

RYDER SYSTEM, INC.
COMPENSATION COMMITTEE CHARTER

Purposes

The purposes of the Compensation Committee of the Board of Directors of Ryder System, Inc. are to (a) assist the Board of Directors in fulfilling its overall responsibilities with respect to (i) evaluation and compensation of the Company's Chief Executive Officer ("CEO"); (ii) appointment of officers, (iii) design and implementation of the Company's executive compensation program and (iv) establishment and governance of equity compensation and retirement plans provided to employees of the Company; and (b) review and discuss the Compensation Discussion and Analysis section of the Company's annual Proxy Statement and recommend its inclusion therein.

For purposes of this Charter, (i) "retirement plans" shall mean all pension, excess pension, savings and deferred compensation plans and any other plan which is designed to provide benefits to Company employees upon retirement, (ii) "executive compensation" shall mean any awards under the equity and incentive plans and other plans adopted by the Board of Directors that contemplate administration by the Committee, (iii) "Designated Executives" shall mean (a) members of the executive leadership team (b) any other employee who is a "covered employee" under Section 162(m) of the Internal Revenue Code and (c) persons subject to Section 16 of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") ("Section 16 Officers").

Composition of the Committee

Number. The Board of Directors shall determine the size of the Committee, but it must consist of no fewer than three members.

Qualifications. Each Committee member shall meet the independence criteria of the rules of the New York Stock Exchange, Inc. and the Company's Corporate Governance Guidelines, as such requirements are interpreted by the Board of Directors in its business judgment, and shall be free of any relationship that, in the opinion of the Board of Directors, may interfere with his or her exercise of independent judgment as a Committee member. Desirable qualifications for Committee members include experience in business management, executive compensation, employee benefits, and human resources.

Appointment. The Board of Directors will appoint the members and the Chairman of the Committee based on recommendations made by the Company's Corporate Governance and Nominating Committee. Committee members shall serve at the pleasure of the Board of Directors and for such term or terms as the Board of Directors may determine.

Delegation to Subcommittee. The Committee may, in its discretion, delegate any of its duties and responsibilities to a subcommittee of the Committee; provided, however, that any subcommittee that is responsible for approving transactions pursuant to Rule 16b-3 ("Rule 16b-3") under the Securities Exchange Act of 1934, as in effect from time to time, (the "Exchange Act") or for purposes of Section 162(m) of the Internal Revenue Code, as in effect from time to time ("162(m)") shall consist of no less than two directors who are (i) "Non-Employee Directors" as defined in Rule 16b-3 and (ii) "outside directors" as defined in Section 162(m).

Duties and Responsibilities of the Committee

The Committee is responsible for overseeing the planning, design and implementation of the Company's overall compensation and benefits strategies, including with respect to salaries, retirement plans, equity and incentive compensation plans and director compensation, in each case taking into account the Company's compensation philosophies and objectives, appropriate industry benchmarks and the compensation policies followed by similarly-situated companies.

The Committee shall have the following specific responsibilities:

Responsibilities Relating to the Company's Compensation Philosophy

- 1) Develop (in conjunction with management) a compensation philosophy to be observed in all aspects of the planning, design and implementation of the Company's executive compensation and benefits plans. Periodically review the compensation philosophy to ensure that it supports the appropriate compensation objectives, takes into consideration industry standards and benchmarking data and supports the Company's key business objectives and "pay for performance" philosophy.
- 2) Periodically review management reports which identify major compensation and benefit objectives for executive compensation for consideration by the Committee in determining executive compensation.
- 3) Review and discuss other matters that relate to the Company's compensation and benefits strategies for executive compensation as the Committee may, in its own discretion, deem desirable.

