

CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

ORGANIZATION

This charter governs the operations of the compensation committee (the “Committee”) of Forward Air Corporation (the “Company”). The Committee shall review and reassess this charter at least annually and obtain the approval of the board of directors. The Committee shall be appointed by the board of directors and shall comprise of at least two directors, each of whom shall meet the independence requirements of The Nasdaq Stock Market, Inc. (“Nasdaq”) and the rules and regulations of the Securities and Exchange Commission (the “SEC”). In fulfilling its responsibilities, the Committee may delegate its responsibilities to a subcommittee consisting of members of the Committee and, to the extent not expressly reserved to the Committee by the board or by applicable law, rule or regulation, to any other committee consisting entirely of directors who meet the independence requirements of Nasdaq and the rules and regulations of the SEC.

STATEMENT OF POLICY

The Committee shall provide assistance to the board of directors by assisting the Board with respect to the Company's compensation programs and compensation of the Company's executives.

RESPONSIBILITIES AND DUTIES

The following shall be the principal recurring processes of the Committee in carrying out its responsibilities. The processes are set forth as a guide with the understanding that the Committee may supplement them as appropriate. In carrying out its responsibilities, the Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions.

Compensation for Executive Officers/Officer Selection

- Establish and review the overall executive compensation philosophy of the Company.
- Review and approve the Company’s goals and objectives relevant to the compensation of the Chief Executive Officer (“CEO”) and other executive officers’ compensation, including annual performance objectives.
- Evaluate the performance of the CEO and other executive officers in light of established goals and objectives and, based on such evaluation, determine and approve the compensation, including annual salary, bonus, stock options, other incentive awards and other benefits, direct and indirect, of the CEO and other executive officers.
- Oversee the development of executive succession plans.

- Review and recommend to the full Board, or approve as appropriate, new executive compensation plans, incentive-compensation plans and equity based plans and any amendments to or modifications of such plans.
- Establish and periodically review policies in the area of senior management perquisites.

Monitoring Incentive and Equity-Based Compensation Plans

- Perform duties delegated to the Committee by the Board under various executive compensation plans.
- Review and make recommendations to the full Board, or approve, as appropriate, all awards of stock, stock options and other incentive compensation awards to executive officers pursuant to the Company's executive plans.
- Monitor compliance by executives with the terms and conditions of the Company's executive compensation plans.
- Select, retain, terminate and/or replace, as needed, compensation and benefits consultants and other outside experts to provide independent advice to the Committee. In that connection, in the event the Committee retains a compensation consultant or other expert, or if the Company should retain a compensation consultant or other expert to assist in the evaluation of the CEO or senior executive compensation, the Committee shall have the sole authority to approve such consultant's or expert's fees and other retention terms.