at the greater of the New York Fed Bank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender or Issuing Bank shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on “discharge for value” or any similar doctrine. A notice of the Administrative Agent to any Lender or Issuing Bank under this Section 9.06(b) shall be conclusive, absent manifest error.

(ii) Each Lender and Issuing Bank hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a “Payment Notice”) or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender or Issuing Bank agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender or Issuing Bank shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter (or such later date as the Administrative Agent, may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender or Issuing Bank to the date such amount is repaid to the Administrative Agent at the greater of the New York Fed Bank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(iii) The Borrower and each other Loan Party hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender or Issuing Bank that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender or Issuing Bank with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party.

(iv) Each party’s obligations under this Section 9.06(b) shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Bank, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

(c) Each Lender, by delivering its signature page to this Agreement on the Effective Date, or delivering its signature page to an Assignment and Acceptance or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date.

SECTION 9.07. Indemnification. The Lenders agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section 9.07 (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements that are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence or willful misconduct. The agreements in this Section 9.07 shall survive the payment of the Loans and all other amounts payable hereunder. The respective obligations of the Lenders under this Agreement are several and not joint, and no Lender shall be responsible for the failure of any other Lender to satisfy its obligations hereunder.

SECTION 9.08. Agent in Its Individual Capacity. Each Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

SECTION 9.09. Successor Administrative Agent. (a) The Administrative Agent may resign as Administrative Agent upon ten (10) days' notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under paragraph (a) of Article VIII or paragraph (i) of Article VIII with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers, and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers, and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is thirty (30) days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

(b) The Administrative Agent agrees that in the event it shall fail to fund its portion of any Borrowing within three (3) Business Days of the date on which it shall have been required to fund same, it shall cooperate in good faith with efforts by the Borrower to replace it with a successor administrative agent that is satisfactory to the Required Lenders and the Borrower (including resigning in connection with such replacement).

SECTION 9.10. Documentation Agents and Syndication Agent. None of the Documentation Agents or the Syndication Agent shall have any duties or responsibilities hereunder in its capacity as such.

SECTION 9.11. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person becomes a Lender party hereto, and (y) covenants, from the date such Person becomes a Lender party hereto, to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments, or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person becomes a Lender party hereto, and (y) covenants, from the date such Person becomes a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Administrative Agent, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

(c) The Administrative Agent, and each Arranger, Syndication Agent and Documentation Agent hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement and any other Loan Documents (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing. Nothing in this Agreement or any Loan Document shall require the Administrative Agent to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account.

SECTION 9.12. Borrower Communications. (a) The Administrative Agent, the Lenders and the Issuing Banks agree that the Borrower may, but shall not be obligated to, make any Borrower Communications to the Administrative Agent through an electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Borrower Portal").

(b) Although the Approved Borrower Portal and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system), each of the Lenders, each of the Issuing Banks and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of the Borrower that are added to the Approved Borrower Portal, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders, each of the Issuing Banks and the Borrower hereby approves distribution of Borrower Communications through the Approved Borrower Portal and understands and assumes the risks of such distribution.

(c) THE APPROVED BORROWER PORTAL IS PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER COMMUNICATION, OR THE ADEQUACY OF THE APPROVED BORROWER PORTAL AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED BORROWER PORTAL AND THE BORROWER COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR

STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE BORROWER COMMUNICATIONS OR THE APPROVED BORROWER PORTAL. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY ARRANGER, ANY DOCUMENTATION AGENT, ANY SYNDICATION AGENT OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "APPLICABLE PARTIES") HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER, ANY ISSUING BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S TRANSMISSION OF BORROWER COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED BORROWER PORTAL.

"Borrower Communications" means, collectively, any Borrowing Request, Interest Election Request, notice of prepayment, notice requesting the issuance, amendment or extension of a Letter of Credit or other notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Borrower to the Administrative Agent through an Approved Borrower Portal.

(a) Each of the Lenders, each of the Issuing Banks and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Borrower Communications on the Approved Borrower Portal in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(b) Nothing herein shall prejudice the right of the Borrower to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 9.13. Posting of Communications. (a) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders and the Issuing Banks by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders, each of the Issuing Banks and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders, each of the Issuing Banks and the Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND,

EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY ARRANGER, ANY DOCUMENTATION AGENT, ANY SYNDICATION AGENT OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "APPLICABLE PARTIES") HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER, ANY ISSUING BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

"Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Bank by means of electronic communications pursuant to this Section, including through an Approved Electronic Platform.

(d) Each Lender and each Issuing Bank agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender and Issuing Bank agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's or Issuing Bank's (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Lenders, each of the Issuing Banks and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(f) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or any Issuing Bank to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Amendments and Waivers. (a) None of this Agreement, any other Loan Document, or any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.01. The Required Lenders and each Loan Party that is party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party that is party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding, deleting or modifying any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder, or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan

Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive the principal amount or extend the final scheduled date of maturity of any Loan or Letter of Credit, reduce the stated rate of any interest or fee payable hereunder (except (x) in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders), and (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the written consent of each Lender directly affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 10.01 without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, or release the Guarantee Agreement or any Guarantor that is incurring, issuing or guaranteeing any debt securities or any other Material Indebtedness from its obligations under the Guarantee Agreement, in each case without the written consent of all Lenders (except for releases of Guarantors (other than any Specified Guarantor) in connection with any transaction otherwise expressly permitted to be consummated pursuant to this Agreement which releases, notwithstanding anything herein to the contrary, shall be governed by Section 10.14(d)); (iv) amend, modify or waive any provision of Section 2.15 without the written consent of the Lenders adversely affected thereby; (v) amend, modify or waive any provision of Article IX without the written consent of the Administrative Agent or (vi) amend, modify or waive any provision of Article III without the written consent of the Issuing Banks. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Notwithstanding anything to the contrary contained herein, as to any amendment, amendment and restatement or other modifications otherwise approved in accordance with this Section 10.01, it shall not be necessary to obtain the consent or approval of any Lender that, upon giving effect to such amendment, amendment and restatement or other modification, would have no Commitments or outstanding Loans so long as such Lender receives payment in full of the principal of and interest accrued on each Loan made by, and all other amounts owing to, such Lender or accrued for the account of such Lender under this Agreement and the other Loan Documents at the time such amendment, amendment and restatement or other modification becomes effective.

(b) Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, and the Borrower (i) to add one (1) or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Loans and extensions of credit and the accrued interest and fees in respect thereof, and (ii) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

(c) Notwithstanding anything to the contrary in the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any ambiguity, omission, mistake, defect or inconsistency, it being agreed that the Administrative Agent shall provide the Lenders at least five Business Days' prior written notice of such amendment, and any such amendment shall be deemed approved by the Lenders unless the Administrative Agent shall have received, within five Business Days of the date that a draft of such amendment is provided to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment.

SECTION 10.02. Notices. (a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by electronic mail), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three (3) Business Days after being deposited in the mail, postage prepaid, or, in the case of electronic mail notice, when received, addressed as follows in the case of the Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified in writing by the respective parties hereto:

Borrower: FedEx Corporation
942 S. Shady Grove Road
Memphis, Tennessee 38120
Attention: Corporate Vice President –
Corporate Development and Treasurer

with a copy to: FedEx Corporation
942 S. Shady Grove Road
Memphis, Tennessee 38120
Attention: Staff Vice President – Securities &
Corporate Law

Administrative Agent: At the address separately provided to the Borrower

An Issuing Bank: To it at the address separately provided to the Borrower

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

Notices delivered through Approved Electronic Platforms or Approved Borrower Portals, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by using Approved Electronic Platforms or Approved Borrower Portals (as applicable), in each case, pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

SECTION 10.03. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent, Borrower, or any Lender, any right, remedy, power, or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. The rights, remedies, powers, and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.

SECTION 10.04. Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document or certificate delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

SECTION 10.05. Payment of Expenses and Taxes; Indemnity; Limitation of Liability; Etc.

(a) Payment of Expenses and Taxes; Indemnity: The Borrower agrees (a) to pay or reimburse the Administrative Agent for all its reasonable out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent as separately agreed by the Administrative Agent and the Borrower, and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower prior to the Effective Date (in the case of amounts to be paid on the Effective Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender, the Issuing Banks and the Administrative Agent for all its reasonable out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the reasonable fees and disbursements of counsel to each Lender, the Issuing Banks and of counsel to the Administrative Agent, (c) to pay, indemnify, and hold each Lender, the Issuing Banks and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to stamp, excise, and other taxes, if any, that are payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement, or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender, the Agents, the Issuing Banks and the Administrative Agent and their respective officers, directors, employees, affiliates, and agents (each, an "Indemnitee") harmless from and against any and all Liabilities with respect to the execution, delivery, enforcement, performance, and administration of and any action taken in connection with this Agreement and the other Loan Documents, including any of the foregoing relating to the payment of principal, interest, and fees, the use of proceeds of the Loans or Letters of Credit (including any refusal by the Issuing Banks to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit) or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of the Borrower, any Guarantor or any Subsidiary or any of their respective Properties, any Environmental Liability, and the reasonable fees and expenses of legal counsel actually incurred in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this paragraph (d), collectively, the "Indemnified Liabilities"), provided, that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs, and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee.

(b) Limitation of Liability: To the extent permitted by applicable law (i) the Borrower and its Subsidiaries shall not assert, and the Borrower and its Subsidiaries hereby waive, any claim against the Administrative Agent, any Syndication Agent, any Documentation Agent and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a “Lender-Related Person”) for any Liabilities arising from the use by others of information or other materials (including, without limitation, any personal data) obtained through telecommunications, electronic or other information transmission systems (including the Internet, any Approved Electronic Platform and any Approved Borrower Portal), and (ii) no party hereto shall assert, and each such party hereby waives, any Liabilities against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the transactions contemplated by this Agreement or any other Loan Document, any Loan or the use of the proceeds thereof; provided that, nothing in this Section 10.05(b) shall relieve the Borrower and each of its Subsidiaries of any obligation it may have to indemnify an Indemnitee, as provided in Section 10.05(a), against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(c) Payments: All amounts due under this Section 10.05 shall be payable not later than thirty (30) days after written demand therefor, which shall set forth in reasonable detail the nature, basis and description of such Indemnified Liability. Statements payable by the Borrower pursuant to this Section 10.05 shall be submitted to FedEx Corporation, Attn: Corporate Vice President – Corporate Development and Treasurer, at the address of the Borrower set forth in Section 10.02, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.05 shall survive repayment of the Loans and all other amounts payable hereunder.

SECTION 10.06. Successors and Assigns; Participations and Assignments. (a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Lenders, the Issuing Banks (including any affiliate of an Issuing Bank that issues any Letter of Credit), the Administrative Agent, all future holders of the Loans and their respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender other than any Conduit Lender may, without the consent of the Borrower, the Administrative Agent or the Issuing Banks, in accordance with applicable law, at any time sell to one (1) or more banks, financial institutions or other entities (each, a “Participant”) participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents, provided that, no Lender shall sell its participating interests to the Borrower or any Affiliate of the Borrower. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender’s obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Loans or any fees payable hereunder, or postpone the date of the final maturity of the Loans, in each case to the extent subject to such participation. The Borrower agrees that if amounts outstanding under this Agreement and the Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant

shall, to the maximum extent permitted by applicable law, be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 10.07(a) as fully as if it were a Lender hereunder. The Borrower also agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.14 with respect to its participation in the Commitments and the Loans outstanding from time to time as if it were a Lender; provided that, in the case of Sections 2.13 and 2.14, such Participant shall have complied with the requirements of said Sections as if it were a Lender (it being understood that the documentation required under Section 2.14(f) shall be delivered to the participating Lender); and provided, further, that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower (but without giving rise to any fiduciary obligation of any kind to the Borrower), maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided, however, that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, letters of credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender and the Issuing Banks shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for purposes of this Agreement notwithstanding any notice to the contrary.

(c) Any Lender other than any Conduit Lender (an "Assignor") may, in accordance with applicable law, at any time and from time to time assign to any Lender (other than any Defaulting Lender) or any Lender Affiliate or, with the consent of the Borrower, each Issuing Bank and the Administrative Agent (which, in each case, shall not be unreasonably withheld or delayed), to an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement and the other Loan Documents pursuant to an Assignment and Acceptance, executed by such Assignee, such Assignor and any other Person whose consent is required pursuant to this paragraph, and delivered to the Administrative Agent for its acceptance and recording in the Register (as defined below); provided that, unless otherwise agreed by the Borrower and the Administrative Agent, no such assignment to an Assignee (other than any Lender or any Lender Affiliate) shall be in an aggregate principal amount of less than \$5,000,000 and after giving effect to such assignment, such assigning Lender shall have Commitments and Loans in an aggregate amount of at least \$5,000,000 as described in this sentence except in the case of an assignment of all of a Lender's interests under this Agreement. For purposes of the proviso contained in the preceding sentence, the amount described therein shall be aggregated in respect of each Lender and its Lender Affiliates, if any. The Assignee shall purchase, at par, all Loans and pay all accrued interest and other amounts owing to such Assignor under this Agreement on or prior to the date of assignment for any assignment pursuant to Section 2.17. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with a Commitment and/or Loans as set forth therein, and (y) the Assignor thereunder shall, to the extent provided in such Assignment and Acceptance, relinquish its rights (other than its rights under Sections 2.13, 2.14, and 10.05 to the extent any claim thereunder relates to an event arising prior to the effective date of such assignment) and be released

from its obligations (other than its obligations under Section 9.07 with respect to matters arising prior to the effective date of such assignment) under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor's rights and obligations under this Agreement, such Assignor shall cease to be a party hereto). Notwithstanding any provision of this Section 10.06, (i) the consent of the Borrower shall not be required for any assignment that occurs after the occurrence and during the continuance of an Event of Default, (ii) no assignment shall be made to the Borrower or any Affiliate of the Borrower and (iii) if the consent of the Borrower is otherwise required by this paragraph with respect to any assignment of Loans or Commitments, and the Borrower has not given the Administrative Agent written notice of its objection to such assignment within ten Business Days after written notice to the Borrower, the Borrower shall be deemed to have consented to such assignment. Notwithstanding the foregoing, any Conduit Lender may assign at any time to its designating Lender hereunder without the consent of the Borrower or the Administrative Agent any or all of the Loans it may have funded hereunder and pursuant to its designation agreement and without regard to the limitations set forth in the first sentence of this Section 10.06(c).

(d) The Administrative Agent shall, on behalf of the Borrower, maintain at its address referred to in Section 10.02 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of, and the principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, each other Loan Party, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any Notes evidencing the Loans recorded therein for all purposes of this Agreement. Any assignment of any Loan, whether or not evidenced by a Note, shall be effective only upon appropriate entries with respect thereto being made in the Register (and each Note shall expressly so provide). Any assignment or transfer of all or part of a Loan evidenced by a Note shall be registered on the Register only upon surrender for registration of assignment or transfer of the Note evidencing such Loan, accompanied by a duly executed Assignment and Acceptance, and thereupon one or more new Notes shall be issued to the designated Assignee.

(e) Upon its receipt of (x) an Assignment and Acceptance executed by an Assignor, an Assignee and any other Person whose consent is required by Section 10.06(c) or (y) to the extent applicable, an agreement incorporating an Assignment and Acceptance by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Acceptance are participants, together with payment to the Administrative Agent of a registration and processing fee of \$4,000, the Administrative Agent shall (i) promptly accept such Assignment and Acceptance, (ii) record the information contained therein in the Register on the effective date determined pursuant thereto, and (iii) promptly notify Borrower of its receipt of such Assignment and Acceptance.

(f) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 10.06 concerning assignments relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including any pledge or assignment by a Lender to any Federal Reserve Bank or central bank in accordance with applicable law.

(g) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (f) above.

(h) Each of the Borrower, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceeding under any state bankruptcy or similar law, for one (1) year and one (1) day after the payment in full of the latest maturing

commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party to this Agreement for any loss, cost, damage, or expense arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

SECTION 10.07. Adjustments; Set-off. (a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders, if any Lender (a "Benefitted Lender") shall, at any time after the Loans and other amounts payable hereunder shall immediately become due and payable pursuant to Article VIII, receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in paragraph (i) of Article VIII, or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders and the Lender Affiliates provided by law, if an Event of Default shall have occurred and be continuing, each Lender and Lender Affiliate shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration, or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured, or unmatured, at any time held or owing by such Lender or Lender Affiliate or any branch or agency thereof to or for the credit or the account of the Borrower, as the case may be. Each Lender and Lender Affiliate agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender or Lender Affiliate, provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 10.08. Counterparts. This Agreement may be executed by one (1) or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one (1) and the same instrument. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement and/or any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, "Electronic Signatures" means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 10.09. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.10. Integration. This Agreement, the other Loan Documents, and any commitment letters or similar documents related to the Transactions, represent the entire agreement of the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations, or warranties by the Borrower, Administrative Agent, or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

SECTION 10.11. Governing Law.

(a) THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) Each of the Lenders and the Administrative Agent hereby irrevocably and unconditionally agrees that, notwithstanding the governing law provisions of any applicable Loan Document, any claims brought against the Administrative Agent by any Lender relating to this Agreement, any other Loan Document or the consummation or administration of the transactions contemplated hereby or thereby shall be construed in accordance with and governed by the law of the State of New York.

SECTION 10.12. Submission To Jurisdiction; Waivers. The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in New York City, Borough of Manhattan), and appellate courts from any thereof;

(b) consents that any such action or proceeding shall be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower at its address set forth in Section 10.02 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive, or consequential damages.

SECTION 10.13. Acknowledgements. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution, and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent and Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor;

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrower and the Lenders;

(d) the Loan Parties have been advised that the Administrative Agent and Lenders are engaged in a broad range of transactions that may involve interests that differ from the Loan Parties' interests and that the Administrative Agent and Lenders have no obligation to disclose such interests and transactions to the Loan Parties; and

(e) each of the Administrative Agent, each Issuing Bank or any other Lender, together with its Affiliates, in addition to providing or participating in commercial lending facilities such as that provided hereunder, is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services.

SECTION 10.14. Guarantors. (a) The Guarantors as of the date hereof are set forth on Schedule 10.14 hereto.

(b) Upon any Subsidiary incurring, issuing or guaranteeing any debt securities or any other Material Indebtedness, within thirty (30) days thereafter, the Borrower shall cause such Subsidiary to execute the Guarantee Agreement pursuant to an Addendum thereto in the form of Annex I to the Guarantee Agreement, and in the case of a Significant Subsidiary, to deliver documentation, to the extent requested by the Administrative Agent, similar to that described in Section 5.01(c) and (d) relating to the authorization for, execution and delivery of, and validity of such Significant Subsidiary's obligations as a Guarantor, such documentation to be in form and substance reasonably satisfactory to the Administrative Agent.

(c) The Borrower covenants and agrees with the Lenders that each Specified Guarantor is, and shall remain, an entity organized under the laws of any jurisdiction within the United States. For the avoidance of doubt, this Section 10.14(c) shall not prohibit any merger or consolidation of a Specified Guarantor; provided, that, in accordance with the definition of "Specified Guarantor", any Person into which such Specified Guarantor is merged or consolidated, or to which all or substantially all of its assets are sold, transferred or disposed, shall become a Specified Guarantor and be subject to the provisions of this Section 10.14(c).

(d) Notwithstanding anything to the contrary contained herein or in any other Loan Document, upon the termination or release of any Guarantor (other than any Specified Guarantor) from its incurrence, issuance and guarantee of any and all debt securities or any other Material Indebtedness, such Guarantor shall be deemed to be automatically and unconditionally released and discharged from all its obligations under the Guarantee Agreement without any further action required on the part of the Administrative Agent or any Lender. At the request and sole expense of the Borrower following any such release and discharge, the Administrative Agent shall execute and deliver to the Borrower such documents as the Borrower shall reasonably request to evidence such release and discharge. For the avoidance of doubt, it is agreed and understood that any release of any Specified Guarantor from its obligations under the Guarantee Agreement shall be subject to Section 10.01.

