

RYDER SYSTEM INC
Form DEF 14A
March 19, 2009

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

**SCHEDULE 14A
(RULE 14a-101)**

INFORMATION REQUIRED IN PROXY STATEMENT

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

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

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| <input type="checkbox"/> Preliminary Proxy Statement | <input type="checkbox"/> Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)) |
| <input checked="" type="checkbox"/> Definitive Proxy Statement | |
| <input type="checkbox"/> Definitive Additional Materials | |
| <input type="checkbox"/> Soliciting Material Pursuant to § 240.14a-12 | |

Ryder System, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
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Ryder System, Inc.

11690 N.W. 105th Street

Miami, Florida 33178

NOTICE OF 2009 ANNUAL MEETING OF SHAREHOLDERS

Time: 10:00 a.m., Eastern Daylight Time

Date: Friday, May 1, 2009

Place: Ryder System, Inc. Headquarters
11690 N.W. 105th Street
Miami, Florida 33178

Purpose:

1. To elect five directors as follows: John M. Berra, Luis P. Nieto, Jr., E. Follin Smith and Gregory T. Swienton for a three-year term expiring at the 2012 Annual Meeting of Shareholders and James S. Beard for a two-year term expiring at the 2011 Annual Meeting of Shareholders.
2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2009 fiscal year.
3. To consider any other business that is properly presented at the meeting.

Who May Vote: You may vote if you were a record owner of our common stock at the close of business on March 6, 2009.

Proxy Voting: Your vote is important. You may vote:

- via Internet;
- by telephone;
- by mail, if you have received a paper copy of the proxy materials; or
- in person at the meeting.

By order of the Board of Directors,

Robert D. Fatovic

Executive Vice President, Chief Legal Officer and Corporate Secretary

Miami, Florida

March 19, 2009

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RYDER SYSTEM, INC.

**11690 N.W. 105th STREET
MIAMI, FLORIDA 33178**

PROXY STATEMENT

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
ANNUAL
MEETING TO BE HELD ON MAY 1, 2009.**

The Company's Proxy Statement and Annual Report are available online at: <http://www.proxyvote.com>

INFORMATION ABOUT OUR ANNUAL MEETING

You are receiving this proxy statement because you own shares of Ryder common stock that entitle you to vote at the 2009 Annual Meeting of Shareholders. Our Board of Directors (Board) is soliciting proxies from shareholders who wish to vote at the meeting. By use of a proxy, you can vote even if you do not attend the meeting. This proxy statement describes the matters on which you are being asked to vote and provides information on those matters so that you can make an informed decision.

This year we have elected to take advantage of the Securities and Exchange Commission's notice and access rule that allows us to furnish proxy materials to shareholders online. We believe electronic delivery will expedite the receipt of proxy materials, while significantly lowering costs and reducing the environmental impact of printing and mailing full sets of proxy materials. As a result, on or about March 19, 2009, we mailed to shareholders either (i) a Notice of Internet Availability (Notice) containing instructions on how to access our proxy materials online or (ii) a printed set of proxy materials which includes this proxy statement, our 2008 annual report and a proxy card. If you receive a Notice by mail, you will not receive a printed copy of the materials, unless you specifically request one. Instructions on how to receive a paper copy of the proxy materials are included in the Notice.

Q: When and where is the Annual Meeting?

A: We will hold the Annual Meeting on Friday, May 1, 2009, at 10:00 a.m. Eastern Daylight Time at the Ryder System, Inc. Headquarters, 11690 N.W. 105th Street, Miami, Florida 33178. A map with directions to the meeting can be found on the printed proxy card.

Q: What am I voting on?

A: You are voting on two proposals:

1. Election of directors as follows: John M. Berra, Luis P. Nieto, Jr., E. Follin Smith and Gregory T. Swienton for a three-year term expiring at the 2012 Annual Meeting of Shareholders and James S. Beard for a two-year

term expiring at the 2011 Annual Meeting of Shareholders.

2. Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2009 fiscal year.

You will also be voting on such other business, if any, as may properly come before the meeting, or any adjournment of the meeting.

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Q: What are the voting recommendations of the Board of Directors?

A: The Board recommends that you vote:

FOR the election of each of the director nominees.

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2009 fiscal year.

Q: Who can vote?

A: The Board of Directors has set March 6, 2009 as the record date for the Annual Meeting. Holders of Ryder common stock at the close of business on the record date are entitled to vote their shares at the Annual Meeting. As of March 6, 2009, there were 55,889,226 shares of common stock issued, outstanding and entitled to vote. Each share of common stock issued and outstanding is entitled to one vote.

