

**FORWARD AIR CORPORATION**

**CHARTER OF**  
**THE COMPENSATION COMMITTEE**  
**OF THE BOARD OF DIRECTORS**

**ORGANIZATION AND MEMBERSHIP**

This charter governs the operations of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Forward Air Corporation (the “Company”). The Committee shall be appointed by the Board and shall be comprised 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 addition, at least two members of the Committee shall also be (i) an “outside director” within the meaning of § 162(m) of the Internal Revenue Code of 1986, as amended; and (ii) a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). 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. Any action taken by the Committee during a period in which one or more of the members subsequently is determined to have failed to meet the membership qualifications shall nevertheless constitute duly authorized actions of the Committee and shall be valid and effective for all purposes, except to the extent required by law or determined appropriate by the Committee to satisfy regulatory standards.

**STATEMENT OF POLICY**

The Committee shall assist the Board with respect to the Company’s compensation programs and compensation of the Company’s Chief Executive Officer (“CEO”) and other executive officers (together with the CEO, the “Executive Officers”). While the Committee has specific responsibilities and duties, as outlined below, its primary responsibility is to oversee matters relating to executive compensation and any other matters properly delegated to it by the Board.

*Meetings*

The Committee shall meet periodically, and special meetings may be called when circumstances require. The Committee may meet in person, by telephone or video conference call. The Chair of the Board, a majority of the members of the Committee, or the Secretary of the Company may call meetings of the Committee. The Committee shall record and keep minutes of all Committee meetings. The Committee’s policies and procedures shall remain flexible, but consistent with the Bylaws of the Company and this Charter. The Committee may meet in executive session, without management present, on any matter it deems appropriate, at its discretion.

### Quorum and Voting

A majority of the Committee's members will constitute a quorum. At any meeting of the Committee, the decision of a majority of the members present and voting will be determinative as to any matter submitted to a vote. The Committee may also act by unanimous written consent, which may be provided electronically.

### Chair

The members of the Corporate Governance and Nominating Committee of the Board shall designate a chair of the Committee by majority vote.

### Report to the Board

The Committee will report regularly to the Board regarding its actions and make recommendations to the Board as appropriate.

## **RESPONSIBILITIES AND DUTIES**

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

The Committee shall:

### Compensation for Executive Officers/Officer Selection

- establish, review and approve the overall executive compensation philosophy of the Company.
- review and approve the Company's goals and objectives relevant to the compensation of the Executive Officers, including annual performance objectives.
- evaluate the performance of the Executive Officers in light of established goals and objectives. Based on such evaluation, determine and approve the compensation, including annual salary, annual incentive (bonus), long-term incentive and other benefits, direct and indirect, of the Executive Officers. The Company's CEO may not be present during deliberations or voting regarding compensation of such CEO.
- annually review the steps in the CEO evaluation process that are set forth in the Company's Corporate Governance Guidelines and recommend any changes to the Board.
- review and approve as appropriate, new executive compensation plans, incentive compensation plans, equity-based plans and any amendments to or modifications of such plans.

- review and approve any proposed employment agreement with any current or prospective Executive Officer of the Company and any proposed modification or amendment thereof.
- review and approve any consulting, severance, retention, change in control, or other termination arrangement proposed to be made to any current or former Executive Officer of the Company except for any such payment made in accordance with a plan previously approved by the Board or the Committee.
- establish and periodically review the policies relating to Executive Officer perquisites.
- oversee, together with the Corporate Governance and Nominating Committee, the development of succession plans for the Executive Officers.
- review the results of any advisory shareholder votes on executive compensation (“say-on-pay votes”), and any other feedback gathered through the Company’s ongoing shareholder outreach that may be in effect from time-to-time, and consider whether to make or recommend adjustments to the Company’s executive compensation policies and practices as a result of such votes and other shareholder feedback.
- recommend for approval by the Board how frequently the Company should conduct say-on-pay votes. This review should take into account the most recent shareholder advisory vote on the frequency of say-on-pay resolutions at the Company.
- review, approve and/or make recommendations to the Board with respect to any Company policy or procedure relating to Executive Officer or director compensation, such as, any clawback policy, stock ownership guidelines or pledging or hedging policy.

*Monitoring Incentive Plans*

- perform duties delegated to the Committee by the Board under various executive compensation plans.
- review and approve and, when appropriate, recommend to the Board for approval, incentive compensation plans for Executive Officers, and equity-based plans, and where appropriate or required, recommend for approval by the shareholders of the Company, which includes the ability to adopt, amend and terminate such plans. The Committee shall also have the authority to administer the Company’s incentive compensation plans for Executive Officers and equity-based plans, including designation of the employees to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan.

- have the authority, in its sole discretion, to retain, obtain, select, oversee, terminate and/or replace, as needed, compensation and benefits consultants, legal counsel or other advisors as it determines appropriate to assist it in the full performance of its functions, and is directly responsible for the appointment, compensation, and oversight of the work of such consultant, counsel, or other adviser retained by the Committee. The Company provides for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such consultant, counsel or other adviser. The Committee may select, or receive advice from, a compensation consultant, legal counsel, or other adviser only after taking into consideration the factors prescribed by Nasdaq rules. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisor to the compensation committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

#### Compensation Disclosures

- review and discuss with management the Company's Compensation Discussion and Analysis required to be disclosed by federal securities law or any other applicable law and, based on this review and discussion, recommend to the Board whether the Compensation Discussion and Analysis should be included in the Company's annual report, proxy statement or information statement.
- in accordance with applicable federal securities laws, prepare the annual Compensation Committee Report for inclusion in the Company's proxy statement.

#### Review Compensation Committee Charter

- review and reassess this charter at least annually and recommend any changes to the Board for approval.

#### Self-Evaluation

- on at least an annual basis, conduct a self-evaluation.

#### Risk Assessment

- be responsible for overseeing and evaluating the management of risks related to the Company's compensation plans and policies. In this regard, the Committee shall review the Company's and/or its independent consultant's annual assessment of the Company's compensation plans and policies to confirm that such plans and policies do not encourage unnecessary risk taking.

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