

AirNet Systems, Inc.
Charter Of The Compensation Committee Of The Board Of Directors

This Charter of the Compensation Committee of the Board of Directors (the “Charter”) has been adopted by the Board of Directors (the “Board”) of AirNet Systems, Inc. (the “Company”) in order to set forth the purpose and responsibilities of the Compensation Committee (the “Committee”) of the Board.

I. Composition

A. The Committee shall consist of not fewer than three members who are knowledgeable in the field of executive compensation. The members of the Committee shall be recommended by the Nominating and Corporate Governance Committee based upon experience, education and other skills considered by the Nominating and Corporate Governance Committee to be necessary or appropriate to contribute to the Committee. The members of the Committee shall be appointed by and serve at the discretion of the Board. The Board, upon recommendation of the Nominating and Corporate Governance Committee, may fill any vacancies in the Committee and may remove a Committee member from membership on the Committee at any time, with or without cause.

Unless a Chairman of the Committee is appointed by the full Board, the members of the Committee may designate a Chairman by majority vote of the full Committee.

The Committee may designate its own Secretary, who may be a non-Committee member.

B. Each member of the Committee shall (i) qualify as an “independent director” under the corporate governance requirements of the American Stock Exchange (“AMEX”), including all criteria imposed with respect to service on a compensation committee; (ii) meet the definition of an “outside director” under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations promulgated thereunder; (iii) satisfy all criteria to be a “non-employee director” as such term is defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”); (iv) be free from any relationship with the Company or any of its subsidiaries that would interfere with the exercise of his or her independent judgment; and (v) satisfy any other standards of independence as may be prescribed by then applicable laws, rules, regulations or listing standards.

II. Purpose

The purpose of the Committee is to assist the Board in discharging the Board’s responsibilities relating to the compensation of the Chief Executive Officer and other members of senior management of the Company (which shall include all of the Company’s officers, as that term is defined in Section 16 of the Exchange Act and Rule 16a-1 thereunder) as well as the directors of the Company. The Committee’s policy is to ensure that the compensation programs of the Company contribute directly to the success of the Company, including enhanced value of the Company’s common shares. Specifically, the role of the Committee is to:

- Approve or as appropriate, recommend to the Board for approval in accordance with applicable laws, rules, regulations and listing standards, the Company's general compensation policy, incentive-compensation plans and equity compensation plans that are subject to Board approval, and other employee benefits and adjustments thereto, and oversee the Company's compliance with applicable laws, rules, regulations and listing standards with respect to the requirements for shareholder approval of incentive compensation plans and equity compensation plans.
- Review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and other members of senior management.
- Evaluate the performance of the Chief Executive Officer and other members of senior management in light of the approved corporate goals and objectives.
- Determine and approve the compensation level for the Chief Executive Officer and other members of senior management, based on their respective performance evaluations.
- Determine the compensation policy for senior management and the members of the Board.
- Approve the overall human resource management strategy for the Company and its subsidiaries, including organizational structure, hiring and development policies and other general human resource management policies and procedures.

III. Specific Responsibilities

The Committee shall perform the following responsibilities, attending to each as often as it deems appropriate (except as otherwise stated):

- A. Review, at least annually, elected and appointed officer compensation in total, and individually for the Company's Chief Executive Officer and other members of senior management, including a comparison of the Company's compensation structure to that of comparable public companies.
- B. Review and approve the general compensation policies applicable to the Company's Chief Executive Officer and senior management.
- C. Evaluate the performance of the Chief Executive Officer and other members of senior management in light of the then current business environment and the Company's strategic objectives.
- D. Determine the methods and criteria for the review and evaluation of the performance of the Chief Executive Officer and other members of senior management, including, without limitation, the corporate goals and objectives relevant to the compensation of the Chief Executive Officer and other members of senior management.

E. Evaluate, at least annually, the performance of the Chief Executive Officer in light of the approved corporate goals and objectives and determine the individual elements of total compensation of and perquisites for the Chief Executive Officer based on such evaluation consistent with any employment contract then in effect. The Committee shall report the results of the performance evaluation as well as the approved level of compensation to the Board and the Chief Executive Officer. In evaluating the performance of the Chief Executive Officer and determining the long-term incentive component of the compensation of the Chief Executive Officer, the Committee can consider such matters it deems relevant including, without limitation, information regarding the Company's performance and relative shareholder return, the compensation of chief executive officers at other comparable public companies, and the awards given to the Chief Executive Officer in past years.

F. Evaluate, at least annually, the performance of other members of senior management in light of the approved corporate goals and objectives, considering as part of such evaluation any performance evaluation conducted by the Chief Executive Officer, and determine the individual elements of total compensation of and perquisites for each member of senior management based on such evaluation consistent with any employment contract then in effect. The Committee shall report the results of the performance evaluation as well as the approved level of compensation to the Board and the relevant member of senior management.

G. Review and discuss with the Board and the Chief Executive Officer, at least annually, the Company's organizational structure, succession planning and development recommendations.

H. Evaluate the need for, and provisions of, employment contracts, including severance arrangements, for the Chief Executive Officer and other members of senior management. If so directed by the Board, negotiate and approve any new employment contract or severance arrangement, or negotiate the amendment of any existing employment contract or severance arrangement, between the Company and the Chief Executive Officer or any other member of senior management.