Q: What is a shareholder of record?

A: You are a shareholder of record if you are registered as a shareholder with our transfer agent, Computershare Trust Company, N.A. (Computershare).

Q: What is a beneficial shareholder?

A: You are a beneficial shareholder if a brokerage firm, bank, trustee or other agent (nominee) holds your shares. This is often called ownership in street name, since your name does not appear anywhere in our records.

Q: What shares are reflected on my proxy?

A: Your proxy reflects all shares owned by you at the close of business on March 6, 2009. For participants in our 401(k) Plan, shares held in your account as of that date are included in your proxy, and the proxy will serve as a voting instruction for the trustee of our 401(k) Plan who will vote your shares as you instruct.

Q: How many votes are needed for the proposals to pass?

A: The affirmative vote of the holders of at least a majority of the total number of shares issued and outstanding and entitled to vote is required for the election of each director and for the ratification of the appointment of PricewaterhouseCoopers LLP.

Q: What is a quorum?

A: A quorum is the minimum number of shares required to hold a meeting. Under our By-Laws, the holders of a majority of the total number of shares issued and outstanding and entitled to vote at the meeting must be present

in person or represented by proxy for a quorum.

Q: Who can attend the Annual Meeting?

A: Only shareholders and our invited guests are permitted to attend the Annual Meeting. To gain admittance, you must bring a form of personal identification to the meeting, where your name will be verified against our shareholder list. If a broker or other nominee holds your shares and you plan to attend the meeting, you should bring a brokerage statement showing your ownership of the shares as of the record date, a letter from the broker confirming such ownership, and a form of personal identification. If you wish to vote your shares which are held by a broker or other nominee at the meeting, you must obtain a proxy from your broker or nominee and bring your proxy to the meeting.

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Q: How do I vote?

A: If you are a shareholder of record, you may vote on the Internet, by telephone or by signing, dating and mailing your proxy card. Detailed instructions for Internet and telephone voting are set forth on the Notice and the printed proxy card. You may also vote in person at the Annual Meeting.

If your shares are held in our 401(k) Plan, the proxy will serve as a voting instruction for the trustee of our 401(k) Plan who will vote your shares as you instruct. To allow sufficient time for the trustee to vote, your voting instructions must be received by April 27, 2009. If the trustee does not receive your instructions by that date, the trustee will vote the shares you hold through our 401(k) Plan in the same proportion as those shares in our 401(k) Plan for which voting instructions were received.

If you are a beneficial shareholder, you must follow the voting procedures of your broker, bank or trustee.

Q: What does it mean if I receive more than one proxy card?

A: It means that you hold shares in more than one account. To ensure that all your shares are voted, sign and return each proxy card. Alternatively, if you vote by telephone or on the Internet, you will need to vote once for each proxy card and voting instruction card you receive.

Q: If I plan to attend the Annual Meeting, should I still vote by proxy?

A: Yes. Casting your vote in advance does not affect your right to attend the Annual Meeting. If you send in your proxy card and also attend the meeting, you do not need to vote again at the meeting unless you want to change your vote. Written ballots will be available at the meeting for shareholders of record.

Beneficial shareholders who wish to vote in person must request a legal proxy from the nominee and bring that legal proxy to the Annual Meeting.

Q: Who pays the cost of this proxy solicitation?

A: We pay the cost of soliciting your proxy and reimburse brokerage firms and others for forwarding proxy materials to you. In addition to solicitation by mail, solicitations may also be made by personal interview, letter, fax and telephone. Certain of our officers, directors and employees may participate in the solicitation of proxies without additional consideration.

Q: What is Householding?

A: The SEC's Householding rule affects the delivery of our annual disclosure documents (such as annual reports, proxy statements, notices of internet availability of proxy materials and other information statements) to shareholders. Under this rule, we are allowed to deliver a single set of our annual report and proxy statement to multiple shareholders at a shared address or household, unless a shareholder at that shared address delivers contrary instructions to us through our transfer agent, Computershare. Each shareholder will continue to receive a separate proxy card or voting instruction card even when a single set of materials is sent to a shared address under the Householding rule. The Householding rule is designed to reduce the expense of sending multiple

disclosure documents to the same address.

