



**Air Transport Services Group, Inc.****ATSG NASDAQ****Air Freight / Courier Services**

Market Capitalization USD:

\$277.42 mm**CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket. 

CEO: Joseph C. Hete**Age: 57****CEO Since: 2003**

	2009	2010	2011
Base Salary	\$422,298	\$420,000	\$470,000
Discretionary Bonus	\$83,000	\$0	\$0
Annual Cash Incentive	\$302,851	\$415,275	\$256,150
Benefits and Perquisites	\$17,195	\$23,792	\$14,842
TOTAL ANNUAL COMPENSATION	\$825,344	\$859,067	\$740,992
Increase in Post-Retirement Benefits	\$124,814	\$375,743	\$637,259
Stock Option Awards	\$0	\$0	\$0
Stock Awards	\$46,500	\$462,000	\$746,730
TOTAL COMPENSATION	\$996,658	\$1,696,810	\$2,124,981
Median of Other Named Executive Officers Total Compensation	\$542,318	\$672,492	\$690,412
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$118,038	\$1,290,212	\$236,000
TOTAL REALIZED EQUITY COMPENSATION	\$118,038	\$1,290,212	\$236,000

Proxy Date: 30 Mar 2012

Annual Meeting Date: 11 May 2012

Equity Reserves: 7.71%

Stock Option Run Rate: 0.86%

Air Transport Services Group, Inc.

ATSG NASDAQ

Air Freight / Courier Services

Market Capitalization USD: \$277.42 mm

Performance Comparison

■ S&P500 ■ Industry ■ ATSG



Peer Comparisons (TRBC) = Industrials

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
ATSG	Air Transport Services Group, Inc.	\$996,658	\$1,696,810	\$2,124,981	\$277,419,436
MTSC	MTS Systems Corporation	\$1,536,198	\$1,435,894	\$1,900,187	\$480,264,841
NC	NACCO Industries, Inc.	\$3,488,334	\$10,531,524	\$6,733,740	\$431,022,617
NCI	Navigant Consulting, Inc.	\$2,040,479	\$1,883,293		\$484,341,360
ORB	Orbital Sciences Corporation	\$1,140,609	\$1,884,427	\$1,902,392	\$748,280,243
LAYN	Layne Christensen Company	\$2,440,035	\$2,769,892		\$453,497,744
LCRY	LeCroy Corporation	\$789,554	\$704,632		\$130,414,590

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

AirTran Holdings, Inc., Alaska Air Group, Inc., Atlas Air Worldwide Holdings, Inc., Forward Air Corp., Hawaiian Holdings, Inc., Hub Group, Inc., JetBlue Airways Corp., Pacer International, Inc., Park Ohio Holdings Corp., Pinnacle Airlines Corp., Republic Airways Holdings, Inc., Sky West, Inc., US Airways Group, Inc., UTi Worldwide, Inc.

Performance Peer Group

NASDAQ Transportation Index

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
James E. Bushman	Chairman	67	Male	8	Outside
J. Christopher Teets	Member	39	Male	3	Outside Related
James H. Carev	Member	79	Male	9	Outside
Jeffrey J. Vorholt	Member	59	Male	8	Outside
John D. Gearv	Member	85	Male	8	Outside

This report is for informational purposes only, and should not be considered a solicitation to buy or sell any security. Thomson Reuters Business Classification (TRBC) is a global industry classification system that is owned and operated by Thomson Reuters and has been licensed for use by GMI Ratings.

COPYRIGHT 2012 | GMI Ratings | ALL RIGHTS RESERVED