SECTION 10.15. Confidentiality. Each of the Administrative Agent, each Issuing Bank and each Lender agrees to keep confidential all Information provided to it or its Affiliates by any Loan Party or its Affiliates pursuant to this Agreement; provided that

nothing herein shall prevent the Administrative Agent, any Issuing Bank or any Lender from disclosing any such Information (a) to the Administrative Agent, any Issuing Bank or any other Lender, (b) subject to an agreement by such Person to comply with the provisions of this Section, to any actual or prospective Transferee or any actual or prospective direct or indirect counterparty to any Hedge Agreement (or any professional advisor to such counterparty), (c) to its employees or directors, or those of its Affiliates, agents, attorneys, accountants, and other professional advisors, or any Lender Affiliates, who are made aware of the confidential requirements of this Section 10.15 and who are instructed to keep such Information confidential in accordance therewith, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to Information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (i) in connection with the exercise of any remedy hereunder or under any other Loan Document, or (j) with the written consent of the Borrower. The provisions of this Section 10.15 shall survive any expiration or termination of this Agreement for a period of one (1) year. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a non-confidential basis prior to disclosure by the Borrower and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential.

For the avoidance of doubt, nothing in this Section 10.15 shall prohibit any Person from voluntarily disclosing or providing any Information within the scope of this confidentiality provision to any governmental, regulatory or self-regulatory organization (any such entity, a "Regulatory Authority") to the extent that any such prohibition on disclosure set forth in this Section 10.15 shall be prohibited by the laws or regulations applicable to such Regulatory Authority.

SECTION 10.16. WAIVERS OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT, AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 10.17. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively, the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received, or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 10.18. Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 10.19. USA Patriot Act; Beneficial Ownership Regulation.

(a) Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower and its subsidiaries, which information includes the name and business address of the Borrower, its subsidiaries and other required information that will allow such Lender to identify the Borrower and its subsidiaries in accordance with the Act, such as tax identification numbers and legal organizational documents. The Borrower and its subsidiaries shall promptly provide such information upon request by any Lender.

(b) Promptly following any request therefor, the Borrower shall provide information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with the Beneficial Ownership Regulation.

In connection therewith, each Lender hereby agrees that such information shall be covered by the confidentiality provisions set forth in Section 10.15 hereof.

SECTION 10.20. Judgment Currency.

(a) The Loan Parties' obligations hereunder and under the other Loan Documents to make payments in Dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than Dollars, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent, the respective Lender or Issuing Bank of the full amount of Dollars expressed to be payable to the Administrative Agent or such Lender or Issuing Bank under this Agreement or the other Loan Documents. If, for the purpose of obtaining or enforcing judgment against any Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than Dollars (such other currency being hereinafter referred to as the "Judgment Currency") an amount due in Dollars, the conversion shall be made at the Dollar Equivalent determined as of the Business Day immediately preceding the day on which the judgment is given (such Business Day being hereinafter referred to as the "Judgment Currency Conversion Date").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, the Loan Parties shall pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of Dollars which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining the Dollar Equivalent or any other rate of exchange for this Section 10.20, such amounts shall include any premium and costs payable in connection with the purchase of Dollars.

SECTION 10.21. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any

liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

FEDEX CORPORATION, as Borrower

By: /s/ Benjamin J. Huwer

Name: Benjamin J. Huwer
Title: Staff Vice President and Assistant Treasurer,
Corporate Development & Treasury

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent, a Lender and an Issuing Bank

By: /s/ Jackie Castillo

Name: Jackie Castillo

Title: Vice President

[FedEx Five-Year Credit Agreement]

BANK OF AMERICA, N.A.,
as a Lender and an Issuing Bank

By: /s/ Jason Yakabu

Name: Jason Yakabu

Title: Director

[FedEx Five-Year Credit Agreement]

CITIBANK, N.A.,
as a Lender and an Issuing Bank

By: /s/ Maureen Maroney
Name: Maureen Maroney
Title: Vice President

[FedEx Five-Year Credit Agreement]

The Bank of Nova Scotia,
as a Lender and an Issuing Bank

By: /s/ Kevin McCarthy

Name: Kevin McCarthy

Title: Director

[FedEx Five-Year Credit Agreement]

WELLS FARGO BANK, National Association,
as a Lender and an Issuing Bank

By: /s/ Mylissa Merten
Name: Mylissa Merten
Title: Vice President

[FedEx Five-Year Credit Agreement]

Truist Bank,
as a Lender and an Issuing Bank

By: /s/ Chris Hursey

Name: Chris Hursey

Title: Director

[FedEx Five-Year Credit Agreement]

BNP Paribas,
as a Lender

By: /s/ Nader Tannous
Name: Nader Tannous
Title: Managing Director

By: /s/ Todd Grossnickle
Name: Todd Grossnickle
Title: Managing Director

[FedEx Five-Year Credit Agreement]

Goldman Sachs Bank USA,
as a Lender

By: /s/ Rebeca Kratz
Name: Rebecca Kratz
Title: Authorized Signatory

[FedEx Five-Year Credit Agreement]

HSBC Bank USA, National Association,
as a Lender

By: /s/ Patrick Mueller
Name: Patrick Mueller
Title: Managing Director

[FedEx Five-Year Credit Agreement]

ING Bank N.V., Dublin Branch
as a Lender

By: /s/ Louise Gough

Name: Louise Gough

Title: Vice President

By: /s/ Robert O'Donoghue

Name: Robert O'Donoghue

Title: Country Manager

[FedEx Five-Year Credit Agreement]

MIZUHO BANK, LTD.,
as a Lender

By: /s/ Donna DeMagistris

Name: Donna DeMagistris

Title: Executive Director

[FedEx Five-Year Credit Agreement]

Morgan Stanley Bank, N.A.,
as a Lender

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

[FedEx Five-Year Credit Agreement]

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Tracey Silverman

Name: Tracey Silverman

Title: Senior Vice President

[FedEx Five-Year Credit Agreement]

Deutsche Bank AG New York Branch,
as a Lender

By: /s/ Mark Lukin

Name: Mark Lukin

Title: Vice President

By: /s/ Alison Lugo

Name: Alison Lugo

Title: Vice President

[FedEx Five-Year Credit Agreement]

Regions Bank,
as a Lender

By: /s/ Christopher J. Brearey

Name: Christopher J. Brearey

Title: Director- Credit Products

[FedEx Five-Year Credit Agreement]

Sumitomo Mitsui Banking Corporation,
as a Lender

By: /s/ Minxiao Tian

Name: Minxiao Tian

Title: Director

[FedEx Five-Year Credit Agreement]

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Andrew C. Beckman

Name: Andrew C. Beckman

Title: Senior Vice President

[FedEx Five-Year Credit Agreement]

KBC BANK N.V.,
as a Lender

By: /s/ Nicholas Fiore
Name: Nicholas Fiore
Title: Managing Director

By: /s/ Francis X. Payne
Name: Francis X. Payne
Title: Managing Director

[FedEx Five-Year Credit Agreement]

STANDARD CHARTERED BANK,
as a Lender

By: /s/ Kristopher Tracy
Name: Kristopher Tracy
Title: Director, Financing Solutions

[FedEx Five-Year Credit Agreement]

State Street Bank & Trust Company,
as a Lender

By: /s/ Terence Whelan

Name: Terence Whelan

Title: VP

[FedEx Five-Year Credit Agreement]

First Horizon Bank,
as a Lender

By: /s/ Patrick Wredling

Name: Patrick Wredling

Title: Senior Vice President

[FedEx Five-Year Credit Agreement]

THE TORONTO-DOMINION BANK, NEW YORK
BRANCH,
as a Lender

By: /s/ David Perlman

Name: David Perlman

Title: Authorized Signatory

Omitted Attachments

Schedule 4.07 and all exhibits listed on page iv of this agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K because the information contained therein is not material and is not otherwise publicly disclosed. FedEx will furnish supplementally copies of these exhibits to the Securities and Exchange Commission or its staff upon request.

[FedEx Five-Year Credit Agreement]

SCHEDULE 2.01

LENDERS AND COMMITMENTS

SCHEDULE 2.01(a)

<u>Lender</u>	<u>Commitment</u>
JPMorgan Chase Bank, N.A.	\$ 130,000,000
Bank of America, N.A.	\$ 130,000,000
Citibank, N.A.	\$ 130,000,000
The Bank of Nova Scotia	\$ 130,000,000
Truist Bank	\$ 130,000,000
Wells Fargo Bank, National Association	\$ 130,000,000
BNP Paribas	\$ 87,500,000
Goldman Sachs Bank USA	\$ 87,500,000
HSBC Bank USA, National Association	\$ 87,500,000
ING Bank N.V., Dublin Branch	\$ 87,500,000
Mizuho Bank, Ltd.	\$ 87,500,000
Morgan Stanley Bank, N.A.	\$ 87,500,000
PNC Bank, National Association	\$ 87,500,000
Deutsche Bank AG New York Branch	\$ 62,500,000
Regions Bank	\$ 50,000,000
Sumitomo Mitsui Banking Corporation	\$ 50,000,000
U.S. Bank National Association	\$ 50,000,000
KBC Bank N.V.	\$ 37,500,000
Standard Chartered Bank	\$ 37,500,000
State Street Bank and Trust Company	\$ 25,000,000
First Horizon Bank	\$ 22,500,000
The Toronto-Dominion Bank, New York Branch	\$ 22,500,000
	Total: \$1,750,000,000

[FedEx Five-Year Credit Agreement]

SCHEDULE 2.01(b)

Issuing Bank	Individual L/C Sublimit
JPMorgan Chase Bank, N.A.	\$ 20,833,333.34
Bank of America, N.A.	\$ 20,833,333.34
Citibank, N.A.	\$ 20,833,333.33
The Bank of Nova Scotia	\$ 20,833,333.33
Truist Bank	\$ 20,833,333.33
Wells Fargo Bank, National Association	\$ 20,833,333.33
	Total: \$ 125,000,000

[FedEx Five-Year Credit Agreement]

SCHEDULE 3.01

EXISTING LETTERS OF CREDIT

None

[FedEx Five-Year Credit Agreement]

SCHEDULE 4.06

DISCLOSED MATTERS

None.

[FedEx Five-Year Credit Agreement]

SCHEDULE 10.14

INITIAL SUBSIDIARY GUARANTORS

Federal Express Corporation
Federal Express Europe, Inc.
Federal Express Holdings S.A., LLC
Federal Express International, Inc.
FedEx Corporate Services, Inc.
FedEx Freight Corporation
FedEx Freight, Inc.
FedEx Ground Package System, Inc.
FedEx Office and Print Services, Inc.

[FedEx Five-Year Credit Agreement]

FEDEX CORPORATION RETIREMENT PARITY PENSION PLAN

Amended and Restated

Effective June 1, 2024

Section 1. Purpose and Description. Federal Express Corporation, a Delaware corporation (the “Company”), established, effective June 1, 1993 (the “Effective Date”), the Federal Express Corporation Retirement Parity Pension Plan (the “Plan”). The Plan was amended, effective June 1, 1994, to increase the benefit provided from 80% to 100% of the difference of the “Unreduced Benefit” less the “Maximum Benefit,” as both terms are defined below. The Plan was amended and restated, effective June 1, 1996 to provide for the inclusion of Managing Directors, in addition to Officers, under the terms of the Plan. The Plan was restated, effective February 1, 1998 to provide for the inclusion of Managing Directors and Officers of FedEx Corporation (formerly FDX Corporation) and, effective December 1, 1998, Managing Directors and Officers of FedEx Global Logistics, Inc. (formerly FDX Global Logistics, Inc.), under the terms of the Plan. The Plan was restated, effective June 1, 1999, to conform the Plan to previous amendments and to provide that, upon retirement, an eligible Officer or Managing Director may elect certain lump-sum and installment distributions in lieu of receiving benefits in the same manner as such benefits would be paid from the Qualified Pension Plan. The Plan provisions, as in effect immediately prior to June 1, 1999, remained in effect for anyone who was not actively employed by the Company, FedEx Corporation, or FedEx Global Logistics, Inc. as an Officer or Managing Director on or after that date, unless the Plan specifically provides otherwise.

Effective May 31, 2003, the FedEx Ground Package System, Inc. and Certain Affiliates 401(a)(17) Benefit Plan and the FedEx Ground Package System, Inc. and Certain Affiliates Excess Plan were merged with and into the Plan and name of the Plan was changed to the FedEx Corporation Retirement Parity Pension Plan. The provisions of the merged plan applicable to the employees participating in the FedEx Ground Package System, Inc. and Certain Affiliates 401(a)(17) Benefit Plan continue to be set forth in Appendix A and the FedEx Ground Package System, Inc. and Certain Affiliates Excess Plan continue to be set forth in Appendix B. The provisions of Appendix A and Appendix B are applicable to the employees of FedEx Ground Package System, Inc., FedEx Custom Critical, Inc., FedEx Supply Chain Services, Inc., AutoQuik, Inc., and Urgent Freight, Inc.

Effective June 1, 2003, the Plan was amended to establish the provisions applicable to that portion of an eligible Officer’s or Managing Director’s accrued benefit that is determined pursuant to Appendix E of the Qualified Pension Plan (“Portable Pension Account”) beginning on or after June 1, 2003.

The Plan was restated, effective June 1, 2008, to conform the Plan to the terms of the Qualified Pension Plan and to provide for benefit accruals and benefit payments beginning June 1, 2008.

Effective January 1, 2020, the Plan was amended and restated to reflect (1) that employees who are hired on or after January 1, 2020 shall be eligible to accrue a three and one-half percent (3.5%) Excess Compensation Credit on compensation that exceeds the Code Section 401(a)(17) limit and (2) an increase of the three and one-half percent (3.5%) Excess Compensation Credit to eight percent (8%) effective January 1, 2021; and (3) that the definition of Plan eligible employee is expanded to include Officers and Managing Directors of FedEx Freight, Inc. who are hired on or after January 1, 2020 and Officers and Managing Directors of FedEx Office and Print Services, Inc.; FedEx Supply Chain Systems, Inc.; and their subsidiaries, effective January 1, 2021.

The Plan is hereby amended and restated to reflect a one-year delay in the effective date from January 1, 2021 to January 1, 2022 for (1) the increase of the three and one-half percent (3.5%) Excess Compensation Credit to eight percent (8%); and (2) the expansion of the definition of Plan eligible employee to include and Officers and Managing Directors of FedEx Office and Print Services, Inc.; FedEx Supply Chain Systems, Inc.; and their subsidiaries.

Effective June 1, 2024, the FedEx Freight Retirement Parity Plan is merged with and into the Plan. The provisions of the merged plan applicable to the employees participating in the FedEx Freight Retirement Parity Plan continue to be set forth in Appendix C. The provisions of Appendix C are applicable to the employees of FedEx Freight, Inc. who are accruing Compensation Credits under a Portable Pension Account in the FedEx Corporation Employees' Pension Plan.

The Plan is intended to be an "employee benefit pension plan," as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974 ("ERISA"), and a plan that is "unfunded and is maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees," as provided in Sections 201, 301, and 401 of ERISA and the Department of Labor regulations promulgated under ERISA and is intended to comply with Section 409A of the Internal Revenue Code (the "Code"). The benefits provided by the Plan are not funded but shall be payable when due out of the assets of the Company as general, unsecured obligations of the Company.

Unless otherwise provided herein, defined terms used in this Plan shall have the same meaning attributed to such terms in the Qualified Pension Plan and the Federal Express Corporation Nonqualified Disability Plan for Officers (the "Officers Nonqualified Disability Plan"), as applicable.

Section 2. Eligibility. Prior to June 1, 2008, any employee of a participating employer (which shall mean the Company; on or after February 1, 1998, FedEx Corporation; on or after December 1, 1998, FedEx Global Logistics, Inc.; on or after March 1, 2000, FedEx Trade Networks, Inc., and FedEx Trade Networks Transport & Brokerage, Inc. (formerly, Tower Group International, Inc.); on or after May 1, 2000, World Tariff, Limited; on or after June 1, 2000, FedEx Corporate Services, Inc.; on or after March 1, 2001, FedEx Freight Corporation; on or after April 11, 2001, FedEx Trade Networks Trade Services, Inc.; on or after May 31, 2003, FedEx Ground Package System, Inc., FedEx Custom Critical, Inc., FedEx Supply Chain Services, Inc., AutoQuik, Inc. and Urgent Freight, Inc.; on or after June 1, 2001, Federal Express Virgin Islands, Inc.; on or after September 12, 2004, FedEx SmartPost, Inc.; on or after June 1, 2006, FedEx Customer Information Services, Inc.; and on or after November 15, 2006, FedEx Truckload Brokerage, Inc.) other than an Officer or Managing Director the terms of whose employment are governed by the collective bargaining agreement between the Company and the FedEx Pilots Association effective May 31, 1999 ("Agreement") or any successor agreement thereto; on or after January 1, 2020, FedEx Freight, Inc.; on or after January 1, 2022, FedEx Office and Print Services, Inc. and FedEx Supply Chain Systems, Inc., who serves as an Officer after the Effective Date or, after June 1, 1996, as a Managing Director, has served as an Officer and/or Managing Director for a combined period of five consecutive years, including service prior to the Effective Date, and is an

active participant in the FedEx Corporation Employees' Pension Plan, as it currently exists and as it may be amended from time to time (the "Qualified Pension Plan") or would be an active participant in the Qualified Pension Plan or the FedEx Freight Pension Plan ("Freight Pension Plan") but for the fact that the Officer or Managing Director (1) is hired on or after January 1, 2020; (2) is employed by FedEx Office and Print Services, Inc.; FedEx Supply Chain Systems, Inc.; or one of their subsidiaries; or (3) elected to forego accruing Compensation Credits under a Portable Pension Account in the Qualified Pension Plan or Freight Pension Plan, shall be eligible for the benefit described in subsection (c) of Section 3 below, subject to subsection (a) of Section 3. In addition, an Officer described above shall be eligible for the benefit described in subsection (d) of Section 3 below, subject to subsection (b) of Section 3.

The foregoing to the contrary notwithstanding, an employee of FedEx Custom Critical, Inc., AutoQuik, Inc., UrgentFreight, Inc., FedEx Truckload Brokerage, Inc., or FedEx Supply Chain Services, Inc. who is an Officer of either company prior to June 1, 2008 shall be eligible to participate in the Plan as provided in Section 1.12 of Appendix A to the Plan and Section 1.12 of Appendix B to the Plan. No employee of FedEx Custom Critical, Inc., AutoQuik, Inc., UrgentFreight, Inc., FedEx Truckload Brokerage, Inc. or FedEx Supply Chain Services, Inc. who was or is a Managing Director shall be eligible to participate in this Plan prior to June 1, 2008, unless (i) s/he was an Officer of one of these companies prior to June 1, 2008, or (ii) s/he was an Officer or Managing Director of another participating employer and has a combined period of five consecutive years as an Officer or Managing Director with all Controlled Group Members prior to June 1, 2008.

For the purpose of this Plan, the term "Officer" shall mean an officer of a participating employer elected to the position of vice-president or above, as evidenced in the minutes of each respective participating employer's board of directors. The term "Managing Director" shall, for the purpose of this Plan, mean an employee of the Company or another participating employer who has been appointed to the position of managing director, as evidenced in the affected participating employer's personnel information system, and shall also mean an employee having the title of "Staff Director" or "Director".

In determining whether an Officer or Managing Director has served in such capacity for a combined period of five consecutive years, such Officer's or Managing Director's service with any Controlled Group Member (as that term is defined in the Qualified Pension Plan) shall be taken into account.