If you are a registered shareholder and you want to request a separate copy of this proxy statement or accompanying annual report, you may contact our Investor Relations Department by calling (305) 500-4053, in writing at Ryder System, Inc., Investor Relations Department, 11690 N.W. 105th Street, Miami, Florida 33178, or by e-mail to *RyderforInvestors@ryder.com*, and a copy will be promptly sent to you. If you wish to receive separate documents in future mailings, please contact our transfer agent, Computershare by calling (800) 730-4001, in writing at Computershare, P.O. Box 43078, Providence, RI 02940-3078, or by e-mail at <http://www-us.computershare.com/investor/contactus/>. Our 2008 annual report and this proxy statement are also available through our website at www.ryder.com.

Two or more shareholders sharing an address can request delivery of a single copy of annual disclosure documents if they are receiving multiple copies by contacting Computershare in the manner set forth above.

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If a broker or other nominee holds your shares, please contact such holder directly to inquire about the possibility of Householding.

Q: Who tabulates the votes?

A: Our Board of Directors has appointed Broadridge Investor Communication Solutions (Broadridge) as the independent Inspector of Election. Representatives of Broadridge will count the votes.

Q: Is my vote confidential?

A: Yes. The voting instructions of shareholders of record will only be available to the Inspector of Election (Broadridge). Voting instructions for employee benefit plans will only be available to the plans' trustees and the Inspector of Election. The voting instructions of beneficial shareholders will only be available to the shareholder's bank, broker or trustee. Your voting records will not be disclosed to us unless required by a legal order, requested by you or cast in a contested election.

Q: What if I abstain from voting on a proposal?

A: If you sign and return your proxy marked "abstain" on any proposal, your shares will not be voted on that proposal and will not be counted as votes cast in the final tally of votes with regard to that proposal. However, your shares will be counted for purposes of determining whether a quorum is present. Accordingly, a marking of "abstain" on any proposal will have the same effect as a vote against the proposal.

Q: What if I sign and return my proxy without making any selections?

A: If you sign and return your proxy without making any selections, your shares will be voted "FOR" proposals 1 and 2. If other matters properly come before the meeting, the proxy holders will have the authority to vote on those matters for you at their discretion. As of the date of this proxy statement, we are not aware of any matters that will come before the meeting other than those disclosed in this proxy statement.

Q: What if I am a beneficial shareholder and I do not give the nominee voting instructions?

A: Brokerage firms have the authority under New York Stock Exchange (NYSE) rules to vote shares for which their customers do not provide voting instructions on certain "routine" matters. The election of directors and the proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2009 fiscal year are considered "routine" matters. If you are a beneficial shareholder and your shares are held in the name of a broker, the broker is permitted to vote your shares on the election of directors and the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2009 fiscal year even if the broker does not receive voting instructions from you.

A broker non-vote occurs when a broker or other nominee who holds shares for another does not vote on a particular item because the nominee does not have discretionary voting authority for that item and has not

received instructions from the owner of the shares. Broker non-votes are included in the calculation of the number of votes considered to be present at the meeting for purposes of determining the presence of a quorum but are not counted as shares present and entitled to be voted with respect to a matter on which the broker has expressly not voted.

Q: How do I change my vote?

A: A shareholder of record may revoke a proxy by giving written notice of revocation to our Corporate Secretary before the meeting, by delivering a later-dated proxy (either in writing, by telephone or over the Internet), or by voting in person at the Annual Meeting.

If you are a beneficial shareholder, you may change your vote by following the nominee's procedures for revoking or changing your proxy.

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Q: When are shareholder proposals for next year's Annual Meeting due?

A: To be considered for inclusion in Ryder's 2010 proxy statement, shareholder proposals must be delivered in writing to us at 11690 N.W. 105th Street, Miami, Florida 33178, Attention: Corporate Secretary, no later than November 19, 2009. Additionally, we must receive proper notice of any shareholder proposal to be submitted at the 2010 Annual Meeting of Shareholders (but not required to be included in our proxy statement) at least 90, but no more than 120, days before the one-year anniversary of the 2009 Annual Meeting.

If a shareholder would like to nominate one or more directors for election at the 2010 Annual Meeting of Shareholders, he or she must give advance written notice to us at least 90, but no more than 120, days before the one-year anniversary of the 2009 Annual Meeting, as required by our By-Laws. The notice must include information regarding both the proposing shareholder and the director nominee. In addition, the director nominee must submit a completed and signed questionnaire. This questionnaire will be provided by the Corporate Secretary upon request and is similar to the annual questionnaire completed by all of our directors relating to their background, experience and independence.

