

RYDER SYSTEM INC
Form DEF 14A
March 29, 2010

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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 ☐

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

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

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Ryder System, Inc.

11690 N.W. 105th Street

Miami, Florida 33178

NOTICE OF 2010 ANNUAL MEETING OF SHAREHOLDERS

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

Date: Friday, May 14, 2010

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

Purpose:

1. To elect three directors as follows: David I. Fuente, Eugene A. Renna and Abbie J. Smith for a three-year term expiring at the 2013 Annual Meeting of Shareholders.
2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2010 fiscal year.
3. To reapprove the performance criteria under the Ryder System, Inc. 2005 Equity Compensation Plan.
4. To approve an amendment to the Ryder System, Inc. Stock Purchase Plan for Employees to increase the number of shares issuable under the Plan by 1,000,000.
5. 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 19, 2010.

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 29, 2010

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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 14, 2010.**

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 2010 Annual Meeting of Shareholders. Our Board of Directors (Board) is soliciting proxies from shareholders who wish to vote at the meeting. By using 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.

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 29, 2010, 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 2009 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 14, 2010, 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 four proposals:

1. The election of David I. Fuente, Eugene A. Renna and Abbie J. Smith as directors, each to serve for a three-year term expiring at the 2013 Annual Meeting of Shareholders.
2. Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2010 fiscal year.

3. Re-approval of the performance criteria under the Ryder System, Inc. 2005 Equity Compensation Plan (the 2005 Equity Compensation Plan).

4. Approval of the amendment to the Ryder System, Inc. Stock Purchase Plan for Employees (the Employee Stock Purchase Plan) to increase the number of shares issuable under the plan by 1,000,000.

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 2010 fiscal year.

FOR the re-approval of the performance criteria under the 2005 Equity Compensation Plan.

FOR approval of the amendment to the Employee Stock Purchase Plan to increase the number of shares issuable under the Plan by 1,000,000.

Q: Who can vote?

A: The Board of Directors has set March 19, 2010 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 19, 2010, there were 53,251,385 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, Wells Fargo Bank, N.A. (Wells Fargo).

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 19, 2010. 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: Our By-Laws provide that, in connection with an uncontested election of directors, as we have this year, the affirmative vote of the holders of at least a majority of the total number of shares cast is required for the election of each director.

Our By-Laws provide that all proposals that require shareholder approval, other than those involving the election of directors, must receive the affirmative vote of the holders of at least a majority of the total number of shares issued and outstanding and entitled to vote in order to be approved. Consequently, each of the other three proposals upon which you are being asked to vote, (1) the ratification of the appointment of PricewaterhouseCoopers LLP, (2) the re-approval of the performance criteria under the 2005 Equity Compensation Plan and (3) the amendment to the Employee Stock Purchase Plan, must receive the affirmative vote of the holders of at least a majority of the total number of shares issued and outstanding and entitled to vote in order to be approved.

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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 that 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.

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 May 11, 2010. 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.

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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, Wells Fargo. 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, Wells Fargo by calling (866) 927-3884, in writing at Wells Fargo Bank, N.A., Shareowner Services, P.O. Box 64854, St. Paul, Minnesota 55164-0854, or by e-mail at www.wellsfargo.com/shareownerservices. Our 2009 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 Wells Fargo in the manner set forth above.

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 Financial Solutions, Inc. (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 nominee for director, your shares will be counted for purposes of determining whether a quorum is present, but will not be included in vote totals for that nominee and will not affect the outcome of the vote.

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If you sign and return your proxy marked ☐ abstain on either (1) the proposal for the ratification of the appointment of PricewaterhouseCoopers LLP, (2) the re-approval of the performance criteria under the 2005 Equity Compensation Plan or (3) the approval of the amendment to the Employee Stock Purchase Plan, your shares will be counted for purposes of determining whether a quorum is present. As each of these proposals requires the affirmative vote of the holders of at least a majority of the total number of shares issued and outstanding, a marking of ☐ abstain on any of these proposals will have the same effect as a vote against the proposal.

Table of Contents**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** each of the director nominees and **FOR** each of the three other proposals. 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. 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 broker or 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 or nominee has expressly not voted.

The proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm is the only proposal set forth in this proxy statement that is considered **routine** under the NYSE rules. 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 ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm even if the broker does not receive voting instructions from you.

Pursuant to the NYSE rules, the proposals regarding (1) re-approval of the performance criteria under the 2005 Equity Compensation Plan and (2) amendment of the Employee Stock Purchase Plan are not deemed to be routine. In addition, on July 1, 2009, the SEC approved a change to the NYSE rules that stated that the election of directors would no longer be considered a **routine** matter, whether or not the election was contested. Consequently, if you do not give your broker instructions, your broker will not be able to vote on any of these three proposals.

The table below sets forth, for each proposal on the ballot, whether a broker can exercise discretion and vote your shares absent your instructions and if not, the impact of such broker non-vote on the approval of the proposal.

Proposal	Can Brokers Vote Absent Instructions?	Impact of Broker Non-Vote
Election of Directors	No	None
Ratification of Auditors	Yes	Not Applicable
Re-approval of the performance criteria under 2005 Equity Compensation Plan	No	Same as a Vote Against
Amendment to Employee Stock Purchase Plan	No	Same as a Vote Against

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 2011 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 29, 2010. Additionally, we must receive proper notice of any shareholder proposal to be submitted at the 2011 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 2010 Annual Meeting.

If a shareholder would like to nominate one or more directors for election at the 2011 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 2010 Annual Meeting, as required by our By-Laws. The notice must include information regarding both the proposing shareholder and the director nominee. For a discussion of the types of information that must be provided, please refer to the discussion under "Process for Nominating Directors" on page 19 of this proxy statement. 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 three directors whose terms expire at the 2010 Annual Meeting of Shareholders are David I. Fuente, Eugene A. Renna and Abbie J. Smith. Upon the recommendation of the Corporate Governance and Nominating Committee (Governance Committee), our Board of Directors has nominated Mr. Fuente, Mr. Renna and Ms. Smith for re-election at the 2010 Annual Meeting of Shareholders for a three-year term that expires at the 2013 Annual Meeting of Shareholders, and each have consented to serve if elected.

James S. Beard, L. Patrick Hassey, Lynn M. Martin and Hansel E. Tookes, II, are currently serving terms that expire at the 2011 Annual Meeting of Shareholders. John M. Berra, Luis P. Nieto, Jr., E. Follin Smith and Gregory T. Swienton are currently serving terms that expire at the 2012 Annual Meeting of Shareholders.

Our Board of Directors determined that 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 13 of this proxy statement.

We believe that each of our directors possesses the experience, skills and qualities to fully perform their duties as a director and contribute to our success. Our directors were nominated because they possess the highest standards of personal integrity, interpersonal and communication skills, are highly accomplished in their fields, have an understanding of the interests and issues that are important to our shareholders and are able to dedicate sufficient time to fulfilling their obligations as directors. Our directors as a group complement each other and each of their respective experiences, skills and qualities. Our directors make up a diverse body in terms of age, gender, ethnic background and professional experience but engender a cohesive body in terms of Board process and collaboration.

Each director's principal occupation and other pertinent information about particular experience, qualifications, attributes and skills that led the Board to conclude that such person should serve as a director, appears on the following pages.

On July 1, 2009, the SEC approved a change to the NYSE rules that stated that the election of directors would no longer be considered a routine matter, whether or not the election was contested. Consequently, if you are a beneficial shareholder and do not give your broker instructions, your broker will no longer have the ability to vote in favor of or against the director nominees. We, therefore, urge you to return your proxy card and vote your shares.

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

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**NOMINEES FOR DIRECTOR
FOR A TERM OF OFFICE EXPIRING AT THE 2013 ANNUAL MEETING**

David I. Fuente, 64, 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. The Board nominated Mr. Fuente as a director because of his past experience as a Board Chairman and Chief Executive Officer and years of executive oversight and senior management experience in large, global public companies as well as his operational and significant marketing experience.

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

Eugene A. Renna, 65, 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 also served as a Director of Fortune Brands, Inc. until December 2007.

Mr. Renna was elected to the Board of Directors in July 2002 and is a member of the Audit Committee and the Finance Committee. The Board nominated Mr. Renna as a director because of his years in senior management positions in large, global public companies as well as his oversight and experience in the areas of marketing and domestic and international operations.

Abbie J. Smith, 56, 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. The Board nominated Ms. Smith as a director because of her accomplished educational background and academic experience in accounting, as well as her published works and significant contributions in the areas of accounting and corporate governance.

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.

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DIRECTORS CONTINUING IN OFFICE

James S. Beard, 69, 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. The Board nominated Mr. Beard as a director because of his years of leadership experience in the equipment leasing industry and global operations, as well as his experience in compensation and finance.

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.

John M. Berra, 62, 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. The Board nominated Mr. Berra as a director because of his years in positions of executive oversight and senior leadership in a global company with a diversified business as well as his experience in global marketing and operations and expertise in technology and engineering.

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, serves on the Board of Trustees of the Dell Children's Medical Center Foundation of Central Texas and is a past Chairman of the Measurement, Control, and Automation Association.

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L. Patrick Hassey, 64, 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. The Board nominated Mr. Hassey as a director because of his experience as a Board Chairman, President and Chief Executive Officer and years in positions of executive oversight and senior leadership in large, global public companies as well as his experience in domestic and international operations.

Mr. Hassey serves on the Boards of Directors of ATI, Allegheny Conference on Community Development, which serves Southwestern Pennsylvania, McGowan Institute for Regenerative Medicine and Pittsburgh Council, Boy Scouts of America.

Lynn M. Martin, 70, 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 also served on the Boards of Directors of The Procter & Gamble Company and Constellation Energy Group, Inc. until January 2010.

Ms. Martin was elected to the Board of Directors in August 1993 and is a member of the Compensation Committee and the Governance Committee. The Board nominated Ms. Martin as a director because of her prominent regulatory and government experience and expertise, including her leadership experience overseeing the Department of Labor while serving as the Secretary of Labor, as well as other leadership and academic experience.

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

Luis P. Nieto, Jr., 54, retired as President of the Consumer Foods Group for ConAgra Foods Inc. in 2009. ConAgra Foods is 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. The Board nominated Mr. Nieto as a director because of his senior leadership and executive oversight experience as well as his finance and operational experience, which includes supply chain/logistics oversight, and expertise in brand management/marketing and strategic planning.

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, 50, served until May 2007 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. 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 Chair of the Governance Committee and a member of the Audit Committee. The Board nominated Ms. Smith as a director because of her past experience as Chief Financial Officer and Chief Administrative Officer of public companies and other senior management experience, which includes oversight of finance, human resources, risk management, legal and information technology functions.

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 Foundation, Davidson College and CENTERSTAGE, in Baltimore, Maryland.

Gregory T. Swienton, 60, 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. The Board nominated Mr. Swienton as a director because of his current role as Chief Executive Officer and past experience as President and Chief Operating Officer of the Company, as well as other senior leadership experience at large, global public companies and extensive experience in the transportation and supply chain/logistics industries, domestic and international operations and business development.