Any Eligible Employee of a Sponsoring Employer who, as of June 1, 2008 or later, serves as an Officer or a Managing Director shall be eligible for the benefit described in Section 4 below as of the later of (i) the date on which such individual is employed as an Officer or Managing Director, (ii) the date on which such individual becomes a participant in the Qualified Pension Plan, as it currently exists and as it may be amended from time to time, or (iii) June 1, 2008. An Officer or Managing Director who becomes a participant in this Plan on or after June 1, 2008 shall be vested in his benefit upon the completion of three (3) consecutive years as an Officer or Managing Director. An Officer or Managing Director (i) whose Separation from Service occurs prior to the completion of three (3) consecutive years as an Officer or Managing Director, or (ii) who ceases to be an Officer or Managing Director prior to the completion of three (3) consecutive years as an Officer or Managing Director shall not be eligible to receive a benefit under this Plan. A participant who was vested prior to June 1, 2008 will continue to be vested in the Plan benefit thereafter.

Effective January 1, 2020, Officers and Managing Directors of FedEx Freight, Inc. and its subsidiaries, who are not accruing Compensation Credits under a Portable Pension Account in the FedEx Freight Pension Plan, may become eligible employees to participate in the Plan; provided, however, that such Officers and Directors shall be eligible to receive Excess Compensation Credits and Excess Compensation Interest Credits only.

Effective January 1, 2022, Officers and Managing Directors of FedEx Office and Print Services, Inc.; FedEx Supply Chain Systems, Inc.; and their subsidiaries may become eligible employees to participate in the Plan; provided, however, that such Officers and Managing Directors shall be eligible to receive Excess Compensation Credits and Excess Interest Credits only.

Notwithstanding the foregoing, an Officer or Managing Director who is hired on or after January 1, 2020 and who was participating in the FedEx Freight Retirement Parity Plan immediately prior to such hire date shall be eligible to receive Parity Compensation Credits, Parity Transition Credits, Additional Compensation Credits, Parity Interest Credits, and 415 Limit Credits but not Excess Compensation Credits or Excess Compensation Interest Credits.

Effective July 1, 2022, FedEx Dataworks, Inc. shall be a participating employer, and Officers and Managing Directors of FedEx Dataworks, Inc. may become eligible employees to participate in the Plan to receive Excess Compensation Credits and Excess Interest Credits only.

Notwithstanding the foregoing, an Officer or Director of FedEx Dataworks, Inc. who was eligible to receive Parity Compensation Credits, Parity Transition Credits, Additional Compensation Credits, Parity Interest Credits, or 415 Limit Credits immediately prior to being employed by FedEx Dataworks, Inc. may continue to receive Credits under the same terms and conditions as if he or she continued to be employed by such other participating employer in lieu of receiving Excess Compensation Credits and Excess Interest Credits.

Section 3. Benefit Amount and Limitations; Traditional Pension Benefit.

(a) No benefits shall be accrued under the Traditional Pension Benefit formula and this Section 3 after May 31, 2008. Benefits which have been accrued under this Section by an eligible Officer or Managing Director through May 31, 2008 shall be payable as described in Section 5, Section 6 or Section 7 of the Plan.

Portable Pension Account benefits accrued by an eligible Officer or Managing Director on or after June 1, 2003 shall be as described in Section 4, below.

(b) The Traditional Pension Benefit formula for an eligible Officer or Managing Director of FedEx Ground Package System, Inc. or FedEx SmartPost, Inc. or an eligible Officer of FedEx Custom Critical, Inc., AutoQuik, Inc., UrgentFreight, Inc. FedEx Truckload Brokerage, Inc. or FedEx Supply Chain Services, Inc. shall be as described in Appendix A and Appendix B to the Plan. No benefits shall be accrued under Appendix A and Appendix B to this Plan after May 31, 2008. Benefits that have been accrued under either Appendix A or B by an eligible Officer or Managing Director through May 31, 2008 shall be payable as described in Section 5, Section 6 or Section 7 of the Plan.

Portable Pension Account benefits accrued by an eligible Officer or Managing Director on or after June 1, 2003 shall be as described in Section 4, below.

(c) An Officer or Managing Director who meets the eligibility requirements of Section 2 above and who has an accrued benefit under the Traditional Pension Benefit (as that term is defined in Section 1.12 of Appendix E to the Qualified Pension Plan or Section 1.12 of Appendix G to the Qualified Pension Plan) provisions of the Qualified Pension Plan shall, regardless of whether such benefit under the Qualified Pension Plan has been reduced due to the limits imposed by Code Section 415 (limitations on benefits) or Section 401(a)(17) (limitations on annual compensation), be paid from the Plan a benefit equal to 100% of the difference between the Unreduced Benefit and the Maximum Benefit.

For the purpose of this Section 3, the monthly "Unreduced Benefit" shall mean the benefit that would be provided to the Officer or Managing Director pursuant to the Traditional Pension Benefit provisions of the Qualified Pension Plan, except that (1) if applicable, the Unreduced Benefit shall be calculated without regard to the limits imposed by Code Section 415 (limitations on benefits) and Section 401(a)(17) (annual compensation limit), and (2) "Average Compensation" taken into account with respect to a participating Officer or Managing Director shall have the same meaning as set forth under the Qualified Pension Plan, but shall not be limited by the application of Code Section 401(a)(17), except that, with respect to Officers or Managing Directors who (i) are actively employed by a participating employer as Officers or Managing Directors on or after June 1, 1999, (ii) except for those employees who are Officers or Managing Directors as of April 27, 2000, are not Officers or Managing Directors the terms of whose employment are governed by the collective bargaining agreement between Federal Express Corporation and the FedEx Pilots Association effective May 31, 1999 (or any successor agreement thereto), (iii) retire on or after June 1, 1999, and (iv) were participants in this Plan prior to June 1, 2008, the number of whole calendar years over which the arithmetic average is determined shall be three (3) years instead of five (5) years.

For the purpose of this Section 3, the monthly "Maximum Benefit" shall mean the benefit actually provided to the Officer or Managing Director under the Traditional Pension Benefit provisions of the Qualified Pension Plan.

(d) In addition to the benefit described in subsection (3)(c) above, with respect to that portion of the accrued benefit of an Officer who meets the eligibility requirements of Section 2 above and who has an accrued benefit under the Traditional Pension Benefit provisions of the Qualified Pension Plan, shall also be paid from this Plan the difference between such Officer's Maximum Benefit under the Traditional Pension Benefit provisions of the Qualified Pension Plan and what such Officer's Maximum Benefit would have been had such Officer received credit for a Year of Service under the Traditional Pension Benefit provisions of the Qualified Pension Plan for each year that such Officer is eligible to receive, and does in fact receive, a benefit under the Federal Express Corporation Nonqualified Disability Plan for Officers, as it currently exists or as it may be amended from time to time (the "Officers Nonqualified Disability Plan").

For purposes of determining eligibility for an increased benefit as contemplated by this subsection, such increased benefit shall be provided for each Plan Year during which an Officer's Hours of Service under the Qualified Pension Plan plus such Officer's "Phantom Hours of Service" while receiving benefits under the Officers Nonqualified Disability Plan are equal to a Year of Service under the Qualified Pension Plan. Phantom Hours of Service shall be credited at the same rate under this subsection as if the Officer receiving benefits under the Officers Nonqualified Disability Plan had been actively at work and receiving credit for Hours of Service under the Qualified Pension Plan. Notwithstanding the above, an Officer shall not receive credit under this subsection for the same Plan Year for which such Officer receives credit for a Year of Service under the Qualified Pension Plan.

(e) The foregoing to the contrary notwithstanding, the benefit payable from this Plan to an employee who was an Officer or Managing Director as of April 27, 2000 and the terms of whose employment are governed by the Agreement (or any successor agreement thereto) and who, as of May 31, 1999, had an accrued benefit under this Plan, shall be reduced by the total amount of pension benefits payable to such Officer or Managing Director under the Federal Express Corporation Pilots' Money Purchase Pension Plan, the Federal Express Corporation Non-Qualified Section 415 Excess Pension Plan for Pilots and the Federal Express Corporation Non-Qualified Pension Plan for Pilots, pursuant to the terms of the Agreement (or any successor agreement thereto).

(f) Except as specifically provided herein, this Plan is not intended to provide any increased benefit which could otherwise be provided under the Qualified Pension Plan. An Officer's or Managing Director's benefit under this Plan shall be decreased to the extent that such Officer's or Managing Director's benefit under the Qualified Pension Plan is so increased.

Section 4. Benefit Amount and Limitations: Parity Portable Pension Account Benefit.

(a) An Officer or Managing Director who meets the eligibility requirements of Section 2 above and who has an accrued benefit under the Portable Pension Account (as that term is defined in Section 1.06 of Appendix E to the Qualified Pension Plan or Section 1.06 of Appendix G to the Qualified Pension Plan) provisions of the Qualified Pension Plan shall, regardless of whether such benefit under the Qualified Pension Plan has been reduced due to the limits imposed by Code Section 415 (limitations on benefits) or Section 401(a)(17) (limitations on annual compensation), be paid from the Plan a benefit equal to his/her Parity Portable Pension Account.

The Parity Portable Pension Account shall be established for each eligible participant as of the participant's entry date into this Plan, and shall be credited with Parity Compensation Credits, Parity Transition Credits (if eligible), Additional Compensation Credits and Parity Interest Credits for each Plan Year following the establishment of the Parity Portable Pension Account, and with a 415 Limit Credit (if applicable) as of the participant's date of retirement where:

- (i) Parity Compensation Credit for any Plan Year shall equal (A) minus (B) as follows:
 - (A) is the Compensation Credit for such Plan Year as calculated under the Qualified Pension Plan but without regard to the limit imposed by Code Section 401(a)(17) (annual compensation limit) and subject to the provisions in subsections (1) and (2):

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- (1) for Officers and Managing Directors who become participants in this Plan on or before June 1, 2008 (except Managing Directors of FedEx Custom Critical, Inc., FedEx Truckload Brokerage, Inc, and FedEx Supply Chain Services, Inc. who become participants in the Plan as of June 1, 2008) with retroactive credits as if the Officer or Managing Director had been a participant in this Plan as of the date he participated in the Qualified Pension Plan.
 - (2) for all Managing Directors of FedEx Custom Critical, Inc., FedEx Truckload Brokerage, Inc, and FedEx Supply Chain Services, Inc. who become participants in the Plan as of June 1, 2008 and all other Managing Directors and Officers who become participants of this Plan after June 1, 2008, only for Plan Years ending after the later of (i) June 1, 2008 and (ii) the date such employee becomes an Officer or Managing Director.
- (B) is the Compensation Credit accrued under the Qualified Pension Plan for such Plan Year.
- (ii) Parity Transition Credit for any Plan Year beginning on or after June 1, 2008 shall equal (A) minus (B) as follows:
- (A) is the Transition Credit for such Plan Year as calculated under the Qualified Pension Plan but without regard to the limit imposed by Code Section 401(a)(17) (annual compensation limit)
 - (B) is the Transition Credit accrued under the Qualified Pension Plan for such Plan Year.
- (iii) Additional Compensation Credit for any Plan Year beginning on or after June 1, 2008 and any Plan Year beginning on or after June 1, 2011 shall equal 3.5% of the excess of (A) over (B), where
- (A) is such Officer's or Managing Director's Compensation, but without regard to the limitations under Section 401(a)(17), and
 - (B) is the limit set forth under Code Section 401(a)(17) (annual compensation limit).

Additional Compensation Credits shall not be accrued for any Plan Years before June 1, 2008, the Plan Year beginning on June 1, 2009, or any Plan Year for which a Compensation Credit is not accrued under the Qualified Pension Plan.

With respect to the Plan Year beginning June 1, 2010, the Additional Compensation Credit shall equal 1.75% of the excess of (A) over (B), where

(A) is such Officer's or Managing Director's Compensation, but without regard to the limitations under Section 401(a)(17), and

(B) is the limit set forth under Code Section 401(a)(17) (annual compensation limit).

- (iv) Parity Interest Credit shall mean an amount credited to the Parity Portable Pension Account in the same manner and using the same Interest Credit Factor as in the Qualified Pension Plan.
- (v) 415 Limit Credit shall mean, for a participant whose total Qualified Pension Plan Benefit has been limited by Code Section 415, a cash balance value equal to the value of the shortfall in the Qualified Pension Plan, except to the extent already provided in Section 3, above.

(b) In addition to the benefit described in subsection (a) above, with respect to that portion of the accrued benefit of an Officer who meets the eligibility requirements of Section 2 above and who has an accrued benefit under the Portable Pension Account provisions of the Qualified Pension Plan shall also be paid from this Plan, the difference between such Officer's benefit under the Portable Pension Account provisions of the Qualified Pension Plan and the amount such Officer's Qualified Pension Plan benefit would have been had such Officer received credit for a Year of Service under the Portable Pension Account provisions of the Qualified Pension Plan for each year that such Officer is eligible to receive, and does in fact receive, a benefit under the Federal Express Corporation Nonqualified Disability Plan for Officers, as it currently exists or as it may be amended from time to time (the "Officers Nonqualified Disability Plan").

For purposes of determining eligibility for an increased benefit as contemplated by this subsection, such increased benefit shall be provided for each Plan Year during which an Officer's Hours of Service under the Qualified Pension Plan plus such Officer's "Phantom Hours of Service" while receiving benefits under the Officers Nonqualified Disability Plan are equal to a Year of Service under the Qualified Pension Plan. Phantom Hours of Service shall be credited at the same rate under this subsection as if the Officer receiving benefits under the Officers Nonqualified Disability Plan had been actively at work and receiving credit for Hours of Service under the Qualified Pension Plan. Notwithstanding the above, an Officer shall not receive credit under this subsection for the same Plan Year for which such Officer receives credit for a Year of Service under the Qualified Pension Plan.

(c) The foregoing to the contrary notwithstanding, no individual shall be entitled to receive a Parity Compensation Credit, Parity Transition Credit or Additional Compensation Credit under this Plan for a Plan Year unless (i) s/he is an eligible Officer or Managing Director with any Controlled Group Member as of the last day of the Plan Year for which such credits would be accrued, or (ii) s/he incurs a Separation from Service as a Managing Director or Officer after having been credited with at least 1,000 Hours of Service in the Plan Year.

(d) The foregoing notwithstanding, the benefit payable from this Plan to an employee who was an Officer or Managing Director as of April 27, 2000 and the terms of whose employment are governed by the Agreement (or any successor agreement thereto) and who, as of May 31, 1999, had an accrued benefit under this Plan, shall be reduced by the total amount of pension benefits payable to such Officer or Managing Director under the Federal Express Corporation Pilots' Money Purchase Pension Plan, the Federal Express Corporation Non-Qualified Section 415 Excess Pension Plan for Pilots, and the Federal Express Corporation Non-Qualified Pension Plan for Pilots, pursuant to the terms of the Agreement (or any successor agreement thereto).

(e) Except as specifically provided herein, this Plan is not intended to provide any increased benefit which could otherwise be provided under the Qualified Pension Plan. An Officer's or Managing Director's benefit under this Plan shall be decreased to the extent that such Officer's or Managing Director's benefit under the Qualified Pension Plan is so increased.

(f) Effective January 1, 2022, no Officer or Managing Director who was hired on or after January 1, 2020 or any Officer or Managing Director of FedEx Office and Print Services, Inc.; FedEx Supply Chain Systems, Inc.; or their subsidiaries shall be eligible to receive Parity Compensation Credits, Parity Transition Credits, Additional Compensation Credits, Parity Interest Credits, or 415 Limit Credits. Notwithstanding the foregoing, an Officer or Managing Director who is hired on or after January 1, 2020 and who was participating in the FedEx Freight Retirement Parity Plan immediately prior to such hire date shall be eligible to receive Parity Compensation Credits, Parity Transition Credits, Additional Compensation Credits, Parity Interest Credits, and 415 Limit Credits but not Excess Compensation Credits or Excess Compensation Interest Credits.

Effective January 1, 2022, an Officer or Managing Director who elected to forego accruing Compensation Credits under a Portable Pension Account in the Qualified Pension Plan or the FedEx Freight Pension Plan shall not be eligible to receive Parity Compensation Credits, Parity Transition Credits, Additional Compensation Credits, or 415 Limit Credits; provided, however, such Officer or Managing Director shall be eligible to receive Excess Compensation Credit and Excess Compensation Interest Credits and Parity Interest Credits on any previously accrued Parity Portable Pension Account Benefit.

Section 5. Benefit Amount and Limitations: Excess Compensation Account Benefit.

(a) An Officer or Managing Director who is hired on or after January 1, 2020 or an Officer or Managing Director who elected to forego accruing Compensation Credits under a Portable Pension Account in the Qualified Pension Plan or the FedEx Freight Pension Plan shall be paid from the Plan a benefit equal to his/her Excess Compensation Account. An Excess Compensation Account shall be established for each eligible participant as of the participant's entry date into this Plan, and shall be credited with Excess Compensation Credits and Excess Compensation Interest Credits for each Plan Year following the establishment of the Excess Compensation Account where:

- (i) Excess Compensation Credit for any Plan Year shall equal eight percent (8%) multiplied by the excess of the Officer's or Managing Director's compensation for the calendar year in which such Plan Year began that is limited under the Defined Contribution Plan due to the imposition of the Code Section 401(a)(17) limit. Notwithstanding the foregoing, for an Excess Compensation Credit that relates to compensation for calendar year 2020 or 2021, the eight percent (8%) in the preceding sentence shall be replaced with three and one-half percent (3.5%).

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- (ii) Excess Compensation Interest Credit shall mean an amount credited to the Excess Compensation Account in the same manner and using the same Interest Credit Factor as in the Qualified Pension Plan. Effective for distributions that occur on or after September 30, 2023, Excess Compensation Interest Credits shall be credited daily rather than on a quarterly basis beginning with Interest Credits on or after June 1, 2023.

(b) Notwithstanding the foregoing, no individual shall be entitled to receive an Excess Compensation Credit under this Plan for a Plan Year unless (i) s/he is an eligible Officer or Managing Director with any Controlled Group Member as of the last day of the Plan Year in which such credit is calculated, or (ii) s/he incurs a Separation from Service as a Managing Director or Officer after having been credited with at least 1,000 Hours of Service in the Plan Year.

Section 6. Payment of Benefits: Benefits Accrued Prior to January 1, 2005 but Commencing Prior to January 1, 2009.

(a) Unless an eligible Officer or Managing Director makes an election in the manner and within the time period specified in subsection (b) below, benefits under this Plan shall be paid in the same manner and at the same time as benefit payments under the Qualified Pension Plan and shall be subject to the same restrictions and limitations as provided therein, without regard to Code Sections 415 and 401(a)(17). The foregoing to the contrary notwithstanding, Officers of FedEx Custom Critical, Inc., AutoQuik, Inc. UrgentFreight, Inc., FedEx Truckload Brokerage, Inc., and FedEx Supply Chain Services, Inc.) are not eligible to make a lump sum election.

An eligible Officer or Managing Director shall, no later than twelve (12) months prior to the date on which benefits commence under the Qualified Pension Plan, elect one of the following options under which benefits shall be payable under this Plan. An eligible Officer or Managing Director may elect to receive his or her benefit:

- (i) in a single lump sum, payable on the date on which benefit payments commence under the Qualified Pension Plan;
- (ii) in a single lump sum, payable twelve (12) months following the date on which benefit payments commence under the Qualified Pension Plan;
- (iii) in a single lump sum payable twenty-four (24) months following the date on which benefit payments commence under the Qualified Pension Plan;
- (iv) in two equal installments (each being equal to one-half of the lump sum amount described in clause (i) above), the first installment payable on the date on which benefit payments commence under the Qualified Pension Plan, and the second installment payable twelve (12) months following the date on which benefit payments commence under the Qualified Pension Plan; or

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- (v) in two equal installments (each being equal to one-half of the lump sum amount described in clause (ii) above), the first installment payable twelve (12) months following the date on which benefit payments commence under the Qualified Pension Plan, and the second installment payable twenty-four (24) months following the date on which benefit payments commence under the Qualified Pension Plan.