All of the requirements relating to the submission of shareholder proposals or director nominations are included in our By-Laws. A copy of our By-Laws can be obtained from our Corporate Secretary. The By-Laws are also included in our filings with the SEC which are available on the SEC's website at www.sec.gov.

Q: Can I receive future proxy materials electronically?

A: Yes. If you are a shareholder of record you may, if you wish, receive future proxy statements and annual reports online. If you vote via the Internet as described on your proxy card, you may sign up for electronic delivery at the same time. You may also register for electronic delivery of future proxy materials on the Investor Relations page of our website at www.ryder.com.

If you elect this feature, you will receive an e-mail message notifying you when the materials are available along with a web address for viewing the materials and instructions for voting by telephone or on the Internet.

We encourage you to sign up for electronic delivery of future proxy materials as this will allow you to receive the materials more quickly and will reduce printing and mailing cost.

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ELECTION OF DIRECTORS

(Proposal 1)

Under our By-Laws, directors are elected for three-year terms, typically with one-third of the directors standing for election in any given year. The four directors whose terms expire at the 2009 Annual Meeting of Shareholders are John M. Berra, Luis P. Nieto, Jr., E. Follin Smith and Gregory T. Swienton. Upon the recommendation of the Corporate Governance and Nominating Committee (Governance Committee), our Board of Directors has nominated John M. Berra, Luis P. Nieto, Jr., E. Follin Smith and Gregory T. Swienton for re-election at the 2009 Annual Meeting of Shareholders for a three-year term that expires at the 2012 Annual Meeting of Shareholders, and each have consented to serve if elected.

In July 2008, the Board of Directors elected James S. Beard to the Board of Directors. A third-party search firm identified Mr. Beard as a Board candidate, and after an interview process and a recommendation by the Governance Committee, the Board approved his election to the Board. The search firm was paid a fee for their service. In accordance with our By-Laws, Mr. Beard is being nominated for election at the 2009 Annual Meeting of Shareholders. Because our By-Laws require that the number of directors whose terms expire in any given year remains as nearly equal in number as possible, Mr. Beard is being nominated to serve in the class of directors whose terms expire at the 2011 Annual Meeting of Shareholders. Mr. Beard has consented to serve if elected.

Our Board of Directors determined that, other than Gregory T. Swienton, each director nominee qualifies as independent under applicable regulations and the categorical director independence standards adopted by our Board of Directors and set forth under **Director Independence** on page 11 of this proxy statement.

David I. Fuente, Eugene A. Renna, Abbie J. Smith and Christine A. Varney are currently serving terms that expire at the 2010 Annual Meeting of Shareholders. L. Patrick Hassey, Lynn M. Martin and Hansel E. Tookes, II, are currently serving terms that expire at the 2011 Annual Meeting of Shareholders.

The principal occupation and certain other information about each director and director nominee appears on the following pages.

The Board of Directors recommends a vote FOR the election of each of the director nominees.

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**NOMINEE FOR DIRECTOR
FOR A TERM OF OFFICE EXPIRING AT THE 2011 ANNUAL MEETING**

James S. Beard, 68, served as Vice President of Caterpillar Inc. from 1991 to 2005, with responsibility for the Financial Products Division. His responsibilities included Caterpillar Financial Services Corporation, where he served as President, Caterpillar Insurance Services Corporation, Caterpillar Redistribution Services Inc. and Caterpillar Power Ventures Corporation. He served in the leadership position of Caterpillar Financial Services since its formation in 1981.

Mr. Beard was elected to the Board of Directors in July 2008 and is a member of the Compensation Committee and the Finance Committee.

Mr. Beard serves on the Boards of Directors of Genesco, Inc. and Rogers Group, Inc. and is a past Chairman of the Equipment Leasing and Finance Association.

**NOMINEE FOR DIRECTOR
FOR A TERM OF OFFICE EXPIRING AT THE 2012 ANNUAL MEETING**

John M. Berra, 61, is Chairman of Emerson Process Management, a global leader in providing solutions to customers in process control, and Executive Vice President of Emerson Electric Company. Until October 1, 2008, he served as President of Emerson Process Management. Mr. Berra joined Emerson's Rosemount division as a marketing manager in 1976 and thereafter continued assuming more prominent roles in the organization until 1997 when he was named President of Emerson's Fisher-Rosemount division (now Emerson Process Management). Prior to joining Emerson, Mr. Berra was an instrument and electrical engineer with Monsanto Company.

