

## **Tax Strategy of FedEx Corporation's UK business**

This UK tax strategy is applicable to all FedEx Corporation companies and branches with a tax presence in the UK.

This strategy is published for the year ended 31 May 2019 in compliance with the requirements of Finance Act 2016, Schedule 19 paragraph 19(2) and 22(2). This strategy remains in effect until superseded by publication of a UK tax strategy for a subsequent period.

The strategy explains how tax risks are managed, our attitude towards tax planning and tax governance.

### **FedEx Code of Conduct and Ethics**

FedEx's [Corporate Mission Statement](#) states "Corporate activities will be conducted to the highest ethical and professional standards.". To achieve the mission every director, officer and employee is expected to comply with the policies set forth in the FedEx [Code of Business Conduct and Ethics](#).

FedEx is committed to complying with all applicable tax laws and to ensuring disclosure of relevant facts and information to the UK tax authority.

FedEx businesses in the UK have a "low" risk rating from the UK tax authority.

### **Managing tax risks**

FedEx has in place a control framework to capture and assess tax risks. Our management is responsible for establishing adequate internal control over financial reporting. 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 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 and our highly qualified financial and legal professionals.

Processes and controls are kept under review so they can be adapted for changes in the law or business operations.

Team members with suitable experience and technical knowledge are responsible for managing tax risks and external advice is taken as necessary to ensure best practice is followed.

FedEx aims to keep the UK tax authority informed of significant tax risks identified and to seek guidance from the UK tax authority as appropriate.

As a large multinational group operating across borders tax risks can arise, for example interpretation of the law or cross border transactions. Where these risks arise FedEx uses the experience and expertise of its team members as well as external advisors to manage the risks.

### **FedEx approach to tax planning in the UK**

FedEx will not implement tax arrangements that are not consistent with the commercial activities of the business or seek to abuse the intentions of the tax laws. FedEx aims to keep the tax authority updated on key changes arising from any restructuring.

Advice is obtained from external advisors as necessary to support business changes, acquisitions, disposals and other reorganisations.

### **Tax governance**

This UK tax strategy has been approved by the SVP Finance FedEx Express International and the SVP Finance/CFO FedEx Trade Networks.

The board of directors of each UK subsidiary has responsibility for applying the UK tax strategy within that entity.

There are a number of Senior Accounting Officers with responsibility for the financial accounting arrangements of the FedEx businesses in the UK. Each SAO is required to take reasonable steps to ensure that appropriate tax accounting arrangements are established and maintained. The relevant SAO will be notified of any tax risks and will update the relevant board of directors as necessary.

Additional governance is also provided by Tax and Tax Legal teams in the United States.