



**XPO LOGISTICS, INC.**

**COMPENSATION COMMITTEE CHARTER**

Effective as of March 14, 2017

**1. Mission Statement**

The primary purposes of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of XPO Logistics, Inc. (the "Company") are:

(A) (i) to assist the Board in fulfilling its responsibilities relating to the compensation of the Chief Executive Officer and the other executive officers of the Company (collectively, the "Executive Officers"), (ii) to oversee the administration of the compensation plans, in particular the incentive compensation and equity-based plans, of the Company (and, to the extent appropriate, the subsidiaries of the Company), and (iii) to review and make recommendations concerning director compensation; and

(B) (i) to review and discuss with management the disclosures in the Company's "Compensation Discussion and Analysis" (the "CD&A") and report to the Board whether, based on such review and discussions, the Committee recommends the CD&A be included in the appropriate regulatory filings required by the rules and regulations of the Securities and Exchange Commission (the "SEC") and (ii) to prepare the annual report on executive compensation required to be included in the Company's annual proxy statement or annual report on Form 10-K in accordance with applicable SEC rules and regulations.

**2. Membership**

The Committee shall consist of at least three directors, the exact number to be determined from time to time by a majority vote of the entire Board. Each member of the Committee shall (i) satisfy the independence requirements of the listing standards of the New York Stock Exchange (the "NYSE") (or any other national stock exchange or quotation system on which the Company's securities are listed or quoted) and the Company's Corporate Governance Guidelines, in each case as in effect from time to time, (ii) qualify as a "Non-Employee Director" for purposes of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (iii) qualify as an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

The members of the Committee shall be appointed by a majority vote of the entire Board from among its members, taking into consideration the recommendations of the Nominating and Corporate Governance Committee, after consultation with the Chairman of the Company, and each member shall serve until such member's successor is duly appointed and qualified or until such member's death, resignation or removal by a majority vote of the entire Board.

### 3. Authority and Responsibilities

The Committee shall have the following specific authority and responsibilities (in addition to any others that the Board may from time to time delegate to the Committee):

#### General

- The Committee shall establish a general compensation philosophy and compensation practices and policies of the Company, and shall periodically review such philosophy, practices and policies to ensure they provide appropriate motivation for corporate performance and increased stockholder value.

#### Compensation Plans

- The Committee shall review and make recommendations to the Board with respect to the adoption (or submission to stockholders for approval) or amendment of incentive compensation, deferred compensation and equity-based compensation plans for the Company (and, to the extent appropriate, the subsidiaries of the Company).
- The Committee shall oversee the implementation and administration of the compensation plans of the Company (and, to the extent appropriate, the subsidiaries of the Company), including pension, welfare, incentive and equity-based plans, to ensure that these plans are consistent with the Company's general compensation philosophy.
- The Committee shall review and approve all awards of equity-based compensation (other than awards to non-employee directors) pursuant to the Company's (and, to the extent appropriate, the Company's subsidiaries') equity-based compensation plans, and shall review and make recommendations to the Board with respect to all awards of equity-based compensation to non-employee directors. In determining the long-term incentive component of Chief Executive Officer ("CEO") compensation, the Committee should consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company's CEO in past years.

#### Executive Performance and Compensation

- On an annual basis, the Committee shall (i) review and approve the Company's goals and objectives relevant to the compensation of the Executive Officers; (ii) evaluate each Executive Officer's performance in light of these goals and objectives; (iii) review and approve each element of each Executive Officer's compensation based on this evaluation; and (iv) provide oversight of management's decisions concerning the performance and compensation of other officers and key employees of the Company.

- The Committee shall review and approve any employment agreements, consulting arrangements, severance or retirement arrangements or change-in-control agreements and provisions covering, or any special or supplemental benefits to, any current or former Executive Officer.
- The Committee shall review and approve the Company's policies and procedures with respect to Executive Officers' perquisites.
- The Company shall periodically survey the executive compensation practices of comparable companies.
- The Committee shall review and discuss with management the disclosures in the CD&A, and report to the Board whether, based on such review and discussions, the Committee recommends the CD&A be included in the Company's annual report or proxy statement or any information statement. As part of this review, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation as required by Section 14A of the Exchange Act ("Say on Pay Votes").
- The Committee shall prepare the annual report on executive compensation required to be included in the Company's annual proxy statement or annual report on Form 10-K in accordance with applicable SEC rules and regulations. The Committee shall review stockholder proposals and non-binding stockholder votes relating to executive compensation matters and recommend to the Board the Company's response to such proposals and votes.
- The Committee shall develop, approve and periodically review a policy (as may be required by applicable law, including Section 10D of the Exchange Act) for recovering incentive-based compensation from Executive Officers in the event that the Company is required to prepare an accounting restatement due to material noncompliance of the Company with any financial reporting requirement under applicable securities laws or, in the case of other events or circumstances, in the discretion of the Committee.
- The Committee shall review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.

#### Director Compensation

- On an annual basis, the Committee shall review and recommend to the Board the form and amount of director compensation (including perquisites and other benefits), and any additional compensation to be paid for service on Board committees or for service as a chairman of a committee.

- The Committee shall review and make recommendations to the Board regarding directors' and officers' indemnification and insurance matters.

#### Regulatory Matters

- In consultation with senior management of the Company, the Committee shall oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility (including, for purposes of compliance with Section 162(m) of the Code, establishing performance goals and certifying that such performance goals and any other material terms have been attained).

#### Retention of Consultants and Advisors; Investigations

- The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other advisor after considering all factors relevant to the advisor's independence, including the factors specified by applicable NYSE listing standards. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other advisor retained by the Committee. The Committee shall receive appropriate funding from the Company, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or other advisor retained by the Committee.
- The Committee shall not be required to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other advisor retained by the 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.
- The Committee shall have the authority to conduct or authorize investigations into or studies of any matters within the Committee's scope of responsibilities, including the authority to seek any information it requires from any director, officer or employee of the Company.

#### Risk Management

- The Committee shall annually review the Company's compensation policies and practices and assess whether such policies and practices are reasonably likely to have a material adverse effect on the Company by encouraging excessive risk-taking.

#### Performance Evaluation

- The Committee shall review its own performance and reassess the adequacy of this Charter at least annually, and submit such evaluation, including any

recommendations for change, to the full Board for review, discussion and approval.

#### **4. Structure and Operations**

Upon considering the recommendation of the Nominating and Corporate Governance Committee of the Board, after consultation with the Chairman of the Company, the Board shall designate one member of the Committee to act as its chairman. The Committee shall meet in person or telephonically at least two times a year at such times and places determined by the Committee chairman, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairman. The chairman, with input from the other members of the Committee and, when appropriate, management, shall set the agendas for Committee meetings. A majority of the members of the Committee shall constitute a quorum; when more than two members are present, the act of a majority of such members at a meeting at which a quorum exists shall be the act of the Committee. When only two members are present and constitute a quorum, the unanimous vote of the two members shall constitute the act of the Committee.

The Committee may request that any directors, officers or other employees of the Company, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Committee may exclude from its meetings any persons it deems appropriate in order for it to fulfill its responsibilities. Subject to the immediately preceding sentence, any member of the Board shall be entitled to attend any meeting of the Committee.

The Committee may form and delegate authority to subcommittees when appropriate.

The Committee shall maintain minutes or other records of its meetings and shall give regular reports to the Board on the meetings of the Committee and on such other matters as required by this Charter or as the Board shall from time to time specify.

Except as expressly provided in this Charter, the Company's bylaws or the Company's Corporate Governance Guidelines, or as required by law, regulation or applicable listing standards, the Committee shall set its own rules of procedure.