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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Hansel E. Tookes, II, 62, 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. The Board nominated Mr. Tookes as a director because of his past executive oversight and senior management experience of large, global companies with diversified businesses as well as his significant operational experience in the transportation industry and the U.S. military and expertise in government contracts.

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

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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 resignation policy; 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 Code of Ethics applicable to our Chief Executive Officer, Chief Financial Officer 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.

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 of Director. 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.

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

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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 undertakes an annual review of director independence, which includes 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.

In the ordinary course of business, transactions may occur between us and entities with which some of our directors are or have been affiliated. During 2010, in connection with its evaluation of director independence, our Board reviewed transactions in which any of our directors sits on the board of directors of a company that leases vehicles or receives other services from us, such as supply chain or logistics services or dedicated contract carriage. Specifically, each of Mr. Fuente, Mr. Hassey, Ms. Martin, Mr. Nieto, Ms. Abbie J. Smith and Mr. Tookes serve on boards of directors of companies that currently lease vehicles from us or receive other services. In addition, Mr. Berra serves as an executive of a company that leases vehicles from us, and family members of Ms. E. Follin Smith serve or have served as executives of companies that lease or have leased vehicles from us. We reviewed each of these commercial relationships and found that all the transactions between us and the relevant company were made in the ordinary course of business and were negotiated at arms-length. Furthermore, each of these commercial relationships was below the threshold set forth in our categorical director independence standards (i.e., one percent of such other company's consolidated gross revenues for such year or \$1 million, whichever is greater). As a result, our Board determined that none of these commercial relationships impaired the independence of the relevant director.

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 and Hansel E. Tookes, II.

Communications with the Board

Shareholders and other interested parties can communicate with our independent directors as a group through an external toll-free hotline number (7 days a week/24 hours a day), 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 Audit Committee. A summary of all complaints, of whatever type, received through the reporting mechanisms are

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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 6 regular and 2 special meetings in 2009. 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 2009, except for David I. Fuente due to an unforeseen complication as a result of surgery in 2009 from which he has fully recovered. Our independent directors meet in executive session without management present as part of each regularly-scheduled Board meeting. The Chair of our Governance Committee, serving as our lead independent director, 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 attended the 2009 Annual Meeting of Shareholders.

Board Leadership Structure

The Company combines the positions of CEO and Chair of the Board. The Company believes that the CEO as a Company executive is in the best position to fulfill the Chair's responsibilities, including those related to identifying emerging issues facing the Company, communicating essential information to the Board about the Company's performance and strategies, and preparing agendas for the Board.

In order to mitigate any potential disadvantages of a combined CEO and Chair, the Board has developed the role of a strong lead independent director to facilitate and strengthen the Board's independent oversight of Company performance, strategy and succession planning and to uphold effective governance standards. The Board's practice has historically been that the Governance Committee Chair presides over meetings of the independent directors. The Company's Corporate Governance Guidelines were recently amended to formalize the role of the lead independent director. The position of the Governance Committee Chair is rotated periodically in accordance with the Company's Corporate Governance Guidelines and is currently held by E. Follin Smith.

Ms. Smith's duties as lead independent director include:

- Presiding at all meetings of the Board at which the Chair is not present, including executive sessions of the independent directors;

- Serving as the liaison between the Chair and the independent directors;

- Serving as a liaison between the Board and Management to obtain the types and forms of information that the Board needs;

- Requesting and previewing information sent to the Board;

- Working with Management to prepare presentations for the Board;

- Approving meeting agendas for the Board; and

- Approving meeting schedules to assure that there is sufficient time for discussion of all agenda items.

In addition, Ms. Smith has the authority to call meetings of the independent directors and if requested by major shareholders, is available for consultation and direct communication with these shareholders to discuss their concerns and expectations.

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 adopted written Charters for each of the Committees that comply with the NYSE’s corporate governance listing standards, applicable provisions of the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley) and SEC rules. Each Committee Charter sets forth the respective

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Committee's responsibilities, and provides for a periodic review of such Charter and an annual evaluation of the respective Committee's performance. The Charters grant each Committee the authority to obtain the advice and assistance of, and receive appropriate funding from us for, outside legal, accounting or other advisors as the Committee deems necessary to fulfill its obligations.

AUDIT COMMITTEE

<i>Members:</i>	Abbie J. Smith (Chair) Luis P. Nieto, Jr. Eugene A. Renna E. Follin Smith Hansel E. Tookes, II	<i>Number of meetings in 2009:</i>	10
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Responsibilities

The Audit Committee is responsible for appointing, overseeing and determining the compensation and independence of our independent registered certified public accounting firm. The Audit Committee approves the scope of the annual audit and the related audit fees as well as the scope of internal audit procedures. The Audit Committee reviews audit results, financial disclosure and earnings guidance, and is responsible for overseeing investigations into accounting and financial complaints. The Audit Committee also reviews, discusses and oversees the process by which we assess and manage risk.

The Audit Committee meets in executive session, consisting exclusively of independent directors, at the end of every regularly-scheduled Audit Committee meeting (other than telephonic meetings). Our Chief Financial Officer, our Controller, our Vice President of Internal Audit and representatives of our independent registered certified public accounting firm attend all Audit Committee meetings to assist the Audit Committee in its discussion and analysis of the various agenda items. Members of management are generally excused from the Audit Committee meetings as appropriate. The Audit Committee also meets individually with each of our Vice President of Internal Audit, representatives of our independent registered certified public accounting firm, and our Chief Financial Officer, at the end of every regularly-scheduled Audit Committee meeting (other than telephonic meetings).

The specific powers and responsibilities of the Audit Committee are set forth in more detail in the Audit Committee's Charter, which is available on the Corporate Governance page of our website at www.ryder.com. The Charter is reviewed annually by the Audit Committee and our Governance Committee. Any changes to the Charter are approved by the full Board.

Independence and Financial Expertise

In addition to the independence standards applicable to all Board members, rules promulgated by the SEC in response to Sarbanes-Oxley require that all members of our Audit Committee meet additional independence standards. Under NYSE rules, each member of the Audit Committee must be financially literate and at least one member must have accounting or related financial management expertise. The SEC requires that at least one Audit Committee member be an audit committee financial expert.

The Board reviewed the background, experience and independence of the Audit Committee members based in large part on the directors' responses to questions relating to their relationships, background and experience. Based on this review, the Board determined that each member of the Audit Committee meets the independence requirements of the NYSE's corporate governance listing standards and our categorical director independence standards; meets the

enhanced independence standards for audit committee members required by the SEC; is financially literate, knowledgeable and qualified to review financial statements; and qualifies as an audit committee financial expert under SEC rules.

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COMPENSATION COMMITTEE

<i>Members:</i>	John M. Berra (Chair) James S. Beard David I. Fuente L. Patrick Hassey Lynn M. Martin	<i>Number of meetings in 2009:</i>	6
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In addition to the current members, Ms. Christine A. Varney was a member of the Compensation Committee from January 1, 2009 through April 21, 2009, the effective date of her resignation from the Board. Ms. Varney resigned as a member of the Company's Board of Directors as a result of her appointment by President Barack Obama as an Assistant Attorney General for the Antitrust Division of the Department of Justice.

Responsibilities

The Compensation Committee of our Board of Directors oversees, reviews and approves our executive and director compensation policies and programs and regularly reports to the Board of Directors on these matters. The Compensation Committee is also responsible for approving compensation actions for direct reports to the CEO, and recommending compensation actions for the CEO for consideration by the independent directors. The Compensation Committee approves and recommends the appointment of new officers, and reviews and discusses the Compensation Discussion and Analysis included in this proxy statement to determine whether to recommend it for inclusion in our proxy statement.

The specific powers and responsibilities of the Compensation Committee are set forth in more detail in the Compensation Committee's Charter, which is available on the Corporate Governance page of our website at www.ryder.com. The Charter is reviewed annually by the Compensation Committee and our Governance Committee. Any changes to the Charter are approved by the full Board.

Compensation Committee Processes and Procedures

Meetings. The Compensation Committee meets at least five times each year in February, May, July, October and December. Each year in December, the Compensation Committee reviews and approves an agenda schedule for the following year. The agenda schedule outlines the various topics the Compensation Committee will consider during the year to ensure that the Compensation Committee adequately fulfills its responsibilities under its Committee Charter. The Compensation Committee considers other topics during the year as needed to fulfill its responsibilities.

Our Chief Human Resources Officer (CHRO) works closely with the Chair of the Compensation Committee prior to each Committee meeting to ensure that the information presented to the Committee in connection with the items to be discussed and/or approved is clear and comprehensive.

The CHRO, CEO, Vice President of Compensation and Benefits and a representative from our legal department attend all regularly-scheduled Compensation Committee meetings to assist the Committee in its discussion and analysis of the various agenda items. These individuals are generally excused from the meetings as appropriate, including for discussions regarding their own compensation. The Compensation Committee meets in executive session, consisting exclusively of independent directors, at the end of every regularly-scheduled meeting.

Authority, Role of Management and Delegation. The Compensation Committee is responsible for reviewing and approving all of the components of our executive compensation program as well as the compensation program for our Board of Directors. New executive compensation plans and programs must be approved by the full Board based on recommendations made by the Compensation Committee. The Compensation Committee, with input from the CEO, is responsible for setting the compensation of all of our other named executive officers. Our independent directors, acting as a group, are responsible for setting CEO compensation based on recommendations from the Compensation Committee. The Compensation Committee may delegate its responsibilities, including the authority to retain compensation consultants, outside legal counsel and other advisors as the Compensation Committee deems necessary to carry out its duties. The Compensation Committee has not delegated any of its responsibilities to management.

At the Board's annual succession planning meeting in October of each year, each named executive officer's performance and succession opportunities are evaluated by the full Board. In February of each year and at other times during the year as needed, our CEO gives the Compensation Committee a performance assessment and

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compensation recommendation for each named executive officer. Our CEO also reviews each executive's three-year compensation history, and current compensation data provided by our compensation group and outside consultants.

Beginning at the end of each fiscal year, the independent directors conduct a performance review of the CEO. The evaluation questionnaire is prepared by the Governance Committee, which is responsible for determining and overseeing the process by which the CEO will be evaluated. In February, the Compensation Committee discusses the CEO's performance review in executive session and formulates its recommendation regarding CEO compensation. At the February Board meeting, in executive session without the CEO present, the independent directors finalize the CEO's performance evaluation and determine the CEO's compensation after consideration of the recommendation of the Compensation Committee.

Use of Compensation Consultants. The Compensation Committee has authority to retain compensation consultants, outside legal counsel and other advisors to assist it in fulfilling its responsibilities. Although we do not have a written policy regarding which members of management may engage compensation consultants to assist in the evaluation of executive compensation, historically, in addition to the Compensation Committee, only our CHRO and Vice President of Compensation and Benefits have engaged compensation consultants to assist in the evaluation of executive compensation.

During early 2009, the Compensation Committee determined that, based on the economic environment, it would not adjust or modify the compensation levels of either the CEO or any of the other named executive officers. Consequently, a compensation consultant was not engaged to review competitive market data for the CEO's compensation for 2009. However, in late 2009, the Compensation Committee engaged Frederic W. Cook & Co. (Cook) to provide a review of competitive market data for each member of the leadership team, including Mr. Swinton and each other named executive officer, and to work directly with the Chair of the Compensation Committee to prepare proposals for 2010 executive compensation. During 2009, Cook did not provide any services to the Company or Management.

