

RYDER SYSTEM INC  
Form DEF 14A  
March 20, 2015  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
(RULE 14a-101)  
INFORMATION REQUIRED IN STATEMENT  
SCHEDULE 14A INFORMATION

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

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only  
(as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under § 240.14a-12

Ryder System, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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

NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS

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

Date: May 1, 2015

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

Purpose:

1. To elect five directors for a three-year term expiring at the 2018 Annual Meeting of Shareholders.
2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2015 fiscal year.
3. To approve, on an advisory basis, the compensation of our named executive officers.
4. To approve amendments to our Articles of Incorporation and By-Laws to change the voting requirement relating to the removal of directors.
5. To approve amendments to our Articles of Incorporation and By-Laws to change the voting requirement relating to the alteration, amendment, repeal or adoption of certain provisions of the By-Laws.
6. To approve amendments to our Articles of Incorporation to change the voting requirement relating to the alteration, amendment, repeal or adoption of certain provisions of the Articles of Incorporation.
7. To approve amendments to our By-Laws to change the general voting requirement.
8. To vote on a shareholder proposal regarding disclosure of political contributions.
9. To consider any other business that is properly presented at the meeting.

Who May Vote: You may vote if you were a record owner of our common stock at the close of business on March 6, 2015.

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

- via Internet;
- by telephone;
- by mail, if you received a paper copy of these 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 20, 2015

This proxy statement and the form of proxy, along with our annual report on Form 10-K for the fiscal year ended December 31, 2014 and the shareholder letter, were first sent or given to shareholders on or about March 20, 2015. IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON FRIDAY, MAY 1, 2015.

Ryder's proxy statement and annual report are available online at: <http://www.proxyvote.com>

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PROXY SUMMARY

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This proxy summary highlights information contained elsewhere in this proxy statement and does not contain all information that you should review and consider. Please read the entire proxy statement with care before voting.

## ANNUAL MEETING

Date and Time: Friday, May 1, 2015 at 10:00 a.m. (Eastern Daylight Time)  
 Place: Ryder Headquarters, 11690 N.W. 105th Street, Miami, Florida 33178  
 Record Date: March 6, 2015  
 Voting: Each share of the Company's common stock outstanding at the close of business on March 6, 2015 has one vote on each matter that is properly submitted for a vote at the Annual Meeting.

## VOTING MATTERS AND BOARD RECOMMENDATION

Matter	Board Recommendation	Page Reference
Election of Directors	FOR each Director Nominee	7
Ratification of PwC as Auditors	FOR	21
Advisory Vote on Executive Compensation	FOR	59
Amendment to Voting Requirement - Director Removal	FOR	61
Amendment to Voting Requirement - By-Law Amendments	FOR	62
Amendment to Voting Requirement - Articles Amendments	FOR	62
Amendment to General Voting Requirement in By-Laws	FOR	63
Shareholder Proposal on Political Contributions	AGAINST	63

## 2014 FINANCIAL HIGHLIGHTS

In 2014, we exceeded our short-term performance targets and executed on key elements of our long-term growth strategy. Specifically,

we grew operating revenue by 5% to \$5.5 billion and grew comparable earnings per share by 14% to \$5.58 while still investing in strategic initiatives such as information technology and marketing to support growth.

in our Fleet Management Solutions business segment, we saw our lease fleet grow organically by over 3,000 units and strong interest in our new on-demand maintenance product line during the pilot launch. This, coupled with strong performance in commercial rental and used vehicle sales, and our continued focus on maintenance and asset management initiatives, resulted in 26% growth in FMS net before tax earnings in 2014.

in our Supply Chain Solutions business segment, we saw improved revenue and earnings despite lost business in our automotive vertical and challenges with an international start-up.

we launched a significant marketing campaign designed to better position ourselves within the broader outsourcing market.

we achieved strong return on equity and return on capital results and improved free cash flow, while maintaining appropriate leverage, increasing our quarterly dividend and executing on our anti-dilutive share repurchase program.

For more information relating to the Company's 2014 financial performance, please review our 2014 annual report on Form 10-K.

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## BOARD AND GOVERNANCE HIGHLIGHTS

- All directors and director nominees (other than our Chair and CEO) are independent; there were no related party transactions in 2014
- Average Board tenure is 7 years, with five directors having ten or more years of service on our Board and five having less than five years of service
- None of our directors serve on more than three other public company boards
- Strong Board diversity based on experience, tenure, age, gender and race
- Combined CEO/Chair with strong Lead Independent Director
- Annual election of directors beginning in 2016
- Received strong shareholder support (over 98% of votes cast) for management's proposal to remove all supermajority voting standard other than with regards to action by written consent
- Proposing to change our voting requirement to a majority of votes cast
- Active shareholder engagement; in 2014 we reached out to our largest shareholders (constituting over 50% of our outstanding shares) to request feedback on both our governance and compensation structure and profile
- Strong Board oversight of risk management process
- Received 97% shareholder support for our 2014 Say on Pay Proposal

## BOARD OF DIRECTORS

Name	Age	Director Since	Professional Background	Indep.	Committee Memberships
John M. Berra	67	2003	Retired Executive Vice President of Emerson Electric Company	X	Compensation & Finance
Robert J. Eck	56	2011	President and CEO of Anixter International, Inc.	X	Compensation & Finance
Robert A. Hagemann	58	2014	Retired Senior Vice President and CFO of Quest Diagnostics Incorporated	X	Audit & Finance
L. Patrick Hassey	69	2005	Retired Chairman and CEO of Allegheny Technologies Incorporated	X	Compensation & Governance
Michael F. Hilton	60	2012	President and CEO of Nordson Corporation	X	Compensation & Governance
Tamara L. Lundgren	57	2012	President and CEO of Schnitzer Steel Industries, Inc.	X	Audit & Governance
Luis P. Nieto, Jr.	60	2007	Retired President of the Consumer Food Group of ConAgra Foods Inc.	X	Audit & Finance
Robert E. Sanchez	49	2013	Chairman and CEO of Ryder		
Abbie J. Smith	61	2003	Professor of Accounting at the University of Chicago Booth School of Business	X	Audit & Finance
E. Follin Smith	55	2005	Retired Executive Vice President, CFO and Chief Administrative Officer of Constellation Energy Group,	X	Audit & Governance

Hansel E. Tookes, II	67	2002	Inc. Retired President of Raytheon International	X	Audit & Governance
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EXECUTIVE COMPENSATION HIGHLIGHTS

CEO compensation is a mix of base salary (14%), short-term incentives (21%) and long-term incentives (65%) which we believe provides compensation opportunities measured by a variety of time horizons to balance our near-term and long-term strategic goals.

A variety of distinct performance metrics (operating revenue, comparable earnings per share, total shareholder return and return on capital) are used in both the short-term and long-term incentive plans. This “portfolio” approach to performance metrics encourages executives to focus on overall, sustainable Company performance.

Goals are approved by our independent directors and take into account our historical performance, current strategic initiatives and the expected macroeconomic environment. In 2014, the target operating revenue was \$5.57 million, which was a 6% increase from our 2013 actual operating revenue. Similarly, the target comparable earnings per share for 2014 was \$5.45, a 12% increase from 2013.

Short-term and long-term incentive compensation programs are designed with payout curves and leverage that support our pay for performance philosophy. In addition, we cap the maximum payout of our annual cash incentive awards to two times the target, and cap our performance-based restricted stock rights and performance-based cash awards to 125% of target to limit the potential for excessive risk taking.

Equity incentive programs and stock ownership guidelines (four times base salary for the CEO and two times for all other NEOs) are designed to align management and shareholder interests by providing vehicles for executive officers to accumulate and maintain an ownership position in the Company.

We incorporate several risk mitigation policies into our compensation program, including:

The Compensation Committee’s ability to use “negative discretion” to align appropriate payouts to Company and individual performance;

Anti-hedging and anti-pledging policies; and

Written clawback policy for financial restatements resulting from executive misconduct.



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RYDER SYSTEM, INC.  
11690 N.W. 105th STREET  
MIAMI, FLORIDA 33178

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PROXY STATEMENT

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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 2015 Annual Meeting of Shareholders to be held on Friday, May 1, 2015 at 10:00 a.m., Eastern Daylight Time, at our corporate headquarters. 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.

At the Annual Meeting you will be asked to vote on the following eight proposals. Our Board recommendation for each proposal is set forth below.

Proposal	Board Recommendation
1. To elect five directors as follows: John M. Berra, Robert A. Hagemann, Luis P. Nieto, Jr., E. Follin Smith and Robert E. Sanchez for a three-year term expiring at the 2018 Annual Meeting of Shareholders.	FOR each director nominee
2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2015 fiscal year.	FOR
3. To approve, on an advisory basis, the compensation of our named executive officers, which we refer to as "Say on Pay".	FOR
4. To approve amendments to our Articles of Incorporation and By-Laws to change our voting requirement relating to the removal of directors.	FOR
5. To approve amendments to our Articles of Incorporation and By-Laws to change the voting requirement relating to the alteration, amendment, repeal or adoption of certain provisions of the By-Laws.	FOR
6. To approve amendments to our Articles of Incorporation to change the voting requirement relating to the alteration, amendment, repeal or adoption of certain provisions of the Articles of Incorporation.	FOR
7. To approve amendments to our By-Laws to change the general voting requirement.	FOR
8. To vote on a shareholder proposal regarding political contribution disclosures.	AGAINST

If you sign and return your proxy without making any selections, your shares will be voted "FOR" each of the director nominees, "FOR" Proposals 2 - 7 and "AGAINST" Proposal 8.

If other matters properly come before the meeting, the proxy holders will have the authority to vote on those matters on your behalf 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.

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Who can vote?	<p>Holders of Ryder common stock at the close of business on March 6, 2015, the record date, are entitled to vote their shares at the Annual Meeting. As of March 6, 2015, there were 53,268,279 shares of common stock issued, outstanding and entitled to vote. Each share of common stock issued and outstanding is entitled to one vote.</p>
What is a quorum?	<p>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. If you sign and return your proxy marked “abstain”, your shares will be counted for purposes of determining whether a quorum is present.</p>
What is the difference between a shareholder of record and a beneficial shareholder?	<p>You are a shareholder of record if you are registered as a shareholder with our transfer agent, Wells Fargo Bank, National Association (Wells Fargo). 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.</p>
How do I vote?	<p>If you are a shareholder of record, you may vote:</p> <ul style="list-style-type: none"> <li>via Internet;</li> <li>by telephone;</li> <li>by mail, if you received a paper copy of these proxy materials; or</li> <li>in person at the meeting.</li> </ul> <p>Detailed instructions for Internet and telephone voting are set forth on the notice of Internet availability (Notice), which contains instructions on how to access our proxy statement, annual report and shareholder letter online, and the printed proxy card.</p> <p>If your shares are held in our 401(k) plan, your proxy will serve as a voting instruction for the trustee of our 401(k) plan who will vote your shares as you instruct. To allow sufficient time for the trustee to vote, your voting instructions must be received by April 28, 2015 (the cut-off date). If the trustee does not receive your instructions by the cut-off 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.</p> <p>If you are a beneficial shareholder, you must follow the voting procedures of your nominee. 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.</p>
What if I am a beneficial shareholder and I do not give the nominee voting instructions?	<p>A broker non-vote occurs when a nominee who holds shares for another does not vote on a particular item because the nominee does not have discretionary voting authority for that item and has not received instructions from the owner of the shares. Broker non-votes are included in the calculation of the number of votes considered to be present at the meeting for purposes of determining the presence of a quorum but are not counted as shares present and entitled to be voted with respect to a matter on which the nominee has expressly not voted.</p>
What shares are covered by my proxy card?	<p>Your proxy reflects all shares owned by you at the close of business on March 6, 2015. For participants in our 401(k) plan, shares held in your account as of that date are included in your proxy.</p>
What does it mean if I receive more than one proxy card?	<p>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.</p>
How many votes are needed for the proposals to pass?	<p>The table below sets forth the proportion of votes needed for each proposal on the ballot to pass. The table also sets forth whether a nominee 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 and the impact of abstentions.</p>



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Proposal	How Many Votes are Needed for a Proposal to Pass?	Can Brokers Vote Absent Instructions?	Impact of Broker Non-Vote	Impact of Abstentions
1. Election of Directors	Majority of Votes Cast	No	None	None
2. Ratification of PricewaterhouseCoopers	Majority of Shares Outstanding	Yes	Not Applicable	Same as a Vote "Against"
3. Say on Pay	Majority of Votes Cast	No	None	None
4. Change Vote Requirement - Director Removal	Majority of Shares Outstanding	No	Same as a Vote "Against"	Same as a Vote "Against"
5. Change Vote Requirement - By-Law Amendments	Majority of Shares Outstanding	No	Same as a Vote "Against"	Same as a Vote "Against"
6. Change Vote Requirement - Articles Amendments	Majority of Shares Outstanding	No	Same as a Vote "Against"	Same as a Vote "Against"
7. Change General Vote Requirement in By-Laws	Majority of Shares Outstanding	No	Same as a Vote "Against"	Same as a Vote "Against"
8. Shareholder Proposal for Political Contribution Disclosure	Majority of Shares Outstanding	No	Same as a Vote "Against"	Same as a Vote "Against"

Proposals 3 and 8 are non-binding advisory votes. What is the effect if they pass? Although the advisory votes on Proposals 3 and 8 are non-binding, our Board and the appropriate Board Committee will review the results and, consistent with our record of shareholder engagement, take them into account in making future decisions.

How do I change my vote?

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 your nominee's procedures for revoking or changing your proxy.

Only shareholders and our invited guests are permitted to attend the Annual Meeting. If you are a shareholder of record, you must bring a form of personal identification to the Annual Meeting, where your name will be verified against our shareholder list. If you are a beneficial shareholder and you plan to attend the meeting, you should bring proof of ownership, such as a brokerage statement, showing your ownership of the shares as of the record date and a form of personal identification. If you are a beneficial shareholder and wish to vote your shares at the meeting, you must obtain a proxy from your nominee and bring your proxy to the Annual Meeting.

Who can attend the Annual Meeting?

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

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 their nominee and bring that legal proxy to the Annual Meeting.

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ELECTION OF DIRECTORS

(Proposal 1)

Under our By-Laws, directors are currently elected for three-year terms, typically with one-third of the Board standing for election in any given year. The five directors whose terms expire at the 2015 Annual Meeting of Shareholders are John M. Berra, Robert A. Hagemann, Luis P. Nieto, Jr., E. Follin Smith and Robert E. Sanchez. Upon the recommendation of the Corporate Governance and Nominating Committee (Governance Committee), our Board has nominated Mr. Berra, Mr. Hagemann, Mr. Nieto, Ms. E. Follin Smith and Mr. Sanchez for re-election at the 2015 Annual Meeting for a three-year term that expires at the 2018 Annual Meeting.

Robert J. Eck, Tamara L. Lundgren and Abbie J. Smith are currently serving terms that expire at the 2016 Annual Meeting. L. Patrick Hassey, Michael F. Hilton and Hansel E. Tookes, II are currently serving terms that expire at the 2017 Annual Meeting.

In 2013, with shareholder approval, we amended our Articles of Incorporation and By-Laws to require that beginning in 2016, all directors be elected annually. Under the amendments, directors currently serving three-year terms will continue to serve the remainder of their terms. Directors up for election at the 2015 Annual Meeting will be nominated for three-year terms. Thereafter, each director will be elected annually when his or her three-year term expires.

We believe that each of our directors has the experience, skills and qualities to fully perform his or her duties as a director and contribute to our success. Our directors were nominated because each individual possesses the highest standards of personal integrity and interpersonal and communication skills, is highly accomplished in his or her field, has an understanding of the interests and issues that are important to our shareholders and is able to dedicate sufficient time to fulfilling his or her obligations as a director. Our directors, as a group, complement each other and each other's respective experiences, skills and qualities. Our directors make up a diverse body in terms of age, gender, tenure, 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 his or her 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.

If you are a beneficial shareholder and do not give your nominee instructions, your nominee does not have the ability to vote in favor or against the director nominees. We therefore urge you to return your proxy card and vote your shares as to this proposal.

The Board 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 2018 ANNUAL MEETING**

John M. Berra, served as 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 he retired in October 2010. Prior to October 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.

Other Public Board Memberships

- National Instruments Corporation

Director since 2003

Age: 67

Other Relevant Experience

- A past Advisory Director to the Board of Directors of Emerson Electric Company (until October 2010)

Qualifications. 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.

Robert A. Hagemann, served as Senior Vice President and Chief Financial Officer of Quest Diagnostics Incorporated until he retired in 2013. Mr. Hagemann joined Quest's predecessor, Corning Life Sciences, Inc., in 1992, and held roles of increasing responsibility until he was named Chief Financial Officer of Quest in 1998. Prior to joining Corning, Mr. Hagemann held senior financial positions at Prime Hospitality, Inc. and Crompton & Knowles, Inc. He also held various positions in corporate accounting and audit at Merrill Lynch and Company and Ernst & Young.

Director since 2014

Age: 58

Other Public Board Memberships

- Zimmer Holdings, Inc.
- Graphic Packaging Holding Company

Qualifications. The Board nominated Mr. Hagemann as a director because of his past experience as Chief Financial Officer of a public company and other senior management experience in business development and strategy, supply chain operations and government contracting.

Luis P. Nieto, Jr., served as President of the Consumer Foods Group for ConAgra Foods Inc. from 2007 until he retired in 2009. Mr. Nieto joined ConAgra in 2005 and held various

Director since 2007

Age: 60

leadership positions, including President of the Meats Group and Refrigerated Foods Group. 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 is the President of Nieto Advisory LLC, a consulting firm and is affiliated with Akoya Capital Partners.

Other Public Board Memberships

- AutoZone, Inc.

Qualifications. The Board nominated Mr. Nieto as a director because of his senior leadership and executive oversight experience at a large public company as well as his finance, operational

and supply chain experience, and his expertise in brand management, marketing and strategic planning.

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E. Follin Smith, served as the Executive Vice President, Chief Financial Officer and Chief Administrative Officer of Constellation Energy Group, Inc. until May 2007, 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. 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.

Director since 2005  
Age: 55

Other Public Board Memberships

- Kraft Foods Group
- A past director of Discover Financial Services (until May 2014)

Qualifications. 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. The Board appointed Ms. Smith as Lead Independent Director because, in addition to her experience in executive leadership, Ms. Smith has significant corporate governance experience as a director of large public companies, including as a past director of Discover Financial Services and current director of Kraft Foods.

Robert E. Sanchez, is Chair and Chief Executive Officer of Ryder System, Inc. Mr. Sanchez was appointed Chair of Ryder's Board in May 2013. He was appointed President and Chief Executive Officer in January 2013, at which time he was also elected to Ryder's Board. Mr. Sanchez joined Ryder in 1993 and has served in positions of increasing responsibility, including a broad range of leadership positions in several of Ryder's business segments. Mr. Sanchez most recently served as Chief Operating Officer from February 2012 to December 2012. Prior to that position, he served as President of Global Fleet Management Solutions, Ryder's largest business segment, from September 2010 to February 2012. Mr. Sanchez also served as Executive Vice President and Chief Financial Officer from October 2007 to September 2010; as Executive Vice President of Operations, U.S. Fleet Management Solutions from October 2005 to October 2007; and as Senior Vice President and Chief Information Officer from January 2003 to October 2005. Mr. Sanchez has been a member of Ryder's Executive Leadership team since 2003.

Age: 49

Other Public Board Memberships

- Texas Instruments Incorporated

Other Relevant Experience

- Member of the Board of Directors of the Truck Renting and Leasing Association

Qualifications. The Board nominated Mr. Sanchez as a director because of his role as Ryder's President and Chief Executive Officer and his years of senior leadership experience at Ryder, including his experience as President and Chief Operating Officer, his leadership experience in several of Ryder's business segments and his oversight and experience in the areas of global operations, finance and information technology.



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**DIRECTORS CONTINUING IN OFFICE**

Robert J. Eck, is President and Chief Executive Officer of Anixter International, Inc. (Anixter), a global distributor of communications and security products, electrical and electronic wire and cable, fasteners and other small components. He also serves as President and Chief Executive Officer of Anixter Inc., a subsidiary of Anixter. Mr. Eck has held both positions since 2008. From 2007 to 2008, he served as Executive Vice President and Chief Operating Officer of Anixter. Prior to that position, Mr. Eck served as Executive Vice President of Enterprise Cabling and Security Solutions for Anixter from 2004 to 2007. In 2003, he served as Senior Vice President — Physical Security Products and Integrated Supply of Anixter Inc. Mr. Eck joined Anixter in 1989 and held roles of increasing responsibility in strategy, supply chain management, sales and marketing, and human resources. Director since 2011  
Age: 56

Other Public Board Memberships

- Anixter International, Inc.