(b) In the event that any eligible Officer or Managing Director elects to receive a lump sum or installment benefit under subsection (a) above, the amount of each such distribution shall be calculated as of the Annuity Starting Date. The amount of the lump sum distribution payable under this Section 5(b) shall be calculated based upon the benefit payable as of the Annuity Starting Date by using an interest rate equal to the annual interest rate on thirty (30) year Treasury Constant Maturities as published in Federal Reserve releases G.13 and H.15 in effect for the second (2nd) month before the month in which the beginning of the Plan Year in which the calculation is performed (which shall be the stability period for purposes of the Plan) and the mortality table set forth in Revenue Ruling 2001-62, based on a blend of fifty percent (50%) of the male and female mortality rates set forth in the 1994 Group Annuity Reserving Table ("94 GAR").

(c) An eligible Officer or Managing Director may revoke the election made in this section and elect another manner in which his or her benefit from this Plan shall be payable, but only if such revocation and subsequent election occur no later than twelve (12) months prior to the date on which benefits commence under the Qualified Pension Plan with respect to such Officer or Managing Director.

(d) If the value of the annuity benefit payable to an Officer or Managing Director is less than \$100 per month, the benefit payable to such Officer or Managing Director may be paid as a lump sum.

Section 7. Payment of Benefits: Benefits Accrued After December 31, 2004 but Commencing Prior to January 1, 2009.

The Traditional Pension Benefit provided under this Plan which is accrued by an eligible Officer or Managing Director after December 31, 2004 shall be paid as a single lump sum no earlier than the later of (i) six (6) months following the eligible Officer's or Managing Director's Separation from Service, or (ii) his or her attainment of age 55. The amount of the lump sum distribution shall be calculated as of the later of the Officer's or Managing Director's attainment of age 55 or Separation from Service. The amount of the lump sum distribution payable under this Section 6 shall be calculated based upon the benefit payable as of the later of the Officer's or Managing Director's Separation from Service or attainment of age 55 by using an interest rate equal to the annual interest rate on thirty (30) year Treasury Constant Maturities as published in Federal Reserve releases G.13 and H.15 in effect for the second (2nd) month before the month in which the beginning of the Plan Year in which the calculation is performed (which shall be the stability period for purposes of the Plan) and the mortality table set forth in Revenue Ruling 2001-62, based on a blend of fifty percent (50%) of the male and female mortality rates set forth in the 1994 Group Annuity Reserving Table ("94 GAR").

The Portable Pension Account Benefit provided under this Plan that is accrued by an eligible Officer or Managing Director after December 31, 2004 shall be calculated as of the date of the Officer's or Managing Director's Separation from Service and paid as a single lump sum no earlier than six (6) months following the eligible Officer's or Managing Director's Separation from Service.

"Separation from Service" means a termination of substantial services for the Company. For purposes of applying the provisions of Code Section 409A, a reference to the Company shall also be deemed a reference to any affiliate thereof within the contemplation of Code Sections 414(b) and 414(c). A substantial employment relationship shall be considered to exist for so long as an individual is on an authorized leave of absence of up to six (6) months or, if longer, for so long as the individual retains a right to re-employment by law or contract. An individual who is on an authorized leave of absence shall not in any event be deemed to have a Separation from Service for so long as the Company has a reasonable expectation that the individual will again perform substantial services for the Company in any capacity, whether as an employee of the Company. An individual will not be treated as having incurred a Separation from Service where the individual's level of future services for the Company is reasonably anticipated by the Company to exceed 20% of the average level of bona fide Company services provided by that individual in any capacity for the prior 36 month period, or the prior period of services if less, but will be treated as having incurred a Separation from Service at any time when such reasonably anticipated level of future services is equal to or less than such 20% average level of prior services.

Section 8. Payment of Benefits Commencing On or After January 1, 2009.

(a) The Traditional Pension Benefit provided under this Plan that is accrued by an eligible Officer or Managing Director shall be paid as a single lump sum no earlier than the later of (i) six (6) months following the eligible Officer's or Managing Director's Separation from Service, (ii) his or her attainment of age 55, or (iii) as of January 1, 2009, with respect to Officers and Managing Directors who have incurred a Separation from Service but who had not commenced benefits prior to January 1, 2009.

The amount of the lump sum distribution payable under this Section 7(a) shall be calculated based upon the benefit payable as of the later of (i) the Officer's or Managing Director's Separation from Service, (ii) his or her attainment of age 55, or (iii) January 1, 2009, by using an interest rate equal to the annual interest rate on thirty (30) year Treasury Constant Maturities as published in Federal Reserve releases G.13 and H.15 in effect for the second (2nd) month before the month in which the beginning of the Plan Year in which the calculation is performed (which shall be the stability period for purposes of the Plan) and the mortality table set forth in Revenue Ruling 2001-62, based on a blend of fifty percent (50%) of the male and female mortality rates set forth in the 1994 Group Annuity Reserving Table ("94 GAR").

(b) The Portable Pension Account Benefit provided under this Plan that is accrued by an eligible Officer or Managing Director shall be calculated as of the date of the Officer's or Managing Director's Separation from Service and paid as a single lump sum no earlier than (i) six (6) months following the eligible Officer's or Managing Director's Separation from Service, or (ii) as of January 1, 2009, with respect to Officers and Managing Directors who have incurred a Separation from Service but who had not commenced benefits prior to January 1, 2009.

(c) The Excess Compensation Account Benefit provided under this Plan that is accrued by an eligible Officer or Managing Director shall be calculated as of the date of the Officer's or Managing Director's Separation from Service and paid as a single lump sum no earlier than six (6) months following the eligible Officer's or Managing Director's Separation from Service.

(d) Any benefits payable under the Plan to a deceased Participant shall be paid to the Participant's Beneficiary. A Beneficiary shall mean whomever the Participant may designate to receive benefits payable after the Participant's death. A Participant's designation shall apply to all benefits payable hereunder, including any benefit payable under Appendix A, B, or C. The designation may be different from any designation under the Qualified Pension Plan. Such designation to be made in writing in a form acceptable to the Committee. In the event the Participant fails to designate a Beneficiary, any benefits payable shall be paid to the Participant's estate.

Section 9. Plan Administration. The Plan shall be administered by the Retirement Plans Department of FedEx Corporation (the "Administrator"). The Administrator shall have the responsibility to receive, evaluate and process all claims for benefits and shall cause payment of benefits to be made under the Plan in accordance with its terms. In connection with its duties, the Administrator shall have the authority to interpret the Plan's provisions and to determine eligibility for Plan benefits. The Administrator shall have the authority to adopt such rules and procedures which it deems necessary for the administration of the Plan and recommend any modifications, changes, or amendments to the Plan.

Section 10. The Committee. The Committee, as defined in the Qualified Pension Plan, shall have the authority to perform the administrative duties under the Plan, other than the duties of the Administrator. In connection with its duties, the Committee shall have the authority to interpret the Plan's provisions and to determine eligibility for Plan benefits. The Committee is the named fiduciary of the Plan and shall adopt such rules and procedures that in its opinion are either necessary or desirable to implement and administer the Plan.

Section 11. Claims Procedures. The claims procedures for the Plan shall be the same as such procedures in the Qualified Pension Plan.

Section 12. Legal Expenses. An Officer or Managing Director shall be entitled to reimbursement from the Company for reasonable legal expenses incurred in successfully enforcing his or her right to benefits under the Plan. This right to reimbursement shall only be available if such Officer or Managing Director has applied for benefits in substantial compliance with the Administrator's procedures, been denied benefits by the Administrator, timely requested a review of that denial as provided in Section 10 above and had the Administrator's denial upheld.

Section 13. Non-Assignability of Benefits. Benefits under this Plan shall not be assignable or transferable in any manner, nor shall they be subject to garnishment, attachment, or other legal process, except as provided by ERISA and other applicable federal law, or as provided under a domestic relations order.

Section 14. Effect. Neither the establishment of the Plan nor any modification thereto, nor the creation of any account on the books of any participating employer hereunder, nor the payment of any benefit from the Plan shall be construed as giving an Officer, Managing Director, or any other person any legal or equitable right against a participating employer, its directors, officers, employees or agents, except that the provisions of this Section 13 shall neither impair nor extinguish any rights of any participating Officer or Managing Director with respect to any claim for benefits payable under this Plan.

Section 15. No Guarantee of Employment. Nothing contained in this Plan shall be construed as a contract of employment between a participating employer and any Officer or Managing Director or as a promise that any Officer or Managing Director shall continue in his or her present or comparable position or as a limit on the participating employer's right to discharge such Officer or Managing Director.

Section 16. Amendment or Termination. The Company may amend or terminate the Plan at any time. An amendment shall become effective: (i) upon its execution in writing by duly authorized Officers of the participating employers, (ii) upon action of the Company's Board of Directors or the Board of Directors of FedEx Corporation, or any committee thereof, or (iii) upon action of the Committee, as reflected in the Committee's minutes or in the minutes of the Board of Directors of the Company or of FedEx Corporation or any committee thereof. The Plan's termination shall become effective: (i) upon action of the Company's Board of Directors or the Board of Directors of FedEx Corporation, or any committee thereof, or (ii) upon action of the Committee, as reflected in the Committee's minutes or in the minutes of the Board of Directors of the Company or of FedEx Corporation or any committee thereof. However, no amendment or termination shall eliminate or reduce any benefits accrued under the Plan at the time of such amendment or termination.

Section 17. Agent for Service of Process. The Company is hereby designated as agent for service of process for all purposes provided herein.

Section 18. Governing Law. Except to the extent preempted by federal law, the provisions of this Plan shall be administered, construed, and enforced in accordance with the laws of the State of Tennessee.

Section 19. Execution. This document may be executed in any number of counterparts and each fully executed counterpart shall be deemed an original.

APPENDIX A

PROVISIONS PERTAINING TO EMPLOYEES OF
FEDEX GROUND PACKAGE SYSTEM, INC., FEDEX CUSTOM CRITICAL, INC.,
FEDEX SUPPLY CHAIN SERVICES, INC., AUTOQUIK, INC.
AND
URGENT FREIGHT, INC.

INTRODUCTION

The purpose of this Appendix A is to set forth certain of the provisions of this Plan applicable only to Employees of FedEx Ground Package System, Inc., FedEx Custom Critical, Inc., FedEx Supply Chain Services, AutoQuik, Inc. and Urgent Freight, Inc. ("Ground Participants") as of May 31, 2003, and thereafter. Except as provided in this Appendix A, the terms and conditions of the Plan apply to Ground Participants. The term "Section" in this Appendix A refers to a section of this Appendix A unless otherwise specifically noted.

Article 1
Definitions

1.1 Generally

The following words and phrases shall have the same meanings as specified in the applicable Pension Plan, as it may be amended from time to time, unless the context clearly requires otherwise:

“Actuarial Equivalent” or “Actuarial Equivalence”
“Actuary”
“Annuity Starting Date”
“Code”
“Employee”
“Plan Year”

In addition, for purposes of this 401(a)(17) Benefit Plan, the following words and phrases shall have the meanings hereinafter indicated unless the context clearly indicates otherwise:

1.2 Accrued Benefit

“Accrued Benefit” of a Participant as of any date, hereinafter called an “accrual date,” equals the amount of 401(a)(17) Benefit to which the Participant would be entitled under Section 2.1 if he terminated his employment with the Controlled Group on the accrual date.

1.3 Beneficiary

“Beneficiary” means the beneficiary for purposes of any benefits payable under the Pension Plan subsequent to the Participant’s death; provided, however, that the Participant may designate another beneficiary to receive any death benefits payable in a lump sum pursuant to Section 2.2(c), such designation to be made in writing in a form acceptable to the Committee.

1.4 Board

“Board” means the board of directors of FedEx Corporation or, as appropriate in the context of a provision of the 401(a)(17) Benefit Plan such other body as designated by the Board.

1.5 Company

“Company” means FedEx Ground Package System, Inc. (or its successor).

1.6 *Controlled Group or Controlled Group Members*

“Controlled Group” or “Controlled Group Members” means the Company and any and all other corporations, trades and/or businesses the employees of which, together with the employees of the Company, are required by any of the Subsections of Section 414 of the Code to be treated, as though they were employed by a single employer.

1.7 *Effective Date*

“Effective Date” means June 1, 2000.

1.8 *Employer*

“Employer” means the Company and any other Controlled Group Member that adopts this 401(a)(17) Benefit Plan.

1.9 *Excess Plan*

“Excess Plan” means the provisions of the Plan described in Appendix B.

1.10 *401(a)(17) Benefit*

“401(a)(17) Benefit” means the monthly benefit payable to or with respect to a Participant and/or his Beneficiary under Article 2.

1.11 *401(a)(17) Benefit Plan*

“401(a)(17) Benefit Plan” means the provisions of the Plan described in this Appendix A.

1.12 *Participant*

“Participant” means an Employee who (i) is participating in one or more Pension Plans, (ii) (1) serves as an officer of an Employer other than the Company as determined from the personnel records of the applicable Employer, or (2) serves as an officer or managing director or assistant or managing director of the Company as determined from the personnel records of the Company and has served as an officer and/or managing or assistant managing director for a combined period of five consecutive years, including service prior to the Effective Date, and (iii) has a separation of service from an Employer on or after the Effective Date.

In determining whether an officer, managing director or assistant managing director has served in such capacity for a combined period of five consecutive years, such officer’s or director’s service with Controlled Group Members shall be taken into account.

Participant shall also mean any former Employee who, immediately following his separation of service from an Employer, was employed by a Controlled Group Member and continues to be employed by a Controlled Group Member.

Any employee who was a Participant in this 401(a)(17) Benefit Plan immediately prior to June 1, 2000 shall remain a Participant in the Plan on the Effective Date.

1.13 Pension Plan

“Pension Plan” means, with respect to any Participant, the FedEx Ground Package System, Inc. and Certain Affiliates Career Reward Pension Plan (through May 30, 2001) or the FedEx Corporation Employees’ Pension Plan (as of May 31, 2001).

1.14 Spouse

“Spouse” shall mean the deceased Participant’s surviving spouse if such person married such Participant at least one (1) year prior to his death.

Article 2
401(a)(17) Benefits

2.1 Amount of Benefit

- (a) 401(a)(17) Benefit. The 401(a)(17) Benefit payable to or with respect to a Participant for any month of any Plan Year shall be an amount equal to the excess, if any, of (i) the amount of the monthly benefit that would be provided by the Pension Plan except that, if applicable, such benefit shall not be limited by the application of Section 401(a)(17) of the Code, over (ii) the sum of (A) the amount of the monthly benefit payable on the same basis to or with respect to the Participant under such Pension Plan for such month and (B) the amount payable to or with respect to the Participant under the Excess Plan for such month. If a Participant began receiving his 401(a)(17) Benefit prior to June 1, 2000, such 401(a)(17) Benefit shall reflect any adjustments under such Pension Plan because of the Participant's determination not to elect to waive any qualified pre-retirement survivor annuity.

The terms "Average Compensation", "Average Annual Earnings" and "Final Average Earnings" taken into account with respect to a Participant (1) who is employed by the Company, or (2) who transferred to FedEx Corporation, Federal Express Corporation, or FedEx Corporate Services, Inc. on June 1, 2000 and continues to be an employee of such company, or (3) who was an employee of a Ground Employer (as defined in the Pension Plan) on February 1, 1998, was directly transferred to a Controlled Group Member, and who continues to be employed by a Controlled Group Member, shall have the same meaning as set forth under the Pension Plan (without regard to the limits imposed by Section 401(a)(17) of the Code), except that, for purposes of Section 2.1(a)(i), the number of years over which the average is determined under this 401(a)(17) Benefit Plan shall be three (3) years instead of five (5) years. Effective June 1, 2001, the terms "Compensation" and "Earnings" shall have the same meaning as set forth under the Pension Plan and shall also include any compensation-that would have been paid to the Participant had he not signed a salary deferral agreement in connection with any deferred compensation plan sponsored by the Employer.

The terms "Average Compensation," "Average Annual Earnings" and "Final Average Earnings" taken into account with respect to a Participant employed by an Employer other than the Company shall have the same meaning as set forth under the Pension Plan (without regard to the limits imposed by Section 401(a)(17) of the Code). Effective June 1, 2001, "Compensation" and "Earnings" shall have the same meaning as set forth under the Pension Plan and shall also include any compensation that would have been paid to the Participant had he not signed a salary deferral agreement in connection with any deferred compensation plan sponsored by the Employer.

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- (b) Pre-retirement Survivor Annuity. If a married participant dies before his Annuity Starting Date, and has a Spouse entitled to a qualified pre-retirement survivor annuity under any Pension Plan, such Spouse shall receive a pre-retirement survivor annuity based on the 401(a)(17) Benefit computed and adjusted as provided in Subsection (a) of this Section to which the Participant would be entitled. Such pre-retirement survivor annuity shall be payable at the same time and in the same manner as the qualified pre-retirement survivor annuity payable under any Pension Plan. No pre-retirement survivor annuity shall be payable to the extent a Participant receives a lump sum payment under Section 2.2(c).
 - (c) Pension Plan Adjustment. Unless otherwise specifically provided herein, this 401(a)(17) Benefit Plan is not intended to provide any increased benefit which could otherwise be provided under a Pension Plan. A Participant's benefit under this 401(a)(17) Benefit Plan shall be decreased to the extent that such Participant's benefit under a Pension Plan is so increased.
 - (d) Transfers. A Participant who is eligible for a 401(a)(17) Benefit and who has been directly transferred to a Controlled Group Member shall have his 401(a)(17) Benefit computation based on the provisions of the 401(a)(17) Benefit Plan in effect at the time that the Employee becomes entitled to receive the 401(a)(17) Benefit. If the Participant has received a benefit from the 401(a)(17) Benefit Plan prior to his termination of employment pursuant to an agreement between the Participant and Employer, no further benefits shall be payable under this 401(a)(17) Benefit Plan.
 - (e) Maximum Benefit. The combined maximum benefit provided to a Participant employed by the Company under the Excess Plan, the Pension Plan and this 401(a)(17) Benefit Plan shall not exceed 50% of a Participant's Final Average Earnings.

2.2 Manner and Time of Payment

- (a) Manner of Payment. Effective June 1, 2001, unless a Participant makes an election in the manner and within the time period specified in Section 2.2(c) below, the 401(a)(17) Benefit in the amount determined from time to time under Section 2.1 shall be paid in the same manner and at the same time as benefit payments under the Pension Plan, and shall be subject to the same restrictions as provided in such Pension Plan, without regard to Section 401(a)(17) of the Code.

For benefits commencing prior to June 1, 2001; the 401(a)(17) Benefit in the amount determined from time to time under Section 2.1 shall be payable monthly to a Participant for the life of the Participant, commencing as of the date benefits commence under the Pension Plan; provided, however, for a married Participant, the 401(a)(17) Benefit, in an Actuarially Equivalent amount, shall be payable monthly to the Participant as an annuity for the life of the Participant, with a survivor annuity for the life of the Spouse, which is one hundred percent (100%) of the amount of the annuity payable during the joint lives of the Participant and the Spouse.

- (b) Time of Payment.
 - (ii) Except as provided in Section 2.2(c), the first monthly payment of a 401(a)(17) Benefit to a retired Participant entitled to such benefit shall be payable as of the first day of the first calendar month after such Participant shall have become entitled thereto pursuant to the provisions of the Pension Plan and this 401(a)(17) Benefit Plan, and each subsequent monthly payment of such benefit shall be payable as of the first day of each calendar month thereafter during his lifetime, ceasing with the payment made as of the first day of the calendar month in which the death of such Participant occurs. Any survivorship benefit shall be paid in the same manner, beginning the month following the month during which the death of such retired Participant occurs and continuing until such Beneficiary dies.