Compensation Committee Interlocks and Insider Participation. In 2009, none of our executive officers or directors was a member of the board of directors of any other company where the relationship would be considered a committee interlock under SEC rules.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

<i>Members:</i>	E. Follin Smith (Chair) L. Patrick Hassey Lynn M. Martin Luis P. Nieto, Jr.	<i>Number of meetings in 2009:</i>	5
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Ms. Christine A. Varney was a member and Chair of the Governance Committee from January 1, 2009 through April 21, 2009, the effective date of her resignation from the Board. As a result of Ms. Varney's departure, Ms. E. Follin Smith was appointed as Chair of the Governance Committee effective as of May 1, 2009.

Responsibilities

The Governance Committee is responsible for recommending criteria for Board membership, identifying qualified individuals to serve as directors, reviewing the qualifications of director candidates, including those recommended by our shareholders pursuant to our By-Laws, and recommending to the Board the nominees to be proposed by the Board for election as directors at our Annual Meeting of Shareholders. The Governance Committee recommends the size,

structure, composition and functions of Board Committees and reviews and recommends changes to the Charters of each Committee of the Board of Directors. The Governance Committee oversees the Board evaluation process as well as the annual CEO evaluation process. The Governance Committee reviews and recommends changes to our Corporate Governance Guidelines and Principles of Business Conduct. The Governance Committee is also responsible for identifying and analyzing trends in public policy, public affairs and corporate responsibility.

Our Chief Legal Officer attends all regularly-scheduled Governance Committee meetings to assist the Governance Committee in its discussion and analysis of the various agenda items. Members of management are generally excused from the Governance Committee meetings as appropriate.

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The specific powers and responsibilities of the Governance Committee are set forth in more detail in the Governance Committee's Charter, which is available on the Corporate Governance page of our website at www.ryder.com. The Charter is reviewed annually by the Governance Committee. Any changes to the Charter are approved by the full Board.

Process for Nominating Directors

In identifying individuals to nominate for election to our Board, the Governance Committee seeks candidates that:

- have a high level of personal integrity and exercise sound business judgment;
- are highly accomplished in their fields, with superior credentials and recognition and have a reputation, both personal and professional, consistent with our image and reputation;
- have relevant expertise and experience, and are able to offer advice and guidance to our senior management;
- have an understanding of, and concern for, the interests of our shareholders; and
- have sufficient time to devote to fulfilling their obligations as directors.

The Governance Committee will seek to identify individuals who would qualify as independent under applicable NYSE listing standards and our categorical director independence standards, and who are independent of any particular constituency. The Governance Committee may, based on the composition of the Board, seek individuals that have specialized skills or expertise, experience as a leader of another public company or major complex organization, or relevant industry experience. In addition, the Governance Committee will attempt to select candidates who will assist in making the Board a diverse body. The Company believes that a diverse group of directors brings a broader range of experiences to the Board and generates a greater volume of ideas and perspectives and therefore is in a better position to make complex decisions. In addition, the Company believes its shareholders appreciate a diverse board, which is more reflective of the overall investment community. The Company previously developed a Board Composition Matrix, which includes questions regarding each director's skills and competencies, and also includes questions regarding diversity. The Governance Committee uses the Board Composition Matrix, which each director completes, to assist in determining the proper mix of director experience and diversity, and to assist in the identification and selection of candidates for nomination.

Generally, the Governance Committee identifies individuals for service on our Board through the Committee's retention of experienced director search firms that are paid to use their extensive resources and networks to find qualified individuals who meet the qualifications established by the Board. These search firms create a comprehensive record of a candidate's background, business and professional experience and other information that would be relevant to the Governance Committee in determining a candidate's capabilities and suitability. The Governance Committee will also consider qualified candidates who are proposed by other members of the Board, our senior management and, to the extent submitted in accordance with the procedures described below, our shareholders. The Governance Committee will not consider a director candidate unless the candidate has expressed his or her willingness to serve on the Board if elected and the Governance Committee has received sufficient information relating to the candidate to determine whether he or she meets the qualifications established by the Board.

If a shareholder would like to recommend a director candidate to the Governance Committee, he or she must deliver to the Governance Committee the same information and statement of willingness to serve described above. In addition, the recommending shareholder must deliver to the Governance Committee a representation that the shareholder owns shares of our common stock and intends to continue holding those shares until the relevant Annual

Meeting of Shareholders as well as a representation regarding the shareholder's direct and indirect relationship to the suggested candidate. This information should be delivered to us at 11690 N.W. 105th Street, Miami, Florida 33178, Attention: Corporate Secretary, for delivery to the Governance Committee no earlier than 120 and no later than 90 days prior to the one-year anniversary of the date of the prior year's annual meeting of shareholders. Any candidates properly recommended by a shareholder will be considered and evaluated in the same way as any other candidate submitted to the Governance Committee.

Upon receipt of this information, the Governance Committee will evaluate and discuss the candidate's qualifications, skills and characteristics in light of the current composition of the Board. The Governance Committee may request additional information from the recommending party or the candidate in order to complete its initial evaluation. If the

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Governance Committee determines that the individual would be a suitable candidate to serve as one of our directors, the candidate will be asked to meet with members of the Governance Committee, members of the Board and/or members of senior management, including in each case, our CEO, to discuss the candidate's qualifications and ability to serve on the Board. Based on the Governance Committee's discussions and the results of these meetings, the Governance Committee will recommend a nominee or nominees for election to the Board either by our shareholders at our Annual Meeting of Shareholders or by the Board to fill vacancies on the Board between Annual Meetings. The Board will, after consideration of the Governance Committee's recommendations, nominate a slate of directors for election by our shareholders, or with regards to filling vacancies, elect a nominee to the Board. Pursuant to our Corporate Governance Guidelines, each incumbent director nominee must agree to tender his or her resignation for consideration by the Board if such director fails to receive the required number of votes for re-election in accordance with the By-Laws.

If a shareholder would like to nominate one or more directors for election at the annual meeting of shareholders without involving the Governance Committee, it must comply with all of the requirements set forth in our By-Laws.

FINANCE COMMITTEE

<i>Members:</i>	Hansel E. Tookes, II (Chair) James S. Beard John M. Berra David I. Fuente Eugene A. Renna Abbie J. Smith	<i>Number of meetings in 2009:</i>	6
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Responsibilities

The Finance Committee is responsible for reviewing our overall financial goals, liquidity position, arrangements and requirements. The Committee reviews, approves and recommends certain capital expenditures, issuances of debt and equity securities, dividend policy and pension contributions. The Committee is also responsible for reviewing our relationships with rating agencies, banks and analysts, and reviewing and managing our economic and insurance risk program and tax planning strategies.

Our Chief Financial Officer and Treasurer attend all regularly-scheduled Finance Committee meetings to assist the Finance Committee in its discussion and analysis of the various agenda items. Members of management are generally excused from the Finance Committee meetings as appropriate.

The specific powers and responsibilities of the Finance Committee are set forth in more detail in the Finance Committee's Charter which is available on the Corporate Governance page of our website at www.ryder.com. The Charter is reviewed annually by the Finance Committee and our Governance Committee. Any changes to the Charter are approved by the full Board.

Risk Management

We understand that risk is present in our everyday business and organizational strategy and risk-taking is a necessary part of growing and operating a business. Consequently, we have implemented an enterprise risk management (ERM) program to provide management and our Board with a robust and holistic top-down view of key risks facing Ryder.

Beginning in 2007, the Company initiated a process to establish our formal ERM program. The program was developed under the supervision of our Chief Legal Officer and Chief Financial Officer with the assistance of external experts, and managed by our Chief Compliance Officer and Vice President of Internal Audit, all of whom provide updates regarding risk to the Committees and full Board on a regular basis and, at a minimum, a formal presentation once per year.

The ERM program is structured so that the Board of Directors is responsible for oversight of our ERM process and the CEO and Executive Leadership Team are responsible for risk identification, management and communication under our ERM processes. We believe that effective Board oversight of the ERM process is a key element in the preservation and enhancement of shareholder value. Specifically, our Board and Committees:

Discuss with management of both operational and administrative functions the effectiveness of risk management processes in identifying, assessing and managing the organization's most significant enterprise-wide risk exposures.

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Regularly receive presentations and updates on our ERM program and discuss with management the most significant risks that are identified and managed by the Company.

Discuss and receive updates from management regarding the various controls and mitigating actions the Company is taking to mitigate significant risks.

Review the Company's significant risks and consider such risks when overseeing the Company's strategic and business decisions.

In addition, all significant risks identified by our ERM program are communicated to and discussed with the Board and/or one or more of the Committees. For example, our process calls for all risks that may have a material impact on our financial statements or disclosures to be brought before the Audit Committee. Risks involving capital structure or access to capital will be discussed with the Finance Committee. We communicate risks associated with executive compensation and benefit programs to our Compensation Committee. The Governance Committee receives reports from management on governance and reputational risks the Company has identified through our ERM program.

Although the Company's ERM program is structured with formal processes, it remains flexible enough to adjust to changing economic, business and regulatory developments and is founded upon clear lines of communication to the Executive Leadership Team, the Board and its Committees.

RELATED PERSON TRANSACTIONS

We recognize that related person transactions can present potential or actual conflicts of interest and create the appearance that our decisions are based on considerations other than in our best interests and that of our shareholders. Accordingly, as a general matter, it is our preference to avoid related person transactions. Nevertheless, we recognize that there are situations where related person transactions may be in, or may not be inconsistent with, our and our shareholders best interests. For example, there may be times where we can obtain products or services from related persons that are of a nature, quantity or quality, or on terms, that are not readily available from alternative sources.

In accordance with our written Policies and Procedures Relating to Related Person Transactions, all related person transactions are subject to review, approval or ratification by the Governance Committee. For purposes of the Policy, and consistent with Item 404 of Regulation S-K, a related person transaction is (i) any transaction in which we or a subsidiary of ours is a participant, the amount involved exceeds \$120,000 and a related person has a direct or indirect material interest, or (ii) any material amendment to an existing related person transaction. Related persons are our executive officers, directors, nominees for director, any person who is known to be the beneficial owner of more than 5% of any class of our voting securities, and any immediate family member of any of the foregoing persons.

Our legal department is primarily responsible for the development and implementation of procedures and controls to obtain information from our directors and executive officers relating to related person transactions and then determining, based on the facts and circumstances, and in consultation with management and outside counsel, whether the related person has a direct or indirect material interest in the transaction. The Governance Committee is responsible for reviewing and determining whether to approve related person transactions.

In considering whether to approve a related person transaction, the Governance Committee considers the following factors, to the extent relevant: (i) whether the terms of the related person transaction are fair to us and on the same basis as would apply if the transaction did not involve a related person; (ii) whether there are business reasons for us to enter into the related person transaction; (iii) whether the related person transaction would impair the independence of an outside director; and (iv) whether the related person transaction would present an improper conflict of interest

for any of our directors or executive officers, taking into account the size of the transaction, the overall financial position of the director, executive officer or related person, the direct or indirect nature of the director's, executive officer's or related person's interest in the transaction and the ongoing nature of any proposed relationship, and any other factors the Governance Committee deems relevant. Any member of the Governance Committee who has an interest in the transaction under discussion will abstain from voting on the approval of the related person transaction. There were no related person transactions during 2009.