Mr. Berra was elected to the Board of Directors in July 2003 and is the Chair of the Compensation Committee and a member of the Finance Committee.

Mr. Berra serves as an advisory director to the Board of Directors of Emerson Electric Company. He also serves as Chairman of the Fieldbus Foundation and is a past Chairman of the Measurement, Control, and Automation Association.

Luis P. Nieto, Jr., 53, is President of the Consumer Foods Group for ConAgra Foods Inc., one of the largest packaged foods companies in North America. Prior to joining ConAgra, Mr. Nieto was President and Chief Executive Officer of the Federated Group, a leading private label supplier to the retail grocery and foodservice industries from 2002 to 2005. From 2000 to 2002, he served as President of the National Refrigerated Products Group of Dean Foods Company. Prior to joining Dean Foods, Mr. Nieto held positions in brand management and strategic planning with Mission Foods, Kraft Foods and the Quaker Oats Company.

Mr. Nieto was elected to the Board of Directors in February 2007 and is a member of the Audit Committee and the Governance Committee.

Mr. Nieto serves on the Board of Directors of AutoZone, Inc. and is a member of the University of Chicago's College Visiting Committee.

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E. Follin Smith, 49, served as the Executive Vice President, Chief Financial Officer and Chief Administrative Officer of Constellation Energy Group, Inc., then the nation's largest competitive supplier of electricity to large commercial and industrial customers and the nation's largest wholesale power seller, until May 2007. Ms. Smith joined Constellation Energy Group as Senior Vice President, Chief Financial Officer in June 2001 and was appointed Chief Administrative Officer in December 2003. Before joining Constellation Energy Group, Ms. Smith was Senior Vice President and Chief Financial Officer of Armstrong Holdings, Inc., the global leader in hard-surface flooring and ceilings. Ms. Smith began her career with Armstrong in 1998 as Vice President and Treasurer and was promoted to her last position in March 2000. Prior to joining Armstrong, Ms. Smith held various senior financial positions with General Motors including Chief Financial Officer for General Motors' Delphi Chassis Systems division.

Ms. Smith was elected to the Board of Directors in July 2005 and is a member of the Audit Committee and the Governance Committee.

Ms. Smith serves on the Board of Directors of Discover Financial Services, and the Boards of Trustees of the University of Virginia's Darden School of Business, Davidson College and CENTERSTAGE, in Baltimore, Maryland.

Gregory T. Swienton, 59, was appointed Chairman of Ryder System, Inc. in May 2002 having been named Chief Executive Officer in November 2000. Mr. Swienton joined Ryder as President and Chief Operating Officer in June 1999. Before joining Ryder, Mr. Swienton was Senior Vice President-Growth Initiatives of Burlington Northern Santa Fe Corporation (BNSF). Prior to that he was BNSF's Senior Vice President-Coal and Agricultural Commodities Business Unit and previously had been Senior Vice President of its Industrial and Consumer Units. He joined the former Burlington Northern Railroad in June 1994 as Executive Vice President-Intermodal Business Unit. Prior to joining Burlington Northern, Mr. Swienton was Executive Director-Europe and Africa of DHL Worldwide Express in Brussels, Belgium from 1991 to 1994, and prior to that, he was DHL's Managing Director-Western and Eastern Europe from 1988 to 1990, also located in Brussels. For the five years prior to these assignments, Mr. Swienton was Regional Vice President of DHL Airways, Inc. in the United States. From 1971 to 1982, Mr. Swienton held various national account, sales and marketing positions with AT&T and Illinois Bell Telephone Company.

Mr. Swienton was elected to the Board of Directors in June 1999.

Mr. Swienton serves on the Board of Directors of Harris Corporation and is on the Board of Trustees of St. Thomas University in Miami.

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DIRECTORS CONTINUING IN OFFICE

David I. Fuente, 63, served as Chairman and Chief Executive Officer of Office Depot, Inc. from 1987, one year after the company was founded, until he retired as its Chief Executive Officer in June 2000 and as Chairman in December 2001. Before joining Office Depot, Mr. Fuente served for eight years at the Sherwin-Williams Company as President of its Paint Stores Group. Before joining Sherwin-Williams, he was Director of Marketing at Gould, Inc.

Mr. Fuente was elected to the Board of Directors in May 1998 and is a member of the Compensation Committee and the Finance Committee.

