

**CHARTER OF THE
COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS OF
PACER INTERNATIONAL, INC.**

I. PURPOSE OF THE COMMITTEE

The purposes of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Pacer International, Inc. (the "Company") shall be to establish, review and approve the Company's compensation philosophy and policies, to review and make recommendations to the Board regarding forms of compensation provided to the Company's directors and officers, to review and determine bonuses for the Company's officers and other employees, to review and determine stock-based compensation for the company's directors, officers, employees and consultants, and to administer the Company's equity incentive plans (including, but not limited to, the 1999 Option Plan, the 2002 Option Plan and the 2006 Long-Term Incentive Plan) in accordance with the terms thereof.

II. COMPOSITION OF THE COMMITTEE

The Committee shall initially be comprised of three or more directors, as determined in accordance with the Company's Second Amended and Restated Bylaws (the "Bylaws"). Each member of the Committee shall satisfy the independence requirements of the Nasdaq Stock Market and, if deemed appropriate from time to time, meet the definition of "non-employee director" under Rule 16b-3 under the Securities Exchange Act of 1934, and "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986. The members of the Committee will be appointed by and serve at the discretion of the Board, considering the recommendation of the Corporate Governance Committee. Committee members will be appointed annually for a term of one year at the first meeting of the Board following the annual meeting of shareholders, or as soon thereafter as is practicable. Vacancies will be filled by majority vote of the Board. The Board will appoint the Chairperson of the Committee, considering the recommendation of the Corporate Governance Committee.

III. MEETINGS AND PROCEDURES OF THE COMMITTEE

The Committee will meet with such frequency, and at such times, as its Chairperson, or a majority of the Committee, determines. A special meeting of the Committee may be called by the Chairperson and will be called promptly upon the request of any Committee member. The agenda of each meeting will be prepared by the Chairperson and circulated to each member of the Committee prior to the meeting date. Unless the Committee or the Board adopts other procedures, the provisions of the Bylaws relating to meetings of the Board will govern meetings of the Committee. A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum. The Committee may form and delegate authority to subcommittees when appropriate.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice, counsel or assistance are sought by the Committee, attend any meeting of the Committee to provide such pertinent information and assistance as the Committee requests.

Following each of its meetings, the Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Committee at the meeting. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company.

If at any time during the exercise of his or her duties on behalf of the Committee, a Committee member has a direct conflict of interest with respect to an issue subject to determination or recommendation by the Committee, such Committee member shall abstain from participation, discussion and resolution of the instant issue, and the remaining members of the Committee shall advise the Board of their recommendation on such issue. The Committee shall be able to make determinations and recommendations even if only one (1) Committee member is free from conflicts of interest on a particular issue.

IV. DUTIES OF THE COMMITTEE

The Committee shall have the following duties and responsibilities:

1. Establish, review and approve the overall executive compensation philosophy and policies of the Company, including the establishment, if deemed appropriate, of performance-based incentives that support and reinforce the Company's long-term strategic goals, organizational objectives and shareholder interests.
2. As required by Rule 4350(c) of the Nasdaq Stock Market Inc.'s Marketplace Rules (as amended and in effect from time to time, the "Nasdaq Rules"), determine the compensation of the Company's chief executive officer ("CEO") (including base salary, bonus target levels, stock option grants, restricted stock awards, other equity compensation, and other compensation) at a meeting at which the CEO is not present during voting or deliberation.
3. As required by Rule 4350(c) of the Nasdaq Rules, determine the compensation of all other executive officers, including base salary, bonus target levels, stock option grants, restricted stock awards, other equity compensation, and other compensation. Members of top management may report on the performance of the other corporate executive officers of the Company and make compensation recommendations to the Committee who will review and, as appropriate, approve the compensation recommendations at a meeting at which the CEO may be present, but the CEO may not vote.
4. Make recommendations to the Board with respect to the adoption of any new cash or equity incentive compensation plans or new forms of compensation payable to the Company's executive officers.
5. Review and approve any annual or long-term cash bonus or incentive compensation plans in which the executive officers of the Company participate.

6. Administer cash or equity incentive compensation, including approving, ratifying or amending grants or awards made under any such plans, and review and monitor awards under such plans, all in accordance with the Committee's authority and other terms set forth in such plans.
7. Review and approve for the CEO and the other executive officers of the Company any employment agreements, severance arrangements, and change in control agreements or provisions, if the terms of such agreements, arrangements or provisions are in excess of the authority delegated to members of management under the Company's Commitment Authorities Guidelines (or any successor delegation of authority).
8. Recommend to the Board the amount and form of compensation of non-management directors.
9. Review and discuss with the Company's management the Compensation Discussion and Analysis required by Securities and Exchange Commission Regulation S-K, Item 402. Based on such review and discussion, the Committee shall determine whether to recommend to the Board of Directors of the Company that the Compensation Discussion and Analysis be included in the Company's annual report or proxy statement for the annual meeting of shareholders. The Committee shall provide, over the names of the members of the committee, the required Compensation Committee report for the Company's annual report or proxy statement for the annual meeting of shareholders.
10. Perform duties delegated to the Committee by the Board under various executive compensation plans.

V. EVALUATION OF THE COMMITTEE

The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and recommend any changes to the Board for approval. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

VI. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISORS

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense after notice to the Company, such compensation consultants, independent counsel or other advisors as it deems reasonably necessary to discharge its duties under this Charter.

As adopted by the Board of Directors of Pacer International, Inc., on October 24, 2006.