I. Review and make recommendations to the Board regarding incentive-compensation plans and equity compensation plans that are subject to Board approval in accordance with applicable laws, rules, regulations and listing standards (including, without limitation, applicable provisions of the Code and the regulations promulgated thereunder and applicable rules and regulations of the SEC and AMEX). The Committee shall also oversee the Company's compliance with applicable laws, rules, regulations and listing standards with respect to the requirements for shareholder approval of incentive compensation plans and equity compensation plans.

J. Administer each of the Company's equity compensation plans and any other plans that require the Committee to administer, or that applicable laws, rules, regulations or listing standards (including, without limitation, Rule 16b-3 under the Exchange Act, Section 162(m) of the Code and the rules promulgated thereunder and AMEX rules) require the Committee to administer, such plans with respect to the members of senior management of the Company and/or other participants in such plans, such administration to be in accordance with the applicable laws, rules, regulations and listing standards. In its administration of the plans, the Committee may, unless otherwise directed by the Board or the terms of the applicable plan: (a)

determine the individuals eligible to participate in each plan; (b) grant stock options, restricted stock, performance-based awards or other awards provided for in such plans to individuals eligible for such grants; (c) make such determinations in respect of performance-based compensation as may be required by Code Section 162(m) and the regulations promulgated thereunder; and (d) amend such plans and the awards granted thereunder to the extent shareholder approval is not required and to the extent permitted by the respective plan, and the then applicable laws, rules, regulations and listing standards. The Committee shall also recommend to the Board amendments to the plans, including, with respect to equity compensation plans, changes in the number of common shares of the Company reserved for issuance thereunder, which amendments shall in each case be adopted and approved in accordance with applicable laws, rules, regulations and listing standards.

K. Review and recommend to the Board the compensation policy for the Company's non-employee directors and changes to the compensation of the non-employee directors.

L. Oversee the preparation of the compensation discussion and analysis and recommend to the Board its inclusion in the Company's proxy statement and inclusion in (or incorporation by reference into) the Company's Annual report on Form 10-K in accordance with the then applicable rules and regulations of the SEC and AMEX.

M. In consultation with the Nominating and Corporate Governance Committee, review and reassess the adequacy of this Charter and perform a Committee performance evaluation on an annual basis.

N. Report to the Board, not less than annually, on the Company's compensation philosophy, the extent to which that philosophy is consistent with current market conditions or governance principles and the degree to which that philosophy has been successfully implemented.

O. Work with the key human resource management executive to review key human resource management policies and procedures and advise the Board with respect to those human resource management policies and procedures.

P. Make appropriate reports and recommendations to the Board with respect to each of the responsibilities outlined above and other matters as requested by the Board or determined to be appropriate by the Committee.

The foregoing responsibilities shall be common, recurring activities of the Committee in carrying out its purpose. The Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities delegated to it by the Board from time to time that are related to the purpose of the Committee.

IV. Meetings and Authority

The Committee may fix its own rules of procedure, which shall be consistent with the Company's Code of Regulations and this Charter. The Committee shall meet, in person or via teleconference, in accordance with an established schedule, and special meetings may be called by the Chairman of the Committee or by any two other members at such time as deemed appropriate by them. In addition, but not in lieu of any of the meetings described in the immediately preceding sentence, the Committee may take action through further meetings and, to the extent permitted by the Company's Amended Articles and Code of Regulations, by unanimous written consent in lieu of a meeting. The Committee shall meet as often as it deems necessary or appropriate, in its judgment, but in no event shall the Committee meet less than three times annually. At each regularly scheduled meeting of the Board, the Chairman of the Committee shall provide the Board with a report of the Committee's activities and proceedings.

A majority of the whole Committee shall constitute a quorum for the transaction of any business by the Committee at a meeting. Unless otherwise required by this Charter or the Company's Code of Regulations, action may be taken by a majority of the members of the Committee at a meeting at which a quorum is present. Subject to applicable laws, rules, regulations and listing standards, the Committee may designate from time to time one or more subcommittees, each consisting of one or more of the Committee members, to carry out such responsibilities as may be specified by the Committee in accordance with the Company's Code of Regulations and this Charter.

The proceedings and decisions of the Committee shall be recorded in minutes, which shall be circulated to all members of the Committee for approval prior to signature by the Chairman of the Committee. The approved minutes shall then be circulated to the members of the full Board. The approved minutes shall be maintained with the books and records of the Company.

The Committee shall have adequate Company resources to conduct, or have conducted, such regular and special reviews and examinations as are necessary to fulfill the Committee's responsibilities. The Committee may ask members of management, independent advisors or others to attend the Committee's meetings and provide pertinent information as necessary. The Committee may retain such special counsel, compensation consultants or other independent advisors as the Committee may determine are necessary or advisable. Without limitation to the foregoing, the Committee may retain and terminate any consulting firm to assist in the evaluation of director, Chief Executive Officer or senior management compensation. In connection with such retention, the Committee shall have sole authority to approve the consulting firm's fees and other retention terms. The Committee shall report promptly to the Chairman of the Board after an independent advisor has been retained.

V. Good Faith Reliance

In performing their responsibilities, Committee members are entitled to rely in good faith on information, opinions, reports or statements prepared or presented by:

- One or more officers or employees of the Company whom the Committee members reasonably believe to be reliable and competent in the matters prepared or presented;
- Counsel, compensation consultants or other persons as to matters which the Committee members reasonably believe to be within the professional or expert competence of such persons; and
- Another committee of the Board, upon which the Committee members do not serve, as to matters within such other committee's designated authority, which committee the Committee members reasonably believe to merit confidence.