Responsibilities Relating to Retirement Plans

- 4) Periodically review and discuss the Company's retirement plans and based on such review, approve and adopt new retirement plans and changes to existing retirement plans and take such other actions in respect to such retirement plans as the Committee deems appropriate. The Committee may delegate all or a portion of this responsibility to the Company's Retirement Committee. Evaluate, and make recommendations to the Board of Directors with respect to the approval and adoption of, new retirement plans having an incremental cost to the Company of at least \$1 million annually.
- 5) Review and recommend to the Company's Corporate Governance and Nominating Committee, on an annual basis, the slate of persons to be appointed to the Company's Retirement Committee.
- 6) Approve the appointment and removal of members to and from the Company's Retirement Committee during the year.
- 7) Periodically review actions taken by the Retirement Committee in order to evaluate the performance of the Retirement Committee members.

Responsibilities Relating to Equity and Incentive Compensation Plans

- 8) Evaluate, and make recommendations to the Board of Directors, with respect to the approval and adoption of new equity and incentive compensation plans as well as changes to existing equity and incentive compensation plans that would require shareholder approval. Periodically review and approve terms and conditions under the Company's equity and incentive compensation plans.
- 9) Review and approve awards under the equity and incentive compensation plans and other plans adopted by the Board of Directors that contemplate administration by the Committee for all employees, other than the Chief Executive Officer, and make recommendations to the independent directors of the Board of Directors with respect to awards for the Chief Executive Officer. Approve achievement and payout levels relative to target and aggregate payout amounts for all performance-based equity and cash incentive awards for all employees, other than the Chief Executive Officer, and make recommendations to the independent directors of the Board of Directors with respect to payouts for the Chief Executive Officer. By resolution approved by a majority of the Committee, the Committee may delegate to management the administration of the Company's equity and incentive compensation plans including the ability to approve awards to employees other than Designated Executives; provided that such delegation specifically authorizes (i) the aggregate number, types and terms of such awards that may be made pursuant to such delegation and (ii) the consideration or other material terms of such award.

- 10) Review and approve the administration of the Company's equity and incentive compensation plans and other plans adopted by the Board of Directors that contemplate administration by the Committee. With respect to any such equity and incentive compensation plans, the Committee shall interpret the terms and provisions of the equity compensation plans and render decisions on any material matter relating thereto, and shall exercise all rights, powers and authority reserved to, and perform all duties placed upon, the Committee under the provisions of the equity and incentive compensation plans.

Responsibilities Relating to CEO Evaluation and Compensation

- 11) Review and, in conjunction with the Corporate Governance and Nominating Committee, recommend to the independent directors of the Board of Directors for approval, the corporate goals and objectives relevant to the compensation of the CEO.
- 12) Evaluate (in conjunction with the Corporate Governance and Nominating Committee and all other independent directors) the CEO's performance in light of the goals and objectives set by the Committee.
- 13) Based on the Committee's evaluation of the CEO's performance and the Committee's review of other data including benchmarking data and consultant recommendations, and consideration of other factors including strategic initiatives, succession planning and Company performance, recommend to the independent directors of the Board of Directors, the compensation of the CEO.

Responsibilities Relating to Salaries and Other Compensation

- 14) Review, discuss and approve salary and other compensation actions for each of the Designated Executives and other positions as designated by the Committee from time to time. Recommend to the independent directors of the Board of Directors salary and other compensation actions for Employee Directors.
- 15) Review, discuss and approve any new or existing executive compensation or benefit plans.
- 16) Periodically review and discuss the compensation and benefits of non-employee Directors and make recommendations to the Board of Directors with respect thereto.

Responsibilities Relating to the Appointment of Officers

- 17) Approve the appointment of all new officers of the Company and recommend to the Board of Directors the appointment of Designated Executives. The Committee may delegate all or a portion of its responsibilities to appoint or recommend officers, other than the Designated Executives, to the Committee Chair or the CEO. At each Committee meeting, the Chair or CEO will report back to the Compensation Committee regarding any officer appointments approved by him or her since the previous meeting.