Qualifications. The Board nominated Mr. Eck as a director because of his experience as a Board member, President and Chief Executive Officer of a large, public company and past senior leadership experience in supply chain management, domestic and international operations, marketing and business development.

L. Patrick Hassey, served as Chairman and Chief Executive Officer of Allegheny Technologies Incorporated (ATI), a global leader in the production of specialty materials until he retired in May 2011. He also served as President of ATI until August 2010. Mr. Hassey became Chairman in 2004 and President and Chief Executive Officer in 2003. Prior to October 2003, Mr. Hassey served as an outside management consultant to ATI executive management. Before joining ATI, Mr. Hassey served as 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. Director since 2005  
Age: 69

Other Public Board Memberships

- Alpha Natural Resources, Inc.
- Kaiser Aluminum Corporation
- A past director of ATI (until May 2011)

Qualifications. The Board nominated Mr. Hassey as a director because of his past experience as a Board Chairman, President and Chief Executive Officer of a public company 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.

Michael F. Hilton, is President and Chief Executive Officer of Nordson Corporation, a position he has held since he joined Nordson in 2010. Nordson engineers, manufactures and markets products and systems used for dispensing adhesives, coatings, sealants, biomaterials and other materials in a wide variety of end markets. Prior to joining Nordson, Mr. Hilton served as Senior Vice President and General Manager of Air Products & Chemicals, Inc. from 2007 until 2010 with specific responsibility for leading the company's global Electronics and Performance Materials segment. Mr. Hilton joined Air Products in 1976 where he held roles of increasing responsibility in a variety of staff, management and operations positions. Air Products serves customers in industrial, energy, technology and healthcare markets worldwide with a unique portfolio of atmospheric Director Since 2012  
Age: 60

gases, process and specialty gases, performance materials, equipment and services.

Other Public Board Memberships

- Nordson Corporation

Qualifications. The Board nominated Mr. Hilton as a director because of his experience as a Board Member, President and Chief Executive Officer of a public company and his past senior leadership and global operations experience with oversight of large and diverse businesses.

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Tamara L. Lundgren, is President and Chief Executive Officer of Schnitzer Steel Industries, Inc., a position she has held since 2008. Schnitzer Steel is one of the largest manufacturers and exporters of recycled ferrous metal products in the United States with \$2.5 billion in annual revenue and more than 120 operating facilities in the U.S., Puerto Rico and Canada. Ms. Lundgren joined Schnitzer Steel in 2005 as Chief Strategy Officer and subsequently served as Executive Vice President and Chief Operating Officer from 2006 until 2008. Prior to joining Schnitzer Steel, Ms. Lundgren was a managing director at JP Morgan Chase in London and managing director at Deutsche Bank AG in New York and London. Before joining Deutsche Bank, Ms. Lundgren was a partner at the law firm of Hogan & Hartson, LLP in Washington, D.C.

Director since 2012  
Age: 57

Other Public Board Memberships

- Schnitzer Steel Industries, Inc.

Other Relevant Experience

- Director of the Federal Reserve Bank of San Francisco, Portland Branch
- Chairman of the U.S. Chamber of Commerce

Qualifications. The Board nominated Ms. Lundgren as a director because of her experience as a Board member, President and Chief Executive Officer of a public company and her experience in global operations, strategy, finance and corporate law.

Abbie J. Smith, is the Boris and Irene Stern Distinguished Service Professor of Accounting at the University of Chicago Booth School of Business. She joined their faculty in 1980 upon completion of her Ph.D. in Accounting at Cornell University. The primary focus of her research is corporate restructuring, transparency and corporate governance. She was nominated for a 2005 Smith Breeden Prize for her publication in The Journal of Finance and has received a Marvin Bower Fellowship from the Harvard Business School, a McKinsey Award for Excellence in Teaching and a GE Foundation Research Grant.

Other Public Board Memberships

- HNI Corporation
- DFA Investment Dimensions Group Inc.
- Dimensional Investment Group Inc.

Director since 2003  
Age: 61

Other Memberships

- Trustee of certain Chicago-based UBS Funds

Qualifications. 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.

Hansel E. Tookes, II, served as President of Raytheon International until he 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 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.

Director since 2002  
Age: 67

Other Public Board Memberships

- Corning Incorporated
- NextEra Energy, Inc.
- Harris Corporation

Qualifications. 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 his expertise in government contracts.

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### CORPORATE GOVERNANCE

We maintain a Corporate Governance page on our website at [www.ryder.com](http://www.ryder.com), which includes our Corporate Governance Guidelines and the following additional materials relating to corporate governance:

Principles of Business Conduct

Committee Charters

Board - Background and Experience

Board Committees - Current Members

How to Contact our Directors

The Corporate Governance Guidelines set forth our governance principles relating to, among other things:

Director independence (including our director independence standards)

Director qualifications and responsibilities

Board structure; director resignation policy

Director compensation

Management succession

Periodic Board evaluation

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. We also have a Code of Ethics applicable to our Chief Executive Officer, Chief Financial Officer and senior financial management, a copy of which is available without charge upon request. Any changes to these documents will be posted on our website. Any waivers to our Principles of Business Conduct for Board members or our executive officers granted by the Governance Committee will be posted on our website or disclosed in a public filing made with the Securities and Exchange Commission (SEC).

### BOARD OF DIRECTORS

#### Director Independence

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

To assist it in making independence determinations, our Board has adopted the following director independence standards, which are included as part of our Corporate Governance Guidelines. Specifically, the Board has 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 director independence. However, the Board will consider all relationships and transactions with our directors, even those that meet these standards, to determine whether the particular facts or circumstances of the relationship or transaction would impair the director's independence.

**Prior Employment of Director.** The director was employed by Ryder or was personally working on Ryder's audit as an employee or partner of Ryder independent auditor, 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 Ryder or was personally working on Ryder's audit as an employee or partner of Ryder's independent auditor, and over five years have passed since such employment, partner or auditing relationship ended; or (ii) an immediate family member is currently employed by Ryder in a non-officer position, or by Ryder's independent auditor not as a partner and not participating in the firm's audit, assurance or tax compliance practice.

**Interlocking Directorships.** An executive officer of Ryder 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 (or a director's immediate family member is an executive 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, Ryder for property or services, and the amount of such payments has not within any of such other company's three most recently completed



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fiscal years exceeded one percent (or \$1 million, whichever is greater) of such other company's consolidated gross revenues for such year.

**Indebtedness Relationships.** A director or an immediate family member is a partner, greater than 10% shareholder, director or officer of a company that is indebted to Ryder or to which Ryder is 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 Ryder contributes, and the contributions to such organization by Ryder have not, within any of such organization's three most recently completed fiscal years, exceeded one percent (or \$250,000, whichever is greater) of such organization's consolidated gross revenues for such year.

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

Pursuant to our Corporate Governance Guidelines, the Board 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. In connection with its evaluation of director independence, our Board identified and reviewed several transactions that occurred during 2014 between us and companies where our directors or family members of our directors serve as executive officers. Specifically, Mr. Eck, Mr. Hilton and Ms. Lundgren serve as executives of companies that lease vehicles or receive other services from us, and family members of Mr. Berra and Ms. Lundgren serve as executive officers of companies that lease 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 arm's length. Furthermore, each of these commercial relationships was well below the threshold set forth in our 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.

Additionally, we reviewed charitable donations and contributions made by the Company to tax-exempt organizations where our directors serve as a trustee or director. Specifically, Ms. Lundgren serves on the board of a tax-exempt organization to which the Company makes or has made contributions. We reviewed this relationship and found that all contributions made by the Company were made in the ordinary course, at arm's length and consistent with our policies and procedures. Furthermore, this relationship was below the threshold set forth in our director independence standards (i.e., one percent of such organization's consolidated gross revenues for such year or \$250,000, whichever is greater). As a result, our Board determined that this relationship does not impair Ms. Lundgren's independence.

Based on its independence review and after considering the transactions described above, the Board determined that each of the following directors (which together constitute all of the members of the Board other than Mr. Sanchez) is independent: John M. Berra, Robert J. Eck, Robert A. Hagemann, L. Patrick Hassey, Michael F. Hilton, Tamara L. Lundgren, Luis P. Nieto, Jr., Abbie J. Smith, E. Follin Smith and Hansel E. Tookes, II.

**Shareholder Engagement; Communications with the Board**

We regularly engage with our shareholders to better understand their perspectives on our Company, including their thoughts and priorities with respect to matters of executive compensation and corporate governance. In the Summer and Fall of 2014, we reached out to our largest shareholders (constituting over 50% of our outstanding shares) to request feedback on both our governance and compensation structure and profile. This regular dialogue has helped inform the Board's decisions. We have taken several actions in recent years as a direct result of our shareholder engagement approach, including: declassification of our Board, the elimination of most supermajority provisions, and continued enhancement of our corporate sustainability report. We also continue to facilitate direct shareholder communication with members of our Board where appropriate. For example, during 2014, Ms. E. Follin Smith met

with a shareholder at the shareholder's request to discuss the Company's governance policies and profile.

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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](http://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](http://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 Chief Legal Officer, the Senior Vice President of Internal Audit and the Global Compliance Officer, or on a confidential and/or anonymous basis by way of a third party toll-free hotline number and web-based portal ([www.ryder.alertline.com](http://www.ryder.alertline.com)), an internal ethics phone line, via e-mail at [ethics@ryder.com](mailto:ethics@ryder.com), or to members of our Audit Committee at [audit@ryder.com](mailto:audit@ryder.com). All of the reporting mechanisms are publicized on our website at [www.ryder.com](http://www.ryder.com), in our Principles of Business Conduct, through in person and on-line compliance training 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 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 held six regular meetings and one special meeting in 2014. 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 2014. Our independent directors meet in outside directors session without management present as part of each regularly-scheduled Board meeting. Our Lead Independent Director presides over these outside directors sessions. We expect each of our directors to attend our Annual Meeting of Shareholders. Because the Board holds one of its regularly-scheduled meetings in conjunction with our Annual Meeting, 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 2014 Annual Meeting.

### Board Leadership Structure

Ryder combines the positions of Chief Executive Officer (CEO) and Chair of the Board. Ryder 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 Ryder, communicating essential information to the Board about Ryder's performance and strategies, and proposing 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. Ryder's Corporate Governance Guidelines establish that the Board members shall appoint a Lead Independent Director. The position of the Lead Independent Director is rotated periodically in accordance with our Corporate Governance Guidelines and is currently held by E. Follin Smith.

The Lead Independent Director's duties, which are listed in our Corporate Governance Guidelines, include:

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

• Serving as the liaison between the Chair/CEO 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;

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- Requesting and previewing information sent to the Board as necessary;
- Communicating with management regarding the form and substance of presentations for the Board;
- Developing meeting agendas for the Board in collaboration with the Chair and ensuring that topics requested by the independent directors are included; and
- Developing meeting schedules and agendas in collaboration with the Chair to ensure that there is sufficient time for discussion of all agenda items.

In addition, the Lead Independent Director 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 outside directors session without management present as part of each regularly-scheduled Committee meeting. The table below provides current membership and 2014 meeting information for each of the Committees.

Name	Audit	Compensation	Corporate Governance & Nominating	Finance
John M. Berra		Member		Member
Robert J. Eck		Member		Member
Robert A. Hagemann	Member			Member
L. Patrick Hassey		Chair	Member	
Michael F. Hilton		Member	Member	
Tamara L. Lundgren	Member		Member	
Luis P. Nieto, Jr.	Member			Chair
Robert E. Sanchez*				
Abbie J. Smith	Chair			Member
E. Follin Smith**	Member		Chair	
Hansel E. Tookes, II	Member		Member	
2014 Meetings	9	5	5	5

\* Chair of the Board

\*\* Lead Independent Director

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 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. The specific powers and responsibilities of the various Committees are set forth in more detail in their Charters, which are available on the Corporate Governance page of our website at [www.ryder.com](http://www.ryder.com).

Each year in December, the Committees review and approve an agenda schedule for the following year. The agenda schedule outlines the various topics the Committee will consider during the year to ensure that the Committee adequately fulfills its responsibilities under its Committee Charter. The Committee considers other topics during the year as needed to fulfill its responsibilities. Our Chief Legal Officer works closely with the Chair of the Board, the Lead Independent Director and each Committee Chair to ensure that the information presented to the Committees in connection with the items to be discussed and/or approved is clear and comprehensive.

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AUDIT COMMITTEE

Responsibilities

The Audit Committee's responsibilities include:

- appointing, overseeing and determining the compensation and independence of our independent registered certified public accounting firm;
- approving the scope of the annual audit and the related audit fees as well as the scope of internal audit procedures;
- reviewing audit results, financial disclosure and earnings guidance;
- overseeing investigations into accounting and financial complaints;
- reviewing, discussing and overseeing the process by which we assess and manage risk; and
- reviewing and overseeing matters relating to accounting, auditing and financial reporting practices and policies.

Meetings. Our Chief Financial Officer, our Controller, our Senior Vice President of Internal Audit, our Chief Legal Officer, our Global Compliance Officer and representatives of our independent registered certified public accounting firm participate in Audit Committee meetings, as necessary and appropriate, to assist the Audit Committee in its discussion and analysis of the various agenda items. The Audit Committee also meets individually with our Chief Financial Officer, our Senior Vice President of Internal Audit and representatives of our independent registered certified public accounting firm at the end of every regularly-scheduled Audit Committee meeting (other than telephonic meetings); meets individually with our Controller at least once per year; and meets individually with our Chief Legal Officer and Global Compliance Officer as needed throughout the year.

Independence and Financial Expertise

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 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

#### Responsibilities

The Compensation Committee's responsibilities include:

- overseeing, reviewing and approving our executive and director compensation plans, policies and programs;
- approving compensation actions for direct reports to the CEO and recommending compensation actions for the CEO for consideration by the independent directors;
- reviewing and discussing the results of the shareholder advisory vote on executive compensation and considering whether to recommend any adjustments to the Company's policies and practices based on the vote results; and
- reviewing and discussing the Compensation Discussion and Analysis to determine whether to recommend it for inclusion in this proxy statement.

#### Compensation Committee Processes and Procedures

**Meetings.** The Chief Administrative Officer (CAO), Vice President of Compensation and Benefits, Deputy General Counsel, and when requested, the CEO, participate in Compensation Committee meetings, as necessary and appropriate, to assist the Compensation 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.

**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. 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. Pursuant to the terms of its Charter, the Compensation Committee may delegate all or a portion of its responsibilities relating to retirement plans to the Company's Retirement Committee. For additional discussion of the Compensation Committee's processes and procedures for the consideration and determination of executive compensation, please see the discussion under "Compensation Setting Process" in our Compensation Discussion and Analysis on page 26 of this proxy statement.

**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. During 2014, the Committee retained Frederic W. Cook & Co. (Cook) to serve as its independent compensation consultant. For further discussion of the role that Cook played in setting executive compensation during 2014, please see the discussion under "Compensation Setting Process" in our Compensation Discussion and Analysis on page 26 of this proxy statement.

**Compensation Committee Interlocks and Insider Participation.** During the fiscal year ended December 31, 2014, John M. Berra, Robert J. Eck, L. Patrick Hassey, Michael F. Hilton and Eugene A. Renna served as members of the Compensation Committee, and none of these directors was, during 2014, an officer or employee of Ryder, or was formerly an officer of Ryder. Mr. Renna retired from our Board in December 2014. There were no transactions in 2014 between us and any of the directors who served as members of the Compensation Committee for any part of 2014 that would require disclosure by Ryder under the SEC's rules requiring disclosure of certain relationships and related party transactions.

#### Independence

The Board reviewed the background, experience and independence of the Compensation Committee members based in large part on the directors' responses to a questionnaire relating to their relationships, background and experience. Based on this review, the Board determined that each member of the Compensation Committee:

- meets the independence requirements of the NYSE's corporate governance listing standards, including the additional independence requirements specific to compensation committee members, and our director independence standards.

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### CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

#### Responsibilities

The Corporate Governance and Nominating Committee's (Governance Committee) responsibilities include:

- identifying qualified individuals to serve as directors;
  - reviewing the qualifications of director candidates, including those recommended by our shareholders pursuant to our By-Laws;
  - recommending to the Board the nominees to be proposed by the Board for election as directors at our Annual Meeting of Shareholders;
  - recommending the size, structure, composition and functions of Board Committees;
  - reviewing and recommending changes to the Charters of each Committee of the Board;
  - designing and overseeing the Board evaluation process as well as the annual CEO evaluation process;
  - reviewing and recommending changes to our Corporate Governance Guidelines and Principles of Business Conduct and overseeing governance practices of the Company and Board;
  - reviewing and overseeing the process by which the Board identifies and prepares for a crisis; and
  - overseeing the Company's political activities, environmental and safety performance, and diversity efforts.
- Our Chief Legal Officer, and when requested, our Chief Executive Officer, participate in Governance Committee meetings, as necessary and appropriate, to assist the Governance Committee in its discussion and analysis of the various agenda items.

#### 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 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. Ryder 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, Ryder believes its shareholders appreciate a diverse Board, which is more reflective of the overall investment community and markets we and our customers serve. The Governance Committee uses feedback from its Board and Committee evaluation process, as well as a 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 Governance 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.

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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

This information must be delivered 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 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 for purposes of 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 the 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

#### Responsibilities

The Finance Committee's responsibilities include:

- reviewing our overall financial goals, liquidity position, arrangements and requirements;
- reviewing, approving and recommending certain capital expenditures, issuances of debt and equity securities, dividend policy, pension contributions and acquisitions; and
- reviewing our relationships with rating agencies, banks and analysts, and reviewing our economic and insurance risk program and tax planning initiatives.

Our Chief Financial Officer, our Treasurer and other members of management including, our Vice President of Investor Relations and Strategy, participate in Finance Committee meetings, as necessary and appropriate, to assist the Finance Committee in its discussion and analysis of the various agenda items.

### RISK MANAGEMENT

#### Enterprise Risk Management

The Company understands that risk is present in its everyday business and organizational strategy and risk-taking is a necessary part of growing and operating a business. Consequently, the Company has implemented an enterprise risk management (ERM) program to provide management and the Board with a robust and holistic top-down view of key risks facing Ryder.

Our ERM program was developed under the direction and supervision of our Chief Legal Officer and Chief Financial Officer with the assistance of external experts, and is managed by our Global Compliance Officer and Senior Vice President of Internal Audit, all of whom provide updates on risk to the Committees and full Board on a regular basis and give a formal presentation at least once per year.





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The ERM program is structured so that the Board 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 the effectiveness of risk management processes in identifying, assessing and managing the organization's most significant enterprise-wide risk exposures.

- Receive an ERM report from the Chief Legal Officer and Global Compliance Officer at least annually.

- Receive written updates and presentations on the ERM reports and our ERM program at every regularly scheduled meeting, and discuss with management the most significant risks that are identified and managed by Ryder.

- Receive a report from the Senior Vice President of Internal Audit at least annually regarding identification of enterprise risks and audit activities to assess the controls and processes regarding such risks.

- Discuss and receive updates from management on the various controls and mitigating actions Ryder is taking to mitigate significant risks.

- Review Ryder's significant risks and consider such risks when overseeing Ryder's strategic and business decisions.

In addition, all significant risks identified through our ERM program or in the ERM reports 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 are 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 Ryder identified through our ERM program.

Although Ryder's ERM program is structured with formal processes, it remains flexible enough to adjust to changing economic, business and regulatory developments and is founded on clear lines of communication to the leadership team, the Board and its Committees. In addition, the Company periodically, including during 2012 and 2013, commissions an external assessment of its ERM program and its risk assessment processes to ensure that they are in line with industry practices and are effectively identifying, monitoring and mitigating enterprise-wide risks.

### RELATED PERSON TRANSACTIONS

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 Policies and Procedures, and consistent with Item 404 of Regulation S-K, a "related person transaction" is:

- 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

- 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.

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:

- 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;

- whether there are business reasons for us to enter into the related person transaction;

- whether the related person transaction would impair the independence of an outside director; and

- 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.

There were no related person transactions during 2014.



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## 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 2015 fiscal year. Although shareholder ratification of the appointment of PricewaterhouseCoopers is not required, the Board 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 will be present at the 2015 Annual Meeting of Shareholders to respond to appropriate 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 for the 2014 and 2013 fiscal years were as follows (\$ in millions):

	2014	2013
Audit Fees	\$4.2	\$4.1
Audit-Related Fees	0.3	0.3
Tax Fees <sup>1</sup>	0.3	0.4
All Other Fees <sup>2</sup>	0.2	0.1
Total Fees	\$5.0	\$4.9

1 All of the tax fees paid in 2014 and 2013 relate to tax compliance services.

In 2014, All Other Fees consisted of \$216,480 for IT consulting services provided by BGT Partners, a digital marketing firm acquired by PricewaterhouseCoopers in November 2013, as well as \$1,800 for research tools provided on a subscription basis. In 2013, All Other Fees consisted of \$95,010 for IT consulting services provided by BGT Partners and \$1,800 for research tools provided on a subscription basis. For more information about the services provided by BGT Partners, see the description of "All Other Fees" below.

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.

All Other Fees primarily represent amounts for IT consulting services provided by BGT Partners, a digital marketing firm acquired by PricewaterhouseCoopers in November 2013. We originally retained BGT Partners prior to the acquisition to provide ongoing IT consulting services relating to our www.ryder.com website, including social media resources, online reviews, mobile web services, website enhancement and maintenance and related tools. Following the acquisition of BGT Partners by PricewaterhouseCoopers, the Company continued to receive these services from PricewaterhouseCoopers. Additionally, PricewaterhouseCoopers provides research tools to the Company on a subscription basis.

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Approval Policy

All services rendered by our independent registered certified public accounting firm are either specifically approved (including the annual financial statements 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 2014 were approved by the Audit Committee in accordance with the Approval Policy.

The Board recommends a vote FOR ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2015 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 Ryder specifically incorporates it by reference into a filing.

The Audit Committee is comprised of six outside directors, all of whom are independent under the rules of the NYSE, our 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 Ryder’s website ([www.ryder.com](http://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 Ryder’s financial reporting process on behalf of the Board. Ryder’s management has the responsibility for preparing the consolidated financial statements, for establishing and maintaining adequate internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting. Ryder’s independent registered certified public accounting firm is responsible for performing an integrated audit of Ryder’s annual 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 (1) whether the financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of Ryder in conformity with accounting principles generally accepted in the United States and (2) whether Ryder maintained effective internal control over financial reporting based on criteria established in “Internal Control - Integrated Framework (2013)” 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, 2014 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 Ryder’s accounting principles and such other matters as are required to be discussed with the Committee by Auditing Standard No. 16, “Communications with Audit Committees”, 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 Ryder, reviewed the written disclosures and letter from the independent registered certified public accounting firm required by applicable requirements of the PCAOB 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 Ryder’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 Ryder’s internal control, including internal control over financial reporting; and the overall quality of Ryder’s financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board, and the Board has approved, that the audited consolidated financial statements and management’s assessment of the effectiveness of Ryder’s internal control over financial reporting be included in the annual report on Form 10-K for the year ended December 31, 2014 filed by Ryder with the SEC. The Committee has also approved, subject to shareholder ratification, the selection of PricewaterhouseCoopers LLP as Ryder’s independent registered certified public accounting firm for the 2015 fiscal year.

Submitted by the Audit Committee of the Board.

Abbie J. Smith (Chair)

Robert A. Hagemann

Tamara L. Lundgren  
Luis P. Nieto, Jr.  
E. Follin Smith  
Hansel E. Tookes, II

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## SECURITY OWNERSHIP OF OFFICERS AND DIRECTORS

The following table shows the number of shares of common stock beneficially owned as of January 15, 2015, 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	Total Shares Beneficially Owned <sup>1</sup>	Percent of Class <sup>2</sup>	Of the Total Shares Beneficially Owned, Shares Which May be Acquired Within 60 Days <sup>3</sup>
Robert E. Sanchez <sup>4,5</sup>	248,747	*	73,163
John M. Berra <sup>6</sup>	23,812	*	23,812
Dennis C. Cooke	25,829	*	25,829
Robert J. Eck <sup>4</sup>	8,734	*	6,834
Robert D. Fatovic <sup>5</sup>	62,267	*	28,573
Art A. Garcia <sup>5</sup>	54,928	*	22,542
Robert A. Hagemann	532	*	532
L. Patrick Hassey	18,490	*	18,490
Michael F. Hilton	4,795	*	4,795
Tamara L. Lundgren	3,963	*	3,963
Luis P. Nieto, Jr.	16,702	*	16,702
Abbie J. Smith <sup>5,6</sup>	35,034	*	24,244
E. Follin Smith <sup>6</sup>	20,210	*	20,210
Hansel E. Tookes, II <sup>4,6</sup>	25,152	*	24,152
John H. Williford	43,272	*	24,871
Directors and Executive Officers as a Group (18 persons) <sup>4,5</sup>	630,438	1.178	% 347,652

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

Unless otherwise noted, all shares included in this table are owned directly, with sole voting and dispositive power.

1 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).

2 Percent of class has been computed in accordance with Rule 13d-3(d)(1) of the Exchange Act.

3 Represents options to purchase shares which became exercisable between January 15, 2015 and March 15, 2015, time-based and performance-based restricted stock rights vesting on February 10, 2015 and restricted stock units held in the accounts of directors that are delivered upon the director's departure from the Board, which shares vest upon grant, following a director's first year of service on the Board.

4 Includes shares held through a trust, jointly with their spouses or other family members or held solely by their spouses, as follows: Mr. Sanchez, 2,152 shares; Mr. Eck, 1,900 shares; Mr. Tookes, 1,000 shares; and all directors and executive officers as a group, 5,052 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. Sanchez, 4,279 shares; Mr. Fatovic, 697 shares; Mr. Garcia, 2,973 shares; Ms. A. Smith, 10,790 shares; and all directors and executive officers as a group, 19,788 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.





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## 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 Owned	Percent of Class <sup>3</sup>
BlackRock, Inc. <sup>1</sup> 55 East 52nd Street New York, NY 10022	4,195,473	7.9%
The Vanguard Group, Inc. <sup>2</sup> 100 Vanguard Blvd. Malvern, PA 19355	3,921,244	7.4%

1 Based on the most recent SEC filing by BlackRock, Inc. on Schedule 13G/A dated January 23, 2015. Of the total shares shown, the nature of beneficial ownership is as follows: sole voting power 3,807,569; shared voting power 0; sole dispositive power 4,195,473; and shared dispositive power 0.

2 Based on the most recent SEC filing by The Vanguard Group, Inc. on Schedule 13G/A dated February 9, 2015. Of the total shares shown, the nature of beneficial ownership is as follows: sole voting power 75,266; shared voting power 0; sole dispositive power 3,850,078; and shared dispositive power 0.

3 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, 2015, and the assumption that each person listed above owned the number of shares reflected above on such date.

## 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, 2014, all Section 16(a) filing requirements applicable to directors, executive officers and greater than 10% shareholders were complied with on a timely basis.

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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 2014 compensation programs and actions for our named executive officers. As discussed in Proposal 3 on page 59, we are conducting our annual Say on Pay vote that requests your approval of the compensation of our named executive officers as described in this section and in the tables and accompanying narrative contained in the Executive Compensation section. In deciding how to vote, you should review our compensation philosophies, the design of our executive compensation programs, material compensation decisions and how we believe these programs and decisions have contributed to strong short-term financial performance and will help support and drive long-term growth and value.

In 2014, our named executive officers, or NEOs, were:

Robert E. Sanchez	Chair and Chief Executive Officer (CEO)
Art A. Garcia	Executive Vice President and Chief Financial Officer
John H. Williford	President - Global Supply Chain Solutions
Dennis C. Cooke	President - Global Fleet Management Solutions
Robert D. Fatovic	Executive Vice President, Chief Legal Officer and Corporate Secretary

Executive Summary

Ryder's executive compensation decisions reflect the Company's commitment to pay for performance and to strongly align the interests of the Company's leadership with those of our shareholders. In addition, the Company's executive compensation program is designed to encourage our executives to take actions that support the Company's short-term financial goals but which also ensure the Company's ability to sustain strong shareholder value creation over the long-term, irrespective of annual performance variability. This executive summary provides an overview of 2014 Company performance, the alignment between our pay and our performance, shareholder outreach efforts and Say on Pay feedback, key compensation actions taken in 2014 and our executive compensation governance practices.

2014 Company Performance

In 2013, the Company developed and began implementing strategies and initiatives designed to position the Company for future growth. In 2014, the Company achieved record financial results while continuing to make progress on these strategic initiatives. Below are notable financial, business and strategic results for 2014. We believe the performance of our executives in 2014 contributed significantly to the Company's 2014 results and positioned the Company to achieve its longer term growth strategies.

Financial Highlights

Ø Stock price increased 26%; total shareholder return (TSR) was 30% for 2014 versus 22% for our peer group.

Ø Record operating revenue of \$5.5 billion (up 5% from 2013) and record comparable earnings per share of \$5.58 (up 14% from 2013).\*

Ø Revenue growth in all business segments, with earnings before tax growth of 26% in our Fleet Management Solutions (FMS) business segment.

Ø Growth in Supply Chain Solutions (SCS) revenue despite lost business in our automotive vertical.

\* Operating revenue and comparable earnings per share are non-GAAP financial measures. For a reconciliation to total revenue GAAP EPS, respectively, refer to our Form 10-K for the fiscal year ended December 31, 2014.

Ø Organic lease fleet growth exceeded expectations with an increase of over 3,000 units (the largest in the last decade); continued strong sales activity in our full-service lease product line.

Ø Strong rental performance with solid fleet utilization.

Ø Strong return on equity and solid return on capital with a positive spread between cost of capital and return on capital of 110 basis points.

Ø Improved free cash flow, appropriate leverage ratio and increased annual dividend.



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Strategic/Business Highlights

Ø Strong 2014 financial performance while increasing our investments in information technology and marketing to support growth initiatives, ensuring operational excellence and fostering a culture of customer service and focus.

Ø Maintenance initiatives were successful in improving vehicle performance for our customers and stabilizing increasing maintenance costs.

Ø Continued focus and strong progress on establishing new customer and industry relationships in both business segments.

Pay for Performance

At-Risk Pay. Consistent with our compensation goals and philosophy, our executives' direct compensation package is comprised of base salary, an annual cash incentive award and a long-term equity and cash incentive award. The following chart illustrates the Company's commitment to pay for performance and shareholder alignment as it shows that for 2014, (1) 86% of Mr. Sanchez's target total direct compensation and over 70% of the other NEOs' target total direct compensation was in the form of "at-risk" incentive compensation opportunities, the vesting and value of which is tied to achievement of performance goals and the Company's stock price, and (2) 52% of Mr. Sanchez's pay and 38% of pay for the other NEOs was in the form of equity compensation which directly aligns the interests of shareholders and executives without creating an incentive for inappropriate risk-taking.

The percentages in the chart below were determined using (1) actual salaries as reported in the Summary Compensation Table; (2) target payout opportunities under the annual cash incentive awards; and (3) target Long-Term Incentive Plan (LTIP) values.

Ø Effective asset management initiatives contributed significantly to higher used vehicle sales proceeds and strong rental performance.

Ø Strong and engaged leadership throughout the organization; widespread communication and understanding on strategic initiatives.

Ø Progress on reducing pension liability through investment strategies, pension buy-out offer and withdrawal from several multi-employer pension plans.

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Annual Cash Incentive. As described later in this CD&A, in 2014, the annual cash incentive award payouts were funded out of pre-tax operating earnings up to a maximum of \$225 million of earnings. Actual payouts to individual executives were based primarily on the achievement of certain levels of operating revenue and comparable EPS. As shown below, the operating revenue and comparable EPS targets required to achieve a target payout for 2014 were measurably higher than actual results for 2013, requiring executives and the Company to drive significantly better performance in order to earn a target payout. Specifically, for 2014, the target operating revenue was \$6 billion, a 6% increase from 2013 actual operating revenue. Similarly, the target comparable earnings per share for 2014 was \$5.45, a 12% increase from 2013. This demonstrates how challenging our targets are as well as the alignment between our executive pay and Company performance when performance is below our targets.

Long-Term Incentive. Total shareholder return (TSR) and, for grants made in 2013 and 2014, adjusted return on capital (ROC), were the performance metrics used to determine the payouts of the performance-based restricted stock rights (PBRs) and performance-based cash awards (PBCAs) granted as part of our LTIP. The Company's stock price grew 76% from 2010 to 2014; however, the PBRs for the 2010 - 2012 performance period, all performance-based awards for the 2011 - 2013 performance period, and all performance-based awards for the first performance cycle of the 2012 - 2014 performance period were not earned.

Below is a summary of the performance status through 2014 for all PBRs and PBCAs granted under our LTIP since 2009:

Grant Year	Performance Cycle #	Performance Cycle Years Covered	Performance Measure	Performance Status	Award Status	Percentage Earned
2010	1 of 1	2010 - 2012	TSR v. S&P 500 Composite Index (on cumulative monthly basis)	Ryder's TSR ranked at 33% of S&P 500 Composite Index	PBR Award Lapsed PBCA Award Earned	0% 100%
2011	1 of 1	2011 - 2013	TSR v. S&P 500 Composite Index (on cumulative monthly basis)	Ryder's TSR ranked at 32.8% of S&P 500 Composite Index	Award Lapsed	0%

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Grant Year	Performance Cycle Cycle #	Performance Cycle Years Covered	Performance Measure	Performance Status	Award Status	Percentage Earned
	1 of 3	2012		Ryder's TSR ranked at 13.57% of S&P 500 Composite Index	Award Lapsed	0%
2012	2 of 3	2012 - 2013	TSR v. S&P 500 Composite Index (at end of period)	Ryder's TSR ranked at 38% of S&P 500 Composite Index	Award Partially Earned	47.09%
	3 of 3	2012-2014		Ryder's TSR ranked at 56% of S&P 500 Composite Index	Award Earned	109.89%
	1 of 3	2013	TSR v. Custom Peer Group (50%)	Ryder's TSR ranked 13th of 28 companies in Custom Peer Group	Award Earned	106.25%
2013			ROC target set annually (50%)	Ryder's ROC was 5.7% versus target of 5.8%	Award Partially Earned	96.77%
	2 of 3	2013-2014	TSR v. Custom Peer Group (50%)	Ryder's TSR ranked 8th of 27 companies in Custom Peer Group	Award Earned	125%
		2014	ROC target set annually (50%)	Ryder's ROC was 5.8% versus target of 5.7%	Award Earned	115%
2014	1 of 3	2014	TSR v. Custom Peer Group (50%)	Ryder's TSR ranked 10th of 27 companies in Custom Peer Group	Award Earned	120%
			ROC target set annually (50%)	Ryder's ROC was 5.8% versus target of 5.7%	Award Earned	115%

## Shareholder Outreach - Say on Pay Feedback

At our 2014 Annual Meeting, shareholders approved our Say on Pay proposal in support of our executive compensation program by an overwhelming 97%. We are pleased that our shareholders approve and support our efforts to offer a competitive executive compensation program that delivers shareholder value over both the short- and long-term. Notwithstanding the strong support we received, in the Summer and Fall of 2014, we reached out to our largest shareholders (constituting over 50% of our outstanding shares) to request feedback on both our governance and compensation structure and profile. Overall, we received positive feedback regarding our compensation programs and amounts. However, we recognize that shareholder views and concerns can change as circumstances change, including economic and market conditions. We will continue to engage our shareholders regarding our executive compensation program, as well as review the governance and voting policies of our largest shareholders who publish their policies, to better understand any concerns or recommendations our shareholders may have regarding our executive compensation program.

Given the strong Say on Pay voting results, we did not seek to make any significant changes to our overall executive compensation program in 2014. Some changes were made as a part of the Committee's ongoing assessment of whether our compensation programs are optimally designed, taking into account how to best ensure alignment, respond to changing market practices and retain effective leaders who have a significant understanding of our business, particularly during a volatile economic environment. The Compensation Committee, with the assistance of our independent compensation consultant, Frederic W. Cook & Co., Inc. (Cook), reviewed the various components of our executive compensation program and made some changes, and other compensation decisions, in order to further those objectives. Some of these changes are discussed





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on pages 36 through 42 of this Compensation Discussion and Analysis. The Compensation Committee believes that these changes will continue to create positive shareholder alignment and value.

### 2014 Key Compensation Actions and Decisions

Although no significant changes were made to our executive compensation programs, the Committee took certain actions during 2014 to (1) evaluate executive compensation relative to the median of peer companies, particularly in light of the Company's strong performance over the last several years and the need to retain key executives while the Company is focused on implementing aggressive growth initiatives; and (2) give the Board the ability to reward executives for meeting critical performance objectives that are designed to position the Company to achieve strong financial results, while still allowing the Company to invest in future growth and maintain a strong balance sheet. Highlighted below are some of the key actions and decisions taken during 2014:

Ensured median pay for executives through the at-risk, performance-based, long-term incentive program. The Committee engaged Cook to benchmark executive pay versus our peer group. Given the caliber and contributions of the executive team and to mitigate any retention risk, in 2014, the Committee increased the value of the at-risk, performance-based, long-term incentive awards to certain executives to ensure that the total compensation of executives did not fall below the median of the Company's peer group.

Provided some flexibility under Annual Cash Incentive Awards to reward individual performance. In 2014, the Compensation Committee revised the structure of the annual cash incentive awards for executive officers. Actual bonus payments to individual executives will continue to be based on the achievement of objective Company performance targets (operating revenue and comparable earnings per share) and, if the Committee determines, on each executive's individual performance and contribution. Incentive payments are capped at a percentage of pre-tax operating earnings up to a maximum of \$225 million of earnings.

Granted retention award to key executive. Dennis Cooke, President of Global Fleet Management Solutions, received an award of 10,000 time-based restricted stock rights during 2014. Mr. Cooke joined Ryder in 2011. Since that time, FMS revenue grew by 10% and earnings before tax grew by 74%. Under his leadership, there has been significant growth in the lease fleet, strong performance in the transactional rental and used vehicle sales businesses, and a focused commitment to growth and operational excellence through teamwork and collaboration. Given the planned retirement of Mr. Williford, President, Global Supply Chain Solutions, the Committee believed it was necessary and appropriate that the Company continue to incentivize, motivate and retain Mr. Cooke during this critical time.

Approved adoption of clawback policy. The Company approved the adoption of a clawback policy for all performance-based incentive awards granted starting in 2015 for restatement of the Company's financial statements due to fraud or willful misconduct by the executive.

### Summary of Executive Compensation Governance Practices

Our executive compensation practices support the needs of our business, drive performance, and ensure alignment with the long-term interests of our shareholders. Below is a summary of what we do and don't do in that regard.

#### What We Do

- ü Pay for performance - Our compensation program for our NEOs emphasizes variable pay over fixed pay, with over 70% of their target compensation (and 86% in the case of our CEO) linked to our financial results or market performance.
- ü Mitigate undue risk in compensation plans - We undergo a robust risk assessment of all executive compensation programs annually. We also limit the maximum payout of our annual cash incentive awards and our performance-based restricted stock rights and performance-based cash awards to limit the potential for excessive

risk taking.

- ü Offer limited perquisites - Perquisites generally track the benefits offered broadly to salaried employees.

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- ü Negative discretion on annual cash incentive awards - Ability to reduce payouts based on individual performance.
- ü Engage an independent compensation consultant - Our compensation consultant does not provide any other services to the Company.
- ü Maintain robust stock ownership requirements - Four times the annual base salary for CEO; and two times the annual base salary for other NEOs; all NEOs must satisfy the requirements within 5 years of appointment or election.
- ü Clawback policy - 2015 performance-based incentive awards will permit clawback if a NEO's willful misconduct causes the Company to restate its financial results, or if he or she is terminated for cause or violates certain nonsolicitation/noncompete provisions.
- ü Compliance with 162(m) - Our annual cash incentive awards and all compensation granted under our 2014 LTIP are designed to meet the "performance based" exception for deductibility.
- ü Share Repurchases - We mitigate the potential dilutive effect of equity awards through share repurchases.

What We Don't Do

- û Provide employment agreements
- û Gross up excise taxes upon change in control
- û Gross up taxes on perquisites or benefits
- û Reprice underwater stock options without shareholder approval
- û Allow equity grants below 100% fair market value
- û Pay dividends on unvested performance-based restricted stock rights or time-based restricted stock rights
- û Permit hedging or monetization transactions such as zero-cost collars or forward sale contracts
- û Permit pledging activity or use of margin accounts

Compensation Philosophy and Objectives

Our primary goal is to design compensation programs that will attract, retain and motivate high quality executives who possess diverse skills and talents. We believe these compensation programs, together with a workplace culture that encourages career development and loyalty, establish Ryder as a premier employer and ultimately increase the value of our shareholders' investment in the Company. We seek to offer an executive compensation program that allows us to implement and adjust compensation elements in order to deliver market competitive compensation, align our business strategy and drive and reward performance. In addition to maintaining an attractive and competitive compensation program, our compensation program has four key goals:

- Align the interests of Company executives with our shareholders by tying a significant portion of executive compensation to strong overall Company performance through the use of complementary pay elements.
- Balance the short- and long-term interests of our shareholders so that our executives are appropriately encouraged and rewarded to take actions that are in the best interests of our shareholders when carrying out their duties as executives of Ryder.
- Provide incentives to executives that will promote long-term, sustainable, profitable growth and encourage appropriate risk taking.
- Reward each named executive officer's individual performance, contribution and value to Ryder.

Compensation Setting Process

The Compensation Committee is responsible for making determinations about our executive compensation programs, practices and levels. The Compensation Committee's independent compensation consultant and management assist the Committee in making these determinations. Below is an explanation of (1) the key roles and responsibilities of each group in setting executive compensation, (2) the executive evaluation process and (3) how competitive market data is integrated into the decision-making process.

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### Role of the Compensation Committee

The Compensation Committee is responsible for reviewing and approving, or recommending that the Board approve, all components of our executive compensation program as well as the compensation program for our Board. 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 other NEOs. Our independent directors, acting as a group, are responsible for setting CEO compensation based on recommendations from the Compensation Committee.

### Role of the Independent Compensation Consultant

The Compensation Committee has retained Cook as its independent consultant. Cook reports directly to the Compensation Committee and performs no other work for the Company. The Compensation Committee has analyzed whether the work of Cook as a compensation consultant has raised any conflict of interest, taking into consideration the following factors: (1) the provision of other services to the Company by Cook; (2) the amount of fees from the Company paid to Cook as a percentage of Cook's total revenue; (3) Cook's policies and procedures that are designed to prevent conflicts of interest; (4) any business or personal relationship of the individual compensation advisors on the Ryder consulting team with any member of the Compensation Committee; (5) any stock of the Company owned by Cook or the individual compensation advisors on the Ryder consulting team; and (6) any business or personal relationship of Cook or the individual compensation advisors on the Ryder consulting team with an executive officer of the Company. In performing its analysis of these factors, the Compensation Committee undertakes an annual review of conflicts of interest and independence, which includes a review of a conflicts of interest and independence letter provided by Cook and each director's responses to questionnaires asking about any relationships with Cook. The Compensation Committee has determined, based on its analysis of the above factors, that the work of Cook and the individual compensation advisors employed by Cook as compensation consultants to the Company has not created any conflict of interest and that Cook is independent.

During 2014, the Compensation Committee retained Cook to:

- provide independent advice to the Compensation Committee on current trends and best practices in compensation design and program alternatives;
- advise the Compensation Committee on plans or practices that may improve effectiveness, including the design changes to the 2014 annual cash incentive awards;
- provide peer group and survey data for competitive comparisons; and, based on this information, offer independent recommendations on CEO and NEO compensation;
- review the Compensation Discussion and Analysis, compensation tables, and other compensation-related disclosures in our proxy statement;
- offer recommendations, insights and perspectives on compensation-related matters;
- evaluate, and advise the Compensation Committee regarding enterprise and related risk associated with executive compensation components, plans and structures; and
- support the Compensation Committee to ensure executive compensation programs and practices are competitive and align the interests of our executives with those of our shareholders.

In 2014, Cook attended a majority of the Compensation Committee meetings in person or by telephone, including outside director sessions as requested, and consulted, as necessary, with the Compensation Committee Chair between meetings.

### Role of Management

Our CEO, Chief Administrative Officer, Vice President of Compensation and Benefits and Chief Legal Officer develop written background and supporting materials for review at Compensation Committee meetings, attend Compensation Committee meetings at the Compensation Committee's request, and provide information regarding, and make recommendations about, designs for and, if warranted, changes to our executive compensation programs. Our CEO provides an assessment of each executive officer's performance and recommends compensation actions for executive officers other than himself.



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### Evaluating Performance

Annually, our CEO provides the Compensation Committee with a performance assessment and compensation recommendation for each named executive officer other than himself. The performance assessment includes strengths, areas for development and succession potential and is based on individual performance evaluations conducted by the CEO. Our CEO also reviews each executive's compensation history and current market compensation data. At the Board's annual succession planning meeting in October, the performance of each NEO is also discussed by the full Board as part of Ryder's succession planning process.

At the end of each year, the independent directors begin to conduct a performance review of the CEO. For the review, the CEO and each independent director completes a comprehensive CEO evaluation questionnaire relating to the CEO's performance. This questionnaire is prepared by the Governance Committee, which is responsible for developing and overseeing the process by which the CEO will be evaluated. The questionnaire focuses on (1) CEO performance relative to his individual goals and objectives, (2) our historical and forecasted performance, (3) CEO effectiveness in leading the organization, the Board and external constituencies, (4) CEO effectiveness at team building and succession planning and development and (5) CEO effectiveness in developing and leading implementation of strategic initiatives. In February, the Compensation Committee discusses the results of the CEO's performance review in outside directors session and formulates its recommendations regarding CEO compensation. At the February Board meeting, in outside directors session without the CEO present, the independent directors evaluate and discuss the CEO's performance and determine his compensation based on the results of his performance evaluation and the recommendations of the Compensation Committee. Feedback is then provided to the CEO on his performance by the Lead Independent Director and Chair of the Compensation Committee.

### Benchmarking

Industry Peer Group - In evaluating each element of our executive compensation program, the Compensation Committee traditionally considers the executive compensation program and practices, as well as the financial performance, of a comparative group 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 does not design our executive compensation programs to fit within a specific percentile of the executive compensation programs of other companies comprising any particular peer group or survey. The Committee does consider the median compensation of similar executives at the peer companies both for each compensation component and the total compensation package as a reference point in making compensation decisions, particularly where there is significant market competition for a particular position.

In assembling comparator peer groups, the Compensation Committee is mindful that although there are other public companies that provide transportation or supply chain services, there are no public companies that provide similar fleet management services (which represent approximately 63% of our consolidated revenue for 2014) or that provide the same mix of services, and that publicly disclose financial performance and compensation data relating to that business. Consequently, comparable compensation data is limited and less relevant for Ryder than it is for other companies in industries where there are more directly relevant and comparable peer groups.

In connection with its review of competitive market data, Cook utilized one peer group (Industry Peer Group) against which it analyzed each NEO's compensation. In 2014, there were no changes to the Industry Peer Group previously used to evaluate compensation. The Industry Peer Group is comprised of sixteen companies that are in a related industry and that all have one or more services or operating components similar to Ryder's service offerings. Although Ryder is often included in the broad transportation industry group, we do not include transportation companies that have significantly different value propositions, operating models and economic profiles, such as airlines. The Industry Peer Group is comprised of:

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- |   |                                       |
|---|---------------------------------------|
| 1. Avis Budget Group, Inc.                      | 9. Hertz Global Holdings, Inc.        |
| 2. C. H. Robinson Worldwide, Inc.               | 10. Hub Group, Inc.                   |
| 3. Celadon Group, Inc.                          | 11. J.B. Hunt Transport Services Inc. |
| 4. Con-way Inc.                                 | 12. Landstar System, Inc.             |
| 5. CSX Corporation                              | 13. Old Dominion Freight Line, Inc.   |
| 6. Expeditors International of Washington, Inc. | 14. PHH Corporation                   |
| 7. FEDEX Corporation                            | 15. Trinity Industries, Inc.          |
| 8. GATX Corporation                             | 16. United Parcel Service, Inc.       |

Management and the Compensation Committee believe that utilizing data from this Industry Peer Group provides a useful basis of comparison for NEO compensation, as we compete with many of these companies for executive talent. 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 Ryder including freight demand and fuel prices.

General Industry Survey Data - The Compensation Committee also reviews general industry survey data, particularly when appropriate peer group data is unavailable. This ensures that we are acting responsibly in establishing competitive levels of compensation for our executives, as this perspective recognizes the limitations of peer group data and recognizes that Ryder also competes for executive talent outside of the transportation industry.

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2014 Executive Compensation Program

Components of Compensation

Our executive officers do not have employment agreements which, we believe, gives the Compensation Committee flexibility to change the components of our executive compensation program in order to remain market competitive, address economic conditions and ensure proper alignment.

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 he or she has over our operating, financial and strategic performance. As such, a greater amount of NEO compensation should be at-risk based on Ryder's performance. Accordingly, the majority of target compensation that our NEOs are eligible to receive is dependent upon the achievement of short- and long-term performance objectives and/or appreciation in the value of Ryder stock. In addition to these incentive opportunities, our compensation program provides all executive officers, including our NEOs, a proportionately lesser amount of fixed elements, such as base salary and benefits. We also provide competitive severance and change of control arrangements to mitigate any negative impact of organizational changes and other corporate actions. The actual compensation mix and value for each NEO may vary based on job responsibilities, market competition for the position, an individual's experience, past performance and contributions, compensation history, tenure, long-term potential, succession planning and strategic needs.

The chart below illustrates the principal elements and design of Ryder's executive compensation program:

Detailed descriptions of the components of compensation and how the Compensation Committee determined compensation levels for 2014 begin on the following page.



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2014 Compensation Decisions

In determining the base salaries of our NEOs, the Compensation Committee determines our competitive market position from market surveys and comparative data provided by outside compensation consultants. The Compensation Committee does not target base pay at any particular level versus a peer group, although it uses median pay as a reference point. Instead, the Compensation Committee bases salary adjustments on general survey data and its overall assessment of the following factors (without assigning any specific weighting to any individual factor):

Base Salary

- annual merit increase paid to all other Ryder employees (which is based on the Company's annual financial planning budget);
- demand in the labor market for the particular executive position;
- succession planning implications; and
- the individual's performance.

Based on market and peer group data, in February 2014, Mr. Fatovic received a 4.2% (\$15,000) salary increase. Mr. Fatovic is responsible for legal, compliance, governance, safety, environmental and government affairs, as well as the Company's Board operations.

2014 Salary

In October 2014, Mr. Sanchez and the other NEOs, including Mr. Fatovic, received a 2% increase in base salary consistent with the target merit increase for all other employees.

2014 Annual Cash Incentive Awards

Structure - In 2014, the Compensation Committee amended the structure of the annual cash incentive awards granted to the Company's executives. The changes were designed to give the Compensation Committee the ability to determine each executive's incentive payout based, in part, on the executive's individual performance and contributions to the Company's financial results and strategic progress. Under the new structure, payouts will initially be based on Company performance against the performance metrics used for the annual incentive awards granted to all other incentive-eligible employees. The Compensation Committee will then determine the actual payout based on these results and the executive's performance. The payout is capped at a percentage of 2014 pre-tax earnings from continuing operations (EBT) up to EBT of \$225 million. For this purpose, EBT is defined as Comparable Earnings from Continuing Operations, as disclosed in the Company's earnings press release for the fiscal year 2014. Following are the funding percentages for each executive:

NEO	Funding Percentage (of EBT)
Robert E. Sanchez	1.0%
Art A. Garcia	0.3%
Dennis C. Cooke	0.5%
John H. Williford	0.5%
Robert D. Fatovic	0.25%

Opportunity - Target payout opportunities under our annual cash incentive awards are designed to motivate our executive officers to act in a way that will result in Ryder achieving improved year-over-year financial performance without taking excessive risk. These targets form the basis of the Compensation Committee's determinations regarding the actual payout under the annual cash incentive awards, up to the maximum payout amount calculated using the funding percentage formula. Mr. Sanchez's target payout opportunity is 150% of base salary. The target payout opportunity for Mr. Cooke and Mr. Williford is 100% of base salary and for Mr. Garcia and Mr. Fatovic is 80% of base salary. Mr. Sanchez'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 CEO.



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Performance Metrics - The performance metrics used for the annual cash incentive awards granted to all other incentive-eligible employees are used by the Compensation Committee to determine the actual payout to executives. Given the Company's continued focus on earnings leverage and revenue growth, the Compensation Committee maintained comparable earnings per share from continuing operations and operating revenue as the financial performance metrics used in determining the payout under the annual cash incentive awards. These are also the metrics we publish externally to evaluate and compare our performance relative to our peers.

Comparable earnings per share from continuing operations (comparable EPS) (60% weighting) - is defined as earnings per share from continuing operations excluding non-operating pension costs and other items. Comparable EPS is a key financial measure emphasized by Ryder's shareholders because it is directly aligned with shareholder value. We believe comparable EPS (a non-GAAP financial measure) provides useful information to investors because it excludes non-operating pension costs, which we consider to be impacted by financial market performance, and other items which, like pension costs, do not reflect the operational performance of the business.

Operating revenue (40% weighting) - is defined as total revenue less (1) fuel services revenue (net of inter-segment billings) in our Global Fleet Management Solutions business segment and (2) subcontracted transportation revenue in our Global Supply Chain Solutions business segment. We believe operating revenue (a non-GAAP financial measure) is a better measure of our operating performance and sales activity than gross revenue because both fuel and subcontracted transportation are largely pass-throughs to customers and therefore have minimal impact on our profitability.

We believe that these two performance metrics, taken together, are useful in measuring our success in meeting our strategic objective of growing our revenue in a way that creates solid earnings leverage.

With respect to measuring EBT (the funding metric), comparable EPS and operating revenue against the performance targets, the Compensation Committee retains the discretion 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 certain items, including non-recurring or non-operational items. The Compensation Committee did not adjust any of the 2014 metrics. For reference, in addition to non-operating pension costs of \$0.10 per share, comparable EPS excludes the following items from GAAP EPS from continuing operations:

- a charge of \$1.30 per share, relating to pension buyouts;
- a charge of \$0.03 per share, relating to restructuring and other charges (recoveries), net;
- a charge of \$0.04 per share, relating to an acquisition-related tax adjustment and transaction costs; and
- a benefit of \$0.03 per share, relating to a tax law change.

The excluded items are discussed in the Management's Discussion and Analysis section of our annual report on Form 10-K for the fiscal year ended December 31, 2014.

Incremental Performance Levels - Based on our internal business plan, the Compensation Committee set three performance targets on which to base Company performance:

- a threshold level, at which 25% of target payout opportunity can be earned;
- a target level, at which 100% of target payout opportunity can be earned; and

- a maximum level, at which 200% of target payout opportunity can be earned.

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## 2014 Awards

The following chart sets forth the threshold, target and maximum performance targets for each of the performance metrics, and the potential payout based on these results:

Performance Metric	Threshold (25% Payout)	Target (100% Payout)*	Maximum (200% Payout)	2014 Results	Payout as a Percent of Target Opportunity
Comparable Earnings Per Share (60%)	\$3.27	\$5.45	\$6.20	\$5.58	117.33%
Operating Revenue (40%) (in thousands)	\$4,735	\$5,571	\$5,850	\$5,547	97.85%
Total (weighted)					109.54%

\* Financial targets disclosed in this section are done so in the limited context of our annual cash incentive awards 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. In 2014, comparable EPS increased 14% and operating revenue increased 5% as compared to 2013.

While the initial calculation of the payout under the annual cash incentive awards is determined using the formula described above, the actual payout amounts awarded by the Compensation Committee may be increased or decreased to reflect individual performance. Beginning with the amount determined as described above, the Compensation Committee then determines the final amount of each executive's annual incentive payout based on the Compensation Committee's consideration of his or her individual performance and contributions during the year. Cash incentive award amounts are adjusted downward as well as upward based on these performance reviews. The Committee believes that it is important to retain the ability to recognize outstanding individual performance in awarding annual bonuses, as well as to acknowledge circumstances where individual performance improvements are suggested.

Performance criteria for all NEOs include performance relative to furthering the Company's strategic initiatives, internal leadership, business development and other business goals, risk management, talent development, financial management, and regulatory and compliance results. The amounts paid to the CEO and other NEOs under the 2014 annual cash incentive awards are set forth in footnote 3 to the Summary Compensation Table on page 46 of this proxy statement.

In 2014, the Compensation Committee retained the overall design of the 2013 LTIP.

Long-Term  
Incentive Program  
(LTIP)

Target and Mix. In determining LTI values, the Committee uses a target LTI value (350% of the midpoint of the salary range for the CEO and 175% of the midpoint of the relevant salary range for the other NEOs' management level) as a reference point but does not base award values solely on this formulaic calculation. The Committee considers a variety of factors including the executive's overall compensation relative to peers and market benchmarks, the executive's role, responsibilities and performance, his/her long-term potential, retention risk and the value of the executive's outstanding equity awards. The LTI continues to consist of stock options, PBRs and PBAs as follows:

LTI Allocation	
Options	40%
PBRs	40%

PBCAs

20%

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Stock Options. Stock options vest in three equal annual installments and expire ten years from the grant date.

Performance Metrics for PBRs and PBAs. The Company uses two performance metrics applicable to PBRs and PBAs: 50% is based on Ryder's TSR relative to the TSR of a custom peer group discussed below and 50% is based on Ryder's annual ROC measured against a ROC target set annually for each year of the three-year performance period. The Committee believes measuring performance with multiple metrics provides a more complete picture of Company performance and ensures management is focused on overall Company performance and not just performance in one area.

TSR Performance Metric:

•----Measurement of TSR. For 2014 and 2013, the TSR for Ryder and each peer company in the custom group was calculated based on the average percentage change in the relevant stock price from the last ten trading days prior to the beginning of the relevant performance period to the last ten trading days prior to the end of the relevant performance period, assuming reinvestment of dividends on the ex-dividend date. For the 2012 awards, TSR was measured as of the last day of the performance period. The Compensation Committee believes that the use of this ten-day averaging methodology at the beginning and the end of each respective performance period mitigates the effect of any trading aberrations that may not be reflective of the overall performance of either Ryder or any of the peer companies.

•----Use of Custom Peer Group. In 2013, the Compensation Committee revised the performance metric for PBRs and PBAs to provide that Ryder's TSR would be compared to that of a custom peer group. The custom peer group used for TSR comparison in the 2014 awards consists of the sixteen companies in Ryder's Industry Peer Group as well as the following eleven additional companies that do not compete directly with Ryder but are subject to similar market conditions and economic recovery cycles:

- 1 - 16. The companies in Ryder's Industry Peer Group (see page 33)
17. Arkansas Best Corporation
18. Forward Air Corporation
19. Heartland Express, Inc.
20. Knight Transportation, Inc.
21. Pacer International, Inc.
22. Saia, Inc.
23. Swift Transportation Company
24. TAL International Group, Inc.
25. Universal Truckload Services, Inc.
26. UTi Worldwide Inc.
27. Werner Enterprises, Inc.

During 2014, Pacer International, Inc. was acquired by XPO Logistics, Inc. and as a result was not a separate publicly traded company on the last ten trading days of 2014.

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Historically, PBRs and PBAs were measured based on Ryder's performance versus the entire S&P 500 Composite Index. The Compensation Committee believes that measuring TSR against this custom peer group as opposed to companies in the S&P 500 Composite Index avoids comparisons of Ryder's performance against companies that may not be subject to the same market conditions and economic recovery cycles applicable to Ryder. Use of a custom peer group, as opposed solely to Ryder's primary Industry Peer Group allows for a better comparison of Ryder's performance in the markets in which we compete, including against additional companies viewed as peers by our investors. Further, the Compensation Committee believes that having a larger sample size helps minimize year-over-year volatility relative to our primary Industry Peer Group.

•---TSR Performance Periods. For the 50% portion of PBRs and PBAs based on TSR, the three-year performance period remains segmented into three performance cycles of one, two and three years. Performance awards are earned based on performance in each respective cycle as follows:

- 1/3 of the PBRs and PBAs are earned based on performance results for Year 1 (January 2014 through December 2014)
- 1/3 of the PBRs and PBAs are earned based on performance results for Years 1 and 2 (January 2014 through December 2015)
- 1/3 of the PBRs and PBAs are earned based on performance results for Years 1, 2 and 3 (January 2014 through December 2016)

ROC Performance Metric:

•---Use of ROC. ROC is defined as our tax adjusted comparable earnings from continuing operations excluding interest, as a percentage of the sum of Ryder's average (1) debt, (2) off-balance sheet debt and (3) shareholders equity. The Compensation Committee believes that basing 50% of performance on Ryder's ROC ensures that appropriate focus is maintained on capital efficiency across all of the Company's business segments throughout the performance period. Further, the Compensation Committee believes that setting the ROC target on an annual basis addresses the inherent difficulty in setting realistic long-term goals in a volatile business environment and helps ensure that the awards continue to serve as a meaningful incentive throughout the full three-year performance period.

•---ROC Performance Periods. For the 50% portion of PBRs and PBAs based on ROC, the three-year performance period is segmented into three one-year performance cycles. Performance awards are earned based on performance in each respective cycle as follows:

- 1/3 of the PBRs and PBAs are earned based on performance results for Year 1 (January 2014 through December 2014)--
- 1/3 of the PBRs and PBAs are earned based on performance results for Year 2 (January 2015 through December 2015)---
- 1/3 of the PBRs and PBAs are earned based on performance results for Year 3 (January 2016 through December 2016)-



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Incremental Performance for all PBRs and PBAs. For the 2014 performance cycle, the following three performance levels apply:

- a threshold level, at which 25% of the award for each of the TSR and ROC performance metrics will be earned, respectively, if Ryder's TSR ranks nineteenth among the custom peer group or the applicable ROC threshold performance is met;
- a target level, at which 100% of the award for each of the TSR and ROC performance metrics will be earned, respectively, if Ryder's TSR ranks fourteenth among the custom peer group or the applicable ROC target performance is met; and
- a maximum level, at which 125% of the award for each of the TSR and ROC performance metrics will be earned, respectively, if Ryder's TSR ranks in the top ten among the custom peer group or the applicable ROC maximum performance is met.

Pursuant to the terms of the awards, as a result of the acquisition of Pacer International, Inc. by XPO Logistics, Inc., for 2014, the Committee adjusted the TSR accrual percentage accordingly for the relevant performance cycles.

Awards Earned Proportionately Between Incremental Performance Levels. PBRs and PBAs will continue to be earned proportionately from the threshold performance level to the target performance level and from the target performance level to the maximum performance level. The Compensation Committee believes that allowing executives to earn LTI awards on an incremental basis is more consistent with current market practice, reduces volatility in year-over-year award opportunities, and more effectively matches performance, funding and award payments. Further, the Compensation Committee believes that allowing executives to earn up to 125% of their respective award opportunities further encourages performance in line with shareholder interests.

Vesting of PBRs and PBAs. For both the TSR and ROC performance metrics, all awards that have been earned at the end of each performance cycle will vest and be paid only at the end of the entire three-year period, subject to Compensation Committee approval. The Compensation Committee believes that this feature further encourages retention since executives must remain employed by the Company at the conclusion of the three-year performance period to receive awards earned in prior performance cycles. Further, this approach incorporates and rewards short-, mid- and long-term performance of Ryder's TSR relative to the custom peer group.

No Dividend Equivalents on Unvested PBR Shares. Dividend equivalents will accrue and be paid only with respect to PBRs that actually vest at the end of the three-year performance period.

2014 LTIP Awards The value of the LTIP award granted to Mr. Sanchez and each other NEO in 2014 and the amount of stock options, PBRs and PBAs into which such award was converted is as follows:

NEO	LTI Value (\$)	Stock Option (#)*	PBRs (#)	PBAs (\$)
Robert E. Sanchez.....	\$3,500,000	93,415	19,600	700,008
Art A. Garcia.....	\$825,000	22,020	4,620	164,990
Dennis C. Cooke.....	\$960,000	25,625	5,375	192,035
John H. Williford.....	\$840,000	22,420	4,705	167,925
Robert D. Fatovic.....	\$610,000	16,280	3,415	122,087

\* Stock options were issued at the closing price of our common stock as reported by the NYSE on February 7, 2014.

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Performance of Outstanding LTIP Awards	<p>See the "Long-Term Incentive" section and the chart contained therein on page 28 of this Compensation Discussion and Analysis for a summary of LTIP award performance through 2014.</p> <p>Retirement Benefits - The NEOs are eligible to participate in one or more of the following company-wide retirement plans: qualified pension plan, pension benefit restoration plan (pension restoration plan), 401(k) savings plan and deferred compensation plan. The retirement and deferred compensation plans are described under the headings "Pension Benefits" and "2014 Nonqualified Deferred Compensation" beginning on page 52 of this proxy statement.</p> <p>Health and Welfare Benefits - During 2014, our NEOs were eligible to participate in the following standard welfare benefit plans: medical, dental and prescription coverage, company-paid short- and long-term disability insurance, and paid vacation and holidays. In addition, the NEOs received the following additional welfare benefits which are not available to all salaried employees: executive term life insurance coverage equal to three times the executive's current base salary (limited to an aggregate of \$3 million in life insurance coverage under the policy) in lieu of the standard company-paid term life insurance and individual supplemental long-term disability insurance which provides up to approximately \$20,000 per month (subject to age, earnings, health and state of residence limitations) in additional coverage over the \$8,000 per month maximum provided under our group long-term disability plan. We believe that these additional benefits are reasonable and in line with enhanced benefits provided to other similarly-situated executives.</p>
Retirement and Welfare Benefits	
Perquisites	<p>Perquisites - We provide a limited number of perquisites to our NEOs that we believe are related to the performance of their responsibilities. Annually, the Compensation Committee reviews the types and aggregate values of Ryder's perquisite program. Specifically, in 2014 each NEO received the following perquisites:</p> <ul style="list-style-type: none"><li>\$9,600 per year as an annual car allowance;</li><li>\$6,800 per year (\$11,800 for our CEO) to pay for community, business or social activities that may be related to the performance of the executive's duties, but which are not otherwise eligible for reimbursement as direct business expenses; however, there is no requirement that the executive use the perquisite for these purposes;</li><li>up to \$15,000 per year for financial planning and tax preparation services; and</li><li>up to \$5,000 per year for the installation of a new or upgraded security system in the executive's home and any related monthly monitoring fees.</li></ul> <p>All perquisites are fully taxable to the NEOs and are not subject to any tax gross-ups.</p>

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### Severance and Change of Control Agreements

All of our NEOs are currently eligible for certain severance benefits under individual severance agreements. These arrangements are described in more detail under the heading “Potential Payments Upon Termination or Change of Control” on page 52 of this proxy statement. Severance arrangements are intended to ease the consequences of an unexpected termination of employment. These arrangements are also designed to prevent our NEOs from seeking employment with our competitors after termination or soliciting our employees or customers during the restricted period. The change of control arrangements are designed to preserve productivity, avoid disruption and prevent attrition during a period when we are, or are rumored to be, involved in a change of control transaction. The change of control severance arrangements also motivate executives to pursue transactions that are in our shareholders' best interests despite the potential negative impact of the transaction on their future employment.

### Equity Granting Practices

The Compensation Committee has a written Policy on Equity Granting Practices, which provides that all grants of equity awards must be approved by the Compensation Committee (or in the case of the CEO, the independent directors acting as a group) at a Board or Compensation Committee meeting and not by written consent. In the case of new hires and grants to existing employees (other than executive officers and other direct reports to our CEO), equity grants may be approved by the Chair of the Compensation Committee. The grant date of any equity award shall generally be on or after the date of the Board or Compensation Committee meeting at which the award was approved, provided that the grant date for a new hire will be the later of (1) the date the award was approved by the Board, Compensation Committee or Compensation Committee Chair, as applicable or (2) the date on which the new hire commences employment.

We do not time our equity award grants relative to the release of material non-public information. The Policy does provide that the Compensation Committee can designate a grant date for time based restricted stock rights that is later, but not before, the Compensation Committee approval date in order to prevent the rights from vesting at a time when the executive is prevented from trading stock as a result of Ryder's Insider Trading Policy, thereby avoiding potential negative tax implications to the executive.

### Tax Implications

#### Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended, precludes public companies from taking a federal income tax deduction for compensation in excess of \$1 million paid to individual NEOs unless certain specific and detailed criteria are met, including the requirement that compensation over \$1 million be “performance based” and under a plan approved by our shareholders.

As part of its review of our executive compensation arrangements, the Compensation Committee is cognizant of the tax implications of Section 162(m). Performance awards granted under our compensation program are intended to constitute “performance based” compensation under Section 162(m). However, the Compensation Committee believes that preserving its flexibility in awarding compensation is in the Company's best interests and that of our shareholders and may determine, in light of all applicable circumstances, to award compensation in a manner that will not preserve the deductibility of such compensation under Section 162(m).

The Company believes that all annual cash incentive awards, stock options, PBRs and PBAs granted in 2014 meet the “performance based” exception for deductibility under Section 162(m).

#### Nonqualified Deferred Compensation

Under Section 409A of the Internal Revenue Code, amounts deferred by a NEO under a nonqualified deferred compensation plan (including certain severance plans) may be included in gross income when earned and subject to a 20% additional federal tax, unless the plan complies with certain requirements related to the timing of deferral election and distribution decisions. We administer our plans consistent with Section 409A requirements and have amended plan documents to comply with Section 409A requirements.



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Compensation Risks

Cook was engaged by the Compensation Committee to assist with the assessment of risk arising from the Company’s compensation programs and policies. The assessment covered each material element of executive and non-executive employee compensation. Based on Cook’s assessment, the Company concluded that these policies and practices do not create risk that is reasonably likely to have a material adverse effect on Ryder. More specifically, this conclusion was based on the following considerations:

Risk	Mitigating Policies/Practices
Pay Mix	Compensation mix of base salary, short-term and long-term incentives provides compensation opportunities measured by a variety of time horizons to balance our near-term and long-term strategic goals.
Performance Metrics	A variety of distinct performance metrics are used in both the short-term and long-term incentive plans. This “portfolio” approach to performance metrics encourages focus on sustained and holistic overall company performance.
Performance Goals	Goals are approved by our independent directors and take into account our historical performance, current strategic initiatives and the expected macroeconomic environment. In addition, short-term and long-term incentive compensation programs are designed with payout opportunities and leverage that support our pay for performance philosophy.
Equity Incentives	Equity incentive programs and stock ownership guidelines are designed to align management and shareholder interests by providing vehicles for executive officers to accumulate and maintain an ownership position in the company.
Risk Mitigation Policies	<p>We incorporate several risk mitigation policies into our officer compensation program, including:</p> <ul style="list-style-type: none"> <li>• The Compensation Committee’s ability to use “negative discretion” to determine appropriate payouts;</li> <li>• Cap on the maximum payouts under our annual cash incentive awards and PBRsRs and PBCAs to limit the potential for excessive risk taking;</li> <li>• Anti-hedging and anti-pledging policies; and</li> <li>• Written policy on equity grant timing practices.</li> </ul>

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COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The following report of the Compensation 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 Ryder specifically incorporates it by reference into a filing.

Our Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this proxy statement with management. Based on our review and discussions, we have recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Submitted by the Compensation Committee of the Board.

L. Patrick Hassey (Chair)

John M. Berra

Robert J. Eck

Michael F. Hilton

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## EXECUTIVE COMPENSATION

The following table sets forth the 2014, 2013 and 2012 compensation for:

• our Chief Executive Officer during 2014;

• our Chief Financial Officer during 2014; and

the three other most highly compensated executive officers serving as executive officers at the end of 2014 (based on total compensation (as reflected in the table below) excluding the amounts in the “Change in Pension Value and Nonqualified Deferred Compensation Earnings” column).

We refer to the executive officers included in the Summary Compensation Table as our named executive officers. A detailed description of the plans and programs under which our NEOs received the following compensation can be found in the Compensation Discussion and Analysis beginning on page 26 of this proxy statement.

## Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$) <sup>1</sup>	Option Awards (\$) <sup>2</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>3</sup>	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) <sup>4</sup>	All Other Compensation (\$) <sup>5</sup>	Total (\$)
Robert E. Sanchez	2014	753,750	1,095,921	1,399,963	2,126,392	159,118	119,108	5,654,252
	2013	732,917	780,871	1,249,969	1,512,709	—	86,121	4,362,587
	2012	613,417	246,436	391,471	724,374	119,167	86,045	2,180,910
Art A. Garcia	2014	432,150	250,984	330,003	632,287	104,008	73,162	1,822,594
	2013	422,500	162,356	259,999	455,687	—	70,854	1,371,396
Dennis C. Cooke	2012	412,500	181,139	288,012	289,081	76,243	72,799	1,319,774
	2014	522,600	1,198,532	384,029	901,333	—	82,678	3,089,172
John H. Williford	2013	505,000	194,899	311,985	659,794	—	64,080	1,735,758
	2014	562,800	262,215	335,997	795,366	—	92,805	2,049,183
Robert D. Fatovic	2013	550,250	184,900	296,032	710,614	—	81,572	1,823,368
	2012	538,750	208,039	330,703	572,657	—	85,407	1,735,556
Robert D. Fatovic	2014	375,000	192,279	243,980	541,902	136,381	78,763	1,568,305
	2013	353,250	139,993	223,966	382,697	—	77,065	1,176,971
Robert D. Fatovic	2012	345,750	693,360	249,751	327,591	101,955	69,968	1,788,375

1 For 2014 and 2013, the amount includes performance based restricted stock rights (PBRSRs) granted pursuant to our Long-Term Incentive Program (LTIP) as described on page 38 of this proxy statement under Compensation Discussion and Analysis. The awards are based 50% on Total Shareholder Return (TSR) and 50% on adjusted return on capital (ROC). The targets for ROC are set annually; therefore only the PBRSRs based on ROC for the one-year 2014 performance cycle (for all outstanding performance periods) are probable and included in the table



for 2014, and only the PBRs based on ROC for the one-year 2013 performance cycle are probable and included in the table for 2013. The value for the PBRs based on ROC for the one-year 2015 and 2016 performance cycles will be included in the table when the relevant targets have been set. For Mr. Cooke, the 2014 amount includes PBRs granted as part of the LTIP as well as the fair market value of 10,000 time based restricted stock rights (TBRs) granted to Mr. Cooke (with a grant date fair market value of \$904,500).

For Mr. Fatovic, the 2012 amount includes PBRs granted as part of the LTIP as well as the fair market value of 10,000 TBRs granted to Mr. Fatovic (with a grant date fair market value of \$536,300).

The grant date fair value of stock awards is determined pursuant to the accounting guidance for stock compensation and represents the total amount that we will expense in our financial statements over the relevant vesting period. Consequently, the amounts in this column may not reflect the actual value that will be recognized by the NEO. For information regarding the assumptions made in calculating the amounts reflected in this column and the maximum payout for the award, see note 22 to our audited consolidated financial statements, included in our annual report on Form 10-K for the year ended December 31, 2014. Dividend equivalents will accrue on all grants of PBRs and TBRs and will be paid on those that vest.

Option awards consist of stock options granted pursuant to our LTIP as described on page 38 of this proxy statement under Compensation Discussion and Analysis. The grant date fair value of option awards is determined pursuant to the accounting guidance for stock compensation and represents the total amount that we will expense in our financial statements over the relevant vesting period. Consequently, the amounts in this column may not reflect the actual value that will be recognized by the NEO. For information regarding the assumptions made in calculating the amounts reflected in this column, see note 22 to our audited consolidated financial statements, included in our annual report on Form 10-K for the year ended December 31, 2014.

For 2014, the amounts in this column represent (1) amounts earned under the 2014 annual cash incentive awards (ACIAs) and (2) the amount of the performance based cash awards (PBCAs) earned in 2014 for all outstanding performance cycles whether or not vested and paid. The ACIAs earned were paid February 2015 and the PBCAs earned will vest and be paid at the end of the respective three-year performance period if the executive continues to be employed by the Company. Following is a breakdown of the amounts earned for 2014:

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Name	Year	ACIAs (\$)	PBCAs (\$)
Robert E. Sanchez	2014	1,538,538	587,854
Art A. Garcia	2014	468,717	163,570
Dennis C. Cooke	2014	712,479	188,854
John H. Williford	2014	616,516	178,850
Robert D. Fatovic	2014	408,620	133,282

4 The amounts in this column include an estimate of the change in the actuarial present value of the accrued pension benefits (under both our pension and pension restoration plans) for the NEO for the respective year. Assumptions used to calculate these amounts are described under “Pension Benefits” beginning on page 50. No NEO realized above-market or preferential earnings on deferred compensation.

5 All Other Compensation for 2014 includes the following payments or accruals for each NEO:

	Year	Employer Contributions to the 401(k) Plan(\$) <sup>(a)</sup>	Employer Contributions to the Deferred Compensation Plan(\$) <sup>(a)</sup>	Premiums Paid Under the Supplemental Long-Term Disability Insurance Plan(\$)	Premiums Paid for Executive Life Insurance(\$)	Charitable Awards Programs (\$) <sup>(b)</sup>	Perquisites(\$) <sup>(c)</sup>
Robert E. Sanchez	2014	14,300	69,531	10,142	2,844	—	22,291
Art A. Garcia	2014	14,300	28,446	11,385	1,631	1,000	16,400
Dennis C. Cooke	2014	14,300	42,267	7,739	1,972	—	16,400
John H. Williford	2014	14,300	43,034	11,639	2,124	—	21,708
Robert D. Fatovic	2014	14,300	22,388	8,460	1,413	—	32,202

As described under “Pension Benefits”, Messrs. Sanchez, Garcia, Cooke, Williford and Fatovic are not accruing (a) benefits under our pension plan and instead receive employer contributions into their 401(k) and deferred compensation accounts.

(b) Mr. Garcia is eligible to participate in our Matching Gifts to Education Program available to all employees, which is limited to a maximum benefit of \$1,000 per year.

(c) Includes a car allowance, a financial planning and tax preparation allowance, an annual perquisite allowance and amounts paid in connection with the executive’s home security system. The value in this column reflects the aggregate incremental cost to us of providing each perquisite to the executive.

## 2014 Grants of Plan-Based Awards

The following table reflects the four types of plan-based awards granted to our NEOs in 2014. The first row represents the range of payouts under the 2014 annual cash incentive awards granted under the Ryder System, Inc. 2012 Equity and Incentive Compensation Plan. The second row represents the range of shares of common stock to be issued upon vesting of the PBRs granted as part of our LTIP in 2014 under the Ryder System, Inc. 2012 Equity and Incentive Compensation Plan. The third row represents the range of payouts under the PBCAs granted as part of our LTIP in 2014 under the Ryder System, Inc. 2012 Equity and Incentive Compensation Plan. The fourth row represents stock options granted as part of our LTIP during 2014 under the Ryder System, Inc. 2012 Equity and Incentive Compensation Plan. The fifth row (as applicable) represents the time based restricted stock rights (TBRs) granted as part of our LTIP during 2014 under the Ryder System, Inc. 2012 Equity and Incentive Compensation Plan.

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Name	Grant Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>1</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>2</sup>			All Other Stock Awards: Number of Shares of Stock or Units (#) <sup>3</sup>	All Other Awards: Number of Securities Underlying Options (#) <sup>3</sup>	Exercise Base Price of Option Awards (\$/Sh) <sup>4</sup>	Grant Date of Stock and Option Awards (\$) <sup>5</sup>
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold #	Target #	Maximum #				
Robert E. Sanchez	ACIA	2/7/14	282,668	1,130,672	2,250,000							
	PBRSR	2/7/14				4,161	16,646	20,807			1,095,921	
	PBCA	2/7/14	175,002	700,008	875,010							
	Options	2/7/14							93,415	71.43	1,399,963	
Art A. Garcia	ACIA	2/7/14	86,434	345,734	675,000							
	PBRSR	2/7/14				956	3,824	4,780			250,984	
	PBCA	2/7/14	41,248	164,990	206,238							
	Options	2/7/14							22,020	71.43	330,003	
Dennis C. Cooke	ACIA	2/7/14	130,655	522,621	1,125,000							
	PBRSR	2/7/14				1,119	4,477	5,596			294,032	
	PBCA	2/7/14	48,009	192,035	240,044							
	Options	2/7/14							25,625	71.43	384,029	
	TBRSR	7/22/14							10,000		904,500	
John H. Williford	ACIA	2/7/14	140,706	562,823	1,125,000							
	PBRSR	2/7/14				996	3,984	4,980			262,215	
	PBCA	2/7/14	41,981	167,925	209,906							
	Options	2/7/14							22,420	71.43	335,997	
Robert D. Fatovic	ACIA	2/7/14	75,000	300,000	562,500							
	PBRSR	2/7/14				730	2,918	3,648			192,279	
	PBCA	2/7/14	30,522	122,087	152,609							
	Options	2/7/14							16,280	71.43	243,980	

For the ACIAs, the amounts reflect the range of potential payouts at threshold, target or maximum payout levels based on Company performance. The Committee has discretion to adjust amounts based on individual performance but in no event to exceed the maximum payout amount. The 2014 ACIAs are discussed in further detail under the heading “2014 Annual Cash Incentive Awards” in the Compensation Discussion and Analysis. For the PBCAs, the amounts represent the range of potential payouts under PBCAs granted in 2014 under our LTIP.

- 1 The PBCAs based on TSR are segmented into three performance cycles of one, two and three years, and the PBCAs based on ROC are segmented into three one-year performance cycles. PBCAs will be earned based on performance in each respective annual performance cycle. All awards that have been earned at the end of each performance cycle will vest at the end of the three-year performance period, subject to Compensation Committee approval. See further discussion under the heading “Long-Term Incentive Program” in the Compensation Discussion and Analysis.

These columns reflect the range of potential PBRSRs that can be earned under our 2013 and 2014 LTIP. The PBRSRs based on TSR are segmented into three performance cycles of one, two and three years, and the PBRSRs based on ROC are segmented into three one-year performance cycles. PBRSRs will be earned based on

- 2 performance in each respective annual performance cycle. All awards that have been earned at the end of each performance cycle will vest at the end of the three-year performance period, subject to Compensation Committee approval. See further discussion under the heading “Long-Term Incentive Program” in the Compensation Discussion and Analysis.

3 Represents stock options granted under our 2014 LTIP. The stock options for all of the NEOs vest in three equal  
annual installments beginning on February 7, 2015. For a more detailed description of our stock options and stock  
option granting policies, see the sections entitled “Long-Term Incentive Program” and “Equity Granting Practices” in  
the Compensation Discussion and Analysis.

4 The exercise price of the stock options granted in 2014 was set as the closing price of our common stock on the  
grant date, as reported by the NYSE, as required under the Ryder System, Inc. 2012 Equity and Incentive  
Compensation Plan.

5 The grant date fair value of the stock and option awards is determined pursuant to the accounting guidance for  
stock compensation and represents the total amount that we will expense in our financial statements over the  
relevant vesting period. For information regarding the assumptions made in calculating the amounts reflected in  
this column, see note 22 to our audited consolidated financial statements, included in our annual report on Form  
10-K for the year ended December 31, 2014.

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## Outstanding Equity Awards as of December 31, 2014

Name	Options Awards				Stock Awards		Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested <sup>(1)</sup> (\$)
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested <sup>(1)</sup> (\$)		
Robert E. Sanchez	Exercisable	Unexercisable						
	17,550	—	32.71	02/06/2016				
	37,550	—	32.99	02/10/2017				
	26,275	—	49.39	02/11/2018				
	18,553	9,277 <sup>(2)</sup>	53.63	02/10/2019				
	29,775	59,550 <sup>(3)</sup>	58.21	02/07/2023				
	—	93,415 <sup>(4)</sup>	71.43	02/06/2024				
					2,972 <sup>(5)</sup>	275,950		
					15,853 <sup>(6)</sup>	1,471,951	8,054 <sup>(7)</sup>	747,814
					7,677 <sup>(8)</sup>	712,809	14,698 <sup>(9)</sup>	1,364,709
Art A. Garcia	6,825	6,825 <sup>(2)</sup>	53.63	02/10/2019				
	6,194	12,386 <sup>(3)</sup>	58.21	02/07/2023				
	—	22,020 <sup>(4)</sup>	71.43	02/06/2024				
					2,184 <sup>(5)</sup>	202,784		
					3,294 <sup>(6)</sup>	305,848	1,675 <sup>(7)</sup>	155,524
					1,809 <sup>(8)</sup>	167,966	3,464 <sup>(9)</sup>	321,632
	—	7,465 <sup>(2)</sup>	53.63	02/10/2019				
	—	14,863 <sup>(3)</sup>	58.21	02/07/2023				
	—	25,625 <sup>(4)</sup>	71.43	02/06/2024				
	Dennis C. Cooke				2,391 <sup>(5)</sup>	222,004		
				3,954 <sup>(6)</sup>	367,129	2,011 <sup>(7)</sup>	186,721	
				2,105 <sup>(8)</sup>	195,449	4,031 <sup>(9)</sup>	374,278	
				10,000 <sup>(10)</sup>	928,500			
John H. Williford	—	7,837 <sup>(2)</sup>	53.63	02/10/2019				
	—	14,103 <sup>(3)</sup>	58.21	02/07/2023				
	—	22,420 <sup>(4)</sup>	71.43	02/06/2024				
					2,509 <sup>(5)</sup>	232,961		
					3,752 <sup>(6)</sup>	348,373	1,908 <sup>(7)</sup>	177,158
					1,841 <sup>(8)</sup>	170,937	3,529 <sup>(9)</sup>	327,668
	15,000	—	49.39	02/11/2018				
	11,837	5,918 <sup>(2)</sup>	53.63	02/10/2019				
	5,335	10,670 <sup>(3)</sup>	58.21	02/07/2023				
	Robert D. Fatovic							

— 16,280 <sup>(4)</sup> 71.43 02/06/2024

10,000 <sup>(11)</sup>	928,500		
1,893 <sup>(5)</sup>	175,765		
2,841 <sup>(6)</sup>	263,787	1,444 <sup>(7)</sup>	134,075
1,336 <sup>(8)</sup>	124,048	2,561 <sup>(9)</sup>	237,789

(1) Based on a stock price of \$92.85, which was the closing market price of our common stock on December 31, 2014.

(2) These stock options vest on February 10, 2015.

(3) These stock options vest in equal annual installments on February 8, 2015 and February 8, 2016.

(4) These stock options vest in three equal annual installments on February 7, 2015, February 7, 2016 and February 7, 2017.

Represents PBRs that were granted in February 2012 and earned for the two-year performance cycle ended December 31, 2013 and the three-year performance cycle ended December 31, 2014. These PBRs vested in February 2015 upon Compensation Committee approval.

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Represents PBRs that were granted in February 2013 and earned for the one-year performance cycle ended December 31, 2013 and the two-year performance cycle ended December 31, 2014. These PBRs will vest after the end of the three-year performance period ended December 31, 2015 upon Compensation Committee approval and then only if the executive continues to be employed by the Company.

Represents PBRs that were granted in February 2013 and will be earned if the applicable TSR target for the maximum level of performance and the applicable ROC target are met for the three-year performance cycle ending December 31, 2015. If earned, the PBRs will vest after the end of the three-year performance period ending December 31, 2015 upon Compensation Committee approval and then only if the executive continues to be employed by the Company.

Represents PBRs that were granted in February 2014 and have been earned for the one-year performance cycle ended December 31, 2014. These PBRs will vest after the end of the three-year performance period ending December 31, 2016 upon Compensation Committee approval and then only if the executive continues to be employed by the Company.

Represents PBRs that were granted in February 2014 and will be earned if the applicable TSR target for the maximum level of performance and the applicable ROC target are met for the two-year performance cycle ending December 31, 2015 and the three-year performance cycle ending December 31, 2016, respectively. If earned, the PBRs will vest after the end of the three-year performance period ending December 31, 2016 upon Compensation Committee approval and then only if the executive continues to be employed by the Company.

(10) These restricted stock rights vest on July 22, 2017.

(11) These restricted stock rights vested on February 10, 2015.

## 2014 Option Exercises and Stock Vested

Name		Option Awards		Stock Awards <sup>1</sup>	
		Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
		(#) <sup>2</sup>	(\$) <sup>3</sup>	(#) <sup>4</sup>	(\$) <sup>5</sup>
Robert E. Sanchez	2014	43,245	1,723,366	—	—
Art A. Garcia	2014	14,716	619,102	—	—
Dennis C. Cooke	2014	28,655	820,486	15,000	1,356,750
John H. Williford	2014	65,470	1,332,341	15,000	1,340,100
Robert D. Fatovic	2014	29,290	1,336,561	—	—

1 These columns reflect TBRs previously awarded to the NEOs that vested during 2014.

Option exercises by Mr. Cooke totaling 5,738 shares were effected pursuant to a Rule 10b5-1 trading plan established on May 29, 2013.

2 Option exercises by Mr. Williford totaling 16,995 shares were effected pursuant to a Rule 10b5-1 trading plan established on November 26, 2013.

3 Calculated based on the difference between the closing market price of Ryder common stock on the date of exercise and the exercise price of the option.

4 Of these amounts, shares were withheld by Ryder to cover tax withholding obligations as follows: Mr. Cooke, 6,292 shares; and Mr. Williford, 7,826 shares.

5 Calculated based on the closing market price of Ryder common stock on the vesting date.

## Pension Benefits

We maintain the Ryder System, Inc. Retirement Plan (pension plan) and the Ryder System, Inc. Benefit Restoration Plan (pension restoration plan) for regular full-time employees other than those employees who are covered by plans administered by labor unions and certain other non-exempt employees. Effective December 31, 2007, the pension and pension restoration plans were frozen for all plan participants other than those who were eligible to continue to participate and elected to do so. As a result, these employees ceased accruing further benefits under the defined benefit

plans after December 31, 2007. All retirement benefits earned as of December 31, 2007 are fully preserved, continue to be subject to the applicable vesting schedule, and will be paid in accordance with the plans and applicable legal requirements. No employees hired or rehired after January 1, 2007 are eligible to participate in the pension or pension restoration plans.

Effective January 1, 2008, employees who were no longer eligible to continue to earn benefits in the pension plan were automatically transitioned to an enhanced 401(k) plan and a non-elective deferred compensation plan (if



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eligible) for their retirement benefits. Our existing 401(k) plan was enhanced for those employees that are no longer eligible to earn pension benefits to provide for a (1) Company contribution equal to 3% of eligible pay, subject to a vesting schedule, even if employees do not make contributions to the plan and (2) a 50% Company match of employee contributions of up to 5% of eligible pay, subject in each case to IRS limits. The 401(k) plan also gives the Company the ability to make a discretionary Company contribution, whether or not the employees continue to participate in the pension plan. Effective December 31, 2007, our deferred compensation plan was amended to provide for Company contributions in excess of the applicable IRS limitations under the 401(k) plan. The deferred compensation plan was also amended to provide for Company discretionary contributions in excess of the applicable IRS limitations to all deferred compensation plan participants. Employees eligible for Ryder contribution enhancements in the 401(k) plan are also eligible for the enhancements in the deferred compensation plan provided they meet the eligibility requirements under the deferred compensation plan. Eligible employees must elect to participate in the deferred compensation plan to be eligible for any excess Company match.

Based on their age and tenure with Ryder, Mr. Garcia, Mr. Sanchez and Mr. Fatovic did not meet the eligibility requirements to continue accruing benefits under the pension and pension restoration plans, and, as such, their pension benefits were frozen and each is now entitled to the enhanced benefits under the 401(k) plan and deferred compensation plans. Mr. Cooke and Mr. Williford were hired after January 1, 2007 and therefore, were not eligible to participate in the pension or pension restoration plans. Mr. Cooke and Mr. Williford are entitled to the enhanced benefits under the 401(k) plan and deferred compensation plans.

Benefits payable under the pension plan are based on an employee's career earnings with us and our subsidiaries. At the normal retirement age of 65, a participant is entitled to a monthly pension benefit payable for life. The annual pension benefit, when paid in the form of a life annuity with no survivor's benefits, is generally equal to the sum of 1.45% of the first \$15,600 of total compensation received during each calendar year that the employee is eligible to participate in the plan, plus 1.85% of the excess over \$15,600. The only elements of compensation considered in applying the payment and benefits formula are, to the extent applicable: eligible salary, bonus, overtime, vacation and commission.

Pension plan benefits vest at the earlier of the completion of five years of credited service or upon reaching age 65. If a participant is over age 55 and has more than ten years of continuous credited service, he or she is eligible to retire with an unreduced benefit at age 62. In the event of a change of control, all participants will be fully vested and the term "accrued benefit" will include the value of early retirement benefits for any participant age 45 or older or with ten or more years of service. These benefits are not subject to any reduction for Social Security benefits or other offset amounts. An employee's pension benefits may be paid in certain alternative forms having actuarially equivalent values. The maximum annual benefit under a qualified defined benefit pension plan is currently \$210,000 beginning at the Social Security retirement age. The pension restoration plan covers those pension plan participants whose benefits are reduced by the Internal Revenue Code or other United States laws and are eligible to participate in the pension restoration plan. A participant in the pension restoration plan is entitled to a benefit equaling the difference between the amount of benefits the participant is entitled to receive without the reductions and the amount of benefits the participant is entitled to receive after the reductions.

The following table sets forth the present value of the accumulated benefits for the NEOs assuming they retire at the unreduced early retirement age of 62, and have ten years of continuous service, and using interest rate and mortality rate assumptions consistent with those used in our financial statements. For information regarding interest rate and mortality rate assumptions, see the section entitled "Employee Benefit Plans" in note 23 to our audited consolidated financial statements, included in our annual report on Form 10-K for the year ended December 31, 2014.

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Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)
Robert E. Sanchez	Retirement Plan	22	338,118
	Benefit Restoration Plan	22	314,834
Art A. Garcia	Retirement Plan	17	305,481
	Benefit Restoration Plan	17	175,940
Dennis C. Cooke	Retirement Plan	—	—
	Benefit Restoration Plan	—	—
John H. Williford	Retirement Plan	—	—
	Benefit Restoration Plan	—	—
Robert D. Fatovic	Retirement Plan	20	298,214
	Benefit Restoration Plan	20	267,397

## 2014 Nonqualified Deferred Compensation

We maintain a deferred compensation plan for certain employees, including our NEOs, pursuant to which participants may elect to defer receipt of their cash compensation (base salary, commissions and annual bonus only). Any deferred amounts are part of our general assets and are credited with hypothetical earnings based on several hypothetical investment options selected by the employee. The compensation may be deferred until the earlier to occur of a fixed date or separation of employment due to retirement, disability or removal, and is payable in a lump sum or in installments for a period ranging from two to fifteen years as elected in advance by the executive. Upon a change of control, all deferred amounts will be paid immediately in a lump sum. Our current deferred compensation plan does not provide for above-market or preferential earnings. As described above under “Pension Benefits”, in 2014, Mr. Garcia, Mr. Sanchez and Mr. Fatovic were not eligible to continue accruing benefits and Mr. Cooke and Mr. Williford were never eligible to accrue benefits under our pension plan. Instead, each received employer contributions into his deferred compensation account. A description of these benefits is included under “Pension Benefits” above.

Name	Executive Contributions in Last Fiscal Year (\$) <sup>1</sup>	Employer Contributions in Last Fiscal Year (\$) <sup>2</sup>	Aggregate Earnings in Last Fiscal Year (\$) <sup>3</sup>	Aggregate Balance at Last Fiscal Year End (\$)
Robert E. Sanchez	150,750	69,531	87,260	852,258
Art A. Garcia	49,423	28,446	38,673	442,880
Dennis C. Cooke	110,765	42,267	13,877	294,689
John H. Williford	60,013	43,034	20	234,697
Robert D. Fatovic	56,191	22,388	128,248	1,464,381

<sup>1</sup> The amounts reflected in this column were not reported as compensation to the NEOs in our Summary Compensation Table for 2014.

<sup>2</sup> The amounts reflected in this column were reported as compensation to the NEOs in our Summary Compensation Table for 2014.

<sup>3</sup> Aggregate earnings on deferred compensation included in these amounts were not reported as compensation to the NEOs in our Summary Compensation Table.

## Potential Payments Upon Termination or Change of Control

The severance benefits for the current NEOs, including Mr. Sanchez, are provided under individual severance agreements. The severance benefits for all other officers are provided under Ryder’s Executive Severance Plan, as amended, a copy of which was filed with the SEC on February 14, 2013. No severance was paid to any NEO during 2014.



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## Voluntary Termination and Termination for Cause

In the event a NEO voluntarily terminates his employment with us, other than as a result of death, disability or retirement, or is terminated for cause, the executive officer will not be entitled to receive any severance payments under the terms of his NEO severance agreement. The executive officer will retain any accrued compensation and benefits to the extent vested. In the event of voluntary termination, all unvested equity awards will be canceled and the executive officer will have three months from the date of termination to exercise any vested stock options. In the event of termination for cause, all equity, vested and unvested, will be canceled.

## Termination for Death, Disability or Retirement

**Cash.** In the event an executive officer retires, he will be entitled to receive any accrued compensation and benefits to the extent such benefits have vested, including under our pension and pension restoration plans, as described in more detail under the heading “Pension Benefits”. In the event of death, the executive officer’s beneficiaries would receive benefits under the executive life insurance policies we maintain on his behalf, which benefits are equal to three times the executive’s current base salary up to an aggregate of \$3.0 million. In addition, welfare benefits (health, dental and prescription) are extended for 60 days for covered beneficiaries, the total cost of which would range from approximately \$1,934 to \$3,262, depending on the executive’s coverage and number of covered family members. In the event of disability, the executive officer would be entitled to any amounts paid under our disability insurance policies, including the supplemental long-term disability we maintain for executive officers (as described under “Retirement and Welfare Benefits and Perquisites” in the Compensation Discussion and Analysis). Upon death or disability, the executive officer (or his beneficiary) would also be entitled to a pro-rata payment under our annual cash incentive award program.

**Equity.** Upon death or retirement, all unvested stock options will be canceled and all vested stock options will remain exercisable for the remainder of the term of the option. Upon disability, unvested stock options will continue to vest for a period of three years following disability. The intrinsic value as of December 31, 2014 of the stock options that will continue to vest upon disability (calculated based on the difference between the exercise price of the options and the closing market price of our stock on December 31, 2014) was \$9.2 million for all NEOs. Upon disability, all vested stock options will remain exercisable for the remainder of the term of the option.

Upon death, disability or retirement, a pro-rata portion of any TBRSRs will vest and the underlying common stock will be distributed to the executive; and, if the performance condition for any PBRSRs or PBCAs is met, a pro-rata portion of the PBRSRs and PBCAs will vest and the underlying common stock and cash will be distributed to the executive when distribution to all other participants occurs. The fair market value of the pro-rata number of restricted stock rights plus the value of the PBCAs that the executives would have been provided had the death, disability or retirement occurred on December 31, 2014 and assuming, with respect to the PBRSRs and PBCAs, that the performance condition is met, is as follows: Robert E. Sanchez, \$3,051,641; Art A. Garcia, \$844,763; Dennis C. Cooke, \$1,116,156; John H. Williford, \$940,098; and Robert D. Fatovic, \$1,598,415.

## Involuntary Termination without Cause and Termination Following a Change of Control

**NEO Severance Agreements.** Following is a description of the severance benefits provided under the NEO severance agreements upon the executive’s involuntary termination without Cause. The Compensation Committee may use its discretion to make post-termination payments to executive officers that are not required pursuant to the terms of the NEO severance agreements if such payments are determined to be in the best interests of Ryder.

**Key Defined Terms.** Following are key terms defined in the NEO severance agreements:

“Cause” means an act(s) of fraud, misappropriation, or embezzlement; conviction of any felony; conviction of a misdemeanor involving moral turpitude; willful failure to report to work for more than 30 days; willful failure to perform duties; material violation of Ryder’s Principles of Business Conduct; and any other activity that would constitute cause. The last two triggers are not included in the definition of Cause for purposes of providing severance upon a Change of Control.

“Change of Control” means the acquisition of 30% or more of the combined voting power of our common stock; a majority change in the composition of our Board; any reorganization, merger or consolidation that results in more than a 50% change in the share ownership of our common stock, the acquisition of 30% or more of the voting power of our common stock by one person or a majority change in the composition of the Board; our liquidation or

dissolution; or a sale of substantially all of our assets.

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“Good Reason” means a material reduction in compensation; transferring the executive more than 50 miles; failure to obtain a successor’s agreement to honor the NEO severance agreement; failure to pay certain Change of Control severance benefits into a trust; termination of employment not done in accordance with the NEO severance agreement; and any material change in duties or any other material adverse change in the terms and conditions of the executive officer’s employment (but specifically does not include a change in title or reporting relationship).

Eligibility. A NEO is entitled to severance benefits if we terminate his employment for any reason other than death, disability or Cause. A NEO is entitled to Change of Control severance benefits if we terminate his employment, or the executive terminates his employment for Good Reason, in each case within two years (referred to as the protection period) after a Change of Control, and certain other requirements are met.

Severance Benefits. If a NEO meets the eligibility requirements described above, he will be entitled to the following severance benefits, subject to any limitations under Section 409A of the Internal Revenue Code:

	Severance Benefits	Change of Control Severance Benefits
Cash Severance	<p>The executive will receive cash severance as follows:</p> <ul style="list-style-type: none"> <li>• salary continuation for the applicable severance period (18 months for all executive officers and 30 months for the CEO)</li> <li>• pro-rata cash payment under the applicable annual cash incentive awards based on actual performance in the year of termination</li> <li>• severance payment equal to 1.5x for all executive officers and 2.5x for the CEO of the average amounts actually paid to the executive under the annual cash incentive award for the three-year period preceding the year of termination</li> </ul>	<p>The executive will receive cash severance as follows:</p> <ul style="list-style-type: none"> <li>• lump sum payment equal to the executive's eligible base salary on the date of termination times the applicable salary multiple (2x for all executive officers and 3x for the CEO)</li> <li>• pro-rata cash payment under the applicable annual cash incentive awards based on actual performance in the year of termination</li> <li>• bonus equal to the target annual bonus amount (based on the executive's base salary on the date of termination) for the relevant period times the applicable bonus multiple (2x for all executive officers and 3x for the CEO)</li> </ul>
Benefits	<p>The executive will be entitled to benefits as follows:</p> <ul style="list-style-type: none"> <li>• continuation of all medical, dental, prescription and vision insurance plans and programs until the earlier of the end of the applicable severance period, the date COBRA continuation coverage is canceled or the date the executive officer is eligible to receive benefits from another employer</li> <li>• continuation of executive life and supplemental disability insurance until the end of the relevant severance period</li> <li>• outplacement services under a Company-sponsored program</li> </ul>	

Other Provisions. The NEO severance agreements contain standard confidentiality, non-competition, non-solicitation and release provisions. Our CEO and other NEOs have severance agreements that provide that Ryder would reduce (but not below zero) the aggregate present value of the payments under the agreement to an amount that would not cause any payment to be subject to the excise tax under Section 4999 of the Internal Revenue Code, if reducing the payments under the agreement would provide the executive with a greater net after-tax amount than would be the case if no reduction was made.

Equity and Other Compensation. Our executive officers (including all of our NEOs) are also entitled to certain severance benefits upon an involuntary termination without Cause and certain Change of Control severance benefits upon a Change of Control under the terms of our equity, deferred compensation, and pension plan and pension restoration plan, subject in all cases to the limitations under Section 409A of the Internal Revenue Code.

Specifically, upon involuntary termination without Cause, an executive’s vested stock options would be exercisable until three months after the end of the relevant severance period, and upon a Change of Control, (1) our current



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equity plans provide for accelerated vesting of outstanding equity awards, (2) all deferred compensation amounts are immediately vested and paid to the executive, (3) the executive is entitled to additional benefits under our pension plan as previously described under “Pension Benefits” and (4) accrued benefits under our pension restoration plan are immediately paid.

Estimated Severance and Change of Control Severance Benefits as of December 31, 2014

The estimated payments and benefits that would be provided to each NEO as a result of the involuntary termination without Cause or the occurrence of a Change of Control under our NEO severance agreements are set forth in the table below. Calculations for this table are based on: (1) the triggering event taking place on December 31, 2014 and (2) a common stock price of \$92.85, the closing price on December 31, 2014.

Name	Compensation Components	Involuntary Termination Without Cause	Change of Control without Termination	Change of Control with Termination
Robert E. Sanchez	Cash Severance <sup>1</sup>	\$5,720,321	\$—	\$7,276,038
	Intrinsic Value of Equity <sup>2</sup>	\$—	\$10,587,287	\$10,587,287
	Retirement Benefits <sup>3</sup>	\$—	\$—	\$—
	Welfare Benefits <sup>4</sup>	\$48,348	\$—	\$58,018
	Outplacement <sup>5</sup>	\$15,000	\$—	\$15,000
	Total Benefit to Employee	\$5,783,669	\$10,587,287	\$17,936,343
Art A. Garcia	Cash Severance <sup>1,6</sup>	\$1,723,831	\$—	\$2,047,677
	Intrinsic Value of Equity <sup>2</sup>	\$—	\$2,722,775	\$2,722,775
	Retirement Benefits <sup>3</sup>	\$—	\$—	\$—
	Welfare Benefits <sup>4</sup>	\$17,405	\$—	\$23,207
	Outplacement <sup>5</sup>	\$15,000	\$—	\$15,000
	Total Benefit to Employee	\$1,756,236	\$2,722,775	\$4,808,659
Dennis C. Cooke	Cash Severance <sup>1</sup>	\$2,537,294	\$—	\$2,834,079
	Intrinsic Value of Equity <sup>2</sup>	\$—	\$4,097,101	\$4,097,101
	Retirement Benefits <sup>3</sup>	\$—	\$—	\$—
	Welfare Benefits <sup>4</sup>	\$27,099	\$—	\$36,132
	Outplacement <sup>5</sup>	\$15,000	\$—	\$15,000
	Total Benefit to Employee	\$2,579,393	\$4,097,101	\$6,982,312
John H. Williford	Cash Severance <sup>1,6</sup>	\$2,453,845	\$—	\$2,901,316
	Intrinsic Value of Equity <sup>2</sup>	\$—	\$2,967,011	\$2,967,011
	Retirement Benefits <sup>3</sup>	\$—	\$—	\$—
	Welfare Benefits <sup>4</sup>	\$29,357	\$—	\$39,143
	Outplacement <sup>5</sup>	\$15,000	\$—	\$15,000
	Total Benefit to Employee	\$2,498,202	\$2,967,011	\$5,922,470
Robert D. Fatovic	Cash Severance <sup>1</sup>	\$1,510,043	\$—	\$1,785,620
	Intrinsic Value of Equity <sup>2</sup>	\$—	\$3,136,945	\$3,136,945
	Retirement Benefits <sup>3</sup>	\$—	\$—	\$—
	Welfare Benefits <sup>4</sup>	\$27,099	\$—	\$36,132
	Outplacement <sup>5</sup>	\$15,000	\$—	\$15,000
	Total Benefit to Employee	\$1,552,142	\$3,136,945	\$4,973,697

1 Cash severance includes: (1) base salary, (2) pro-rata cash payment under the annual cash incentive awards, (3) in the case of Involuntary Termination without Cause, a severance payment equal to a multiple of the average payout amounts under the annual cash incentive awards for the previous three years, and (4) in the case of Change of



Control with Termination, target annual bonus, all as described above. In the event of involuntary termination without Cause, base salary is paid over time in accordance with usual payroll practices and the bonus is paid in a lump sum shortly after termination. In the event of termination in connection with a Change of Control, all payments are made in a lump sum shortly after termination. Timing and payment of cash severance is subject in all respects to Section 409A of the Internal Revenue Code.

- 2 Under a Change of Control, the intrinsic value of equity reflects the intrinsic value of the accelerated equity. In each case, the amounts are calculated using the closing price of our common stock on December 31, 2014 (\$92.85), and includes stock options, TBSRs, PBSRs, and PBAs.

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3 This amount reflects the incremental increase in value resulting from the acceleration of the vesting of the pension restoration plan in the event of a Change of Control (whether or not there is a termination of employment), plus, in the event of a termination in connection with a Change of Control, the value of the early retirement subsidy in our pension plan. Assumed retirement age is the later of age 55 or the executive's age on December 31, 2014.

4 Amounts are based on the current cost to us of reimbursing the named executive for the premiums paid for their current health, dental and prescription insurance coverage during the severance period as described above. The reimbursement is included in the earnings of the executive and subject to all applicable taxes.

5 Amounts reflect the cost of outplacement services provided under a Company-sponsored program.

6 In the case of a termination in connection with a Change of Control, the terms of the NEO severance agreements provide for a reduction of the aggregate present value of the payments under the agreements to an amount (not below zero) that does not cause any payment to be subject to the excise tax under Section 4999 of the Internal Revenue Code, if reducing the payments under the agreement would provide the NEO with a greater net after-tax amount than would be the case if no reduction was made. There were no reductions of cash severance payments in the event of a Change of Control with Termination.

**DIRECTOR COMPENSATION**

Description of Director Compensation Program

The key objective of the compensation program for our Board is to align the interests of the Board with the interests of our shareholders. In addition, our Board compensation program is designed to attract directors that have the necessary skills, experience and character to fulfill their responsibilities and to enhance long-term value for our shareholders and ensure the continuity and vitality of our Company. Our Compensation Committee conducts a comprehensive review and evaluation of our compensation package for non-employee directors every two years. Directors who are employees receive no compensation or benefits for service on the Board other than the right to participate in our Matching Gifts to Education Program at the Board level.

Our non-employee directors received the following compensation during 2014:

- an annual Board retainer of \$65,000, payable in January of each year;
- an annual Committee retainer of \$35,000, payable in May of each year;
- a Board or Committee meeting attendance fee of \$1,000 for each additional Board or Committee meeting attended in excess of eight Board meetings or eight Committee meetings, payable in December of each year;
- a Committee Chair retainer of \$10,000, payable in May of each year, to the Chairs of the Finance and Governance Committees;
- a Committee Chair retainer of \$15,000, payable in May of each year, to the Chairs of the Audit and Compensation Committees;
- a Lead Independent Director retainer of \$25,000, payable in May of each year, to the Board's Lead Independent Director; and

• an annual grant of \$110,000 in restricted stock units, made on the date of our Annual Meeting of Shareholders. The number of restricted stock units granted is based on the closing sales price of Ryder common stock on the date of grant. The restricted stock units vest upon grant, following a director's initial year of service on the Board, and are delivered (either as a lump sum or in annual installments as elected in advance by the director) upon termination of a director's service on the Board. The units receive dividends, which are reinvested through our Dividend Reinvestment Program. Upon the occurrence of a change in control, as defined in the relevant plan documents, all outstanding restricted stock units will be delivered to the director in a lump sum.

Directors are given the option to receive all or any portion of their annual retainer in Ryder common stock, which cannot be sold until six months following the date such person ceases to be a director. As part of our deferred compensation plan, directors have the option of deferring receipt of their annual Board and Committee retainers as well as excess meeting fees. We do not pay above-market or preferential earnings on compensation deferred by the directors. Directors are not eligible to participate in our pension plan or 401(k) plan.

We maintain a Directors' Charitable Awards Program pursuant to which each director elected prior to January 1, 2005 may designate up to two charitable organizations to which we will contribute an aggregate of \$500,000 in ten annual installments in the director's name following the director's death. The program is currently funded with the



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proceeds of insurance policies and the directors obtain no financial benefits from the program. All of our directors elected prior to January 1, 2005 currently participate in the program. Directors may also participate in our Matching Gifts to Education Program available to all employees, under which we match a director's contributions to eligible educational institutions up to a maximum of \$10,000 per year. Employees are limited to a maximum of \$1,000 per year.

## 2014 Director Compensation

The table below sets forth the total compensation received by our non-employee Board members in 2014. The amounts in the "Stock Awards" column below represent the aggregate grant date fair value, computed in accordance with the accounting guidance for stock compensation, of (1) restricted stock units granted to the directors in 2014 and (2) dividends on the restricted stock units granted to directors in 2014.

Name	Fees Earned or Paid in Cash (\$) <sup>1, 2, 3</sup>	Stock Awards (\$) <sup>4,5</sup>	All Other Compensation (\$) <sup>6</sup>	Total (\$)
John M. Berra	100,000	142,012	—	242,012
Robert J. Eck	100,000	119,119	10,000	229,119
Robert Hagemann	41,667	43,662	1,000	86,329
L. Patrick Hassey	115,000	136,243	—	251,243
Michael F. Hilton	100,000	116,280	—	216,280
Tamara L. Lundgren	100,000	115,090	—	215,090
Luis P. Nieto, Jr.	111,000	133,587	10,000	254,587
Eugene A. Renna <sup>7</sup>	100,000	143,019	—	243,019
Abbie J. Smith	116,000	142,012	—	258,012
E. Follin Smith	136,000	137,982	10,000	283,982
Hansel E. Tookes, II	100,000	143,019	—	243,019

Includes an annual Committee retainer of \$35,000 plus an annual Board retainer of \$65,000, except for Mr.

1 Hagemann who was paid a prorated annual Committee retainer of \$14,584 and Board retainer of \$27,083 for the portion of the year he served as a director.

2 Includes Committee Chair fees as follows: Mr. Hassey, \$15,000; Mr. Nieto, \$10,000; Ms. A. Smith, \$15,000; and Ms. E. Follin Smith, \$10,000; and Lead Independent Director fees as follows: Ms. E. Smith, \$25,000.

3 This column includes additional meeting fees paid to members of the Board as follows: Mr. Nieto, \$1,000; Ms. A. Smith, \$1,000; and Ms. E. Follin Smith, \$1,000.

4 Includes the aggregate grant date fair value of awards computed in accordance with the accounting guidance for stock compensation for dividends on the restricted stock units granted to directors in 2014 in the following amounts: Mr. Berra, \$32,050; Mr. Eck, \$9,157; Mr. Hagemann, \$366; Mr. Hassey, \$26,281; Mr. Hilton, \$6,318; Ms. Lundgren, \$5,128; Mr. Nieto, \$23,625; Mr. Renna, \$33,057; Ms. A. Smith, \$32,050; Ms. E. Follin Smith, \$28,020; and Mr. Tookes, \$33,057.

5 The following table sets forth each director's outstanding stock as of December 31, 2014:

Name	Outstanding Stock Awards
John M. Berra	23,812
Robert J. Eck	6,834
Robert Hagemann	532
L. Patrick Hassey	18,490
Michael F. Hilton	4,795
Tamara L. Lundgren	3,963
Luis P. Nieto, Jr.	16,702
Eugene A. Renna	23,033
Abbie J. Smith	24,244

E. Follin Smith	20,210
Hansel E. Tookes, II	24,152
6	Reflects benefits under the Company's Matching Gifts to Education program.

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7 Mr. Renna retired from the Board of Directors effective December 2014.

Stock Ownership Requirements

To further align the interests of our directors and shareholders, we impose stock ownership requirements on our directors, who are expected to own Ryder common stock or common stock equivalents (including any vested or unvested restricted stock units) equal to five times such director's total annual cash retainer, based on a three-year rolling average stock price. The ownership requirements must be proportionately satisfied within five years of the director's election to the Board. As of December 31, 2014, all directors were in compliance with their stock ownership requirements.

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ADVISORY VOTE ON EXECUTIVE COMPENSATION

(Proposal 3)

We are providing shareholders with an advisory vote on executive compensation, or Say on Pay, as required pursuant to the Dodd-Frank Act.

The Say on Pay vote is a non-binding vote on the compensation of our NEOs, as described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation and the accompanying narrative disclosure set forth in this proxy statement. The Dodd-Frank Act requires us to hold the Say on Pay vote at least once every three years. Following the recommendation of our shareholders at our 2011 Annual Meeting of Shareholder, our Board has chosen to hold the Say on Pay vote every year. At last year's Annual Meeting of Shareholders, we held a Say on Pay vote and over 97% of shareholder votes cast supported our executive compensation.

We encourage shareholders to review the Compensation Discussion and Analysis, the compensation tables and the related narrative disclosure on pages 26 to 56 of this proxy statement. As discussed in the Compensation Discussion and Analysis, the fundamental drivers of the Company's executive compensation program and 2014 key compensation actions are the Committee's compensation philosophy and objectives, its commitment to pay for performance and the views and opinions of our shareholders. We believe that the success of our Company is attributable to our talented and committed executives. Therefore, compensation of our NEOs is designed to enable us to recruit, retain and motivate high quality executives who can help us achieve our short- and long-term corporate goals and strategies. We believe that our executive compensation program strikes the appropriate balance between utilizing responsible, measured pay practices and effectively incentivizing our executives to dedicate themselves fully to value creation for our shareholders. This balance is evidenced by the following:

We provide a significant part of executive compensation in performance based incentives, including an annual cash incentive award that is based primarily on the achievement of corporate performance metrics and a Long-Term Incentive Program (LTIP) that is based on our relative total shareholder return (TSR) over a three-year period and the achievement of corporate return on capital (ROC) targets.

For 2014, consistent with prior years, approximately 86% of targeted compensation for our CEO and over 72% of targeted compensation for the other NEOs was at-risk based on Company performance or changes in Ryder's stock price.

The operating revenue and comparable EPS targets required to achieve a target payout under the 2014 annual cash incentive awards were measurably higher than actual results for 2013, requiring executives to drive significantly better performance in order to earn a target payout. Specifically, for 2014, the target operating revenue was \$5.57 million, which was a 6% increase from 2013 actual operating revenue. Similarly, the target comparable earnings per share for 2014 was \$5.45, a 12% increase from 2013.

The Company's stock price grew 76% from 2010 to 2014; however, the PBRs for the 2010 - 2012 performance period, all performance based awards for the 2011 - 2013 performance period, and all performance based awards for the first performance cycle of the 2012 - 2014 performance period were not earned. This demonstrates how challenging our targets are as well as the alignment between our executive pay and Company performance when performance is below our targets.

In addition, we maintain strong corporate governance practices regarding executive compensation. For example, the Compensation Committee retains an independent compensation consultant.

Our executive officers are all subject to, and in compliance with, our stock ownership requirements, which require a level of stock ownership that we believe appropriately aligns their interests with those of our shareholders. In 2013, we increased the stock ownership requirements from two to four times annual base salary for the CEO and from one to two times annual base salary for all other NEOs.

Annual cash incentive awards to each executive officer are generally capped at two times applicable target opportunity and the performance-based restricted stock rights and performance-based cash awards

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granted under our long-term incentive plan are capped at 125% of the applicable target opportunity. We believe these caps are reasonable and limit the incentive for excessive risk-taking by our executives.

• Executives are not permitted to enter into transactions that could be used to hedge the risk of Company stock ownership and are prohibited from pledging Company stock.

• In 2014, the Committee agreed to adopt a clawback policy for recoupment of incentive compensation for financial restatements caused by the executive's willful misconduct.

Shareholders are asked to vote on the following resolution:

RESOLVED, that the shareholders of Ryder approve, on an advisory basis, the compensation of Ryder's NEOs, as described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation and the accompanying narrative disclosure set forth in Ryder's 2015 Annual Meeting proxy statement.

Although this Say on Pay vote on executive compensation is non-binding, the Board and the Compensation Committee will review the results of the vote and, consistent with our record of shareholder engagement, take the outcome of the vote into account when determining future executive compensation arrangements.

The Board recommends a vote FOR adoption of the resolution approving the compensation of our NEOs, as described in the Compensation Discussion and Analysis section and the related tabular and narrative disclosure set forth in this proxy statement.

### OVERVIEW OF PROPOSALS 4, 5, 6 and 7

#### PROPOSALS TO CHANGE VOTING REQUIREMENT TO MAJORITY OF VOTES CAST

##### Overview

Proposals 4, 5, 6 and 7 relate to the amendment of certain provisions of Ryder's Restated Articles of Incorporation and By-Laws to reduce the shareholder voting requirement included in those provisions from a shares outstanding threshold to a votes cast threshold (the "Voting Amendments").

After careful consideration, the Board of Directors, upon the recommendation of the Governance Committee, unanimously approved, and recommends that the Company's shareholders approve, the Voting Amendments. Each amendment contemplated by Proposals 4 through 7 is not conditioned upon the approval of any of the other proposals.

If one or more of the proposals is approved by the shareholders, the Company intends to promptly file Articles of Amendment to Ryder's Restated Articles of Incorporation with the Florida Department of State reflecting the amendments approved in such proposals. The amendments will be effective on the date the Articles of Amendment are filed with the Florida Department of State. The text of the changes proposed by Proposals 4 through 7 to the Restated Articles of Incorporation and the By-Laws, assuming Proposals 4 through 7 are each approved, is set forth in Appendix A and Appendix B, respectively.

If any of Proposals 4 through 7 is not approved by the shareholders, Ryder's current voting requirement described in such proposal will remain in place and the actions described in such proposal will continue to require the vote of the holders of a majority of the shares outstanding, as provided in the current Restated Articles of Incorporation and By-Laws.

##### Background and Governance Considerations

Under the Company's Restated Articles of Incorporation and By-Laws, the following actions currently require the approval of the holders of a majority of the then outstanding shares of stock entitled to vote at the meeting:

- removal of directors;
- amendments to certain By-Law provisions relating to Board matters; and
- amendments to certain provisions of the Articles of Incorporation relating to Board matters.





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In addition, the Company's By-Laws generally require that matters brought to shareholders, other than certain matters which specifically call for a higher standard, must be approved by holders of a majority of shares outstanding. The Board imposed this standard to ensure broad consensus and approval of proposals, which historically were almost exclusively brought by the Board and management. With the increasing number of shareholder proposals, more attention and consideration has been given to the appropriate voting requirement and standard.

The Board and Governance Committee have evaluated the Company's voting requirements and other governance policies on numerous occasions. In each case, the Board has considered governance trends, the voting policies of our shareholders and, most importantly, any direct feedback from our largest shareholders through our shareholder engagement efforts. In addition, the Board always considers the potential negative unintended consequences of any changes that are being championed or proposed by our shareholders or their third-party advisors including, whether the change could create an opportunity for abusive tactics by interested shareholders or limit the Board's ability to exercise its business judgment in evaluating proposals or overtures from third-parties. The Board and our shareholders are and should be wary of any governance change that empowers short-term investors with self-interested agendas to act quickly, opportunistically and without the involvement of the Board and other shareholders of the Company.

After carefully considering all of the consequences, the Board determined that reducing the voting requirement from a shares outstanding requirement to a votes cast requirement for the specific matters described in Proposals 4, 5, 6 and 7 is in the best interest of our shareholders as such change would:

- Be responsive to feedback the Company has received from our largest shareholders in our routine engagements on governance matters;
- Be consistent with the voting policies of a large percentage of our shareholders; and
- Create a consistent standard to be applied in all matters requiring shareholder approval, whether proposed by the Company or a shareholder.

For these reasons, the Board is recommending that shareholders approve the Voting Amendments described below under Proposals 4, 5, 6 and 7. Nothing in Proposals 4, 5, 6 or 7 would change the voting standard or requirement applicable to any other provision of the Company's Articles of Incorporation or By-Laws, including the supermajority voting standard necessary to amend the prohibition on shareholders taking action by written consent.

### **PROPOSAL TO CHANGE THE VOTING REQUIREMENT APPLICABLE TO THE REMOVAL OF DIRECTORS (Proposal 4)**

Article IV(d) (Removal) of the Company's Restated Articles of Incorporation and Article V, Section 1d. (Removal) of the Company's By-Laws currently provide that directors may be removed, with or without cause, by the affirmative vote of the holders of a majority of shares outstanding. Proposal 4 would change the vote requirement applicable to the removal of directors in both the Restated Articles of Incorporation and By-Laws from a majority of shares outstanding to a majority of votes cast.

As discussed above under "Overview of Proposals 4, 5, 6 and 7", the Board of Directors is recommending this proposal as part of its commitment to good corporate governance, in response to its shareholder engagement and to ensure a consistent standard for management and shareholder proposals.

#### **Vote Required**

The affirmative vote of the holders of a majority of the shares outstanding is required to approve Proposal 4.

The approval of Proposal 4 is not conditioned upon the approval of Proposals 5, 6 or 7. If Proposal 4 is not approved by the shareholders, Ryder's voting requirement will remain in place and the removal of directors will continue to require the vote of the holders of a majority of the shares outstanding, as provided in the current Restated Articles of Incorporation and By-Laws.

The Board of Directors unanimously recommends that you vote FOR Proposal 4.



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**PROPOSAL TO CHANGE THE VOTING REQUIREMENT NECESSARY TO ALTER, AMEND, REPEAL OR ADOPT CERTAIN PROVISIONS OF THE BYLAWS**

(Proposal 5)

Article VI(a) (By-Law Amendments) of the Company's Restated Articles of Incorporation provides that neither Section 1 of Article V of the By-Laws (which addresses the Board of Directors) nor Section 2 of Article V of the By-Laws (which addresses the Notification of Nominations) may be altered, amended or repealed and no provision inconsistent with such provisions shall be adopted without the affirmative vote of the holders of a majority of the shares outstanding. The affirmative vote of the holders of a majority of the shares outstanding is also specifically required to amend Article VI(a) of the Restated Articles of Incorporation. In addition, Article XIII(b) of the Company's By-Laws currently provides that the affirmative vote of the holders of a majority of the shares outstanding is required for shareholders to alter, amend or repeal any provision of the By-Laws or to adopt other By-Laws, other than to amend the provision of the By-Laws that prohibits shareholder action by written consent, which requires the affirmative vote of the holders of at least 75% of the shares outstanding.

Proposal 5 would change the voting requirement in Section VI(a) of our Restated Articles of Incorporation and Article XIII(b) of our By-Laws (other than the voting requirement applicable to amendments to the provisions prohibiting shareholder action by written consent) from a majority of shares outstanding to a majority of votes cast. If adopted, all provisions of the By-Laws (other than the provisions prohibiting shareholder action by written consent) could be amended by the shareholders upon the approval of a majority of votes cast.

As discussed above under "Overview of Proposals 4, 5, 6 and 7", the Board of Directors is recommending this proposal as part of its commitment to good corporate governance, in response to its shareholder engagement and to ensure a consistent standard for management and shareholder proposals.

**Vote Required**

The affirmative vote of the holders of a majority of the shares outstanding is required to approve Proposal 5. The approval of Proposal 5 is not conditioned upon the approval of Proposals 4, 6 or 7. If Proposal 5 is not approved by the shareholders, Ryder's current voting requirement will remain in place and the alteration, amendment, repeal or adoption of the By-Laws as described in this proposal will continue to require the vote of a majority of shares outstanding, as provided in the current Restated Articles of Incorporation and By-Laws.

The Board of Directors unanimously recommends that you vote FOR Proposal 5.

**PROPOSAL TO CHANGE THE VOTING REQUIREMENT NECESSARY TO ALTER, AMEND, REPEAL OR ADOPT CERTAIN PROVISIONS OF THE ARTICLES**

(Proposal 6)

Article IV(e) of the Restated Articles of Incorporation states that the provisions of Article IV of the Restated Articles of Incorporation (which addresses the Board of Directors) can only be altered, amended, repealed, and any provision inconsistent with the provisions of Article IV can only be adopted, with the affirmative vote of the holders of a majority of the shares outstanding. Proposal 6 would change the voting requirement in Article IV(e) of the Restated Articles of Incorporation from a majority of shares outstanding to a majority of votes cast. As a result, if approved, shareholders could approve any amendment to Article IV of the Articles of Incorporation with the approval of a majority of votes cast.

As discussed above under "Overview of Proposals 4, 5, 6 and 7", the Board of Directors is recommending this proposal as part of its commitment to good corporate governance, in response to its shareholder engagement and to ensure a consistent standard for management and shareholder proposals.

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Vote Required

The affirmative vote of the holders of a majority of the shares outstanding is required to approve Proposal 6.

The approval of Proposal 6 is not conditioned upon the approval of Proposals 4, 5 and 7. If Proposal 6 is not approved by the shareholders, Ryder's current voting requirement will remain in place and the alteration, amendment, repeal or adoption of certain provisions of the Restated Articles of Incorporation as described in this Proposal will continue to require the vote of the holders of a majority of the shares outstanding, as provided in the current Restated Articles of Incorporation.

The Board of Directors unanimously recommends that you vote FOR Proposal 6.

**PROPOSAL TO CHANGE THE GENERAL VOTING REQUIREMENT IN THE BY-LAWS**

(Proposal 7)

Section 2a. of Article IV of the By-Laws states that, unless otherwise provided in the Restated Articles of Incorporation or By-Laws, or otherwise required by law, action on a matter requires the approval of a majority of shares outstanding. Proposal 7 would change the voting requirement in Section 2a. of Article IV of the By-Laws from a majority of shares outstanding to a majority of votes cast. As a result, if approved, shareholder action could be taken with the approval of a majority of votes cast on all matters other than those matters that specifically require a different requirement or standard in the Restated Articles of Incorporation, By-Laws or under applicable law.

As discussed above under "Overview of Proposals 4, 5, 6 and 7", the Board of Directors is recommending this proposal as part of its commitment to good corporate governance, in response to its shareholder engagement and to ensure a consistent standard for management and shareholder proposals.

Vote Required

The affirmative vote of the holders of a majority of the shares outstanding is required to approve Proposal 7.

The approval of Proposal 7 is not conditioned upon the approval of Proposals 4, 5 and 6. If Proposal 7 is not approved by the shareholders, Ryder's current general voting requirement as set forth in the By-Laws will continue to be the vote of the holders of a majority of the shares outstanding.

The Board of Directors unanimously recommends that you vote FOR Proposal 7

**SHAREHOLDER PROPOSAL TO REQUIRE ADDITIONAL DISCLOSURE OF POLITICAL CONTRIBUTIONS AND EXPENDITURES**

(Proposal 8)

The City of Philadelphia Public Employees Retirement System, the beneficial holder of 1,070 shares of the Company's common stock, has notified Ryder that it intends to present the following proposal at the 2015 Annual Meeting of Shareholders. The proposal as submitted reads as follows:

Resolved, that the shareholders of Ryder System, Inc. ("Ryder" or "Company") hereby request that the Company provide a report, updated semiannually, disclosing the Company's:

Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.

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2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:

a. The identity of the recipient as well as the amount paid to each; and

b. The title(s) of the person(s) in the Company responsible for decision-making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company's website within 12 months from the date of the annual meeting.

**Supporting Statement**

As long-term shareholders of Ryder, we support transparency and accountability in corporate spending on political activities. These include any activities considered intervention in any political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations; independent expenditures; or electioneering communications on behalf of federal, state or local candidates.

Disclosure is in the best interest of the company and its shareholders and critical for compliance with federal ethics laws. Moreover, the Supreme Court's Citizens United decision recognized the importance of political spending disclosure for shareholders when it said, "[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages." Gaps in transparency and accountability may expose the company to reputational and business risks that could threaten long-term shareholder value.

Publicly available records show that Ryder contributed at least \$88,180 in corporate funds since the 2004 election cycle. (CQ: <http://moneyline.cq.com> and National Institute on Money in State Politics:

<http://www.followthemoney.org>)

Relying on publicly available data does not provide a complete picture of the Company's political spending. For example, the Company's payments to trade associations used for political activities are undisclosed and unknown. In some cases, even management does not know how trade associations use their company's money politically. The proposal asks the Company to disclose all of its political spending, including payments to trade associations and other tax exempt organizations used for political purposes. This would bring our Company in line with a growing number of leading companies, including Noble Energy, CSX and Microsoft that support political disclosure and accountability and present this information on their websites.

The Company's Board and its shareholders need comprehensive disclosure to be able to fully evaluate the political use of corporate assets. We urge your support for this critical governance reform.

**Board's Statement in Opposition to Shareholder Proposal**

The Board has carefully considered this proposal and believes that requiring additional disclosure regarding political contributions and expenditures is not necessary because:

• we already publicly disclose on our website our policies and procedures for making political contributions and expenditures,

• our robust Corporate Political Contributions Policy imposes significant restrictions, provides meaningful accountability and establishes Board oversight with respect to our corporate political contributions,

• our corporate political contributions are very small, and

• information regarding our corporate contributions is already publicly available.

Our Corporate Political Contributions Policy restricts, and provides for Board oversight of, our limited corporate political contribution activity.

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Under our Corporate Political Contributions Policy, the Governance Committee of the Board oversees our political expenditures, including an annual review of the policy and the Company's corporate political expenditures. That policy is posted on our website at investors.ryder.com. As a company that operates in the highly regulated transportation industry, the actions of elected officials at the local, state and national levels can significantly impact our operations in ways that are not always understood or appreciated. As a result, our policy reflects the Company's determination that it is important that we participate in the electoral and legislative processes to protect your interests as shareholders. Under our Corporate Political Contributions Policy, we may make corporate political contributions only in limited situations and subject to strict governance controls. We may not directly contribute corporate funds to presidential campaigns or any federal candidates. Under our Corporate Political Contributions Policy, in very limited circumstances we may make corporate contributions to state political candidates, subject to limits under state law. However, those contributions must be approved by our Chief Legal Officer, and in some cases, our CFO and CEO. Likewise, our Principles of Business Conduct, which are also posted on our website, reinforce these restrictions on our employees by, among other things, prohibiting employees from using company resources to support political parties, causes, political action committees or candidates without prior Company approval as set forth in our Corporate Political Contributions Policy.

We also maintain the Ryder System, Inc. Political Action Committee ("PAC"). Contributions by the PAC are funded entirely by eligible Ryder employees on a voluntary basis; such contributions are not made with corporate assets. Our corporate political contributions serve a strong corporate purpose and are very small.

We sometimes make a limited number of corporate political contributions directly to state political candidates in accordance with state law and our policy. In 2014, we did not make any contributions to political candidates. We also contribute to trade associations and other tax-exempt organizations. Ryder's primary purpose in joining groups such as the Truck Renting and Leasing Association and the American Trucking Association is for the business, technical and industry expertise that these organizations provide, not for political purposes. Ryder continues to believe that our membership in trade associations that may engage in political activity is not necessarily representative of the corporate positions of Ryder. We do monitor the appropriateness and effectiveness of the political activities that the most significant trade associations to which we belong undertake, but our corporate positions do not align with all positions taken by trade associations.

Overall, our corporate political contributions and expenditures, including to trade associations, are quite small -- well below 0.05% of our annual revenue.

Information regarding our direct corporate contributions is readily available through other sources.

Federal and state governments require public disclosure of political contributions, either by the donor or the recipient. We comply with these laws. Our PAC files regularly scheduled reports of receipts and disbursements with the Federal Election Commission, which are publicly available. Any information regarding the corporate contributions made by us to state candidates also is publicly available. Despite the public availability of this information, we plan to compile and disclose this information annually in our Sustainability report and online.

In summary, we maintain and disclose our policies and procedures for management accountability and Board oversight, including a robust Corporate Political Contributions Policy, to ensure that our assets are used for political objectives that are in the best long-term interests of the Company and its shareholders and believe that this proposal is unnecessary in light of our insignificant political contributions and existing public disclosures.

The Board of Directors unanimously recommends that you vote AGAINST Proposal 8 requesting additional disclosure of Ryder's political contributions and expenditures.

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OTHER MATTERS

Proxy Solicitation Costs

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.

Vote Tabulation

Our Board has appointed Broadridge Financial Solutions, Inc. as the independent Inspector of Election of the Annual Meeting. Representatives of Broadridge will count the votes.

Confidential Voting

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

Shareholder Proposals

To be considered for inclusion in Ryder's 2016 proxy statement, shareholder proposals must be delivered in writing to us at 11690 N.W. 105th Street, Miami, Florida 33178, Attention: Corporate Secretary, no later than November 19, 2015. Additionally, we must receive proper notice of any shareholder proposal to be submitted at the 2016 Annual Meeting of Shareholders (but not required to be included in our proxy statement) no earlier than January 2, 2016 and no later than February 1, 2016.

If a shareholder would like to nominate one or more directors for election at the 2016 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 2015 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" beginning on page 18 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](http://www.sec.gov).

Electronic Delivery

This year, we have again elected to take advantage of the SEC's rule that allows us to furnish proxy materials to you online. We believe electronic delivery will expedite shareholders' receipt of materials, while lowering costs and reducing the environmental impact of our Annual Meeting by reducing printing and mailing of full sets of materials. On March 20, 2015, we mailed to our shareholders the Notice Regarding Internet Availability of Proxy Materials containing instructions on how to access our proxy statement, annual report and shareholder letter online. If you received the Notice by mail, you will not receive a printed copy of the proxy materials, unless you specifically request one. The Notice contains instructions on how to request a paper copy of the materials.

Most shareholders will receive the proxy statement online. If you received a paper copy, you can also view these documents on the Internet by accessing the Investor Relations page of our website at [www.ryder.com](http://www.ryder.com).

If you are a shareholder of record you may, if you wish, receive future proxy statements, annual reports and any other accompanying materials electronically. 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](http://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.





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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 costs.

Householding

We are only sending one set of Notices regarding the Internet availability of proxy materials or set of 2015 Annual Meeting materials to shareholders who share the same last name and address, unless they have notified us that they want to continue receiving multiple packages. This practice, known as “householding,” is intended to eliminate duplicate mailings, conserve natural resources and help reduce printing and mailing costs.

If you are a record shareholder and you want to request a separate copy of this proxy statement or accompanying 2014 annual report on Form 10-K as filed with the SEC (such report is available free of charge and includes the financial statements and schedules thereto, but not the exhibits) and shareholder letter, you may contact our Investor Relations Department by calling (305) 500-4053, in writing to Ryder System, Inc., Investor Relations Department, 11690 N.W. 105th Street, Miami, Florida 33178 or by e-mail to [RyderforInvestors@ryder.com](mailto:RyderforInvestors@ryder.com), and a copy will be promptly sent to you. If you wish to receive separate documents in future mailings, please contact Broadridge by calling (800) 542-1061 or in writing at Broadridge, Householding Department, 51 Mercedes Way, Edgewood, NY 11717. Our 2014 annual report, the shareholder letter and this proxy statement are also available through our website at [www.ryder.com](http://www.ryder.com). A copy of any exhibit to the 2014 annual report on Form 10-K will be forwarded following receipt of a written request for such materials addressed to our Investor Relations Department.

Two or more shareholders sharing an address can request delivery of a single copy of the 2015 Annual Meeting materials if they are receiving multiple copies by contacting Broadridge in the manner set forth above.

If a nominee holds your shares, please contact such holder directly to inquire about the possibility of householding.

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APPENDIX A

PROPOSED AMENDMENT TO RYDER SYSTEM, INC.  
ARTICLES OF INCORPORATION

AMENDMENT TO  
THE RESTATED ARTICLES OF INCORPORATION  
OF RYDER SYSTEM, INC.

(Additions are underlined, deletions are struck-out)

Sections (d) and (e) of Article IV of the Restated Articles of Incorporation shall be amended as follows:

“ARTICLE IV

Board of Directors

(d) Removal. Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect Directors under specified circumstances, any Director may be removed from office, with or without cause, only by the affirmative vote of the holders of a majority of the votes cast (in person or by proxy) by the holders of the then outstanding shares of stock entitled to vote generally in the election of Directors, voting together as a single class. For purposes of clarity, “abstentions,” “withheld” votes and “broker non-votes” shall not be counted as a vote cast with respect to such action.

(e) Amendment, repeal, etc. Notwithstanding anything contained in these Restated Articles of Incorporation to the contrary, the affirmative vote of the holders of a majority of the votes cast (in person or by proxy) by the holders of the then outstanding shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend or adopt any provision inconsistent with or repeal this Article IV. For purposes of clarity, “abstentions,” “withheld” votes and “broker non-votes” shall not be counted as a vote cast with respect to such action.”

Section (a) of Article VI of the Restated Articles of Incorporation shall be amended as follows:

“ARTICLE VI

By-Law Amendments

(a) By Action of the Board of Directors or Stockholders. The Board of Directors shall have power to adopt, alter, amend and repeal the By-Laws of the Corporation (except as so far as the By-Laws of the Corporation adopted by the stockholders shall otherwise provide). Any

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By-Laws made by the Directors under the powers conferred hereby may be altered, amended or repealed by the Directors or by the stockholders. Notwithstanding the foregoing and anything contained in these Restated Articles of Incorporation to the contrary, Sections 1 and 2 of Article V of the By-Laws shall not be altered, amended or repealed and no provision inconsistent therewith shall be adopted without the affirmative vote of the holders of a majority of the votes cast (in person or by proxy) by the holders of the then outstanding shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class. Notwithstanding anything contained in these Restated Articles of Incorporation to the contrary, the affirmative vote of the holders of a majority of the votes cast (in person or by proxy) by the holders of the then outstanding shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend or adopt any provision inconsistent with or repeal this Article VI(a). For purposes of clarity, “abstentions,” “withheld” votes and “broker non-votes” shall not be counted as a vote cast with respect to such action.

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APPENDIX B

PROPOSED AMENDMENT TO RYDER SYSTEM, INC. BY-LAWS

AMENDMENT TO BY-LAWS OF RYDER SYSTEM, INC.

(Additions are underlined, deletions are struck-out)

Section 2a. of Article IV of the By-Laws shall be amended as follows:

“Article IV

Section 2. Quorum and Vote of Stockholders

a. Quorum and General Voting Requirements

The holders of a majority of the voting power of the total number of shares outstanding and entitled to vote, present in person or represented by proxy thereat, shall constitute a quorum at a meeting of stockholders for the transaction of business, except as otherwise provided by law or by the Restated Articles of Incorporation. If, however, a quorum does not exist at a meeting, the holders of a majority of the shares present or represented and entitled to vote at such meeting may adjourn the meeting from time to time, without notice other than by announcement at the meeting, until holders of the requisite number of shares entitled to vote shall be present. Except as otherwise required by law, at any such adjourned meeting at which a quorum exists, any business may be transacted which might have been transacted at the meeting as originally noticed. The stockholders present at a duly organized meeting may continue to transact business in accordance with these By Laws until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

For purposes of this Section 2, shares entitled to vote on any matter presented for action by stockholders at a meeting, present in person or represented by proxy thereat, shall be counted for purposes of establishing a quorum for the transaction of all business at a meeting.

If a quorum is present, action on a matter (other than the election of directors) shall be approved by the stockholders of the Corporation if the matter receives the affirmative vote of the holders of a majority of the votes cast (in person or by proxy) by the holders of the voting power of the total number of shares outstanding and entitled to vote on such matter, unless the matter is one upon which, by express provision of law a greater vote is required or from time to time permitted by action of the Board of Directors, or by the Restated Articles of Incorporation or these By-Laws a greater or different vote is required, in any which case such express provision shall govern and control the requisite vote requirement. For purposes of clarity, “abstentions,” “withheld” votes and “broker non-votes” shall not be counted as a vote cast with respect to such action.”

Section 1d. of Article V of the By-Laws shall be amended as follows:

“Article V

Section 1. Board of Directors

d. Removal



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Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, any director may be removed from office, with or without cause, only by the affirmative vote of the holders of a majority of the votes cast (in person or by proxy) by the holders of the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class. For purposes of clarity, “abstentions,” “withheld” votes and “broker non-votes” shall not be counted as a vote cast with respect to such action.”

Article XIII of the By-Laws shall be amended as follows:

“Article XIII

By Law Amendment

b. By Action of the Stockholders

Unless a greater vote is specifically required by the laws of the State of Florida, or a greater or different vote is required by the provisions of the Restated Articles of Incorporation, the stockholders may alter, amend or repeal these By-Laws, or adopt such other By-Laws as in their judgment may be advisable for the administration or regulation of the management and affairs of the Corporation, to the extent not inconsistent with the laws of the State of Florida or the Restated Articles of Incorporation, at any regular meeting of the stockholders (or at any special meeting thereof duly called for that purpose in accordance with the provisions of these By Laws), only upon the affirmative vote of the holders of a majority of the votes cast (in person or by proxy) by the holders of the then outstanding shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class. For purposes of clarity, “abstentions,” “withheld” votes and “broker non-votes” shall not be counted as a vote cast with respect to such action. Notwithstanding the foregoing and anything contained in these By-Laws to the contrary, Section 4 of Article IV of these By-Laws shall not be altered, amended or repealed and no provision inconsistent therewith shall be adopted without the affirmative vote of at least 75% of the voting power of the then outstanding shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class.”

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Ryder System, Inc.  
11690 N.W. 105th Street  
Miami, Florida 33178  
[www.ryder.com](http://www.ryder.com)

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