Table of Contents**RATIFICATION OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM****(Proposal 2)**

Our Audit Committee appointed PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2010 fiscal year. Although shareholder ratification of the appointment of PricewaterhouseCoopers LLP is not required, the Board of Directors believes that submitting the appointment to the shareholders for ratification is a matter of good corporate governance. The Audit Committee will consider the outcome of this vote in future deliberations regarding the appointment of our independent registered certified public accounting firm. Representatives of PricewaterhouseCoopers LLP will be present at the 2010 Annual Meeting of Shareholders to respond to questions and to make a statement if they desire to do so.

Fees and Services of Independent Registered Certified Public Accounting Firm

Fees billed for services by PricewaterhouseCoopers LLP for the 2009 and 2008 fiscal years were as follows (\$ in millions):

	2009	2008
Audit Fees	\$ 4.1	\$ 3.7
Audit-Related Fees	0.5	1.1
Tax Fees ¹	0.3	0.1
All Other Fees	*	*
Total Fees	\$ 4.9	\$ 4.9

¹ All of the tax fees paid in 2009 and 2008 relate to tax compliance services.

* All Other Fees for each of 2009 and 2008 consist of \$1,500 for research tools provided on a subscription basis.

Audit Fees primarily represent amounts for services related to the audit of our consolidated financial statements and internal control over financial reporting, a review of financial statements included in our Forms 10-Q (or other periodic reports or documents filed with the SEC), statutory or financial audits for our subsidiaries or affiliates, and consultations relating to financial accounting or reporting standards.

Audit-Related Fees represent amounts for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. These services include audits of employee benefit plans, consultations concerning matters relating to Section 404 of Sarbanes-Oxley and due diligence.

Tax Fees represent amounts for U.S. and international tax compliance services (including review of our federal, state, local and international tax returns), tax advice and tax planning, in accordance with our approval policies described below.

Approval Policy

All services rendered by our independent registered certified public accounting firm are either specifically approved (including the annual financial statement audit) or are pre-approved by the Audit Committee in each instance in accordance with our Approval Policy for Independent Auditor Services (Approval Policy), and are monitored both as to spending level and work content by the Audit Committee to maintain the appropriate objectivity and independence of the independent registered certified public accounting firm's core service, which is the audit of our consolidated financial statements and internal control over financial reporting. Under the Approval Policy, the terms and fees of annual audit services, and any changes thereto, must be approved by the Audit Committee. The Approval Policy also sets forth detailed pre-approved categories of other audit, audit-related, tax and other non-audit services that may be performed by our independent registered certified public accounting firm during the fiscal year, subject to the dollar limitations set by the Audit Committee. The Audit Committee may, in accordance with the Approval Policy, delegate to any member of the Audit Committee the authority to approve audit and non-audit services to be performed by the independent registered certified public accounting firm. The Audit Committee has delegated to the Chair of the Audit Committee the authority to approve audit and non-audit services if it is not practical to bring the matter before the full Audit Committee and the estimated fee does not exceed \$100,000. Any Audit Committee member who exercises his or her delegated authority, including the Chair, must report any approval decisions to the Audit Committee at its next scheduled meeting. All of the services provided in 2009 were approved by the Audit Committee in accordance with the Approval Policy.

The Board of Directors recommends a vote FOR ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2010 fiscal year.

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AUDIT COMMITTEE REPORT

The following report of the Audit Committee shall not be deemed to be soliciting material or to be filed with the SEC nor shall this information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, each as amended, except to the extent that the Company specifically incorporates it by reference into a filing.

The Audit Committee of the Board of Directors of the Company is comprised of five outside directors, all of whom are independent under the rules of the NYSE, our categorical director independence standards and applicable rules of the SEC. The Committee operates under a written Charter that specifies the Committee's responsibilities. The full text of the Committee's Charter is available on the Corporate Governance page of the Company's website (www.ryder.com). The Audit Committee members are not auditors and their functions are not intended to duplicate or to certify the activities of management and the independent registered certified public accounting firm.

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. The Company's management has the responsibility for preparing the consolidated financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting. The Company's independent registered certified public accounting firm is responsible for performing an integrated audit of the Company's year-end consolidated financial statements and internal control over financial reporting as of the end of the year in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB), and expressing opinions on (i) whether the financial statements present fairly, in all material respects, the financial condition and results of operations and cash flows of the Company in conformity with accounting principles generally accepted in the United States, and (ii) whether the Company maintained effective internal control over financial reporting based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In fulfilling its oversight responsibilities, the Committee reviewed and discussed the audited consolidated financial statements in the Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and management's assessment of the effectiveness of internal control over financial reporting with Company management, including a discussion of the quality of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Committee reviewed with the independent registered certified public accounting firm its judgments as to the quality of the Company's accounting principles and such other matters as are required to be discussed with the Committee by Statement on Auditing Standards No. 61, Communications with Audit Committees, as amended (AICPA, Professional Standards, Vol. 1, AU section 380), adopted by the PCAOB, as amended, and the rules of the SEC. In addition, the Committee has discussed with the independent registered certified public accounting firm the firm's independence from Company management and the Company, reviewed the written disclosures and letter from the independent registered certified public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered certified public accounting firm's communications with the audit committee concerning independence and considered the compatibility of non-audit services with the independent registered certified public accounting firm's independence.

The Committee discussed with the Company's internal auditor and representatives of the independent registered certified public accounting firm the overall scope and plans for their respective audits. The Committee met with the internal auditor and representatives of the independent registered certified public accounting firm, with and without management present, to discuss the results of their audits; their evaluations of the Company's internal control, including internal control over financial reporting; and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board has approved, that the audited consolidated financial statements and management's assessment of the effectiveness of the Company's internal control over financial reporting be included in the Annual Report on Form 10-K for the year ended December 31, 2009 filed by the Company with the SEC. The Committee has also approved, subject to shareholder ratification, the selection of PricewaterhouseCoopers LLP as the Company's independent registered certified public accounting firm for the 2010 fiscal year.

Submitted by the Audit Committee of the Board of Directors.

Abbie J. Smith (Chair)

Luis P. Nieto, Jr.

Eugene A. Renna

E. Follin Smith

Hansel E. Tookes, II

Table of Contents**SECURITY OWNERSHIP OF OFFICERS AND DIRECTORS**

The following table shows the number of shares of common stock beneficially owned as of January 31, 2010, by each director and each executive officer named in the Summary Compensation Table herein, individually, and all directors and executive officers as a group. No family relationships exist among our directors and executive officers.

Name of Beneficial Owner	Shares Beneficially Owned or Subject to Currently Exercisable Options	Shares Which May be Acquired Within 60 Days ¹	Total Shares Beneficially Owned ²	Percent of Class ³
Gregory T. Swienton ^{4,5}	748,738	149,696	898,434	1.644%
James S. Beard	92	3,931	4,023	*
John M. Berra ⁶	5,000	12,734	17,734	*
Robert D. Fatovic	59,229	24,737	83,966	*
David I. Fuente ^{5,6}	1,576	17,178	18,754	*
L. Patrick Hassey		7,816	7,816	*
Lynn M. Martin	10,881	18,475	29,356	*
Luis P. Nieto, Jr.		6,213	6,213	*
Eugene A. Renna	11,500	11,889	23,389	*
Robert E. Sanchez ^{4,5}	82,798	30,567	113,365	*
Abbie J. Smith ^{5,6}	12,038	13,166	25,204	*
E. Follin Smith ⁶		9,414	9,414	*
Anthony G. Tegnolia ⁵	61,678	34,965	96,643	*
Hansel E. Tookes, II ^{4,6}	6,000	13,008	19,008	*
John H. Williford	5,665	11,364	17,029	*
Directors and Executive Officers as a Group (17 persons) ^{4,5,6}	1,037,203	396,791	1,433,994	2.625%

* Represents less than 1% of our outstanding common stock.

¹ Represents options to purchase shares which became exercisable between January 31, 2010 and March 31, 2010, performance-based restricted stock rights that vested on February 10, 2010, and restricted stock units held in the accounts of directors that vest upon the director's departure from the Board, which shares had the potential of vesting before March 31, 2010 if a director departed from the Board prior to that date.

² Unless otherwise noted, all shares included in this table are owned directly, with sole voting and dispositive power. Listing shares in this table shall not be construed as an admission that such shares are beneficially owned for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (Exchange Act).

- ³ Percent of class has been computed in accordance with Rule 13d-3(d)(1) of the Exchange Act.
- ⁴ Includes shares held through a trust, jointly with their spouses or other family members or held solely by their spouses, as follows: Mr. Swinton, 14,500 shares; Mr. Sanchez, 2,152 shares; Mr. Tookes, 1,000 shares; and all directors and executive officers as a group, 17,652 shares.
- ⁵ Includes shares held in the accounts of executive officers pursuant to our 401(k) Plan and Deferred Compensation Plan and shares held in the accounts of directors pursuant to our Deferred Compensation Plan as follows: Mr. Swinton, 4,364 shares; Mr. Fuente, 1,576 shares; Mr. Sanchez, 3,880 shares; Ms. A. Smith, 7,038 shares; Mr. Tegnalia, 2,669 shares; and all directors and executive officers as a group, 22,200 shares.
- ⁶ Includes stock granted to the director in lieu of his or her annual cash retainer which stock has vested but will not be delivered to the director until six months after his or her departure from the Board.

Table of Contents**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and persons who beneficially own more than 10% of a registered class of our equity securities, to file reports with the SEC relating to their common stock ownership and changes in such ownership. To our knowledge, based solely on our records and certain written representations received from our executive officers and directors, during the year ended December 31, 2009, all Section 16(a) filing requirements applicable to directors, executive officers and greater than 10% shareholders were complied with on a timely basis.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table shows the number of shares of common stock held by all persons who are known by us to beneficially own or exercise voting or dispositive control over more than five percent of our outstanding common stock.

Name and Address	Number of Shares Beneficially	Percent of Class ⁵
	Owned	
BlackRock, Inc. 40 East 52 nd Street New York, NY 10022	5,179,878 ¹	9.70%
UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	5,018,439 ²	9.40%
Artisan Partners Holdings LP 875 East Wisconsin Avenue, Suite 800 Milwaukee, WI 53202	3,842,800 ³	7.19%
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, PA 19355	3,138,689 ⁴	5.88%

¹ Based upon the most recent SEC filing by BlackRock, Inc. on Form 13G dated January 20, 2010. Of the total shares shown, the nature of beneficial ownership is as follows: sole voting power 5,179,878; shared voting power 0; sole dispositive power 5,179,878; and shared dispositive power 0.

² Based upon the most recent SEC filing by UBS AG on Form 13G dated February 5, 2010. Of the total shares shown, the nature of beneficial ownership is as follows: sole voting power 3,822,734; shared voting power 0; sole dispositive power 0; and shared dispositive power 5,018,439.