Responsibilities Relating to the Shareholder Advisory Vote on Executive Compensation

- 18) Review and discuss the results of each shareholder advisory vote on the compensation of the Company's named executive officers as required by the Exchange Act and rules promulgated thereunder, and consider whether to recommend to the Board of Directors to make any adjustments to the Company's compensation philosophy, policies or practices.
- 19) As required, make a recommendation to the Board of Directors regarding the frequency of the advisory vote on the compensation of the Company's named executive officers, as required by the Exchange Act and rules promulgated thereunder.

Other Responsibilities

- 20) Review, from a risk management perspective, the Company's compensation policies and practices for executive officers and employees generally, including the incentives established for risk-taking, the manner in which any risks arising out of the Company's compensation policies and practices are monitored and mitigated, and any adjustments necessary to address changes in the Company's risk profile.
- 21) In consultation with management, oversee regulatory compliance with respect to compensation matters.
- 22) Review, discuss and approve all new and amended severance plans that cover Designated Executives and review, discuss and approve all new and amended employment and severance agreements or arrangements for Designated Executives and other positions as designated by the Committee from time to time. With respect to the CEO and any other Employee Director, make recommendations to the independent directors with respect to any new and amended employment and severance agreements or arrangements.
- 23) Review and discuss the Compensation Discussion and Analysis section of the Company's Proxy Statement relating to the Company's annual meeting of shareholders and recommend its inclusion therein.
- 24) Prepare, with the assistance of management and legal counsel, the required Compensation Committee Report for inclusion in the Company's Proxy Statement relating to the Company's annual meeting of shareholders.
- 25) Report its activities regularly to the Board of Directors in such manner and at such times as the Committee and the Board of Directors deem appropriate and maintain minutes or other records of Committee meetings.
- 26) Perform any other duties or responsibilities expressly delegated to the Committee by the Board of Directors from time to time relating to the Company's compensation programs.

Meetings of the Committee

The Committee shall meet at least four times per year. The Chair of the Committee shall, in consultation with the other members of the Committee and appropriate officers of the Company, be responsible for calling meetings of the Committee, establishing the agenda therefor and supervising the conduct thereof. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other. The Committee may also take any action permitted hereunder by unanimous written consent, which may be obtained electronically.

The Committee may request any officer or employee of the Company, or the Company's outside legal counsel, to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Any individual whose compensation is to be discussed at a Committee meeting should not attend that part of such meeting where his or her compensation is to be discussed unless specifically invited by the Committee. Any Committee member may be excused from a meeting to permit the remaining members of the Committee to act on any matter in which such member's participation is not appropriate, and such member's absence shall not destroy the quorum for the meeting.

Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to retain and terminate compensation consultants, outside legal counsel and other advisors as the Committee deems necessary to carry out its duties. The Company will provide for appropriate funding, as determined

by the Committee, for payment of compensation to compensation consultants, outside legal counsel and any other advisors retained by the Committee.

When retaining compensation consultants, outside legal counsel and any other advisors, the Committee will consider the following independence-related factors: (i) whether the advisor's firm provides other services to the Company; (ii) fees received by the advisor's firm from the Company; (iii) conflict of interest policies and procedures of the advisor's firm; (iv) any relationships between the advisor and members of the Committee; (v) any stock ownership by the advisor in the Company; and (vi) any relationships between the advisor or the advisor's firm and an executive officer of the Company. The Committee will also review with the full Board of Directors any significant issues that arise with respect to the performance and independence of any of the Committee's advisors throughout the year as needed.

Periodic Review of Charter

The Committee will periodically review (in conjunction with the Corporate Governance and Nominating Committee) this Charter and recommend any changes to the Board of Directors.

Periodic Performance Evaluation

On an annual basis, the Committee will conduct and review with the Board of Directors an evaluation of the Committee's performance with respect to the requirements of this Charter in the manner prescribed by the Corporate Governance and Nominating Committee.