- (iii) The 401(a)(17) Benefit of any retired Participant receiving a retirement benefit shall terminate as of the date of his re-employment if such retired Participant is re-employed by a Controlled Group Member. If such Participant is re-employed by a Controlled Group Member that is a participating employer in the Pension Plan, then upon his subsequent retirement pursuant to the provisions of the Pension Plan after any period of such re-employment, such Participant shall thereupon be eligible for the 401(a)(17) Benefit then in effect, pursuant to the provisions of this 401(a)(17) Benefit Plan, with such adjustments in the amount of such benefit as may be necessary to reflect actuarially the value of any 401(a)(17) Benefit previously paid such Participant under this 401(a)(17) Benefit Plan.
- (c) Lump Sum Option. (i) Effective June 1, 2001, in lieu of the manner of payment described in Section 2.2(a), a Participant (1) who is employed by the Company, or (2) who transferred to FedEx Corporation, Federal Express Corporation, or FedEx Corporate Services, Inc. on June 1, 2000 and continues to be an employee of such company, or (3) who was an employee of a Ground Employer (as defined in the Pension Plan) on February 1, 1998, was directly transferred to a Controlled Group Member, and who continues to be employed by a Controlled Group Member, may, no later than twelve (12) months prior to the date of the Participant's last pensionable pay check as shown in the Employer's personnel records, elect one of the following alternate payment options for benefits under this 401(a)(17) Benefit Plan:
1. A single lump sum payable on the date benefits commence under the Pension Plan;
 2. A single lump sum payable twelve (12) months after the date benefits commence under the Pension Plan;
 3. A single lump sum payable twenty-four (24) months after the date benefits commence under the Pension Plan;
 4. Two equal installments, each being equal to one-half (1/2) of the single sum amount described in item (i) above, with the first installment payable on the date benefits commence under the Pension Plan and the second installment payable twelve (12) months after the date benefits commence under the Pension Plan; or
 5. Two equal installments, each being equal to one-half (1/2) of the single sum amount described in item (i) above, with the first installment payable twelve (12) months after the date benefits commence under the Pension Plan and the second installment payable twenty-four (24) months after the date benefits commence under the Pension Plan.
- ii. The amount of any lump sum or installment distribution shall be determined in the same manner as the lump sum present value of a benefit as determined under the Pension Plan.

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- iii. A Participant may revoke any election made pursuant to this Section 2.2(c) and elect another manner of payment available under this Section 2.2, but only if such revocation and subsequent election occur no later than twelve (12) months prior to the date of the Participant's last pensionable paycheck as shown in the Employer's personnel records.
 - iv. In the event of a Participant's death prior to the complete distribution of his benefit pursuant to section 2.2(c), the value of the Participant's remaining benefit shall be paid to the Participant's Beneficiary in a single sum as soon as administratively practicable following the Participant's death.

2.3 Liability for Payment

The Employer shall pay the 401(a)(17) Benefit to the Participant and/or his Beneficiary.

2.4 Payment to Guardian

If a benefit payable hereunder is payable to a minor, to a person declared incompetent or to a person incapable of handling the disposition of his property, the Retirement and Savings Plan Department of FedEx Corporation may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or person. The Retirement and Savings Plan Department of FedEx Corporation may require such proof of incompetency, minority, incapacity, or guardianship as it may deem appropriate prior to distribution of the benefit. Such distribution shall completely discharge the Employer from all liability with respect to such benefit.

2.5 Effect on Other Benefits

Benefits payable to or with respect to a Participant under the Pension Plans, the Excess Plan or any other plan (qualified or nonqualified) plan sponsored by a Controlled Group Member, if any, are in addition to those provided under this 401(a)(17) Benefit Plan.

2.6 Effect of Termination of 401(a)(17) Benefit Plan

Notwithstanding anything in this 401(a)(17) Benefit Plan to the contrary, in the event of a termination of the 401(a)(17) Benefit Plan, FedEx Corporation, in its sole and absolute discretion, shall have the right to change the time and/or manner of distribution of Participants' 401(a)(17) Benefits, including, without limitation, by providing for the satisfaction of the obligation to pay 401(a)(17) Benefits by payment of a single lump sum payment to each Participant or Beneficiary then entitled to a 401(a)(17) Benefit in an amount equal to the Actuarial Equivalent present value of such 401(a)(17) Benefit, provided that the value of the 401(a)(17) Benefit payable to any Participant or Beneficiary hereunder may not be diminished.

Article 3
Vesting

Anything herein to the contrary notwithstanding, 401(a)(17) Benefits of a Participant who is employed by an Employer other than the Company shall become fully vested at the time he becomes fully vested in his accrued benefit. 401(a)(17) Benefits of a Participant who is employed by the Company shall become fully vested at the time the Participant has completed five consecutive years as an officer and/or managing or assistant managing director. A Participant who terminates employment prior to satisfying the vesting requirements in this Article 3 shall not be eligible to receive a 401(a)(17) Benefit under this 401(a)(17) Benefit Plan.

Article 4
Method of Funding

The obligation of the Employer hereunder shall be a general unfunded and unsecured obligation of the Employer only. It is not intended hereby to establish a fund to provide for the payment of 401(a)(17) Benefits or to create a trust or lien (equitable or otherwise) for the benefit of any Participant, Spouse, or any other person.

Article 5
Termination of Participation

5.1 *Withdrawal by Participating Employers*

Any Employer that adopts the 401(a)(17) Benefit Plan may elect to withdraw separately from the 401(a)(17) Benefit Plan, and such withdrawal shall constitute a termination of the 401(a)(17) Benefit Plan, as to the withdrawing Employer; provided, however, that such terminating Employer shall continue to be an Employer for the purposes of the 401(a)(17) Benefit Plan as to Participants or Beneficiaries to whom such Employer owes obligations under the 401(a)(17) Benefit Plan. Such withdrawal and termination shall be expressed in an instrument executed by the terminating Employer on authority of its Board and shall become effective as of the date designated in such instrument or, if no such date is specified, on the date of its execution.

APPENDIX B

PROVISIONS PERTAINING TO EMPLOYEES OF
FEDEX GROUND PACKAGE SYSTEM, INC., FEDEX CUSTOM CRITICAL, INC.,
FEDEX SUPPLY CHAIN SERVICES, INC., AUTOQUIK, INC.
AND
URGENT FREIGHT, INC.

INTRODUCTION

The purpose of this Appendix B is to set forth certain of the provisions of this Plan applicable only to Employees of FedEx Ground Package System, Inc., FedEx Custom Critical, Inc., FedEx Supply Chain Services, Inc., AutoQuik, Inc. and Urgent Freight, Inc. (“Ground Participants”) as of May 31, 2003 and thereafter. Except as provided in this Appendix B, the terms and conditions of the Plan apply to Ground Participants. The term “Section” in this Appendix B refers to a section of this Appendix B unless otherwise specifically noted.

Article 1
Definitions

1.1 Generally

The following words and phrases shall have the same meanings as specified in the applicable Pension Plan, as it may be amended from time to time, unless the context clearly requires otherwise:

“Actuarial Equivalent” or “Actuarial Equivalence”
“Actuary”
“Annuity Starting Date”
“Code”
“Employee”
“Plan Year”

In addition, for purposes of this Excess Plan, the following words and phrases shall have the meanings hereinafter indicated unless the context clearly indicates otherwise.

1.2 Accrued Benefit

“Accrued Benefit” of a Participant as of any date, hereinafter called an “accrual date,” equals the amount of Excess Retirement Benefit to which the Participant would be entitled under Section if he terminated his employment with the Controlled Group on the accrual date.

1.3 Beneficiary

“Beneficiary” means the beneficiary for purposes of any benefits payable under the Pension Plan subsequent to the Participant’s death; provided, however, that the Participant may designate another beneficiary to receive any death benefits payable in a lump sum pursuant to Section 2.2(c), such designation to be made in writing in a form acceptable to the Committee.

1.4 Board

“Board” means the board of directors of FedEx Corporation or, as appropriate in the context of a provision of the Excess Plan, such other body as designated by the Board.

1.5 Company

“Company” means FedEx Ground Package System, Inc. (or its successor).

1.6 *Controlled Group or Controlled Group Members*

“Controlled Group” or “Controlled Group Members” means the Company and any and all other corporations, trades and/or businesses the employees of which, together with the employees of the Company, are required by any of the Subsections of Section 414 of the Code to be treated, as though they were employed by a single employer.

1.7 *Effective Date*

“Effective Date” means June 1, 2000.

1.8 *Employer*

“Employer” means the Company and any other Controlled Group Member that adopts this Excess Plan.

1.9 *Excess Plan*

“Excess Plan” means the provisions of the Plan described in this Appendix B.

1.10 *Excess Retirement Benefit*

“Excess Retirement Benefit” means the monthly benefit payable to or with respect to a Participant and/or his Beneficiary under Article 2.

1.11 *401(a)(17) Benefit Plan*

“401(a)(17) Benefit Plan” means the provisions of the Plan described in Appendix A.

1.12 *Participant*

“Participant” means an Employee who (i) is participating in one or more Pension Plans, (ii) (1) serves as an officer of an Employer other than the Company as determined from the personnel records of the applicable Employer, or (2) serves as an officer or managing director or assistant managing director of the Company as determined from the personnel records of the Company and has served as an officer and/or managing or assistant managing director for a combined period of five consecutive years, including service prior to the Effective Date, and (iii) has a separation of service from an Employer on or after the Effective Date

In determining whether an officer, managing director or assistant managing director has served in such capacity for a combined period of five consecutive years, such officer’s or director’s service with Controlled Group Members shall be taken into account.

Participant shall also mean any former Employee who, immediately following his separation of service from an Employer, was employed by a Controlled Group Member and continues to be employed by a Controlled Group Member.

Any employee who was a Participant in this 401(a)(17) Benefit Plan immediately prior to June 1, 2000 shall remain a Participant in the Plan on the Effective Date.

1.13 Pension Plan

“Pension Plan” means, with respect to any Participant, the FedEx Ground Package System, Inc. and Certain Affiliates Career Reward Pension Plan (through May 30, 2001) or the FedEx Corporation Employees’ Pension Plan (as of May 31, 2001).

1.14 Spouse

Spouse shall mean the deceased Participant’s surviving spouse if such person married such Participant at least one (1) year prior to his death.

Article 2
Excess Retirement Benefits

2.1 Amount of Benefit

- (a) Excess Retirement Benefit. The Excess Retirement Benefit payable to or with respect to a Participant for any month of any Plan Year shall be an amount equal to the excess, if any, of (i) the amount of the monthly benefit that would be provided by the Pension Plan except that, if applicable, such benefit shall not be limited by the application of Section 415 of the Code, over (ii) the amount of the monthly benefit payable on the same basis to or with respect to the Participant under such Pension Plan for such month. If a Participant began receiving his Excess Retirement Benefit prior to June 1, 2000, such Excess Retirement Benefit shall be reduced to reflect any post-retirement increases in monthly benefits payable to the Participant under such Pension Plan by reason of increases in the limits under Section 415 of the Code.

The terms "Average Compensation," "Average Annual Earnings," and "Final Average Earnings" taken into account with respect to a Participant (1) who is employed by the Company, or (2) who transferred to FedEx Corporation, Federal Express Corporation, or FedEx Corporate Services, Inc. on June 1, 2000 and continues to be an employee of such company, or (3) who was an employee of a Ground Employer (as defined in the Pension Plan) on February 1, 1998, was directly transferred to a Controlled Group Member, and who continues to be employed by a Controlled Group Member, shall have the same meaning as set forth under the Pension Plan (without regard to the limits imposed by Section 401(a)(17) of the Code), except that, for purposes of Section 2.1(a)(i), the number of years over which the average is determined shall be three (3) years instead of five (5) years. Effective June 1, 2001, the terms "Compensation" and "Earnings" shall have the same meaning as set forth under the Pension Plan and shall also include any compensation that would have been paid to the Participant had he not signed a salary deferral agreement in connection with any deferred compensation plan sponsored by the Employer.

The terms "Average Compensation," "Average Annual Earnings," and "Final Average Earnings" taken into account with respect to a Participant employed by an Employer other than the Company shall have the same meaning as set forth under the Pension Plan (without regard to the limits imposed by Section 401(a)(17) of the Code). Effective June 1, 2001, the terms "Compensation" and "Earnings" shall have the same meaning as set forth under the Pension Plan and shall also include any compensation that would have been paid to the Participant had he not signed a salary deferral agreement in connection with any deferred compensation plan sponsored by the Employer.

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- (b) Pre-retirement Survivor Annuity. If a married Participant dies before his Annuity Starting Date, and has a Spouse entitled to a qualified pre-retirement survivor annuity under any Pension Plan, such Spouse shall receive a pre-retirement survivor annuity based on the Excess Retirement Benefit computed and adjusted as provided in Subsection (a) of this Section to which the Participant would be entitled. Such pre-retirement survivor annuity will be payable at the same time and in the same manner as the qualified pre-retirement survivor annuity payable under the Pension Plan. No pre-retirement survivor annuity shall be payable to the extent a Participant receives a lump sum payment under Section 2.2(c).
 - (c) Pension Plan Adjustment. Unless otherwise specifically provided herein, this Excess Plan is not intended to provide any increased benefit which could otherwise be provided under a Pension Plan. A Participant's benefit under this Excess Plan shall be decreased to the extent that such Participant's benefit under a Pension Plan is so increased.
 - (d) Transfers. A Participant who is eligible for an Excess Retirement Benefit and who has been directly transferred to a Controlled Group Member shall have his Excess Retirement Benefit based on the provisions of the Excess Plan in effect at the time that the Employee becomes entitled to receive the Excess Retirement Benefit. If the Participant has received a benefit from the Excess Benefit Plan prior to his termination of employment pursuant to an agreement between the Participant and an Employer, no further benefits shall be payable under this Excess Plan.
 - (e) Maximum Benefit. The combined maximum benefit provided to a Participant employed by the Company under this Excess Plan, the Pension Plan and the 401(a)(17) Benefit Plan shall not exceed 50% of a Participant's Final Average Earnings.

2.1 Manner and Time of Payment

- (a) Manner of Payment. Effective June 1, 2001, unless a Participant makes an election in the manner and within the time period specified in Section 2.2(c) below, the Excess Retirement Benefit in the amount determined from time to time under Section 2.1 shall be paid in the same manner and at the same time as benefit payments under the Pension Plan, and shall be subject to the same restrictions as provided in such Pension Plan, without regard to Section 415 of the Code.

For benefits commencing prior to June 1, 2001, the Excess Retirement Benefit in the amount determined from time to time under Section 2.1 shall be payable monthly to a Participant for the life of the Participant, commencing as of the date benefits commence under the Pension Plan; provided, however, for a married Participant, the Excess Retirement Benefit, in an Actuarially Equivalent amount, shall be payable monthly to the Participant as an annuity for the life of the Participant, with a survivor annuity for the life of the Spouse, which is one hundred percent (100%) of the amount of the annuity payable during the joint lives of the Participant and the Spouse.

- (b) Time of Payment.
 - (ii) Except as provided in Section 2.2(c), the first monthly payment of an Excess Retirement Benefit to a retired Participant entitled to such benefit shall be payable as of the first day of the first calendar month after such Participant shall have become entitled thereto pursuant to the provisions of the Pension Plan and this Excess Plan, and each subsequent monthly payment of such benefit shall be payable as of the first day of each calendar month thereafter during his lifetime, ceasing with the payment made as of the first day of the calendar month in which the death of such Participant occurs. Any survivorship benefit shall be paid in the same manner, beginning the month following the month during which the death of such retired Participant occurs and continuing until such Beneficiary dies.

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- (iii) The Excess Retirement Benefit of any retired Participant receiving a retirement benefit shall terminate as of the date of his re-employment if such retired Participant is re-employed by a Controlled Group Member. If such Participant is re-employed by a Controlled Group Member that is a participating employer in the Pension Plan, then upon his subsequent retirement pursuant to the provisions of the Pension Plan after any period of such re-employment, such Participant shall thereupon be eligible for the Excess Retirement Benefit then in effect, pursuant to the provisions of this Excess Plan, with such adjustments in the amount of such benefit as may be necessary to reflect actuarially the value of any Excess Retirement Benefit previously paid such Participant under this Excess Plan
- (c) Lump Sum Option. (i) Effective June 1, 2001, in lieu of the manner of payment described in Section 2.2(a), a Participant (1) who is employed by the Company, or (2) who transferred to FedEx Corporation, Federal Express Corporation, or FedEx Corporate Services, Inc. on June 1, 2000 and continues to be an employee of such company, or (3) who was an employee of a Ground Employer (as defined in the Pension Plan) on February 1, 1998, was directly transferred to a Controlled Group Member, and who continues to be employed by a Controlled Group Member, may, no later than twelve (12) months prior to the date of the Participant's last pensionable pay check as shown in the Employer's personnel records, elect one of the following alternate payment options for benefits under this Excess Plan:
1. A single lump sum payable on the date benefits commence under the Pension Plan;
 2. A single lump sum payable twelve (12) months after the date benefits commence under the Pension Plan;
 3. A single lump sum payable twenty-four (24) months after the date benefits commence under the Pension Plan;
 4. Two equal installments, each being equal to one-half (1/2) of the single sum amount described in item (i) above, with the first installment payable on the date benefits commence under the Pension Plan and the second installment payable twelve (12) months after the date benefits commence under the Pension Plan; or

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5. Two equal installments, each being equal to one-half (1/2) of the single sum amount described in item (i) above, with the first installment payable twelve (12) months after the date benefits commence under the Pension Plan and the second installment payable twenty-four (24) months after the date benefits commence under the Pension Plan.

(ii) The amount of any lump sum or installment distribution shall be determined in the same manner as the lump sum present value of a benefit as determined under the Pension Plan.

(iii) A Participant may revoke any election made pursuant to this Section 2.2(c) and elect another manner of payment available under this Section 2.2, but only if such revocation and subsequent election occur no later than twelve (12) months prior to the date of the Participant's last pensionable paycheck as shown in the Employer's personnel records.

(iv) In the event of a Participant's death prior to the complete distribution of his benefit pursuant to section 2.2(c), the value of the Participant's remaining benefit shall be paid to the Participant's Beneficiary in a single sum as soon as administratively practicable following the Participant's death.

2.2 Liability for Payment

The Employer shall pay the Excess Retirement Benefit to the Participant and/or his Beneficiary.

2.3 Payment to Guardian

If a benefit payable hereunder is payable to a minor, to a person declared incompetent or to a person incapable of handling the disposition of his property, the Retirement and Savings Plan Department of FedEx Corporation may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or person. The Employer may require such proof of incompetency, minority, incapacity, or guardianship as it may deem appropriate prior to distribution of the benefit. Such distribution shall completely discharge the Employer from all liability with respect to such benefit.

2.4 Effect on Other Benefits

Benefits payable to or with respect to a Participant under the Pension Plans, the 401(a)(17) Benefit Plan or any other plan (qualified or nonqualified) plan sponsored by a Controlled Group Member, if any, are in addition to those provided under this Excess Plan.

2.5 *Effect of Termination of Excess Plan*

Notwithstanding anything in this Excess Plan to the contrary, in the event of a termination of the Excess Plan, FedEx Corporation, in its sole and absolute discretion, shall have the right to change the time and/or manner of distribution of Participants' Excess Retirement Benefits, including, without limitation, by providing for the satisfaction of the obligation to pay Excess Retirement Benefits by payment of a single lump sum payment to each Participant or Beneficiary then entitled to an Excess Retirement Benefit in an amount equal to the Actuarial Equivalent present value of such Excess Retirement Benefit, provided that the value of the Excess Retirement Benefit payable to any Participant or Beneficiary hereunder may not be diminished.

Article 3
Vesting

Anything herein to the contrary notwithstanding, Excess Retirement Benefits of a Participant who is employed by an Employer other than the Company shall become fully vested at the time he becomes fully vested in his accrued benefit under the Pension Plan. Excess Retirement Benefits of a Participant who is employed by the Company shall become fully vested at the time the Participant has completed five consecutive years as an officer and/or managing or assistant managing director. A Participant who terminates employment prior to satisfying the vesting requirements in this Article 3 shall not be eligible to receive an Excess Retirement Benefit under this Excess Plan.

Article 4
Method of Funding

The obligation of the Employer hereunder shall be a general unfunded and unsecured obligation of the Employer only. It is not intended hereby to establish a fund to provide for the payment of Excess Retirement Benefits or to create a trust or lien (equitable or otherwise) for the benefit of any Participant, Spouse, or any other person.