Mr. Fuente serves on the Boards of Directors of Office Depot, Inc. and Dick's Sporting Goods, Inc.

L. Patrick Hassey, 63, is Chairman, President and Chief Executive Officer of Allegheny Technologies Incorporated (ATI), a global leader in the production of specialty materials. Mr. Hassey was Executive Vice President and a member of the corporate executive committee of Alcoa, Inc. from May 2000 until his early retirement in February 2003. He served as Executive Vice President of Alcoa and Group President of Alcoa Industrial Components from May 2000 to October 2002. Prior to May 2000, Mr. Hassey served as Executive Vice President of Alcoa and President of Alcoa Europe, Inc. Prior to becoming President and Chief Executive Officer of ATI in October 2003, he was an outside management consultant to ATI executive management.

Mr. Hassey was elected to the Board of Directors in December 2005 and is a member of the Compensation Committee and the Governance Committee.

Mr. Hassey serves on the Boards of Directors of ATI and the Allegheny Conference on Community Development, which serves Southwestern Pennsylvania.

Lynn M. Martin, 69, served as Secretary of Labor under President George H.W. Bush from 1991 to 1993. Ms. Martin is the President of Martin Hall Group LLC, a consulting firm. She is a regular commentator, panelist, columnist and speaker on issues relating to the changing global economic and political environment. Ms. Martin was the Davie Chair at the J.L. Kellogg Graduate School of Management and a Fellow of the Kennedy School Institute of Politics.

Ms. Martin was elected to the Board of Directors in August 1993 and is a member of the Compensation Committee and the Governance Committee.

Ms. Martin serves on the Boards of Directors of The Procter & Gamble Company, AT&T Inc., The Dreyfus Funds, Constellation Energy Group, Inc. and Chicago's Lincoln Park Zoo. She is also a member of the Council on Foreign Relations and the Chicago Council of Global Affairs.

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Eugene A. Renna, 64, retired from ExxonMobil Corporation in January 2002 where he was an Executive Vice President and a member of its Board of Directors. He was President and Chief Operating Officer of Mobil Corporation, and a member of its Board of Directors, until the time of its merger with Exxon Corporation in 1999. As President and Chief Operating Officer of Mobil, Mr. Renna was responsible for overseeing all of its global exploration and production, marketing and refining, and chemicals and technology business activities. Mr. Renna's career with Mobil began in 1968 and included a range of senior management roles such as: responsibility for all marketing and refining operations in the Pacific Rim, Africa and Latin America; Executive Vice President of International Marketing and Refining Division; Vice President of Planning and Economics; President of Mobil's worldwide Marketing and Refining Division; and Executive Vice President and Director of Mobil.

Mr. Renna was elected to the Board of Directors in July 2002 and is a member of the Audit Committee and the Finance Committee.

Abbie J. Smith, 55, is the Boris and Irene Stern Professor of Accounting at the University of Chicago Booth School of Business. She joined their faculty in 1980 upon completion of her Ph.D. at Cornell University. The primary focus of her research is corporate restructuring, transparency, and corporate governance. Professor Smith is a co-editor of the *Journal of Accounting Research*.

Ms. Smith was elected to the Board of Directors in July 2003 and is the Chair of the Audit Committee and a member of the Finance Committee.

Ms. Smith serves on the Boards of Directors of HNI Corporation, DFA Investment Dimensions Group Inc. and Dimensional Investment Group Inc. She also serves as a trustee of certain Chicago-based UBS Funds.

Hansel E. Tookes, II, 61, retired from Raytheon Company in December 2002. He joined Raytheon in September 1999 as President and Chief Operating Officer of Raytheon Aircraft Company. He was appointed Chief Executive Officer in January 2000 and Chairman in August 2000. Mr. Tookes became President of Raytheon International in May 2001. Prior to joining Raytheon in 1999, Mr. Tookes had served as President of Pratt & Whitney's Large Military Engines Group since 1996. He joined Pratt & Whitney's parent company, United Technologies Corporation in 1980. Mr. Tookes was a Lieutenant Commander and military pilot in the U.S. Navy and later served as a commercial pilot with United Airlines.

Mr. Tookes was elected to the Board of Directors in September 2002 and is the Chair of the Finance Committee and a member of the Audit Committee.

Mr. Tookes serves on the Boards of Directors of BBA Aviation plc, Corning Incorporated, FPL Group, Inc., and Harris Corporation.

