



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.

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;
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;

Compensation Plans

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

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

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

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

Succession Plans

11. 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

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

Charter and Report

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

14. 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

15. Discuss with management the Compensation Discussion & Analysis and recommend to the Board whether the Compensation Discussion & Analysis should be included in the proxy statement;

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

Miscellaneous

17. 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

The Committee shall have the sole and direct authority to engage, retain, approve payment of compensation to, and terminate any compensation consultant retained to assist the Committee in the evaluation of the compensation of the executive officers. The Company shall be solely responsible for the payment of any such compensation consultants. 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.

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.