³ Based upon the most recent SEC filing by Artisan Partners Holdings LP (Artisan Holdings), Artisan Investment Corporation, the general partner of Artisan Holdings (Artisan Corp.), Artisan Partners Limited Partnership (Artisan Partners), Artisan Investments GP LLC, the general partner of Artisan Partners (Artisan Investments), ZFIC, Inc.,

the sole stockholder of Artisan Corp. (ZFIC), Andrew A. Ziegler (A. Ziegler) and Carlene M. Ziegler (C. Ziegler) on Form 13G dated February 11, 2010. Of the total shares shown, Artisan Holdings, Artisan Corp., ZFIC, A. Ziegler and C. Ziegler each report shared voting power of 3,722,000 shares and shared dispositive power of 3,842,800; Artisan Investments and Artisan Partners each report shared voting power of 3,688,200 shares and shared dispositive power of 3,809,000 shares.

⁴ Based upon the most recent SEC filing by The Vanguard Group, Inc. on Form 13G dated February 1, 2010. Of the total shares shown, the nature of beneficial ownership is as follows: sole voting power 89,288; shared voting power 0; sole dispositive power 3,058,901; and shared dispositive power 79,788.

⁵ The ownership percentages set forth in this column are based on the number of shares outstanding of the Company's common stock on January 31, 2010, and the assumption that each person listed above owned the number of shares reflected above on January 31, 2010.

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**RE-APPROVAL OF THE PERFORMANCE CRITERIA UNDER THE RYDER SYSTEM, INC. 2005
EQUITY
COMPENSATION PLAN**

(Proposal 3)

The Board of Directors and its Compensation Committee is asking shareholders to reapprove the material terms of the performance criteria that apply to awards under the Ryder System, Inc. 2005 Equity Compensation Plan, as amended (the 2005 Equity Compensation Plan). The Company's shareholders originally approved the 2005 Equity Compensation Plan at the 2005 annual meeting of shareholders. The full text of the 2005 Equity Compensation Plan is set forth as Appendix A to this Proxy Statement.

Re-approval of the performance criteria is needed under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), if the Company is to preserve its ability to take a federal tax deduction for performance awards under the 2005 Plan. Section 162(m) of the Code limits the deductions a publicly held company can claim for compensation in excess of \$1 million in a given year paid to the Chief Executive Officer and the three other most highly compensated executive officers (other than the Chief Financial Officer) serving on the last day of the fiscal year (generally referred to as the covered employees). Performance-based compensation that meets certain requirements is not counted against the \$1 million deductibility cap, and therefore remains fully deductible.

Because almost five years have passed since approval of the 2005 Equity Compensation Plan, the Company is seeking shareholder re-approval of the performance criteria that apply to awards under the 2005 Equity Compensation Plan in order to meet a key requirement for certain awards to qualify as performance-based under Section 162(m). If shareholders fail to approve the proposal, we will still be able to make awards under the 2005 Equity Compensation Plan, but some awards paid to our senior executives would not be deductible, resulting in an additional cost to the Company.

Performance Criteria Under the 2005 Plan

The 2005 Equity Compensation Plan provides that the Compensation Committee has the authority to select award recipients, determine the type, size and other terms and conditions of the award, and make all other decisions and determinations as may be required under the terms of the 2005 Equity Compensation Plan or as the Compensation Committee may deem necessary or advisable for the administration of the 2005 Equity Compensation Plan. The Compensation Committee may grant performance awards, which may be cash- or stock-based. Generally, performance awards require satisfaction of pre-established performance goals, consisting of one or more business criteria and a targeted performance level with respect to such criteria as a condition of awards being granted, becoming exercisable or settleable, or as a condition to accelerating the timing of such events. The Compensation Committee will set the performance goals used to determine the amount payable pursuant to a performance award. In order to avoid the limitations on tax deductibility under Section 162(m) of the Internal Revenue Code, the business criteria used by the Compensation Committee in establishing performance goals applicable to performance awards to the covered employees must be selected from among the following: earnings per share; revenues; cash flow; cash flow return on investment; return on net assets, return on assets, return on investment, return on invested capital, return on equity; profitability; economic value added; operating margins or profit margins; income or earnings before or after taxes; pretax earnings; pretax earnings before interest, depreciation and amortization; operating earnings; pretax operating earnings, before or after interest expense and before or after incentives, and extraordinary or special items; net income; total stockholder return or stock price; book value per share; expense management; improvements in capital structure; working capital; and costs. Performance goals may be set based on consolidated Company

performance and/or for specified subsidiaries, divisions, or other business units, and may be with fixed, quantitative targets; targets relative to past performance; or targets compared to the performance of other companies, such as a published or special index or a group of companies selected by the Compensation Committee for comparison.

The Board of Directors recommends a vote FOR re-approval of the performance criteria under the Ryder System, Inc. 2005 Equity Compensation Plan.

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AMENDMENT TO EMPLOYEE STOCK PURCHASE PLAN

(Proposal 4)

Background

The Board of Directors and its Compensation Committee believe that providing employees with an opportunity to acquire an ownership interest in the Company through the purchase of the Company's common stock at a discount to fair market value is beneficial to the Company and its shareholders. Consistent with this view, at the Annual Meeting, shareholders will be asked to approve an amendment to the Employee Stock Purchase Plan (which we refer to as the Purchase Plan) that will increase the maximum number of shares of Ryder common stock authorized for issuance under the Purchase Plan by 1,000,000 shares. On February 8, 2010, the Compensation Committee approved certain changes to the Purchase Plan: (i) that are necessary to comply with the new regulations under Section 423 of the Internal Revenue Code; and (ii) subject to shareholder approval, increase the maximum number of shares of Ryder common stock authorized for issuance under the Purchase Plan by 1,000,000 shares. If the amendment increasing the maximum number of shares of Ryder common stock authorized for issuance under the Purchase Plan is approved by shareholders, the aggregate number of shares available for issuance under the Purchase Plan and shares previously issued under the Purchase Plan would be 4,500,000.

The Company is seeking shareholder approval of the amendment to the Purchase Plan increasing the number of shares available for issuance under the Purchase Plan, so that the Purchase Plan will continue to qualify under Section 423 of the Internal Revenue Code. The Purchase Plan is not a tax-qualified, deferred compensation plan under Section 401(a) of the Internal Revenue Code, nor is it subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Description of the Purchase Plan

The following is a brief description of the material features of the Purchase Plan. This description is qualified in its entirety by reference to the full text of the Purchase Plan, a copy of which is attached to this Proxy Statement as Appendix B.

Administration. The Purchase Plan is administered by the Compensation Committee of the Board of Directors consisting of at least two disinterested directors which, subject to the express provisions of the Purchase Plan, has full power to (i) interpret the Purchase Plan, (ii) make rules and regulations relating to the administration of the Purchase Plan and (iii) make all other determinations relating to the Purchase Plan.

Share reserve. The maximum number of shares of common stock that may be issued under the Purchase Plan is 4,500,000 shares, including the 1,000,000 share increase that shareholders are being asked to approve in this Proposal 4.

Eligibility and Participation. All employees of the Company or its participating subsidiaries (whether now existing or hereafter established) are eligible to participate during an offering period under the Purchase Plan except: (i) any employee who, were he or she to participate during such offering period, would (together with any other person whose stock would be attributed to such Employee pursuant to Code Section 424(d)) own 5% or more of the Company's common stock; (ii) any employee who is ordinarily employed by the Company for less than 20 hours per week; or (iii) any employee who qualifies as a highly compensated employee within the meaning of Code Section 414(q) and who is subject to the insider reporting requirements of Section 16 of the Securities Exchange Act of 1934, as amended

(the 1934 Act). A participant's enrollment and chosen level of participation in the Purchase Plan continues to be effective for each consecutive offering period until the participant withdraws from the Purchase Plan or ceases to be eligible to participate in the Purchase Plan.

As of December 31, 2009, the number of employees who were eligible to participate in the Purchase Plan was approximately 19,151. Non-employee directors are not eligible to participate. The actual benefits, if any, to participants in the Purchase Plan are not determinable prior to the purchase of shares thereunder as the value, if any, of such shares to their holders is represented by the difference between the market price of a share of the Company's common stock on the date of the purchase and the purchase price of the shares, as described below.

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Offering Periods; Purchase Price; Holding Period. The Purchase Plan provides for a series of three-month offering periods beginning each January, April, July and October. Employees may subscribe and pay for shares through payroll deductions based upon either (i) a percentage of the employee's eligible base pay (up to 15%) or (ii) a specific dollar amount of the employee's eligible base pay. In any calendar year, a participating employee is not permitted to purchase shares with an aggregate fair market value (as of each offering date) in excess of \$25,000.

The purchase price of the shares of common stock offered under the Purchase Plan will be equal to 85% of the lesser of the fair market value of the common stock as of the first day of the offering period (the offering date) or the fair market value on the last day of the offering period (the purchase date). For example, if an employee who enrolls in the offering period beginning on April 1, 2010 continues in the Purchase Plan through the end of that quarterly period, he or she will make a final purchase of stock on June 30, 2010 at 85% of the lesser of the fair market value of the stock on April 1, 2010 or the fair market value on June 30, 2010. The purchases are made for participants on the last day of each calendar quarter by applying payroll deductions accumulated over the preceding three months towards such purchases. The maximum number of shares that may be purchased by a participant on any one purchase date may not exceed 2,500 shares, subject to periodic adjustments in the event of certain changes in the Company's capitalization. In addition, the maximum number of shares that may be purchased in total by all participants on any one purchase date may not exceed 500,000 shares, subject to periodic adjustments in the event of certain changes in the Company's capitalization. The Compensation Committee has the discretionary authority, prior to the start of any offering period, to increase or decrease the limitations to be in effect for the number of shares that may be purchased per participant and in total by all participants on each purchase date.

Participating employees may withdraw from the Purchase Plan during an offering period, and receive back their accumulated payroll deductions, without interest, at any time during the first two months of the offering period. If any employee does not withdraw prior to that date, he or she will continue to participate in the Purchase Plan for the current offering period. A participating employee may withdraw from the Purchase Plan effective as of the next offering period at any time prior to the beginning of such offering period. If a participating employee withdraws from an offering period, he or she will be permitted to participate in a subsequent offering period provided he or she timely enrolls in such offering period.

In order to encourage continued investment in the Company's stock, the Purchase Plan provides that participating employees may not sell shares acquired through the Purchase Plan until one year (for Company officers) or three months (for all other employees) after the shares were purchased by the employee.

Termination of Employment or Loss of Eligibility. Termination of a participant's employment for any reason, including retirement or death, or the failure of the participant to remain in the continuous employ of the Company for at least 20 hours per week during an offering period, causes the employee to become ineligible to participate in the Purchase Plan. In such event and except as noted below, payroll deductions credited to the participant's account will be returned to him or her or, in the case of death, to the person or persons entitled thereto as provided in the Purchase Plan, without interest.

In the event a participant goes on an approved unpaid leave of absence, the participant may choose to either withdraw from the offering period or have his or her payroll deductions held for purchase on his or her behalf on the next scheduled purchase date; however, no additional payroll deductions will be collected during the participant's leave. Upon the participant's return to active service within (i) three months following the start of his or her leave or (ii) such longer period for which such participant is provided with reemployment rights by statute or contract, his or her payroll deductions will automatically resume at the rate in effect at the time the leave began unless the participant withdraws from the Purchase Plan prior to his or her return. In the event the participant returns to active service following a leave of absence which exceeds in duration the applicable (i) or (ii) time period, he or she will be treated as a new employee and must re-enroll in the Purchase Plan.