Christine A. Varney, 53, is a Partner in the law firm of Hogan & Hartson LLP, which she rejoined in 1997 after five years in government service. She leads the Internet Law practice group for the firm. Ms. Varney served as a Federal Trade Commissioner from

1994 to 1997 and as a Senior White House Advisor to President Clinton from 1993 to 1994. She also served as Chief Counsel to President Clinton's Campaign in 1992 and as General Counsel to the Democratic National Committee from 1989 to 1992. Prior to her government service, Ms. Varney practiced law with the firms of Pierson, Semmes & Finley (1986 to 1988) and Surrey & Morse (1984 to 1986).

Ms. Varney was elected to the Board of Directors in February 1998 and is the Chair of the Governance Committee and a member of the Compensation Committee.

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CORPORATE GOVERNANCE

We maintain a Corporate Governance page on our website at www.ryder.com, which includes our Corporate Governance Guidelines, Principles of Business Conduct and Board Committee Charters. The Corporate Governance Guidelines set forth our governance principles relating to, among other things: director independence (including our categorical director independence standards); director qualifications and responsibilities; Board structure; director compensation; management succession; and the periodic performance evaluation of the Board. The Principles of Business Conduct apply to our officers, employees and Board members and cover all areas of professional conduct including conflicts of interest, confidentiality, compliance with law, and mechanisms to report known or suspected wrongdoing. The Principles of Business Conduct include a Finance Code of Ethics applicable to our Chief Executive Officer, Chief Financial Officer, Controller and senior financial management. Any changes to these documents and any waivers granted by the Governance Committee with respect to our Principles of Business Conduct will be posted on our website. Any waivers with respect to our Principles of Business Conduct shall also be disclosed in a public filing made with the SEC.

Shareholders may submit requests for free printed copies of our Corporate Governance Guidelines, Principles of Business Conduct (including the Finance Code of Ethics) and Board Committee Charters in writing to: Ryder System, Inc., Attention: Corporate Secretary, 11690 N.W. 105th Street, Miami, Florida 33178.

BOARD OF DIRECTORS

Director Independence

It is our policy that a substantial majority of the members of our Board of Directors and all of the members of our Audit Committee, Compensation Committee, Governance Committee and Finance Committee qualify as independent as required by the NYSE corporate governance listing standards.

To assist it in making independence determinations, our Board of Directors has adopted categorical director independence standards, which are part of our Corporate Governance Guidelines. The Board determined that each of the following transactions or relationships will not, by itself, be deemed to create a material relationship for the purpose of determining a director's independence:

Prior Employment. The director was employed by us or was personally working on our audit as an employee or partner of our independent registered certified public accounting firm, and over five years have passed since such employment, partnership or auditing relationship ended.

Employment of Immediate Family Member. (i) An immediate family member was an officer of ours or was personally working on our audit as an employee or partner of our independent registered certified public accounting firm, and over five years have passed since such employment, partnership or auditing relationship ended; or (ii) an immediate family member is currently employed by us in a non-officer position, or by our independent registered certified public accounting firm not as a partner and not participating in the firm's audit, assurance or tax compliance practice.

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

Commercial Relationships. The director is an employee, partner, greater than 10% shareholder, or director (or a director's immediate family member is a partner, greater than 10% shareholder, director or officer) of a company that makes or has made payments to, or receives or has received payments (other than contributions, if the company is a tax-exempt organization) from, us for property or services, and the amount of such payments has not within any of such other company's three most recently completed fiscal years exceeded one percent (or \$1 million, whichever is greater) of such other company's consolidated gross revenues for such year.

Indebtedness. A director or an immediate family member is a partner, greater than 10% shareholder, director or officer of a company that is indebted to us or to which we are indebted, and the aggregate amount of such debt is less than one percent (or \$1 million, whichever is greater) of the total consolidated assets of the indebted company.

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Charitable Relationships. A director is a trustee, fiduciary, director or officer of a tax-exempt organization to which we make contributions, and the contributions to such organization by us have not, within any of such organization's three most recently completed fiscal years, exceeded one percent (or \$250,000, whichever is greater) of such organization's consolidated gross revenues for such year.

For purposes of these independence standards, an immediate family member includes a director's spouse, parents, children, siblings, mother- and father-in-law, son- and daughter-in-law, brother- and sister-in-law, and anyone (other than domestic employees) who shares such director's home.

Pursuant to our Corporate Governance Guidelines, the Board undertook its annual review of director independence in February 2009, which included a review of each director's responses to questionnaires asking about any relationships with us. This review is designed to identify and evaluate any transactions or relationships between a director or any member of his or her immediate family and us or members of our senior management.

