

Revised and adopted December 3, 2014



## **COMPENSATION COMMITTEE CHARTER**

### **Purpose**

The Compensation Committee (the “Committee”) is a committee of the board of directors (“Board”) of Patriot Transportation Holding, Inc. (the “Company”). The Committee’s primary role is to discharge the responsibilities of the Board relating to the compensation of the Company’s executive officers and such other employees as the Committee may decide have compensation or authority of significant significance that they merit Committee review.

### **Committee Membership**

The Committee shall consist of three (3) or more independent directors. Each member shall be: (i) independent within the meaning of the NASDAQ listing standards and any independence standards established by the Board from time to time, (ii) a “non-employee director” for purposes of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and (iii) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code.

### **Meetings**

The Committee shall meet at least twice annually or more frequently, as may be necessary or appropriate.

### **Committee Duties and Responsibilities**

The Committee shall have the duty and responsibility to:

### ***Compensation***

1. Determine compensation philosophy, principles and policies applicable to executive compensation including guidelines or requirements as to Company stock ownership by executive officers of the Company. In undertaking these responsibilities, the Committee shall take into account factors it deems appropriate from time to time, including the Company’s business strategy and risks to the Company and its business

resulting from such programs;

2. Review and approve the Company's goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO") of the Company;

3. Evaluate the job performance of the CEO in light of the Company's goals and objectives;

4. Determine and approve the compensation level of the CEO based on the Committee's evaluation of his job performance;

5. Review annually with the Chairman of the Board ("Chairman") and the CEO the performance of the other executive officers;

6. Review and approve the compensation levels of the other named executive officers;

7. In determining CEO and executive officer compensation, the Committee shall consider factors it deems appropriate from time to time, including the Company's performance and relative shareholder return, the nature, extent and acceptability of risks that the Chief Executive Officer may be encouraged to take by such compensation, the value of similar compensation packages for chief executive officers at comparable companies, and the compensation awarded to management in prior years;

### ***Compensation Plans***

8. Administer the Company's incentive compensation plans and equity-based plans;

9. Make recommendations to the Board with respect to the adoption of new incentive compensation plans and equity-based plans;

10. Set objective performance goals and potential bonus levels for named executive officers within the first quarter of each fiscal year;

11. Certify that performance targets and material terms have been met prior to payment of bonuses to named executive officers;

12. Review on a periodic basis the Company's executive compensation programs, select an appropriate peer group for purposes of such periodic review, approve target pay and performance objectives against this group, monitor the Company's executive compensation levels and its performance relative to this peer group, and make any

modifications that the Committee may deem necessary or advisable, in its sole discretion;

13. Review on a periodic basis policies with respect to post-service and severance arrangements and perquisites provided to the CEO and the other executive officers;

14. Ensure that the Company's incentive compensation plans are appropriately competitive, support organization objectives and shareholder interests, and ensure a pay for performance linkage;

15. Evaluate whether the risks arising from the Company's compensation policies and practices for its employees would be reasonably likely to have a material adverse effect on the Company. This review will include all employee compensation, not just CEO and executive officer compensation;

### ***Succession Plans***

16. Review, periodically, with the Chairman and the CEO, the succession plans for executive officers and make recommendations to the Board regarding the selection of individuals to occupy these positions;

### ***Director Compensation***

17. Make recommendations to the Board regarding compensation arrangements for non-employee directors;

### ***Charter and Report***

18. Review and update this Charter periodically, as may be necessary or appropriate;

19. Report to the Board regarding compliance with this Charter, the activities of the Committee and any issues with respect to the duties and responsibilities of the Committee;

### ***Proxy Statement***

20. Review and discuss with management the Compensation Discussion and Analysis and, based on such review and discussion, recommend to the Board that the Compensation Discussion and Analysis be included in the proxy statement;

21. Review and discuss with management the proposed narrative disclosure, if any, of the Company's compensation policies and

practices as they relate to the Company's risk management and, based on such review and discussion, recommend to the Board whether such disclosure should be included in the proxy statement;

22. Provide the Compensation Committee Report to be included in the proxy statement to shareholders; and

### ***Miscellaneous***

23. Perform any other activities consistent with this Charter, the Company's Bylaws and all applicable laws and listing standards, as the Committee deems necessary or appropriate.

### **Self-Evaluation**

The Committee shall perform and conduct an annual self-evaluation of its performance to determine and assess whether the Committee is fulfilling all of its duties and responsibilities hereunder and under all applicable laws and listing standards and shall report the results to the Board.

### **Compensation Consultants and Other Advisors**

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of the compensation consultant. The Company shall not engage the compensation consultants employed by the Committee to perform any work for the Company without the prior approval of the Compensation Committee.

The Committee may, in its sole discretion, retain and obtain the advice of independent legal counsel and other advisors. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of independent legal counsel and other advisors.

The Committee may only select compensation consultants, legal counsel or other advisors to the compensation committee after taking into consideration the factors identified by rules enacted by the Securities and Exchange Commission, upon the effective date of such rules.

### **Subcommittees**

The Committee shall have the authority, as it deems appropriate, to delegate to any subcommittee or committee member any of its duties or responsibilities under this Charter or any applicable law or listing standard.

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