Capital Changes. In the event any change is made in the Company's capitalization during an offering period, such as a stock split or stock dividend, that results in an increase or decrease in the number of shares of common stock outstanding without receipt of consideration by the Company, equitable adjustments will be made to the purchase price per share, the maximum number of shares authorized for issuance under the Purchase Plan, the maximum number of shares that may be purchased by any one participant on a given purchase date and the maximum number of shares that may be purchased in total by all participants on a given purchase date.

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Change of Control. In the event the Company undergoes a change of control, the Compensation Committee may take any action it deems necessary or desirable with respect to any purchase of shares under the Purchase Plan as of the date of the consummation of the change of control. For purposes of the Purchase Plan, a change of control will be deemed to have occurred upon a sale of securities representing more than 30% of the total combined voting power of the outstanding securities, a change in the composition of the Board of Directors as a result of which fewer than the majority of the directors are incumbent directors, a reorganization, a merger, a consolidation, a sale of all or substantially all of its assets or a shareholder-approved liquidation or dissolution.

Amendment and Termination. The Compensation Committee may terminate or amend the Purchase Plan at any time, except that no amendment will be effective unless it is approved by the shareholders of the Company if such approval is required under Section 423 of the Internal Revenue Code, or any other applicable law, regulation or stock exchange rule. The termination or modification of the Purchase Plan may not affect rights to purchase stock previously granted.

New Plan Benefits. No purchase rights will be granted and no shares of common stock will be issued under the Purchase Plan on the basis of the 1,000,000 share increase for which shareholder approval is sought under this Proposal 4, unless such shareholder approval is obtained.

Equity Compensation Plan Information

The following table includes information as of December 31, 2009 about certain plans which provide for the issuance of common stock in connection with the exercise of stock options and other share-based awards.

Plan Category	Number of Securities		Number of Securities Remaining Available for Future Issuance
	to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Under Equity Compensation Plans Excluding Securities Reflected in Column (a)
	(a)	(b)	(c)

Equity compensation plans approved by security holders:

Broad based employee stock option plans	3,505,777 ⁽¹⁾	43.85 ⁽³⁾	4,130,901
Employee stock purchase plan			319,074
Non-employee directors' stock plans	145,522 ⁽²⁾	32.51 ⁽³⁾	41,471

Equity compensation plans not approved by security holders:

Total	3,651,299	43.70 ₍₃₎	4,491,446
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¹ Includes 516,461 time-vested and performance-based restricted stock awards.

² Includes 105,522 restricted stock units.

³ Weighted-average exercise price of outstanding options; excludes restricted stock awards and restricted stock units.

Tax Consequences

The Purchase Plan, and the right of participants to make purchases thereunder, is intended to qualify under the provisions of Section 421 and 423 of the Internal Revenue Code. Under these provisions, no income will be taxable to a participant until the shares purchased under the Purchase Plan are sold or otherwise disposed of. If a participant disposes of his or her shares of common stock within the later of two years from the offering date that applies to the shares or within one year from the purchase date of the shares, a transaction referred to as a disqualifying disposition occurs and the participant will realize ordinary income in the year of such disposition equal to the amount by which the fair market value of the stock on the purchase date exceeded the purchase price. In such instances, the amount of such ordinary income will be added to the participant's basis in the shares, and any additional gain or resulting loss recognized on the disposition of the shares after such basis adjustment will be a capital gain or loss. A

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capital gain or loss will be long-term if the participant holds the shares of common stock for more than one year after the purchase date.

If the participant disposes of his or her shares of common stock more than two years after the relevant offering date of such shares and more than one year after the purchase date of such shares, the participant will realize ordinary income in the year of such disposition equal to the lesser of (i) the excess of the fair market value of the shares on the date of disposition over the purchase price or (ii) 15% of the fair market value of the shares on the relevant offering date for such shares. The amount of such ordinary income will be added to the participant's basis in the shares, and any additional gain recognized on the disposition of the shares after such basis adjustment will be long-term capital gain. If the fair market value of the shares on the date of disposition is less than the purchase price, there will be no ordinary income and any loss recognized will be a capital loss.

The Company will generally be entitled to a deduction in the year of a disqualifying disposition equal to the amount of ordinary income recognized by the participant as a result of such disposition. In all other cases, no deduction is allowed the Company.

The foregoing provides only a general description of the application of federal income tax laws upon the participants and the Company with respect to participation in the Purchase Plan. This discussion is intended for the information of shareholders considering how to vote at the Annual Meeting and not as tax guidance to participants in the Purchase Plan. This summary does not address the effects of other federal taxes or taxes imposed under state, local or foreign tax laws.

Accounting Consequences

Pursuant to the accounting principles which are applicable to employee stock purchase plans, the fair value of each option granted under the Purchase Plan is charged as a direct compensation expense to our reported earnings over the offering period to which that option pertains. The fair value of each such option will be determined as of its grant date.

Shareholder Vote

Should shareholder approval not be obtained, the proposed increase to the Purchase Plan's share reserve will not be implemented, and the Purchase Plan in effect prior to the proposed amendment which is the subject of this Proposal will continue to remain in effect. Stock purchases will continue to be made pursuant to the provisions of the Purchase Plan until the available reserve of common stock under the Purchase Plan is depleted or until the plan terminates in accordance with its terms.

The Board of Directors recommends a vote FOR the amendment to the Employee Stock Purchase Plan.

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis is designed to provide our shareholders with a clear understanding of our compensation philosophy and objectives, compensation-setting process, and 2009 compensation programs and actions for our named executive officers. Our named executive officers are those executive officers listed below whose compensation is disclosed in the Summary Compensation Table on page 47 of this proxy statement (named executive officers or NEOs):

Gregory T. Swienton	Chairman and Chief Executive Officer (CEO)
Robert E. Sanchez	Executive Vice President and Chief Financial Officer (CFO)
Anthony G. Tegnella	President Global Fleet Management Solutions
John H. Williford	President Global Supply Chain Solutions
Robert D. Fatovic	Executive Vice President, Chief Legal Officer and Corporate Secretary

Executive Summary

The following provides a brief overview of the more detailed disclosure set forth in this Compensation Discussion and Analysis.

The Compensation Committee of our Board of Directors is responsible for reviewing and approving all of the components of our executive compensation program, approving all compensation actions for NEOs other than our CEO, and making recommendations to the full Board regarding CEO compensation. Our independent directors acting as a group are responsible for evaluating CEO performance and setting CEO compensation.

The objective of our executive compensation program is to recruit, retain and motivate high-quality executives who possess diverse skills and talents that can help us achieve our short and long-term goals and strategies.

The Compensation Committee's goal is to design an executive compensation program that provides competitive levels of compensation tied closely to Company and executive performance.

While compensation levels may differ among NEOs based on competitive factors and the role, responsibilities and performance of each specific NEO, in order to encourage our NEOs to compete collectively and manage collaboratively, there are no material differences in the compensation philosophies, objectives or policies for our NEOs. The Compensation Committee considers all executives' relative pay when making practical decisions regarding hiring, promoting and retaining our executives but does not have a formal policy regarding internal pay equity.

We have traditionally provided our named executive officers with the following types of compensation: salary, annual cash incentive award (i.e., annual incentive bonus), long-term incentive (LTI) compensation and limited perquisites. We also provide our NEOs with welfare and post-termination benefits such as retirement, severance and change of control benefits. Our compensation programs are designed so that a significant portion of NEO compensation is variable, performance-based compensation. For 2009, approximately 80% of targeted compensation for our CEO and approximately 70% of targeted compensation for the other NEOs was variable, performance-based compensation.

For 2009, the salaries of Mr. Swinton and each of the other NEOs was frozen. Based on the continuing uncertainty of the economy, the salaries for Mr. Swinton and all other NEOs were again frozen at 2008 levels for at least the first half of 2010. The Compensation Committee anticipates reevaluating salary levels for the second half of 2010.

In February 2009, as a result of the amount of considerable uncertainty in the business environment, the Compensation Committee modified the annual incentive bonus program to base bonuses solely on EPS, eliminating operating revenue and return on capital as performance metrics for 2009. The Compensation Committee believes that under the current economic environment this change brought the annual incentive program in closer alignment with shareholder value.

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In 2009, based on the difficult economic environment, we did not achieve our threshold level of EPS performance required under our annual incentive bonus program. Accordingly, no annual incentive bonuses were earned by, or paid to, the named executive officers under the annual incentive bonus program.

Our 2009 LTI program consisted of a combination of stock options (45%), performance-based restricted stock rights (PBRs) (35%) and performance-based cash awards (PBCA) (20%). The LTI program was designed to deliver an aggregate target opportunity equal to 175% of the midpoint of the relevant salary range for the NEO's management level and 350% in the case of our CEO. The PBRs delivered as part of the 2009 LTI Program will vest if Ryder's cumulative Total Shareholder Return (TSR) meets or exceeds the cumulative Total Return of the S&P 500 Composite Index for a three-year period beginning on January 1, 2009. The PBCA delivered as part of the 2009 LTI program will vest if Ryder's Cumulative TSR meets or exceeds the cumulative Total Return of the 33rd percentile of the S&P 500 Composite Index for a three-year period beginning on January 1, 2009. Beginning in 2009, TSR is calculated by measuring the absolute difference in cumulative TSR for each month of the 36-month performance period and averaging this over the number of periods measured. The Compensation Committee believes that this change will normalize temporary aberrations that can be caused by extreme market conditions and prevent large late market cycle movements from distorting overall performance.

The Company's Total Shareholder Return for the three-year period ended December 31, 2009 was 163 basis points greater than the Total Return for the S&P 500 Composite Index over the same period. As a result, the PBRs and tandem cash awards granted to the NEOs as part of the 2007-2009 performance cycle of the LTI program were earned as of December 31, 2009. The cash was paid and the underlying shares were issued upon Board approval in February 2010.

Based upon a review of the Company's operating and financial performance in a difficult economic environment and upon the strong performance of the NEOs in 2009, each NEO was granted a time-based restricted stock right award.

Our NEOs do not have employment agreements, but do have agreements which entitle them to severance under certain limited circumstances, including in the event their employment is terminated upon a change of control of the Company.

Oversight and Authority over Executive Officer Compensation

Compensation Setting Process

The Compensation Committee is responsible for determining the compensation philosophy and objectives for our named executive officers, and for reviewing, approving and, in some cases, recommending to the Board of Directors the approval of, all components of our executive compensation program. Our independent directors, acting as a group, are responsible for setting CEO compensation based on recommendations from the Compensation Committee. The Compensation Committee, with input from the CEO, is responsible for setting the compensation of all of our other named executive officers.

With respect to compensation decisions for NEOs (other than our CEO), in February of each year and at other times during the year as needed, our CEO gives the Compensation Committee a performance assessment and compensation recommendation for each named executive officer. The performance assessment includes strengths, weaknesses and succession potential and is based on individual performance evaluations conducted by the CEO. Our CEO also reviews each executive's three-year compensation history, and current compensation data provided by our compensation group and outside consultants. At the Board's annual succession planning meeting in October, each

NEO is also evaluated by the full Board as part of Ryder's succession planning process.

