

**Approved by ADESA Board of  
Directors on May 25, 2004**

**ADESA, INC.  
BOARD OF DIRECTORS  
EXECUTIVE COMPENSATION COMMITTEE CHARTER**

Purpose of Committee

The purposes of the Executive Compensation Committee ("Committee") of the Board of Directors ("Board") of ADESA, Inc. ("Company") are to discharge the Board's responsibilities relating to compensation of the Company's executives, establish the Committee's philosophy and policies regarding executive and director compensation, oversee the administration of the Company's director and executive compensation programs, review the compensation of directors, executive officers and senior management, and prepare any report on executive compensation required by the rules and regulations of the Securities and Exchange Commission ("SEC") to be included in the Company's annual proxy statement or annual report on Form 10K filed with the SEC.

Committee Membership

The Committee shall consist of three or more members of the Board each of whom is, in the business judgment of the Board, "independent" under the rules of the New York Stock Exchange, Inc. Members of the Committee shall also qualify as "non-employee directors" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and shall satisfy any other necessary standards of independence under the federal securities and tax laws.

Members shall be appointed by the Board after consideration of recommendations of the Company's Corporate Governance and Nominating Committee, and shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

Committee Structure and Operations

The Board shall designate one member of the Committee as its Chair. The Committee shall meet at least three times a year at a time and place determined by the Board or the Committee Chair, with further meetings to occur when deemed necessary or desirable by a majority of the Committee or its Chair. A majority of the Committee members currently holding office constitutes a quorum for the transaction of business. The Committee shall take action by the affirmative vote of a majority of the Committee members present at a duly held meeting. The Committee may meet in person or telephonically. The Committee may act by unanimous written consent when deemed necessary or desirable by the Committee or its Chair.

Any vacancy on the Committee shall be filled by majority vote of the Board after consideration of recommendations of the Company's Corporate Governance and Nominating Committee. No member of the Committee shall be removed except by majority vote of the Board.

The Committee may invite such members of management to its meetings as it may deem desirable or appropriate, consistent with the maintenance of the confidentiality of compensation discussions. The Company's Chief Executive Officer ("CEO") will not attend portions of any meeting when the CEO's performance or compensation is discussed, unless specifically invited by the Committee.

The Committee shall maintain minutes of its meetings and records relating to those meetings and shall report regularly to the Board on its activities, as appropriate.

#### Committee Duties and Responsibilities

The following are the duties and responsibilities of the Committee:

1. In consultation with the Board and senior management, establish the Committee's philosophy and policies regarding director and executive compensation, and oversee the development and implementation of director and executive compensation programs.
2. Based on the performance evaluation conducted by the Corporate Governance and Nominating Committee and Board, set the CEO's compensation level, and set performance goals and approve awards for the CEO under incentive compensation plans.
3. Review and approve the individual elements of total compensation for the executive management of the Company other than the CEO and communicate in the annual Compensation Committee Report to the shareholders the specific relationship of corporate performance to executive compensation.
4. Review and approve revisions to the Company's executive and senior management salary range structure and annual salary increase guidelines.
5. Assure that the Company's executive incentive compensation program, including the annual and long-term incentive plans, is administered in a manner consistent with the Committee's compensation philosophy and policies as to participation, target annual incentive awards, corporate financial goals, and actual awards paid to executive management.
6. Review the Company's employee benefit programs and approve changes, subject, where appropriate, to shareholder or Board approval.
7. Make recommendations to the Board with respect to the Company's incentive compensation plans and equity-based plans, oversee the activities of the individuals and committees responsible for administering these plans, and discharge any responsibilities imposed on the Committee by any of these plans.

8. In consultation with senior management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
9. Prepare and issue the evaluations and reports required under "Committee Reports" below.
10. Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's executive compensation programs.

#### Delegation to Subcommittee

The Committee may, in its discretion, delegate a portion of its duties and responsibilities to a subcommittee of the Committee. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the Committee who are (i) "Non-Employee Directors" for the purposes of Rule 16b-3 of the Securities Exchange Act of 1934, as in effect from time to time, and (ii) "outside directors" for the purposes of Section 162(m) of the Internal Revenue Code, as in effect from time to time.

#### Committee Reports

The Committee shall produce the following reports and provide them to the Board.

1. An annual Report of the Executive Compensation Committee on Executive Compensation for inclusion in the Company's annual proxy statement or annual report on Form 10K filed with the SEC in accordance with applicable SEC rules and regulations.
2. An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter and set forth the goals and objectives of the Committee for the upcoming year. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair of the Committee or any other member of the Committee designated by the Committee to make this report.
3. A summary of the proceedings of each Committee meeting shall be presented to the Board at its next regularly scheduled meeting. Meeting notices, agendas, and minutes of Committee meetings will be promptly sent to the Board.

Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the sole authority to retain, discharge, and approve fees and other terms of retention of independent legal counsel, independent experts or consultants, and retention firms.

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While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.