As part of this review, other than the relationship with Mr. Swienton, our CEO, the Governance Committee and the Board identified and considered the following two transactions:

In his role as Chairman of Emerson Process Management, John M. Berra also serves as Executive Vice President of Emerson Electric Company. We have an ongoing commercial relationship with Emerson Electric Company relating to Emerson's lease of vehicles from us. The transaction falls outside of the NYSE's independence requirements and our categorical director independence standards relating to commercial relationships, and therefore, the Board determined that this relationship did not impair Mr. Berra's independence.

An immediate family member of E. Follin Smith serves as an executive of Dow Jones & Company, Inc. We have an ongoing commercial relationship with Dow Jones pursuant to which Dow Jones leases vehicles from us. The transaction falls outside of the NYSE's independence requirements and our categorical director independence standards relating to commercial relationships, and therefore, the Board determined that this relationship did not impair Ms. Smith's independence.

Based on its independence review and after considering the transactions described above, the Board determined that each of the following directors (which together constitute all of the members of the Board other than Mr. Swienton) is independent: James S. Beard, John M. Berra, David I. Fuente, L. Patrick Hassey, Lynn M. Martin, Luis P. Nieto, Jr., Eugene A. Renna, Abbie J. Smith, E. Follin Smith, Hansel E. Tookes, II and Christine A. Varney.

Communications with the Board

Shareholders and other interested parties can communicate with our independent directors as a group through the Corporate Governance page of our website at www.ryder.com, or by mailing their communication to Independent Directors, c/o Corporate Secretary, Ryder System, Inc., 11690 N.W. 105th Street, Miami, Florida 33178. Any communications received from interested parties in the manner described above will be collected and organized by our Corporate Secretary and will be periodically, but in any event prior to each regularly-scheduled Board meeting, reported and/or delivered to our independent directors. The Corporate Secretary will not forward spam, junk mail, mass mailings, service complaints or inquiries, job inquiries, surveys, business solicitations or advertisements, or patently offensive or otherwise inappropriate materials to the independent directors. Correspondence relating to certain of these matters such as service issues may be distributed internally for review and possible response. The procedures for communicating with our independent directors as a group are available on the Corporate Governance page of our website at www.ryder.com.

Our Audit Committee has established procedures for the receipt, retention and treatment of complaints regarding questionable accounting, internal control, financial improprieties or auditing matters. Any of our employees or members of the general public may confidentially communicate concerns about any of these matters to any supervisor or manager, the Vice President of Internal Audit, the Vice President, Global Compliance and Business Standards/Deputy General Counsel, or on a confidential and/or anonymous basis by way of an external toll-free hotline number, an internal ethics phone line, *ethics@ryder.com*, or to members of our Audit Committee at *audit@ryder.com*. All of the reporting mechanisms are publicized on our website at *www.ryder.com*, in our Principles of Business Conduct, through compliance training and wallet cards, brochures and location posters. Upon receipt of a complaint or concern, a determination will be made whether it pertains to accounting, internal control, financial improprieties or auditing matters and if it does, it will be handled in accordance with the procedures established by the

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Audit Committee. A summary of all complaints, of whatever type, received through the reporting mechanisms are reported to the Audit Committee at each regularly-scheduled Audit Committee meeting. Matters requiring immediate attention are promptly forwarded to the Chair of the Audit Committee.

Board Meetings

The Board of Directors held six regular and two special meetings in 2008. Each of the directors attended 75% or more of the aggregate number of meetings of the Board and Committees on which the director served in 2008. Attendance by all directors at Board and Committee meetings averaged 91% in 2008. Our independent directors meet in executive session without management present as part of each regularly-scheduled Board meeting. The Chair of our Governance Committee presides over these executive Board sessions.

We expect each of our directors to attend our Annual Meeting of Shareholders. Because the Board of Directors holds one of its regularly-scheduled meetings in conjunction with our Annual Meeting of Shareholders, unless one or more members of the Board are unable to attend, all of the members of the Board are present for the Annual Meeting. All of our directors, other than Lynn M. Martin, attended the 2008 Annual Meeting of Shareholders.

Board Committees

The Board has four standing committees – Audit, Compensation, Corporate Governance and Nominating and Finance. All of the Committees are composed entirely of independent directors who meet in executive session without management present as part of each regularly-scheduled Committee meeting. We have adopt