Beginning at the end of each fiscal year, the independent directors conduct a performance review of the CEO. For the review, the CEO and each independent director complete a comprehensive CEO evaluation questionnaire relating to the CEO's performance. This questionnaire is prepared by the Governance Committee, which is responsible for determining and overseeing the process by which the CEO will be evaluated. The questionnaire focuses on (a) our historical and forecasted performance, (b) Mr. Swinton's effectiveness in leading the organization, the Board and external constituencies, (c) his effectiveness at team building and succession planning and development and (d) his effectiveness in developing and leading implementation of strategic initiatives. As part of the process by which it prepares its recommendation on CEO compensation, in addition to reviewing the completed questionnaire, the

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Compensation Committee also reviews the CEO's three-year compensation history, and, typically, current compensation data provided by our compensation group and outside consultants. At the completion of this review, the Compensation Committee discusses the CEO's performance review in executive session and formulates its recommendation. At the February Board meeting, in executive session without the CEO present, the independent directors complete the CEO's performance evaluation and determine the CEO's compensation based on the recommendations of the Compensation Committee.

In February of each year (in connection with the NEO's performance evaluation and the conclusion of our business planning process), the Compensation Committee conducts its annual review of the executive compensation packages. Based on this review, the Compensation Committee approves (a) base salary changes, (b) any amounts earned under the previous year's annual incentive bonus and LTI programs, (c) performance metrics, performance targets and target payout opportunity under the annual incentive bonus program for the current year and (d) LTI awards for the next three-year cycle. The Compensation Committee may approve other individual compensation actions during the year as needed. While the Compensation Committee considers competitive market compensation data, it does not attempt to maintain a certain target percentile within a comparative group. Rather, the Compensation Committee's objective is to target executive pay at levels that are market competitive based on Company and individual performance. Specifically, the Compensation Committee's goal is to design a compensation program and set compensation levels that provide competitive levels of compensation tied closely to Company and executive performance. While compensation levels may differ among NEOs based on competitive factors and the role, responsibilities and performance of each specific NEO, there are no material differences in the compensation philosophies, objectives or policies for our NEOs. The Compensation Committee considers all executives' relative pay when making decisions regarding hiring, promoting and retaining our executives but does not have a formal policy regarding internal pay equity.

Use of Compensation Consultants

The Compensation Committee has authority to retain compensation consultants, outside legal counsel and other advisors to assist in fulfilling its responsibilities. Historically, in addition to the Compensation Committee, our Chief Human Resources Officer (CHRO) and Vice President of Compensation and Benefits have from time-to-time engaged compensation consultants to assist in the evaluation of executive compensation.

During early 2009, the independent directors determined that, based on the economic environment, they would not adjust or modify the compensation package of the CEO. Consequently, Cook was not engaged to review competitive market data for the CEO's compensation for 2009. However, in late 2009, the Compensation Committee engaged Cook to provide a review of competitive market data for each member of the leadership team, including Mr. Swinton and each other named executive officer, and to work directly with the Chair of the Compensation Committee to prepare proposals for 2010 executive compensation packages. During 2009, Cook did not provide any services to the Company or management.

Compensation Philosophy and Objectives

The most important objective of our executive compensation program is to recruit, retain and motivate high-quality executives who possess diverse skills and talents that can help us achieve our short and long-term goals and strategies. In addition, we strive to design, implement and maintain an executive compensation program that accomplishes the following four key goals:

- Aligns the short and long-term interests of our named executive officers and our shareholders so that our named executive officers are motivated to take actions that are in the best interests of our shareholders when carrying out their duties as executives of our Company.

Emphasizes and rewards overall Company performance through clear and simple incentive compensation programs that provide competitive compensation tied closely to Company and executive performance.

Promotes growth without sacrificing quality of earnings or providing incentives to executives to engage in inappropriate or disproportionate business risks by capping short-term incentives.

Rewards each named executive officer's performance, contribution and value to the Company.

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The Compensation Committee regularly evaluates the effectiveness of our executive compensation programs, considering the cost to us and the value to the executive of each element of compensation, in light of the above stated compensation objectives.

Company and Individual Performance in 2009 and 2008

Company Performance

In 2009, we managed through the impacts of a prolonged economic recession that became more severe as the year progressed. Throughout 2009, we experienced significant volume declines across all business segments. Our earnings from continuing operations on a comparable basis (as described in our Annual Report on Form 10-K for the year ended December 31, 2009) decreased to \$95 million from \$267 million in the prior year. This reflects significantly lower earnings in our FMS business segment due to a decline in commercial rental, full service lease and used vehicle sales as well as significantly higher pension expense. Earnings were also negatively impacted by lower global automotive industry volumes. Operating revenue was down 11%. In the second half of 2009, we successfully implemented our plan to disengage from SCS operations in South America and Europe. Despite the weak overall economic environment and protracted freight recession, we delivered record free cash flow of \$614 million and completed one acquisition in FMS in early 2009. Our liquidity position remained strong throughout 2009 and allowed us to repurchase 2.7 million shares of common stock for \$116 million, increase our annual dividend by 9% to \$1.00 per share of common stock and make voluntary pension contributions of over \$100 million.

In 2008, we faced significant economic challenges as the economy began to substantially slow down in the latter part of the year. Despite these difficult conditions, we had full-year earnings growth of 7%, on a comparable basis (as described in our Annual Report on Form 10-K for the year ended December 31, 2008), and FMS contractual revenue growth of 5% excluding foreign exchange impact. Our access to capital was stable throughout 2008 and we continued to maintain positive operating cash flow and free cash flow during a period of significant credit market instability. We completed four acquisitions in 2008 including one strategic acquisition in our Supply Chain Solutions business segment.

Executive Performance

In determining the compensation package for our NEOs, including Mr. Swinton, the Compensation Committee and the independent directors consider the results of the NEO's annual performance evaluation, comparative compensation data and information on our competitive position and operating/financial performance.

For each of his direct reports, Mr. Swinton provided input to the Compensation Committee as to the executive's performance and made a recommendation to the Compensation Committee as to the executive's compensation. In setting compensation for these executives, the Compensation Committee also took into account the executive's responsibilities and tenure as well as their challenges and initiatives for 2009. In determining the compensation for Mr. Sanchez, the Compensation Committee considered Mr. Sanchez's responsibilities for oversight of the Company's finance and accounting, information technology, corporate development and strategy and risk management functions. The Compensation Committee also considered Mr. Sanchez's significant role in the Company's ability to generate return on capital and free cash flow in 2008, the Company's maintenance of its long-term credit ratings and his implementation of significant business process improvements. With respect to the determination of Mr. Tegnalia's 2009 compensation, the Compensation Committee considered Mr. Tegnalia's strong management of the costs and productivity of the FMS business unit, his successful integration of FMS acquisitions that had been completed in 2007 and 2008, his continued implementation of beneficial business process changes and his efforts to adjust the size of the rental fleet to meet market demands. In reviewing Mr. Williford's compensation, the Compensation Committee

considered Mr. Williford's design of a revised strategic direction for the Company's SCS and DCC operations, his leadership of the Company's efforts to disengage from SCS operations in South America and Europe and his successful completion of the Company's acquisition of a supply chain business with operations in Canada and Asia. With respect to Mr. Fatovic's compensation, the Compensation Committee considered Mr. Fatovic's oversight and strong support of the legal, compliance, safety and environmental functions of the Company in a cost effective manner, including leading the development of the Company's sustainability report and coordinating government affairs at the local, state and federal level.

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In setting Mr. Swinton's compensation for 2009, the Compensation Committee considered (a) our operating and financial results for 2008 discussed above, (b) the Company's continued operational strength in a difficult economic environment, (c) his ability to successfully integrate the acquisitions that the Company had consummated and to achieve the expected synergies, (d) measures taken to reduce the Company's exposure to the risks of distressed customers and to disengage from SCS operations in underperforming markets, and (e) Mr. Swinton's leadership skills and his talent to both maintain employee morale during a time of significant cost cutting and create an atmosphere of teamwork within the leadership team. In addition, the Compensation Committee reviewed Mr. Swinton's historical compensation data as well as market compensation data provided by Cook in 2008.

Benchmarking

In evaluating each element of our executive compensation program, the Compensation Committee considers the executive compensation program and practices, as well as the financial performance, of comparative groups of companies. The Compensation Committee uses benchmark comparisons to peer groups or published surveys, as applicable, to ensure that it is acting on an informed basis and to establish points of reference to determine whether and to what extent it is establishing competitive levels of compensation for our executives. The Compensation Committee compares numerous elements of executive compensation, including base salaries, annual incentive compensation, long-term cash and equity-based incentives and retirement benefits, to assist in determining whether proposed compensation programs are competitive. Management and the Compensation Committee view this data as one factor in making compensation decisions, but do not rely solely on this information. The Compensation Committee uses its experience and judgment to make final compensation decisions.

In early 2009, based on the difficult and uncertain economic environment facing the Company, the independent directors (with respect to the CEO) and the Compensation Committee (with respect to all other NEOs) decided to maintain the compensation packages for the CEO and each other NEO for 2009 at the same level as was provided in 2008. Consequently, the Company did not engage Cook to conduct a review of external market data with respect to Mr. Swinton's 2009 compensation. However, our compensation group and the Compensation Committee did conduct a market pricing analysis with respect to the compensation packages provided other executive officers to ensure that the Compensation Committee understood the Company's competitive position in the market. In connection with this market pricing analysis, the Compensation Committee utilized the Mercer Benchmark Database – Executive, a broad-based published survey which is comprised of 2,201 U.S.-based companies across all industries to provide relevant comparative compensation data. This Database does not provide company specific data. The Mercer Benchmark Database is a position-specific database which is searchable based on a variety of factors. For any specific position, narrowed by revenue and scope, the Database provides detailed aggregate compensation data with respect to base salary, short-term incentives and LTIs. The Compensation Committee uses the data from these published market surveys and databases to ensure that it is acting responsibly and to establish points of reference to determine whether and to what extent it is establishing competitive levels of compensation for our executives. The Compensation Committee does not target a specific percentile of any survey or peer group. Rather, the Compensation Committee compares numerous elements of executive compensation, including base salaries, annual incentive compensation, long-term cash and equity-based incentives and retirement benefits, to assist in determining whether proposed compensation programs are competitive and then uses its experience and judgment to make final compensation decisions.

In connection with its review of competitive market data for each member of the leadership team, including Mr. Swinton and each other named executive officer, and recommendations regarding their 2010 compensation packages, Cook utilized two peer groups against which they analyzed each named executive officer's compensation. The first group (Peer Group) was comprised of 16 companies that are in a related industry and are of comparable size based on revenue and market capitalization. This peer group is the same peer group that is used by the Company for its stock performance chart and is similar to the peer group that was used in evaluating Mr. Swinton's 2008

compensation, except that it does not include CIT Group Inc. and YRC Worldwide Inc. due to their financial situation or Werner Enterprises, Inc. which has an ownership and management structure which is not comparable. However,

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J.B. Hunt Transport Services Inc. has been added to the Peer Group as a source of valuable competitive data. The Peer Group is comprised of:

Avis Budget Group, Inc.	Hertz Global Holdings, Inc.
C. H. Robinson Worldwide, Inc.	Hub Group, Inc.
Celadon Group, Inc.	J.B. Hunt Transport Services Inc.
Con-way Inc.	Landstar System, Inc.
CSX Corporation	Old Dominion Freight Line, Inc.
Expeditors International of Washington, Inc.	PHH Corporation
FEDEX Corporation	Trinity Industries, Inc.
GATX Corporation	United Parcel Service, Inc.