Article 5
Termination of Participation

5.1 *Withdrawal by Participating Employers*

Any Employer that adopts the Excess Plan may elect to withdraw separately from the Excess Plan, and such withdrawal shall constitute a termination of the Excess Plan, as the case may be, as to the withdrawing Employer; provided, however, that such terminating Employer shall continue to be an Employer for the purposes of the Excess Plan as to Participants or Beneficiary to whom such Employer owes obligations under the Excess Plan. Such withdrawal and termination shall be expressed in an instrument executed by the terminating Employer on authority of its Board and shall become effective as of the date designated in such instrument or, if no such date is specified, on the date of its execution.

APPENDIX C

PROVISIONS PERTAINING TO EMPLOYEES OF
FEDEX FREIGHT, INC.

INTRODUCTION

The purpose of this Appendix C is to set forth certain of the provisions of this Plan applicable only to Employees of FedEx Freight, Inc. who are accruing Compensation Credits under a Portable Pension Account in the FedEx Corporation Employees' Pension Plan ("Freight, Inc. Participants") as of May 31, 2003 and thereafter. Except as provided in this Appendix C, the terms and conditions of the Plan apply to Freight, Inc. Participants. The term "Section" in this Appendix C refers to a section of this Appendix C unless otherwise specifically noted.

FEDEX FREIGHT RETIREMENT PARITY PLAN

Amended and Restated

Effective January 1, 2020

Section 1. Purpose and Description.

FedEx Freight East, Inc., an Arkansas corporation (the "Company"), established, effective January 1, 2007 (the "Effective Date"), the FedEx Freight Retirement Parity Pension Plan (the "Plan"), to provide the benefits described in Section 3 below, for eligible Managing Directors and Officers, under the terms of the Plan. The Plan is intended to be an "employee benefit pension plan," as defined in §3(2) of the Employee Retirement Income Security Act of 1974 ("ERISA"), and a plan that is "unfunded and is maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees," as provided in §§201, 301, and 401 of ERISA and the Department of Labor regulations promulgated under ERISA, and is intended to comply with Internal Revenue Code §409A. The benefits provided by the Plan are not funded but shall be payable when due out of the assets of the Sponsoring Employers as general, unsecured obligations of the Sponsoring Employers.

Effective June 2, 2008, the FedEx Freight West, Inc. Nonqualified Supplemental Executive Retirement Plan as Amended and Restated Effective June 1, 2002, and the FedEx Freight West, Inc. Nonqualified Supplemental Executive Retirement Plan for Participants as of May 31, 2002, as Amended and Restated Effective June 1, 2002, (collectively, the "West Plan") shall be merged into the Plan as Appendices A and B.

Unless otherwise provided herein, defined terms used in this Plan shall have the same meaning attributed to such terms in the FedEx Freight Pension Plan, as it currently exists or may be amended from time to time ("Qualified Pension Plan").

Unless otherwise noted, the terms and provisions of this base document shall apply solely to the Parity Portable Pension Account benefit, and the terms and provisions of the West Plan shall be as provided in Appendices A and B.

All references to FedEx Freight, East, Inc. and FedEx Freight West, Inc. shall remain for all periods of service prior to December 28, 2008. Any eligible employee of FedEx Freight East, Inc. or FedEx Freight West, Inc. as of December 27, 2008 who is credited with an Hour of Service on or after December 28, 2008 and who continues in an eligible position as described in Section 2 below shall be considered an eligible employee of FedEx Freight, Inc. Effective December 28, 2008, all references to FedEx Freight East, Inc. and FedEx Freight West, Inc. shall be revised to read, FedEx Freight, Inc. Effective January 30, 2011, all references to FedEx Freight System, Inc. shall be revised to FedEx Freight, Inc.

Effective January 1, 2020, no employee who is hired on or after January 1, 2020 shall be eligible to participate in the FedEx Freight Retirement Parity Plan.

Section 2. Eligibility.

(a) Effective January 1, 2007, any employee of the Company who serves as an Officer shall be eligible for the benefit described in Section 3 below as of the later of (i) the date on which such individual is employed as an Officer, or (ii) the date on which such individual becomes a participant in the Qualified Pension Plan, as it currently exists and as it may be amended from time to time. In addition, effective June 1, 2008, any employee of the Company who serves as a Managing Director shall be eligible for the benefit described in Section 3 below as of the later of (x) the date on which such individual is employed as a Managing Director, (y) the date on which such individual becomes a participant in the Qualified Pension Plan, or (z) June 1, 2008.

(b) Effective June 1, 2008, any employee of FedEx Freight West, Inc. or FedEx Freight System, Inc. who serves as an Officer or Managing Director shall be eligible for the benefit described in Section 3 below as of the later of (i) the date on which such individual is employed as an Officer or Managing Director, (ii) the date on which such individual becomes a participant in the Qualified Pension Plan, or (iii) June 1, 2008.

For the purpose of this Plan, the term "Officer" shall mean an officer of the Company or, effective June 1, 2008, FedEx Freight System, Inc. or FedEx Freight West, Inc., elected to the position of vice-president or above, as evidenced in the minutes of the Company's Board of Directors, the Board of Directors of FedEx Corporation, or the Board of Directors of FedEx Freight System, Inc. or FedEx Freight West, Inc. The term "Managing Director" shall mean, effective June 1, 2008, and for the purpose of this Plan, a managing director of the Company, FedEx Freight System, Inc. or FedEx Freight West, Inc. appointed to the position of managing director, as evidenced in the employer's personnel information system, and shall also mean an employee having the title of "Staff Director" or "Director".

Effective January 1, 2020, no Officer or Managing Director who is hired on or after January 1, 2020 shall be eligible to participate in the Plan. Notwithstanding the foregoing, an Officer or Managing Director who is hired on or after January 1, 2020 and who was participating in, and receiving Compensation Credits under, the FedEx Corporation Employees' Pension Plan immediately prior to such hire date shall be eligible to participate in the FedEx Freight Retirement Parity Plan.

Section 3. Benefit Amount and Limitations.

The Parity Portable Pension Account shall be established for each eligible participant as of the participant's entry date into this Plan, and shall be credited with Parity Compensation Credits, Parity Transition Credits (if eligible), Additional Compensation Credits, and Parity Interest Credits for each Plan Year following the establishment of the Parity Portable Pension Account, and with a 415 Limit Credit (if applicable) as of the participant's date of retirement where:

(a) Parity Compensation Credit for any Plan Year shall equal (A) minus (B), subject to (C), as follows:

- (A) is the Compensation Credit for such Plan Year as calculated under the Qualified Pension Plan but without regard to the limit imposed by Code §401(a)(17) (annual compensation limit), only for Plan Years ending after the date such employee becomes an Officer or Managing Director.
- (B) is the Compensation Credit accrued under the Qualified Pension Plan for such Plan Year.

- (C) No Parity Compensation Credits shall be granted for Plan Years prior to June 1, 2008 for any individual other than an Officer of the Company.

With respect to benefits accrued for Plan Years beginning on or after June 1, 2008, in lieu of the benefit formula set forth in the Qualified Pension Plan, the following formula shall apply for determining the percentage of such individual's Compensation Credits in (A) above:

<u>Age + Years of Credited Service for Benefit Accrual</u>	<u>Applicable Parity Compensation Credit Percentage</u>
Less than 55	5.0%
55 but less than 65	6.0%
65 but less than 75	7.0%
75 and higher	8.0%

(b) Parity Transition Credit for

- (i) any individual who, as of June 1, 2008, is (A) actively employed as an eligible Officer of the Company, FedEx Freight System, Inc. or FedEx Freight West, Inc., and (B) who has attained age 40 or greater,
- (ii) for any Plan Year beginning on or after June 1, 2008, and
- (iii) who accrued a Compensation Credit under the Qualified Pension Plan for such Plan Year,

shall equal the amount obtained by multiplying the applicable percentage determined from the table below, by the participant's Compensation, without regard to the limit imposed by Code Section 401(a)(17) (annual compensation limit), for the calendar year ending in the Plan Year. The applicable percentage shall be determined from the table below, based on the sum of a participant's age, determined as of the participant's last birthday as of the last day (May 31) of the preceding Plan Year, and years of Credited Service for Benefit Accrual, determined as the participant's total number of years of Credited Service for Benefit Accrual as of the last day (May 31) of the preceding Plan Year.

<u>Age + Years of Credited Service for Benefit Accrual</u>	<u>Applicable Percentage of Compensation for Parity Transition Credit</u>
Less than 55	2.0%
55 but less than 65	3.0%
65 but less than 75	4.0%
75 and higher	5.0%

The foregoing to the contrary notwithstanding:

- (1) The Parity Transition Credits which may be accrued by a participant who had completed 25 or more Years of Credited Service for Benefit Accrual as of June 1, 2008 shall equal 2% for a maximum of five (5) Years of Credited Service for Benefit Accrual completed after June 1, 2008. For this group, no Parity Transition Credits may be accrued by an eligible Officer after May 31, 2013.
- (2) If a participant completes 25 or more Years of Credited Service for Benefit Accrual on or after June 1, 2008, the Parity Transition Credits which may be accrued by such participant after s/he has completed 25 or more Years of Credited Service for Benefit Accrual shall equal 2% for Years of Credited Service for Benefit Accrual completed by May 31, 2013.
- (3) An eligible Officer who is otherwise eligible to receive Parity Transition Credits under this Section but who has a Separation from Service on or after June 1, 2008 shall be thereafter ineligible to receive Parity Transition Credits even if such participant is rehired by a Sponsoring Employer.

(c) Additional Compensation Credit for any Plan Year beginning on or after June 1, 2008 and any Plan Year beginning on or after June 1, 2011 shall equal 3.5% of the excess of (A) over (B), where

- (A) is such Officer's or Managing Director's Compensation, but without regard to the limitations under §401(a)(17), and
- (B) is the limit set forth under §401(a)(17) of the Internal Revenue Code (annual compensation limit).

Additional Compensation Credits shall not be accrued for any Plan Years before June 1, 2008, the Plan Year beginning on June 1, 2009, or any Plan Year for which a Compensation Credit is not accrued under the Qualified Pension Plan.

With respect to the Plan Year beginning June 1, 2010, the Additional Compensation Credit shall equal 1.75% of the excess of (A) over (B), where

- (A) is such Officer's or Managing Director's Compensation, but without regard to the limitations under §401(a)(17) of the Internal Revenue Code, and
- (B) is the limit set forth under §401(a)(17) of the Internal Revenue Code (annual compensation limit).

(d) Parity Interest Credit shall mean an amount credited to the Parity Portable Pension Account in the same manner and using the same Interest Credit Factor as in the Qualified Pension Plan.

(e) 415 Limit Credit shall mean, for a participant whose total Qualified Pension Plan benefit has been limited by §415 of the Internal Revenue Code, a cash balance value equal to the value of the shortfall in the Qualified Pension Plan, except to the extent already provided in Appendices A or B, attached hereto.

(f) The foregoing to the contrary notwithstanding, no individual shall be entitled to receive a Parity Compensation Credit, Parity Transition Credit, or Additional Compensation Credit under this Plan for a Plan Year unless (i) s/he is an eligible Officer or Managing Director with any Controlled Group Member as of the last day of the Plan Year for which such credits would be accrued, or (ii) s/he incurs a Separation from Service as a Managing Director or Officer after having been credited with at least 1,000 Hours of Service in the Plan Year.

(g) Except as specifically provided herein, this Plan is not intended to provide any increased benefit which is otherwise provided under the Qualified Pension Plan. An Officer's or Managing Director's benefit under this Plan shall be decreased to the extent that such Officer's or Managing Director's benefit under the Qualified Pension Plan is so increased.

Section 4. Payment of Benefits.

The benefit provided under the Parity Portable Pension Account provisions of this Plan shall be paid as a lump sum no earlier than six (6) months following the eligible Officer or Managing Director's Separation from Service after completion of three (3) consecutive years of service as an Officer or a Managing Director with any Controlled Group Member.

For purposes of this Section, the following term shall be given the definitions herein provided:

"Separation from Service" means a termination of substantial services for the Company and all Controlled Group Members. For purposes of this Section and for purposes of applying the provisions of Code Section 409A, a reference to the Company shall also be deemed a reference to any affiliate thereof within the contemplation of Code Sections 414(b) and 414(c). A substantial employment relationship shall be considered to exist for so long as an individual is on an authorized leave of absence of up to six (6) months or, if longer, for so long as the individual retains a right to re-employment by law or contract. An individual who is on an authorized leave of absence shall not in any event be deemed to have a Separation from Service for so long as the Company has a reasonable expectation that the individual will again perform substantial services for the Company in any capacity, whether as an employee of the Company. An individual will not be treated as having incurred a Separation from Service where the individual's level of future services for the Company is reasonably anticipated by the Company to exceed 20% of the average level of bona fide Company services provided by that individual in any capacity for the prior 36-month period, or the prior period of services if less, but will be treated as having incurred a Separation from Service at any time when such reasonably anticipated level of future services is equal to or less than such 20% average level of prior services.

Section 5. Plan Administration.

The Plan shall be administered by the Retirement Plans Department of FedEx Corporation (the "Administrator"). The Administrator shall have the responsibility to receive, evaluate and process all claims for benefits and shall cause payment of benefits to be made under the Plan in accordance with its terms. In connection with its duties, the Administrator shall have the authority to interpret the Plan's provisions and to determine eligibility for Plan benefits. The Administrator shall have the authority to adopt such rules and procedures which it deems necessary for the administration of the Plan and recommend any modifications, changes, or amendments to the Plan.

Section 6. The Committee.

The Committee, as defined in the Qualified Pension Plan, shall have the authority to perform the administrative duties under the Plan, other than the duties of the Administrator. In connection with its duties, the Committee shall have the authority to interpret the Plan's provisions and to determine eligibility for Plan benefits. The Committee is the named fiduciary of the Plan and shall adopt such rules and procedures that in its opinion are either necessary or desirable to implement and administer the Plan.

Section 7. Claims Procedures.

The claims procedures for the Plan shall be the same as such procedures in the Qualified Pension Plan.

Section 8. Legal Expenses.

An Officer or Managing Director shall be entitled to reimbursement from the Sponsoring Employer for reasonable legal expenses incurred in successfully enforcing his or her right to benefits under the Plan. This right to reimbursement shall only be available if such Officer or Managing Director has applied for benefits in substantial compliance with the Administrator's procedures, been denied benefits by the Administrator, timely requested a review of that denial as provided in Section 7 above and had the Administrator's denial upheld.

Section 9. Non-Assignability of Benefits.

Benefits under this Plan shall not be assignable or transferable in any manner, nor shall they be subject to garnishment, attachment, or other legal process, except as provided by ERISA and other applicable federal law or as provided under a domestic relations order.

Section 10. Effect.

Neither the establishment of the Plan nor any modification thereto, nor the creation of any account on the books of any participating employer hereunder, nor the payment of any benefit from the Plan shall be construed as giving an Officer, Managing Director, or any other person any legal or equitable right against a participating employer, its directors, officers, employees or agents, except that the provisions of this Section 10 shall neither impair nor extinguish any rights of any participating Officer or Managing Director with respect to any claim for benefits payable under this Plan.

Section 11. No Guarantee of Employment.

Nothing contained in this Plan shall be construed as a contract of employment between a participating employer and any Officer or Managing Director or as a promise that any Officer or Managing Director shall continue in his or her present or comparable position or as a limit on the participating employer's right to discharge such Officer or Managing Director.

Section 12. Amendment or Termination.

The Sponsoring Employer may amend or terminate the Plan at any time. An amendment shall become effective: (i) upon its execution in writing by duly authorized Officers of the participating employers, (ii) upon action of the Sponsoring Employer's Board of Directors or the Board of Directors of FedEx Corporation, or any committee thereof, or (iii) upon action of the Committee, as reflected in the Committee's minutes or in the minutes of the Board of Directors of the Sponsoring Employer or of FedEx Corporation or any committee thereof. The Plan's termination shall become effective: (x) upon action of the Sponsoring Employer's Board of Directors or the Board of Directors of FedEx Corporation, or any committee thereof, or (ii) upon action of the Committee, as reflected in the Committee's minutes or in the minutes of the Board of Directors of the Sponsoring Employer or of FedEx Corporation or any committee thereof. However, no amendment or termination shall eliminate or reduce any benefits accrued under the Plan at the time of such amendment or termination.

Section 13. Agent for Service of Process.

The Company is hereby designated as agent for service of process for all purposes provided herein.

Section 14. Governing Law.

Except to the extent preempted by federal law, the provisions of this Plan shall be administered, construed, and enforced in accordance with the laws of the State of Tennessee.

Section 15. Execution.

This document may be executed in any number of counterparts and each fully executed counterpart shall be deemed an original.

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

FEDERAL EXPRESS CORPORATION

Signed: /s/ Robbin S. Page

Name: Robbin S. Page

Title: Vice President, Human Resources

Date: June 24, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

FEDEX CORPORATION

Signed: /s/ Tracy Brightman
Name: Tracy Brightman
Title: Executive Vice President – Chief People Officer
Date: June 24, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

FEDEX FORWARD DEPOTS, INC.

Signed: /s/ Clement E. Klank

Name: Clement E. Klank

Title: Secretary

Date: June 21, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

FEDEX TRADE NETWORKS TRADE SERVICES, LLC.

Signed: /s/ Clement E. Klank

Name: Clement E. Klank

Title: Assistant Secretary

Date: June 21, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

FEDEX LOGISTICS, INC.
(Formerly FEDEX TRADE NETWORKS
TRANSPORTATION AND BROKERAGE, INC.)

Signed: /s/ Clement E. Klank

Name: Clement E. Klank

Title: Secretary

Date: June 21, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

FEDERAL EXPRESS VIRGIN ISLANDS, INC.

Signed: /s/ Ariel O. Diaz
Name: Ariel O. Diaz
Title: Vice President Legal
Date: June 26, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

FEDEX FREIGHT, INC.

Signed: /s/ Rodney Myers

Name: Rodney Myers

Title: Vice President Human Resources

Date: June 20, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

FEDEX OFFICE AND PRINT SERVICES, INC.

Signed: /s/ Brandon L. Waits
Name: Brandon L. Waits
Title: Vice President Human Resources
Date: June 21, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

FEDEX CUSTOM CRITICAL, INC.

Signed: /s/ Clement E. Klank

Name: Clement E. Klank

Title: Secretary

Date: June 21, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

FEDEX SUPPLY CHAIN DISTRIBUTION SYSTEM, INC.

Signed: /s/ Clement E. Klank

Name: Clement E. Klank

Title: Secretary

Date: June 21, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

ATC INFORMATION SERVICES, INC.

Signed: /s/ Clement E. Klank

Name: Clement E. Klank

Title: Assistant Secretary

Date: June 21, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

CAPITAL RETURNS, INC

Signed: /s/ Clement E. Klank

Name: Clement E. Klank

Title: Assistant Secretary

Date: June 21, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

GENCO INFRASTRUCTURE SOLUTIONS, INC.

Signed: /s/ Clement E. Klank

Name: Clement E. Klank

Title: Assistant Secretary

Date: June 21, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

FEDEX SUPPLY CHAIN, INC.

Signed: /s/ Clement E. Klank

Name: Clement E. Klank

Title: Assistant Secretary

Date: June 21, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

FEDEX SUPPLY CHAIN LOGISTICS & ELECTRONICS,
INC

Signed: /s/ Clement E. Klank

Name: Clement E. Klank

Title: Assistant Secretary

Date: June 21, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

GENCO MARKETPLACE, INC.

Signed: /s/ Clement E. Klank

Name: Clement E. Klank

Title: Assistant Secretary

Date: June 21, 2024

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Participating Employers have caused this plan to be effective as of the dates herein.

FEDEX DATAWORKS, INC.

Signed: /s/ Micah D. Bell
Name: Micah D. Bell
Title: Chief People Officer
Date: June 25, 2024

July 11, 2022

Dear Sriram:

I am pleased to offer you the position of FedEx Corporation EVP - Chief Transformation Officer & CEO Dataworks. This job change is effective August 1, 2022, pending approval by the FedEx Corporate Board of Directors (BOD). Your new annual salary will be \$600,000 or \$50,000 per month.

