

# **Compensation Committee Charter**

## **Purpose**

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Expeditors International of Washington, Inc. (the "Company") is appointed by the Board to discharge the Board's responsibilities relating to the compensation of the Company's directors and officers. The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs of the Company and reviewing the disclosure of such plans, policies, and programs to the Company's shareholders in the Company's annual proxy statement.

## **Membership and Meetings**

The number of members of the Committee shall be determined by the Board but in any event shall not be less than three members. The members of the Committee shall meet, as determined by the Board in its reasonable business judgment, the independence requirements of applicable law, rules and regulations, and stock exchange requirements, each as in effect from time to time, subject to any applicable exception from such requirements. The members of the Committee shall be appointed and removed by the Board. If a Committee chairperson is not designated by the Board, the members of the Committee shall designate a chairperson by majority vote.

In addition, a person may serve on the Committee only if he or she (i) is a "Non- Employee Director" for purpose of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (ii) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code.

The Committee shall meet at such times and from time to time as it deems necessary to fulfill its responsibilities. A majority of the members of the Committee shall constitute a quorum of the Committee. A majority of those members in attendance shall decide any question brought before any properly called meeting of the Committee at which a quorum is present. The Committee may form and delegate authority to subcommittees when appropriate and in compliance with applicable law, rules, regulations, and stock exchange requirements. The Committee shall regularly report to the Board.

Each director serving as a member of the Committee shall be indemnified with respect to such director's service on the Committee pursuant to the Company's by-laws and any contractual arrangements between such director and the Company providing for director indemnification.

## **Committee Authority and Responsibilities**

The authority and responsibilities of the Committee shall include:

1. In consultation with management, establishing the Company's general policies relating to senior management compensation, and overseeing the development and implementation of such compensation programs.
2. Ensuring that incentive compensation programs are consistent with the Company's annual and long-term performance objectives and do not encourage unnecessary or excessive risk taking by employees. Approving the annual and long-term performance goals for the Company's incentive plans.
3. Annually reviewing and approving corporate goals and objectives relevant to CEO compensation. The Committee will also annually evaluate the CEO's performance in light of those goals and objectives and recommend the CEO's compensation levels based on this evaluation to the Board of Directors. The CEO may not be present during voting or deliberations on the CEO's compensation.

4. As required under applicable securities laws and rules, the Committee shall review the Compensation Discussion and Analysis section (the "CD&A") to be included in the Company's annual proxy statement or other report or filing, discuss the CD&A with the Company's management, and recommend to the Board that the CD&A be included in the Company's annual report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C. The Committee shall also produce a report of the Committee for inclusion in the Company's annual proxy statement or other report or filing, stating that the Committee has taken the actions described in the preceding sentence. The CD&A shall provide full and complete disclosure of the Company's compensation policies applicable to the Company's executive officers.
5. Reviewing and making recommendations to the Board periodically with respect to the compensation of all non-employee directors, including any compensation under the Company's equity-based plans.
6. Evaluating the Committee's performance and the adequacy of its charter on an annual basis and recommending any proposed changes to the Board for approval.
7. Determining the compensation of the Company's senior management and executive officers, including: (a) reviewing and approving base salary adjustments; (b) reviewing and approving management recommendations under the Company's annual incentive compensation programs; (c) reviewing and approving management recommendations under the non-equity incentive plan or any successor incentive plan; (d) reviewing and approving management recommendations of grants under the Company's equity incentive plans; (e) reviewing and approving management recommendations of participants in non-qualified compensation and benefit plans; (f) reviewing and approving management recommendations for new compensation and benefit programs as well as modifications to existing compensation and benefit programs; (g) monitoring ownership compliance as required under the Company's stock ownership guidelines; and (h) determining and overseeing employment agreements with executive officers. The Committee also shall undertake such additional activities within the scope of its functions as the Committee may from time to time determine or as may otherwise be required by law, the Company's by-laws or articles of incorporation or by directive of the Board.
8. Assist the Board, as needed, in its oversight of the Company's policies and strategies relating to culture, retention, development, compensation and engagement of its employees.
9. Oversee any aspects of the Company's enterprise risk management program as are assigned to it by the Board.

The duties and responsibilities of a member of the Committee are in addition to those duties set out for a member of the Board. It is not the duty of the Committee to conduct investigations or to resolve disagreements regarding compensation, if any, between the Company and its employees.

The Committee shall have the sole authority to retain and terminate (or obtain the advice of) any adviser to assist it in the performance of its duties on compensation matters, but only after taking into consideration all factors relevant to the adviser's independence from management, including those specified in The New York Stock Exchange LLC ("NYSE"). The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any adviser retained by the Committee and shall have sole authority to approve the adviser's fees and the other terms and conditions of the adviser's retention. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any adviser retained by the Committee.