Our business is comprised of three distinct, complex business segments: Fleet Management Solutions (FMS), Supply Chain Solutions (SCS) and Dedicated Contract Carriage. Although there are other public companies that operate in one or more of our business segments, we do not believe there are any public companies that provide similar fleet management services (which represents approximately 65% of our consolidated revenues) or that provide the same mix of services, and that publicly disclose financial performance and compensation data relating to that business. As a result, we do not have access to relevant compensation data for our direct competitors. However, management and the Compensation Committee believe the Peer Group provides a useful basis of comparison for NEO compensation because, similar to Ryder, many of these companies are asset-based providers of transportation or transportation-related services or otherwise provide leasing or rental services. Furthermore, many are impacted by similar economic factors affecting our Company including freight demand and fuel prices.

Cook also compiled a second comparator group (Market Group) of 13 service-based companies with market capitalizations ranging from \$1 to \$7 billion. This Market Group is the same market group that was used as the 2008 market group. This group was used to provide more general industry data outside of transportation/logistics. The Market Group was comprised of:

AECOM Technology Corporation	Republic Services, Inc.
Barnes & Noble, Inc.	Services Corp. International
Brink's Home Security Holdings, Inc.	Unisys Corporation
CGI Group Inc.	United Rentals, Inc.
Convergys Corporation	UTi Worldwide Inc.
DST Systems, Inc.	W.W. Grainger, Inc.
Exterran Holdings, Inc.	

The Compensation Committee uses benchmark comparisons to peer groups or published surveys, as applicable, to ensure that it is acting responsibly and to establish points of reference to determine whether and to what extent it is establishing competitive levels of compensation for our executives. The Compensation Committee compares numerous elements of executive compensation, including base salaries, annual incentive compensation, long-term cash and equity-based incentives and retirement benefits, to assist in determining whether proposed compensation programs are competitive. The Compensation Committee then uses its experience and judgment to make final compensation decisions.

Elements of Our 2009 Executive Compensation Program

Our executive officers do not have employment agreements. This gives the Compensation Committee flexibility to change the executive compensation program with respect to components, pay mix and amounts. Our NEOs do, however, have individual severance agreements which are described in more detail under the heading **Severance and Change of Control Benefits** .

Our executive compensation program typically consists of base salary, annual incentive bonus, LTIs, benefits and perquisites. We do not have a formal policy relating to the allocation of total compensation among the various components. However, both management and the Compensation Committee believe that the more senior the position an executive holds, the more influence they have over our operating and financial performance. As such, a greater amount of NEO compensation should be at-risk based on Company performance. The actual compensation mix for each named executive officer may vary based on job responsibilities, Company performance, individual performance, isolated compensation actions and contributions to the organization.

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Following is a description of each component of executive compensation for 2009:

ANNUAL COMPENSATION

Base Salary

Objective: The Compensation Committee sets an executive's base salary with the objective of hiring and retaining highly qualified executives and rewarding individual performance.

Design: Base salary is designed to adequately compensate and reward the executive on a day-to-day basis for the time spent on the services the executive performs. When setting and adjusting individual executive salary levels, the Compensation Committee considers the executive officer's responsibilities, experience, potential, individual performance, internal pay equity and contribution, competitive market position determined from market surveys and comparative data provided by outside compensation consultants. The Compensation Committee also considers other factors such as the annual merit increase paid to all other Company employees, demand in the labor market for the particular executive and succession planning. These factors are not weighted. The Compensation Committee bases salary adjustments on the overall assessment of all of these factors. The Compensation Committee does not target base pay at any particular level versus a peer group, but instead, the Compensation Committee considers certain market and survey data, as previously described, and uses its judgment to set a base salary that, when combined with all other compensation elements, results in a competitive pay package.

2009 Salary Actions: For 2009, given economic conditions and in an effort to contain costs, the salaries for Mr. Swinton and all other NEOs were frozen at 2008 levels.

2010 Salary Actions: Based on the continuing uncertainty of the economy, the salaries for Mr. Swinton and all other NEOs were again frozen at 2008 levels for at least the first half of 2010. The Compensation Committee anticipates reevaluating salary levels for the second half of 2010.

**Annual Incentive
Bonus**

Objective: Our annual incentive bonus program is designed to reward executives (through additional cash compensation) when the Company meets certain annual performance targets. The Compensation Committee believes the annual incentive bonus motivates executives to focus their efforts on implementing the Company's near-term strategies and achieving the fiscal-year operating and financial goals established by management and approved by the Board.

2009 Annual Incentive Bonus Program Design: Given the Company's increased focus in 2009 on meeting its targeted earnings objectives in difficult economic conditions, the Compensation Committee determined that the 2009 annual incentive bonus awards would be based solely on EPS performance, eliminating the operating revenue and return on capital performance metrics which had been used in the 2008 annual incentive bonus program. This modification was made in order to adapt our compensation structure to the uncertainty and

volatility of the business environment which would hinder the ability of the Company to set meaningful performance targets for other performance metrics for 2009. The Compensation Committee believed this change to EPS provided a performance measure that would, under the current economic environment, retain and incentivize management as well as bring the annual cash incentive program in closer alignment with shareholder value, the financial measure emphasized by the Company's shareholders. There were no individual performance metrics for our named executive officers under the 2009 annual incentive bonus program.

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Target payout amounts are designed to motivate our executive officers to act in a way that will result in the Company achieving improved year over year financial performance without taking excessive risk. Under the 2009 annual incentive bonus program, the target payout opportunity for all executive officers (other than our CEO) was 75% of base salary, while the maximum payout was 150% of base salary. For 2009, the target payout opportunity for Mr. Swienton was 120% of base salary, while the maximum payout was 240% of base salary. Mr. Swienton's target payout opportunity is set at a higher level than our other executive officers, to reflect the increased responsibility that accompanies the role of a CEO, to increase the at-risk portion of Mr. Swienton's compensation and to further motivate Mr. Swienton to drive strong sustainable performance during a challenging economic environment.

The Compensation Committee established the performance targets for our 2009 annual incentive bonus program based on our 2009 internal business plan. For 2009, the Compensation Committee set three performance targets: (1) a threshold level, at which 25% of target payout opportunity would be earned, (2) a target level, at which 100% of target payout opportunity would be earned, and (3) a maximum level, at which 200% of target payout opportunity would be earned. Actual performance relative to the target is calculated in accordance with GAAP and adjusted for non-recurring and non-operational items. The Compensation Committee retains the right to adjust reported results in order to ensure that actual payouts properly reflect the performance of our core business and are not impacted positively or negatively by non-recurring or non-operational items.

2009 Results: For the year ended December 31, 2009, the target performance level was EPS of \$3.40 and the threshold performance level was EPS of \$2.70. For the 2009 fiscal year, the Company did not achieve the threshold level of EPS performance required for the NEOs to receive the 25% minimum bonus payout. Accordingly, no bonuses were paid to the NEOs under the 2009 annual incentive bonus program.

Financial targets disclosed in this section are done so in the limited context of our annual incentive bonus program and are not statements of management's expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts.

2010 Annual Incentive Bonus Program Design Change: For 2010, the Compensation Committee has revised the design of the Annual Incentive Bonus Program (which is now referred to as the 2010 Performance Incentive Plan) to address continuing uncertainties surrounding the economic recovery and to provide the Compensation Committee with additional flexibility to reward the successful execution of the Company's financial, strategic, operational and marketplace objectives. Therefore, rather than having one annual performance period, the 2010 Performance Incentive Plan will have two six-month performance periods. In addition, rather than having one performance incentive plan that is based solely on attainment of Company EPS, for each six-month performance period, there will be two performance incentive programs. The first performance incentive program, the financial metric program, will continue to be based solely on the Company attaining its EPS performance targets, and the second performance incentive program, the individual performance program, will be subject to the Company's attainment of a threshold EPS and payable to NEOs (including the

CEO) based on their performance with respect to their individual performance objectives. These revisions will not affect the total amount of the bonus payout opportunity, which will remain unchanged from 2009: 120% of base salary for our CEO and 75% of base salary for each of our other NEOs, with a maximum equal to two times the bonus opportunity.

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Our financial metric program will provide NEOs (including the CEO) an opportunity to receive, over the two six-month performance periods, an aggregate incentive bonus equal to 87.5% of each NEO's respective performance incentive opportunity if we achieve a target EPS performance level and up to 175% of each NEO's performance incentive opportunity if we meet or exceed our EPS maximum performance level. Performance incentives are earned proportionately from a threshold EPS performance level to the target EPS performance level and from the target EPS performance level to the maximum EPS performance level.

Payment under our individual performance program will be subject to the Company's attainment of a threshold EPS and payable to NEOs (including the CEO) based on their performance with respect to individual performance objectives that will be established in advance. At the end of each performance period, the independent directors, with respect to the CEO, and the Compensation Committee in consultation with the CEO for each other NEO, will determine to what extent the individual performance objectives have been met. For 2010, the individual performance objectives are intended to support our strategic analysis and direction for long-term value of the organization, tactical execution of the operations of the business and organizational development goals.

Although the maximum aggregate performance incentive award amounts that any executive officer can earn pursuant to the individual performance program over the two performance periods is equal to 25% of his or her performance incentive opportunity, it is anticipated that any NEO who performs his or her performance goals at target levels will receive an aggregate amount of 12.5% of his or her performance incentive payout opportunity. As permitted by the individual performance program, the independent directors, with respect to the CEO, and the Compensation Committee with respect to the other NEOs, will use negative discretion to reduce the maximum award amount with respect to each performance period as the independent directors or the Compensation Committee, as applicable, determines appropriate.

As discussed, there will be two six-month performance periods in 2010, rather than a single twelve-month performance period as in 2009. The first performance period will run from January through June 2010 and will provide each NEO (including the CEO) the ability to earn 35% of his or her respective annual performance incentive payout opportunity. The second performance period will run from July through December 2010 and will provide each NEO (including the CEO) the ability to earn the remaining 65% of his or her annual performance incentive payout opportunity. The Compensation Committee believes such allocation is appropriate taking into account a number of factors including the goal of aligning the 2010 annual bonus program with the Company's typical performance cycle. Amounts earned under both incentive programs will be payable in 2011, subject to the terms and conditions of the programs.

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LONG-TERM INCENTIVE PROGRAM

Objective: Our 2009 LTI program for our NEOs was comprised of non-qualified stock options, PBRs and PBAs. The Compensation Committee believes granting stock options, PBRs and PBAs to our named executive officers aligns their financial interests with that of our shareholders and motivates them to create long-term value for our shareholders. These equity awards also promote employee retention as the equity awards do not fully vest until at least three years after the grant date.

Design: