

**CHARTER OF THE
COMPENSATION COMMITTEE
of the
BOARD OF DIRECTORS
of
ABX AIR, INC.**

1. **Statement of Purpose.** The purpose of the Compensation Committee (the “**Committee**”) is to discharge the responsibilities of the Board of Directors (the “**Board**”) of ABX Air, Inc. (the “**Company**”) relating to compensation of the Company’s directors and specified employees, to produce an annual report on executive compensation for inclusion in the Company’s proxy statement, in accordance with applicable rules and regulations, and to take such other actions within the scope of this Charter as the Committee deems necessary or appropriate.
2. **Composition and Qualification.** The Committee will be comprised of three or more directors. All members of the Committee will be directors who qualify as nonemployee directors under Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “34 Act”), and outside directors under Internal Revenue Code Section 162(m) and applicable law. The members of the Committee will be appointed by and serve at the discretion of the Board based on the recommendations of the Nominating and Governance Committee. The Board will also elect one of the members to be the Chairperson of the Committee.
3. **Specific Responsibilities and Duties.** The Board delegates to the Committee the express authority to do the following, to the fullest extent permitted by applicable law and the Corporation’s Amended and Restated Certificate of Incorporation (the “Certificate of Incorporation”), Amended and Restated Bylaws (the “Bylaws”) and Corporate Governance Guidelines:
 - (a) **Compensation Policies.** Review, evaluate and make recommendations to the full Board with respect to the Company’s overall compensation policies, and establish performance-based incentives that support and reinforce the Company’s long-term strategic goals, organizational objectives and stockholder interests.
 - (b) **Chief Executive Officer (“CEO”) Compensation and Goals.** Review and approve goals and objectives relevant to the CEO’s compensation, evaluate the CEO’s performance in light of those goals and objectives, and determine the CEO’s compensation level (including, but not limited to, salary, long and short-term incentive plans, retirement plans, deferred compensation plans, equity award plans, change in control or other severance plans, as the Committee deems appropriate) based on this evaluation.
 - (c) **Executive Officers.** Consider and approve the selection, retention and compensation arrangements for other executive officers and establish, review and approve compensation plans in which any executive officer is eligible to participate. Such compensation arrangements may include long and short-term incentive plans, retirement plans, deferred compensation plans, equity award plans, change in control or other severance plans, as the Committee deems appropriate.
 - (d) **Other Senior Officers and Employees.** Receive and evaluate performance target goals for the senior officers and employees (other than executive officers) and review periodic reports from the CEO as to the performance and compensation of such senior officers and employees.
 - (e) **Incentive Compensation Plans.** Review and recommend to the Board for adoption, incentive compensation plans and programs and amendments thereto. Oversee the administration of such plans and programs and make all such decisions and determinations

with respect to stock options, stock appreciation rights, and performance based awards as may be required to qualify such options, rights and awards as performance-based compensation within the meaning of Internal Revenue Code Section 162(m).

- (f) **Overall Review of other Plans.** Except as otherwise determined by the Board, review the other compensation plans of the Company in light of Company and plan objectives, needs, and current benefit levels.
 - (g) **Board.** Set and review the compensation for the Board and committee members.
 - (h) **Succession Planning.** In consultation with the CEO, monitor and make recommendations to the Board with respect to succession planning for the CEO and other members of executive management.
 - (i) **Annual Report.** Produce an annual report on executive compensation for inclusion in the Company's proxy statement.
 - (j) **Review and Publication of Charter.** Review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval. Publish the Charter as required by the rules and regulations of applicable law and as otherwise deemed advisable by the Committee.
 - (k) **Other Actions.** Perform any other activities consistent with this Charter, the Bylaws and governing law as the Committee or the Board deems necessary or appropriate.
 - (l) **Recommendations.** Periodically report to the Board on significant results of the foregoing activities and make recommendations to the Board and other Board committees with respect to compensation policy of the Company.
4. **Meetings.** The Committee will meet with such frequency, and at such times as its Chairperson, or a majority of the Committee, determines. A special meeting of the Committee may be called by the Chairperson and will be called promptly upon the request of any two Committee members. The agenda of each meeting will be prepared by the Chairperson and circulated to each member prior to the meeting date. Unless the Committee or the Board adopts other procedures, the provisions of the Bylaws and Corporate Governance Guidelines applicable to meetings of Board committees will govern meetings of the Committee. Minutes of each meeting will be kept with the regular corporate records.
5. **Reliance; Experts; Cooperation.**
- 5.1 **Retention of Independent Counsel and Advisors.** The Committee has the power, in its discretion, to retain at the Company's expense such independent counsel and other advisors and experts as it deems necessary or appropriate to carry out its duties.
 - 5.2 **Reliance Permitted.** In carrying out its duties, the Committee may act in reliance on management, the independent public accountants, internal auditors, and outside advisors and experts, as it deems necessary or appropriate.
 - 5.3 **Investigations.** The Committee has the authority to conduct any investigation it deems necessary or appropriate to fulfilling its duties.
 - 5.4 **Required Participation of Employees.** The Committee shall have access to the independent public accountants, the internal auditors, internal and outside counsel, and anyone else in the Company, and may require, in accordance with any protocol that may be established by the Board, any officer or employee of the Company or the Company's

outside counsel or independent public accountants to attend a meeting of the Committee or to meet with any members of, or consultants or advisors to, the Committee.

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