You will receive a promotional bonus of \$75,000, payable in two installments. The first installment will be paid following your effective date and the second will be paid in one year.

A comparison of your current and new compensation elements is shown below for reference. Restricted stock awards include the value of the tax payment.

	<u>Base Salary</u>	<u>AIC</u>	<u>LTI¹</u>	<u>Stock Options²</u>	<u>Restricted Stock²</u>	<u>Total</u>
Sriram FY22 CEO DW	\$ 340,376	50%	\$ 330,000	\$ 245,000	\$ 270,000	\$1,355,564
Sriram: EVP & Chief Transformation Officer/CEO Dataworks	\$ 600,000	100%	\$1,500,000	\$ 850,000	\$1,100,000	\$4,650,000

¹ LTI plans will be prorated; the first plan at the full \$1,500,000 target will be the FY23 - FY25 plan.

² Promotional stock awards will be requested at the July meeting.

In addition to the elements in the table above, you will receive four special restricted stock grants, each pending approval of the Compensation and Human Resources Committee:

<u>Timing of grant request</u>	<u>Target Value of Grant; Inclusive of Tax Payment</u>
July 2022*	\$ 400,000
July 2023	\$ 400,000
July 2024	\$ 400,000
July 2025	\$ 400,000

This is inclusive of the special restricted stock grant you received in June 2022 (approximate value of \$250k).

OFFER LETTER — CORPORATE EVP

July 11, 2022

Page 2

As an EVP at FedEx Corporation, you will be subject to our stock ownership goals. The FedEx Board of Directors believes that significant stock ownership by members of senior management further aligns their interests with the interests of our shareholders. Accordingly, the Board has established a goal that, within five years after being appointed to your current position, you own FedEx shares valued at not less than three times your annual base salary.

For purposes of meeting this goal, unvested restricted stock is counted, but unexercised stock options are not. Until the goal is met, you should consider retaining (but are not required to retain) “net profit shares” resulting from the exercise of stock options granted under the Company’s equity compensation plans. Net profit shares are the shares remaining after the payment of the option exercise price and taxes owed upon the exercise of options.

You will continue to receive FedEx benefits, including the FedEx tax return preparation program, which will cover the costs to have your income tax returns prepared, signed and filed by an independent tax return preparer as required by FedEx.

Please indicate your acceptance of this offer by signing the original letter as indicated below and returning it to me as soon as possible. Enclosed is a copy of this letter for your personal records.

If you have any questions, please feel free to contact me.

Sincerely,

/s/ Raj Subramaniam

Raj Subramaniam
President & CEO
FedEx Corporation

Accepted:

/s/ Sriram Krishnasamy
Sriram Krishnasamy

**FedEx Corporation
Securities Manual**

This Manual addresses certain federal securities law issues relating to the purchase and sale of securities of FedEx Corporation and its subsidiaries (collectively, “FedEx”) and related compliance matters. In light of the importance of preserving our reputation for maintaining the highest legal and ethical standards, as well as the detrimental impact of any failures to comply with applicable law, it is imperative that all FedEx officers, managing/staff directors, and employees and members of FedEx Corporation’s Board of Directors (the “Board”) fully understand their responsibilities under the relevant federal securities laws with respect to transactions involving FedEx securities.

To help ensure compliance with these laws, please read this Manual before engaging in any transactions involving FedEx securities.

I. Inside Information; Duty Not to Trade in FedEx Securities

A. Prohibition

Under the federal securities laws, company “insiders” (officers, managing/staff directors, Board members, and anyone else having access to “material, non-public information” about FedEx) are prohibited from trading (or tipping others to trade) in FedEx securities (including common stock, debt, and any other type of security issued by FedEx) on the basis of such information *until* the information has been disclosed to the public. This prohibition reflects the need, as perceived by Congress, the Securities and Exchange Commission (“SEC”), and the courts, to ensure equality of information between corporate insiders and members of the investing public so that each has the ability to make an informed judgment as to the value of FedEx’s securities based on current material information. The prohibition continues to apply after the termination of an insider’s service with FedEx.

Information relating to FedEx is material if there is a substantial likelihood that it would affect the investment decision of a reasonable investor or if it would have an effect (positive or negative) on the market value of FedEx’s securities. Materiality with respect to contingent or speculative events depends upon a balancing of the probability that the event will occur and the magnitude, if it does, on FedEx’s business, operations, and financial condition. The determination of materiality is not always an easy matter, but it should be remembered that courts that rule on particular transactions or activities have the benefit of hindsight. While it is not possible to list every situation that would involve “material” information, the following types of events are examples of what may be considered material:

- Financial results or projections, including changes to previously announced earnings guidance or decisions to suspend earnings guidance;
- Discussions regarding business acquisitions, mergers, dispositions, joint ventures, restructurings, or other significant transactions, as well as developments regarding integrations and other post-merger activities;

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- A significant data breach, cyberattack, cyber-intrusion, or other disruption to FedEx's technology infrastructure;
 - Stock splits and stock dividends;
 - Changes in dividend or stock repurchase policies;
 - Public offerings or private sales of debt or equity securities;
 - Actual or threatened stockholder activism;
 - Changes in senior management or the Board;
 - Significant new products, services, or marketing plans;
 - Substantial capital expenditures and plans with respect to future capital expenditures;
 - Key contract awards, modifications, or cancellations;
 - Significant write-offs or impairments;
 - Changes in accounting methods;
 - Labor negotiations, contracts, disputes, strikes, or lockouts;
 - Litigation or government investigations involving FedEx or any of our officers or Board members;
 - A significant disruption in FedEx's operations; and
 - Any substantial change in industry circumstances or competitive conditions that could significantly impact FedEx's earnings or growth prospects.

If you are unsure whether particular non-public information is material, you should either consult the Securities and Corporate Law Department before trading in FedEx securities or assume that the information is material.

It should be noted that either positive or adverse information may be material. Further, the fact that an insider may have had in mind other factors or good intentions in purchasing or selling FedEx securities while in possession of material, non-public information may not absolve the insider from liability for such trading. The mere circumstantial fact that a trade was made while the information was non-public may well be sufficient to establish such liability. Additionally, to be "public" the information must have been widely disseminated in a manner designed to reach investors generally, and investors must be given the opportunity to absorb the information. Information generally would be considered to be widely disseminated if it has been disclosed in a public disclosure document filed or furnished with the SEC or a press release distributed through a widely circulated news or wire service, or on the Investor Relations page of the FedEx website.

The same rules apply to other companies' securities. You should not buy or sell (or tip others to buy or sell) the securities of another company (such as a FedEx supplier, customer, competitor, or an acquisition target) if you obtain material, non-public information about that other company in violation of a duty owed to the source of that information. In certain instances, information regarding FedEx (including, but not limited to, its financial results), could be material to another company.

B. Penalties

The federal securities laws impose potentially severe civil and criminal penalties on persons who improperly possess or use material, non-public information in connection with a purchase or sale of securities. The SEC may bring a lawsuit against persons who engage in insider trading seeking three times the amount of the profit gained or loss avoided as a result of such an illegal transaction.

The SEC may also seek substantial civil penalties from any person who, at the time of an insider trading violation, “directly or indirectly controlled the person who committed such violation” (e.g., an employer who controls an employee), if the controlling person both (1) knew or recklessly disregarded the fact that the employee was likely to engage in a violation and (2) failed to take appropriate steps to prevent that violation before it occurred.

Substantial criminal penalties, including jail time and monetary penalties, may also be imposed for willful violations of the federal securities laws. Additionally, conduct that violates the guidelines set forth in this Manual constitutes grounds for company-imposed discipline, up to and including termination.

C. Limitation of Access to Undisclosed Material Information

You are obligated to maintain the confidentiality of material, non-public information acquired in the course of your employment at FedEx. You should never discuss confidential information with anyone outside the company unless there is a legitimate business reason and, even then, only if a confidentiality agreement is in place. In addition, you should not disclose confidential information to any other FedEx employee or third party with whom FedEx does or may do business unless he or she has a legitimate, business-related need to know the information. The FedEx Corporate Governance Guidelines set forth additional confidentiality requirements applicable to Board members. You should also exercise caution when discussing FedEx business in public places where conversations can be overheard, such as restaurants and elevators, and you should avoid reading confidential documents in public places, such as airplanes or trains.

Tipping another person to buy or sell securities based upon such information also violates the federal securities laws and can result in the same severe civil and criminal penalties that apply to other types of insider trading—even though you did not trade and did not gain any benefit from the other person’s trading. In addition, the federal securities laws prohibit the selective disclosure of material, non-public information to others outside the company, such as securities analysts or investors.

D. Trading Windows

In order to provide a degree of certainty as to when trading by FedEx officers and managing/staff directors, certain other FedEx employees in sensitive positions, and Board members is permissible, trading or gifting of FedEx securities is only permitted during designated trading windows, as described below. Such officers and managing/staff directors, employees, and Board members must not trade, directly or indirectly, in FedEx securities at any time when the trading window is not open (referred to as a “blackout period”). It is expected that the trading window will be open following the public release of FedEx Corporation’s quarterly earnings results, as follows:

- With respect to the public release of quarterly earnings results for the first, second, and third quarters of any fiscal year, the trading window generally will open the second business day after quarterly earnings for such quarter are actually released to the public and close after the 15th day of the second month of the following fiscal quarter (i.e., October 15, January 15, and April 15).
- With respect to the public release of quarterly earnings results for the fourth quarter of any fiscal year, the trading window generally will open the second business day after fourth quarter earnings are actually released to the public and close at the end of the business day that is one week following the filing of the FedEx Corporation Annual Report on Form 10-K for such fiscal year with the SEC.

FedEx may close any quarterly trading window before the regularly scheduled closing date and may impose extraordinary blackout periods during which trading will not be allowed when there are significant developments that have not yet been made public. You will be notified of all regularly scheduled quarterly trading windows and regular or extraordinary blackout periods that apply to you, and you will be advised not to trade in FedEx securities during any blackout period.

The prohibition against trading in FedEx securities during any blackout period does not apply to the mere exercise of stock options granted under FedEx’s stock option plans because the purchase price (the option price) is fixed by the stock option agreement and will not be influenced by market conditions. However, shares acquired pursuant to such an exercise during a blackout period may only be sold during an open trading window. This prohibition on the sale of such stock acquired pursuant to an option exercise during a blackout period makes it impossible to execute a “cashless” stock option exercise during a blackout period.

Additionally, this prohibition does not apply to purchases of FedEx stock for your account by any FedEx employee stock purchase plan. This prohibition does apply, however, to an initial election to participate in any FedEx employee stock purchase plan, any changes to amounts contributed to a plan, and sales of FedEx stock purchased pursuant to a plan.

E. Mandatory Preclearance of Transactions in FedEx Securities

In order to ensure compliance with the federal securities laws and this Manual, the following persons are required to clear each and every proposed transaction, direct or indirect, in FedEx securities (including stock option exercises or gifts of FedEx stock) before consummating the transaction:

- Board members;
- FedEx Corporation officers; and
- Senior vice presidents and above of all FedEx subsidiaries.

A preclearance request must be submitted in writing to the Securities and Corporate Law Department at least two business days in advance of any proposed transaction and specify the date of the proposed transaction. In addition, the requesting person must affirmatively state in the preclearance request that she or he is not in possession of any material, non-public information regarding FedEx. Any preclearance approval expires at the close of business on the transaction date specified in the preclearance approval. Any preclearance approval may be revoked if there is a change in the status of material, non-public information regarding FedEx prior to completion of the approved transaction. If the transaction is not completed on the date specified in the preclearance approval, a new preclearance request must be submitted. A requesting person may only have one preclearance approval outstanding at any time.

Requesting persons must receive written approval prior to engaging in any transactions as follows:

- For FedEx Corporation officers (other than Section 16 Officers (as defined below)) and senior vice presidents and above of all FedEx subsidiaries, preclearance requests must be approved by the Securities and Corporate Law Department.
- For any officer of FedEx Corporation or any of its subsidiaries who is subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934 (“Section 16 Officers”), preclearance requests must be approved by the (1) Securities and Corporate Law Department, (2) FedEx Corporation Executive Vice President, General Counsel and Secretary, and (3) FedEx Corporation President and Chief Executive Officer, except as otherwise provided below.
- For the FedEx Corporation President and Chief Executive Officer, preclearance requests must be approved by the (1) Securities and Corporate Law Department, (2) FedEx Corporation Executive Vice President, General Counsel and Secretary, and (3) Lead Independent Director or Vice Chairman of the Board.
- For the FedEx Corporation Executive Chairman, preclearance requests must be approved by the (1) FedEx Corporation Executive Vice President, General Counsel and Secretary and (2) Lead Independent Director.

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- For the FedEx Corporation Executive Vice President, General Counsel and Secretary, preclearance requests must be approved by the (1) FedEx Corporation Corporate Vice President – Corporate Governance, Securities, and Tax Law and (2) FedEx Corporation President and Chief Executive Officer.
 - For any non-management Board member, preclearance requests must be approved by the (1) Securities and Corporate Law Department, (2) FedEx Corporation Executive Vice President, General Counsel and Secretary, and (3) Lead Independent Director or Vice Chairman of the Board.

The Securities and Corporate Law Department shall maintain a record of preclearances granted under this Manual.

F. Rule 10b5-1 Plans

The SEC provides an affirmative defense from insider trading liability for securities-trading plans that meet certain detailed requirements (so-called “Rule 10b5-1 plans”). A Rule 10b5-1 plan must either specify (including by formula) the amount, pricing, and timing of transactions in advance or delegate discretion on these matters to an independent third party. In general, an individual must not enter into a Rule 10b5-1 plan at a time when he or she is aware of any material, non-public information regarding FedEx, and once the plan is adopted, the individual must not exercise any influence over the number of securities to be traded, the price at which they are to be traded, or the date of the trade.

Rule 10b5-1 plans for Board members and FedEx officers must be precleared as set forth above and shall be administered in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934. Trades in FedEx securities that are executed pursuant to a preapproved Rule 10b5-1 plan are not subject to the prohibition against trading on the basis of material, non-public information or mandatory pre-clearance. Rule 10b5-1 plans may only be adopted during an open trading window and at a time when you are not aware of any material, non-public information. All Rule 10b5-1 plans relating to FedEx securities (1) must be in the form preapproved by the Securities and Corporate Law Department, (2) shall include a “cooling-off” period between enacting the plan and when trading pursuant to the plan can begin (for Board members and Section 16 Officers, the cooling-off period shall comply with Rule 10b5-1 of the Securities Exchange Act of 1934), and (3) shall be administered by Merrill Lynch, the service provider for FedEx’s stock plans.

II. Prohibited Transactions

You are prohibited from, directly or indirectly, purchasing financial instruments or otherwise engaging in transactions that (a) signal a lack of confidence in FedEx’s prospects; (b) may lead to inadvertent insider trading violations; or (c) hedge or offset, or are designed to hedge or offset, any decrease in the market value of FedEx securities, including the following financial instruments and transactions:

- Publicly traded (or exchange-traded) options, such as puts, calls, and other derivative securities;

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- Short sales, including “sales against the box”;
 - Margin accounts and pledges; and
 - Hedging or monetization transactions designed to limit the financial risk of ownership, including prepaid variable forward contracts, equity swaps, collars, exchange funds, and other similar transactions.

A. Publicly Traded Options

Options trading is highly speculative and very risky. People who buy options are betting that the price of the underlying security will move rapidly. For that reason, when a person trades in options in his or her company’s securities, it may arouse suspicion in the eyes of the SEC that the person is trading on the basis of material, non-public information, particularly if the trading occurs before a company announcement or major event. It is often difficult for an individual to prove that he or she did not know about the announcement or event. If the SEC or the stock exchanges were to notice active options trading prior to a significant corporate announcement, they would likely investigate. Such an investigation could be embarrassing to FedEx (as well as expensive) and could result in severe penalties and significant expense for the persons involved.

Publicly traded options to buy or sell FedEx securities, such as those traded on the Chicago Board Options Exchange, are not issued by FedEx. Rather, they are issued by the Options Clearing Corporation. Despite this fact, transactions in publicly traded options can raise insider trading-related issues, as they involve the right to buy or sell the underlying FedEx securities. Because of the possibility that a trade in the underlying securities might be triggered during a blackout period and the numerous opportunities for speculative abuse of inside information presented by transactions in publicly traded options, you may not engage, directly or indirectly, in such transactions.

B. Short Sales

The SEC prohibits any short sale of FedEx stock by Board members, greater than 10% stockholders, and certain FedEx officers. A short sale is the sale of a security not owned by the seller, or if owned, not delivered (the so-called “short sale against the box”), which involves the borrowing of securities from the seller’s broker for the account of the seller, and delivery of the borrowed securities to the buying broker. At some point in the future, the short seller is obligated to purchase securities to make good or cover the short position. The short seller hopes that he or she will be able to purchase (cover) at a price lower than the price at which he or she made the short sale. Thus, a short seller is a person who expects a security to decline in market value.

Because short sales are inherently speculative in nature and can depress the price of securities, you may not, directly or indirectly, make short sales of FedEx securities.

C. Margin Accounts and Pledges

Securities held in a margin account or pledged as collateral for a loan may be sold without your consent by the broker if you fail to meet a margin call or by the lender in foreclosure if you default on the loan. Because a margin or foreclosure sale may occur at a time when you are aware of material, non-public information or otherwise are not permitted to trade in FedEx securities, you may not, directly or indirectly, hold FedEx securities in a margin account or pledge FedEx securities as collateral for a loan. Exceptions to this prohibition may be granted on a case-by-case basis by:

- The Lead Independent Director or Vice Chairman of the Board and the FedEx Corporation Executive Vice President, General Counsel and Secretary with respect to any non-management Board member, the FedEx Corporation Executive Chairman, or the FedEx Corporation President and Chief Executive Officer, in each case, if such requesting person clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities;
- The FedEx Corporation President and Chief Executive Officer and the FedEx Corporation Corporate Vice President – Corporate Governance, Securities, and Tax Law with respect to the FedEx Corporation Executive Vice President, General Counsel and Secretary, if he or she clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities; and
- The FedEx Corporation Executive Vice President, General Counsel and Secretary in all other instances, if such requesting person clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities.

D. Hedging or Monetization Transactions

Hedging or monetization transactions involve the establishment of a short or long position in FedEx securities and limit exposure to fluctuations in value. These transactions also may signal a lack of confidence in FedEx's prospects. Accordingly, you may not engage, directly or indirectly, in any hedging or monetization transactions, such as prepaid variable forward contracts, equity swaps, collars, exchange funds, and other similar transactions involving FedEx securities.

III. Stock Options

Merrill Lynch is the service provider for our stock plans. All stock option exercises must be executed through Merrill Lynch. Information regarding your stock options (including the basic federal income tax consequences related to stock options) is available at www.benefits.ml.com.

Those persons who require preclearance prior to any transaction (see Section I.E) must exercise their options by contacting the Carlson, Merkel & Dinsmore Executive Services Team at Merrill Lynch. They may be reached by phone at (214) 969-2382.

All other persons may exercise their stock options either online at www.benefits.ml.com or by calling (877) FEDEX01 or (609) 450-1857 (collect) if calling from outside the United States, Puerto Rico, or Canada.

IV. Compliance and Oversight

The Governance, Safety, and Public Policy Committee of the Board shall periodically review and discuss this Manual with management and shall recommend any proposed changes to this Manual to the Board of Directors for approval (other than changes of a strictly administrative nature).

V. Contact Information

This Manual was developed by the Securities and Corporate Law Department of FedEx Corporation. The SEC and government prosecutors vigorously enforce the insider trading laws against both individuals and corporations. Given this risk, the Securities and Corporate Law Department is available to provide you with specific guidance concerning any potential transaction in order to assist you in complying with the insider trading laws. Inquiries regarding this Manual or transactions in FedEx securities may be addressed to Securities_Law@fedex.com.

Amended June 10, 2024

SUBSIDIARIES OF FEDEX CORPORATION

The following is a list of subsidiaries of FedEx Corporation as of May 31, 2024. Pursuant to Item 601(b)(21) of Regulation S-K, we have omitted some subsidiaries that, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of May 31, 2024 under Rule 1-02(w) of Regulation S-X. FedEx Corporation owns, directly or indirectly, 100% of the voting securities of each of the listed subsidiaries. Pursuant to the one FedEx consolidation, on June 1, 2024 FedEx Ground Package System, Inc. and FedEx Corporate Services, Inc. were merged into Federal Express Corporation, and FedEx Freight Corporation merged into FedEx Freight, Inc.

NAME OF SUBSIDIARY	JURISDICTION OF INCORPORATION OR ORGANIZATION
A.C.N. 003 100 052 Pty Ltd	Australia
Capital Returns, Inc.	Wisconsin
Controlled Opportunity and Risk Insurance Company	Tennessee
FCJI, Inc.	Ohio
Federal Express Canada Corporation	Nova Scotia
Federal Express (China) Company Limited	China
Federal Express Corporation	Delaware
Federal Express Europe, Inc.	Delaware
Federal Express Holding US 3, LLC	Delaware
Federal Express Holding US 7, LLC	Delaware
Federal Express Holding US 8, LLC	Delaware
Federal Express Holdings (Mexico) y Compania S.N.C. de C.V.	Mexico
Federal Express Holdings S.A., LLC	Delaware
Federal Express (Hong Kong) Limited	Hong Kong
Federal Express International (France) SNC	France
Federal Express International, Inc.	Delaware
Federal Express Japan G.K.	Japan
Federal Express Korea LLC	Korea
Federal Express Leasing Corporation	Delaware
Federal Express Pacific, LLC	Delaware
Federal Express Services (M) Sdn. Bhd.	Malaysia
Federal Express (Singapore) Pte. Ltd.	Singapore
FedEx Acquisition B.V.	The Netherlands
Fedex Brasil Logistica e Transporte Ltda.	Brazil
FedEx Corporate Services, Inc.	Delaware
FedEx Custom Critical, Inc.	Ohio
FedEx Dataworks, Inc.	Delaware
FedEx Express Australia Pty. Ltd	Australia
FedEx Express BE BV	Belgium
FedEx Express Belgium Air Hub SRL	Belgium
FedEx Express Chile SpA	Chile
FedEx Express Czech Republic s.r.o.	Czech Republic
FedEx Express Danmark ApS	Denmark
FedEx Express Deutschland GmbH	Germany
FedEx Express Finland Oy	Finland
FedEx Express FR SAS	France
FedEx Express Greece Single Member L.L.C.	Greece
FedEx Express Grundstücksgesellschaft mbH & Co. KG	Germany
FedEx Express Holding Netherlands B.V.	The Netherlands
FedEx Express Holdings DE GmbH	Germany
FedEx Express Holdings Deutschland GmbH	Germany

FedEx Express Holdings Germany GmbH	Germany
FedEx Express Hungary Kft.	Hungary
FedEx Express International B.V.	The Netherlands
FedEx Express Ireland Limited	Ireland
FedEx Express Italy S.r.l.	Italy
FedEx Express Netherlands B.V.	The Netherlands
FedEx Express Netherlands Holding, Inc.	Delaware
FedEx Express New Zealand	New Zealand
FedEx Express Poland Sp. z.o.o.	Poland
FedEx Express Portugal, Unipessoal, Lda	Portugal
FedEx Express South Africa (Pty) Ltd	South Africa
FedEx Express Spain, S.L.U.	Spain
FedEx Express Supply Chain (Hong Kong) Limited	Hong Kong
FedEx Express Sverige AB	Sweden
FedEx Express Swiss Post GmbH	Switzerland
FedEx Express Transportation & Supply Chain Services (India) Pvt. Ltd.	India
FedEx Express Turkey Transportation and Commerce Limited Company	Turkey
FedEx Express UK Holdings Limited	United Kingdom
FedEx Express UK Limited	England and Wales
FedEx Express UK Transportation Limited	United Kingdom
FedEx Freight Canada, Corp.	Nova Scotia
FedEx Freight Corporation	Delaware
FedEx Freight, Inc.	Arkansas
FedEx Ground Package System, Inc.	Delaware
FedEx Ground Package System, Ltd.	Wyoming
FedEx Logistics, Inc.	Delaware
FedEx Luxembourg S.à r.l.	Luxembourg
FedEx Office and Print Services, Inc.	Texas
FedEx Supply Chain Distribution System, Inc.	Pennsylvania
FedEx Supply Chain Holdings, Inc.	Nevada
FedEx Trade Networks Trade Services, LLC	Delaware
FedEx Trade Networks Transport & Brokerage (Canada), Inc.	Canada
FedEx Trade Networks Transport & Brokerage (Hong Kong) Limited	Hong Kong
FedEx Trade Networks Transport & Brokerage, Inc.	New York
FedEx Trade Networks Transport & Brokerage Private Limited	India
FedEx UK Holdings Limited	England and Wales
FedEx UK Limited	England and Wales
GD Insurance Company DAC	Ireland
GENCO Infrastructure Solutions, Inc.	Delaware
GENCO Marketplace, Inc.	Pennsylvania
TNT Express ICS Limited	United Kingdom
TNT Express Worldwide (China) Limited	China
TNT Express Worldwide Investments Limited	United Kingdom
TNT Finance B.V.	The Netherlands
TNT (H.K.) Limited	Hong Kong
TNT Holdings B.V.	The Netherlands
TNT Holdings (UK) Limited	United Kingdom
TNT Mercurio Cargas e Encomendas Expressas Ltda.	Brazil
TNT Transport International B.V.	The Netherlands
TNT Transport Limited	United Kingdom
TNT (UAE) LLC	United Arab Emirates
TNT USA LLC	Delaware



LIST OF SUBSIDIARY GUARANTORS

As of May 31, 2024, each of the following subsidiaries of FedEx Corporation (“FedEx”) guaranteed each of the senior unsecured debt securities issued by FedEx listed below. FedEx owns, directly or indirectly, 100% of each guarantor subsidiary. The guarantees are (1) unsecured obligations of the respective guarantor subsidiary, (2) rank equally with all of their other unsecured and unsubordinated indebtedness, and (3) are full and unconditional and joint and several.

NAME OF GUARANTOR SUBSIDIARY*	JURISDICTION OF INCORPORATION OR ORGANIZATION
Federal Express Corporation	Delaware
FedEx Ground Package System, Inc.	Delaware
FedEx Freight Corporation	Delaware
FedEx Freight, Inc.	Arkansas
FedEx Corporate Services, Inc.	Delaware
FedEx Office and Print Services, Inc.	Texas
Federal Express Europe, Inc.	Delaware
Federal Express Holdings S.A., LLC	Delaware
Federal Express International, Inc.	Delaware

*Pursuant to the one FedEx consolidation, on June 1, 2024 FedEx Ground Package System, Inc. and FedEx Corporate Services, Inc. were merged into Federal Express Corporation, and FedEx Freight Corporation was merged into FedEx Freight, Inc.

SENIOR UNSECURED DEBT SECURITIES OF FEDEX GUARANTEED BY THE GUARANTOR SUBSIDIARIES ⁽¹⁾

0.450% Note due 2025
3.250% Note due 2026
1.625% Note due 2027
3.400% Note due 2028
4.200% Note due 2028
0.450% Note due 2029
3.100% Note due 2029
4.250% Note due 2030
1.300% Note due 2031
2.400% Note due 2031
0.950% Note due 2033
4.900% Note due 2034
3.900% Note due 2035
3.250% Note due 2041
3.875% Note due 2042
4.100% Note due 2043
5.100% Note due 2044
4.100% Note due 2045
4.750% Note due 2045
4.550% Note due 2046
4.400% Note due 2047
4.050% Note due 2048
4.950% Note due 2048
5.250% Note due 2050
4.500% Note due 2065

⁽¹⁾References are to calendar years.

SUBSIDIARY ISSUERS OF GUARANTEED SECURITIES

Pass-through trusts formed by Federal Express Corporation (“Federal Express”), a Delaware corporation and wholly owned subsidiary of FedEx, offer for sale pass-through certificates of Federal Express. Each pass-through certificate represents an interest in a pass-through trust. The property of the pass-through trust includes equipment notes issued by Federal Express. FedEx fully and unconditionally guarantees the payment obligations due on the equipment notes underlying the pass-through certificates offered for sale by Federal Express.

Federal Express issued Pass-Through Certificates, Series 2020-1AA with a fixed interest rate of 1.875% due February 2034 utilizing pass-through trusts.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-267559) pertaining to the FedEx Corporation 2019 Omnibus Stock Incentive Plan,
- (2) Registration Statement (Form S-8 No. 333-234010) pertaining to the FedEx Corporation 2019 Omnibus Stock Incentive Plan,
- (3) Registration Statement (Form S-8 No. 333-222198) pertaining to the FedEx Corporation 2010 Omnibus Stock Incentive Plan, as amended, and the FedEx Corporation 2019 Omnibus Stock Incentive Plan,
- (4) Registration Statement (Form S-8 No. 333-192957) pertaining to the FedEx Corporation 2010 Omnibus Stock Incentive Plan,
- (5) Registration Statement (Form S-8 No. 333-171232) pertaining to the FedEx Corporation 2010 Omnibus Stock Incentive Plan,
- (6) Registration Statement (Form S-8 No. 333-45037) pertaining to the FDX Corporation Adjustment Program,
- (7) Registration Statement (Form S-8 No. 333-111399) pertaining to the FedEx Corporation Incentive Stock Plan,
- (8) Registration Statement (Form S-8 No. 333-121418) pertaining to the FedEx Corporation Incentive Stock Plan,
- (9) Registration Statement (Form S-8 No. 333-130619) pertaining to the FedEx Corporation Incentive Stock Plan,
- (10) Registration Statement (Form S-8 No. 333-156333) pertaining to the FedEx Corporation Incentive Stock Plan, and
- (11) Registration Statement (Form S-3 No. 333-273320) of FedEx Corporation and Federal Express Corporation;

of our reports dated July 15, 2024, with respect to the consolidated financial statements and financial statement schedule of FedEx Corporation and the effectiveness of internal control over financial reporting of FedEx Corporation included in this Annual Report (Form 10-K) of FedEx Corporation for the year ended May 31, 2024.

/s/ Ernst & Young LLP

Memphis, Tennessee

July 15, 2024

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Rajesh Subramaniam, certify that:

1. I have reviewed this annual report on Form 10-K of FedEx Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 15, 2024

/s/ Rajesh Subramaniam

Rajesh Subramaniam

President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John W. Dietrich, certify that:

1. I have reviewed this annual report on Form 10-K of FedEx Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 15, 2024

/s/ John W. Dietrich

John W. Dietrich
Executive Vice President and
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of FedEx Corporation (“FedEx”) on Form 10-K for the period ended May 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Rajesh Subramaniam, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FedEx.

Date: July 15, 2024

/s/ Rajesh Subramaniam

Rajesh Subramaniam

President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of FedEx Corporation (“FedEx”) on Form 10-K for the period ended May 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John W. Dietrich, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FedEx.

Date: July 15, 2024

/s/ John W. Dietrich

John W. Dietrich
Executive Vice President and
Chief Financial Officer

FedEx Corporation

Policy on Recoupment of Incentive Compensation

Purpose

The purpose of this policy is to set forth the procedures established by the FedEx Corporation (“FedEx” or the “Company”) Board of Directors (the “Board”) for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with the financial reporting requirements under the U.S. federal securities laws in accordance with the terms and conditions set forth herein.

Definitions

For purposes of this policy, the terms set forth below shall have the following meanings:

Code: the U.S. Internal Revenue Code of 1986, as amended, and the regulations and guidance thereunder.

Committee: the Compensation and Human Resources Committee of the Board.

Covered Compensation: any Incentive-Based Compensation granted, vested, or paid to a person who served as an Executive Officer at any time during the performance period for the Incentive-Based Compensation and that was received (i) on or after the Effective Date, (ii) after the person became an Executive Officer, and (iii) at a time that the Company had a class of securities listed on a U.S. national securities exchange.

For purposes of this policy, Incentive-Based Compensation is deemed “received” in the Company’s fiscal period during which the Financial Reporting Measure specified in or otherwise relating to the Incentive-Based Compensation award is attained, even if the grant, vesting, or payment of the Incentive-Based Compensation occurs after the end of that period.

Effective Date: June 12, 2023

Erroneously Awarded Compensation: the amount of Covered Compensation granted, vested, or paid to a person during the fiscal period when the applicable Financial Reporting Measure relating to such Covered Compensation was attained that exceeds the amount of Covered Compensation that otherwise would have been granted, vested, or paid to the person had such amount been determined based on the applicable Restatement, computed without regard to any taxes paid (i.e., on a pre-tax basis). For Covered Compensation based on stock price or total stockholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the Committee will determine the amount of such Covered Compensation that constitutes Erroneously Awarded Compensation, if any, based on a reasonable estimate of the effect of the Restatement on the stock price or total stockholder return upon which the Covered Compensation was granted, vested, or paid and the Committee shall maintain documentation of such determination and provide such documentation to the NYSE.

Exchange Act: the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder.

Executive Officer: those persons who are designated by the Board as an “officer” of the Corporation as such term is defined in Rule 16a-1(f) under the Exchange Act. Both current and former Executive Officers are subject to this policy in accordance with its terms.

Financial Reporting Measure: (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures derived wholly or in part from such measures, (ii) stock price, or (iii) total stockholder return. For the avoidance of doubt, any such measure does not need to be presented within the Company’s financial statements or included in a filing with the SEC to constitute a Financial Reporting Measure.

Incentive-Based Compensation: any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. For purposes of this policy, “Incentive-Based Compensation” shall also be deemed to include any amounts which were determined based on (or were otherwise calculated by reference to) Incentive-Based Compensation (including, without limitation, any amounts under any long-term disability, life insurance, or supplemental retirement or severance plan or agreement or any notional account that is based on Incentive-Based Compensation, as well as any earnings accrued thereon).

Lookback Period: the three completed fiscal years (plus any transition period of less than nine months that is within or immediately following the three completed fiscal years and that results from a change in the Company’s fiscal year) immediately preceding the date on which the Company is required to prepare a Restatement for a given reporting period, with such date being the earlier of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement, or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement. Recovery of any Erroneously Awarded Compensation under this policy is not dependent on if or when the Restatement is actually filed.

NYSE: the New York Stock Exchange.

Restatement: a required accounting restatement of any FedEx financial statement due to the material noncompliance of the Company with any financial reporting requirement under U.S. federal securities laws, including (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements or (ii) to correct an error in previously issued financial statements that is not material to the previously issued financial statements but that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. Recovery of any Erroneously Awarded Compensation under this policy is not dependent on fault, fraud, or misconduct by any person in connection with the Restatement.

For purposes of this policy, a Restatement shall not be deemed to occur in the event of a revision of the Company's financial statements due to an out-of-period adjustment (i.e., when the error is immaterial to the previously issued financial statements and the correction of the error is also immaterial to the current period) or a retrospective (1) application of a change in accounting principles; (2) revision to reportable segment information due to a change in the structure of the Company's internal organization; (3) reclassification due to a discontinued operation; (4) application of a change in reporting entity, such as from a reorganization of entities under common control; or (5) revision for stock splits, reverse stock splits, stock dividends, or other changes in capital structure.

SEC: the U.S. Securities and Exchange Commission.

Recoupment of Erroneously Awarded Compensation

In the event of a Restatement, any Erroneously Awarded Compensation received during the Lookback Period prior to the Restatement (a) that is then-outstanding but has not yet been paid shall be automatically and immediately forfeited and (b) that has been paid to any person shall be subject to reasonably prompt repayment to the Company. The Committee must pursue (and shall not have the discretion to waive) the forfeiture and/or repayment of such Erroneously Awarded Compensation, except as provided below.

Notwithstanding the foregoing, the Committee may determine not to pursue the forfeiture and/or recovery of Erroneously Awarded Compensation from any person if the Committee determines that such forfeiture and/or recovery would be impracticable due to any of the following circumstances: (i) the direct expense paid to a third party to assist in enforcing this policy would exceed the amount to be recovered (following reasonable attempts by the Company to recover such Erroneously Awarded Compensation, the documentation of such attempts, and the provision of such documentation to the NYSE); (ii) pursuing such recovery would violate the Company's home country laws adopted prior to November 28, 2022 (provided that the Company obtains an opinion of home country counsel acceptable to the NYSE that recovery would result in such a violation and provides such opinion to the NYSE); or (iii) recovery would likely cause any otherwise tax-qualified retirement plan, under which benefits are broadly available to employees, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the Code.

Notwithstanding anything to the contrary herein, the Company has no obligation to seek recoupment of amounts that are granted, vested, or earned based solely upon the occurrence or non-occurrence of non-financial events. Such exempt compensation includes, without limitation, base salary; time-vesting awards; compensation awarded on the basis of the achievement of metrics that are not Financial Reporting Measures; and compensation awarded solely at the discretion of the Committee, the Board, or a group composed entirely of independent members of the Board; provided that such amounts are in no way contingent on, and were not in any way granted on the basis of, the achievement of any Financial Reporting Measure.

Means of Repayment

In the event that the Committee determines that any person shall repay any Erroneously Awarded Compensation, the Committee shall provide written notice to such person by email or certified mail to the physical address on file with the Company for such person, and the person shall satisfy such repayment in a manner and on such terms as required by the Committee, and the Company shall be entitled to set off the repayment amount against any amount owed to the person by the Company, to require the forfeiture of any award granted by the Company to the person, or to take any and all necessary actions to reasonably promptly recoup the repayment amount from the person, in each case, to the fullest extent permitted under applicable law, including, without limitation, Section 409A of the Code. If the Committee does not specify a repayment timing in the written notice described above, the applicable person shall be required to repay the Erroneously Awarded Compensation to the Company by wire, cash, or cashier's check no later than thirty (30) days after receipt of such notice.

No Indemnification

The Company shall not indemnify any person, directly or indirectly, for any losses that such person may incur in connection with the recovery of Erroneously Awarded Compensation pursuant to this policy, including through the payment of insurance premiums or gross-up payments.

Administration

This policy shall be administered and interpreted by the Committee. The Committee shall make all determinations regarding the application and operation of this policy in its sole discretion (including the manner and timing for promptly recouping Erroneously Awarded Compensation), and all such determinations shall be final and binding. In the event that the Committee determines that any person shall repay any Erroneously Awarded Compensation, the person shall satisfy such repayment in a manner and on such terms as required by the Committee to the fullest extent permitted under applicable law including, without limitation, Section 409A of the Code.

Other

This policy is intended to comply with the requirements of Section 10D of the Exchange Act and Section 303A.14 of the NYSE Listed Company Manual. The provisions of this policy shall be interpreted in a manner that satisfies such requirements and this policy shall be operated accordingly. If any provision of this policy would otherwise frustrate or conflict with this intent, the provision shall be interpreted and deemed amended so as to avoid such conflict.

Any applicable award agreement or other document setting forth the terms and conditions of any compensation covered by this policy shall be deemed to include the restrictions imposed herein and incorporate this policy by reference and, in the event of any inconsistency, the terms of this policy will govern.

The provisions in this policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted and shall

automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this policy shall not affect the validity or enforceability of any other provision of this policy.

This policy replaces the Policy on Recoupment of Incentive Compensation adopted by the Board on March 11, 2019. The rights of the Company under this policy to seek forfeiture or reimbursement are in addition to, and not in lieu of, any rights of recoupment, or remedies or rights other than recoupment, that may be available to the Company pursuant to the terms of any law, government regulation, or stock exchange listing requirement or any other policy, plan, or agreement of the Company; provided, however, that any amounts recouped under any other policy that would be recoupable under this policy shall count toward any required recoupment under this policy and vice versa.

Approved June 12, 2023