

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
January 26, 2006 (January 24, 2006)

FORWARD AIR CORPORATION

(Exact name of registrant as specified in its charter)

Tennessee 000-22490 62-1120025

(State or other (Commission File Number) (I.R.S. Employer
jurisdiction of incorporation) Identification No.)

430 Airport Road
Greeneville, Tennessee 37745

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (423) 636-7000

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to
simultaneously satisfy the filing obligation of the registrant under any of the
following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17
CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR
240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the
Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the
Exchange Act (17 CFR 240.13e-4(c))

SECTION 1. REGISTRANT'S BUSINESS AND OPERATIONS.

Item 1.01. Entry Into a Material Definitive Agreement.

On January 24, 2006, Forward Air Corporation (the "Company")
contemporaneously entered into an Employment Agreement and a Restrictive
Covenants Agreement (collectively, "the Employment Agreement") with Bruce A.
Campbell, President and Chief Executive Officer, of the Company. Mr. Campbell
also serves on the Board of Directors. This agreement replaces a previous
employment agreement, which had an initial term through October 27, 2006.

Certain key terms of the Employment Agreement are described herein. The
description contained herein is qualified in its entirety by reference to the
actual language of the Employment Agreement, a copy of which is attached as
Exhibit 99.1 to this Current Report on Form 8-K (this "Report"). In the event of
any conflict between the language of the description contained in this Report
and the Employment Agreement itself, the terms of the Employment Agreement shall

govern in all respects.

The Employment Agreement became effective January 24, 2006 and is for a term ending on the day before the Company's annual meeting of shareholders in 2008. The term automatically extends for one additional year unless otherwise terminated by the Board of Directors or Mr. Campbell upon notice. Under the Employment Agreement, Mr. Campbell will receive an annual base salary of no less than \$400,000. In addition, Mr. Campbell will be eligible to receive long-term incentive awards under the Company's 1999 Stock Option and Incentive Plan, or such other plan that the Company may adopt. Mr. Campbell will be eligible to receive an annual year-end cash bonus dependent upon the achievement of performance objectives by Mr. Campbell and the Company as established by the Board of Directors or a Board committee. The Employment Agreement provides that Mr. Campbell will be entitled to the same fringe benefits as are generally available to the Company's executive officers.

Under the Employment Agreement, the Company may terminate Mr. Campbell at any time with or without just cause (as defined in the Employment Agreement). If the Company should terminate Mr. Campbell without just cause, he would be entitled to receive (i) his base salary for the longer of one year from the date of such termination or the remainder of the then-pending term of the Employment Agreement; (ii) any unpaid bonus amounts previously earned; and (iii) continued insurance coverage for one year from the date of such termination. Mr. Campbell would not be entitled to any unearned salary, bonus or other benefits if the Company were to terminate him for just cause.

Mr. Campbell also may terminate the Employment Agreement at any time; however, he would not be entitled to any unearned salary, bonus or other benefits if he does so absent circumstances resulting from a change of control or material change in duties (each as defined in the Employment Agreement). In the event of a change of control or material change in duties, Mr. Campbell would have two options. Mr. Campbell may resign and receive (i) his base salary for twelve months following the date of the change of control or material change in duties; (ii) a cash bonus equal to the prior year's year-end cash bonus, plus any unpaid bonus amounts previously earned; (iii) any other payments due, including, among others, accrued and unpaid vacation pay; (iv) immediate acceleration of any unvested stock options; and (v) continued insurance coverage for one year following the date of the change of control or material change in duties. Alternatively, Mr. Campbell could continue to serve as President and Chief Executive Officer of the Company for the duration of the term of the Employment Agreement or until he or the Company terminates it.

The Employment Agreement also contains non-competition, non-solicitation and non-disclosure provisions following termination.

The information in this report and the exhibit hereto may contain "forward-looking statements," as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements other than historical information or statements of current condition and relate to future events or our future financial performance. Some forward-looking statements may be identified by use of such terms as "believes," "anticipates," "intends," "plans," "estimates," "projects" or "expects." Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The following is a list of factors, among others, that could cause actual results to differ materially from those contemplated by the forward-looking statements: economic factors such as recessions, inflation, higher interest rates and downturns in customer business cycles, our inability to maintain our historical growth rate because of a decreased volume of freight moving through our network or decreased average revenue per pound of freight moving through our network, increasing competition and pricing pressure, surplus inventories, loss of a major customer, the creditworthiness of our customers and their ability to pay for services rendered, our ability to secure terminal facilities in desirable locations at reasonable rates, the inability of our information systems to handle an increased volume of freight moving through our network, changes in fuel prices, claims for property damage, personal injuries or workers' compensation, employment matters including rising health care costs, enforcement of and changes in governmental regulations, environmental and tax matters, the handling of hazardous materials, the availability and compensation of qualified independent owner-operators and freight handlers needed to serve

our transportation needs and our inability to successfully integrate acquisitions. As a result of the foregoing, no assurance can be given as to future financial condition, cash flows or results of operations. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SECTION 9. FINANCIAL STATEMENTS AND EXHIBITS.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Employment Agreement dated January 24, 2006, between Forward Air Corporation and Bruce A. Campbell, including Exhibit A, Restrictive Covenants Agreement entered into contemporaneously with and as part of the Employment Agreement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FORWARD AIR CORPORATION

Date: January 26, 2006 By: /s/ Matthew J. Jewell

Matthew J. Jewell
Senior Vice President, General Counsel and
Secretary

EXHIBIT INDEX

Exhibit Number	Description
99.1	Employment Agreement dated January 24, 2006, between Forward Air Corporation and Bruce A. Campbell, including Exhibit A, Restrictive Covenants Agreement entered into contemporaneously with and as part of the Employment Agreement.

EXHIBIT 99.1
EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into effective as of January 24, 2006 (the "Effective Date"), by and between Forward Air Corporation, a corporation organized under the laws of the State of Tennessee (the "Company"), and Bruce A. Campbell (the "Executive").

For and in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. EMPLOYMENT. Subject to the terms and conditions of this Agreement, Executive shall be employed by the Company as President and Chief Executive Officer of the Company and shall perform such duties and functions for the Company and any company controlling, controlled by or under common control with the Company (such companies hereinafter collectively called "Affiliates") as shall be specified from time to time by the Board of Directors of the Company. Executive hereby accepts such employment and agrees to perform such executive duties as may be assigned to him.

2. DUTIES. Executive shall devote his full business-related time and best efforts to accomplishing such executive duties at such locations as may be requested by the Board of Directors of the Company. As a part of his duties, Executive shall present a succession plan for the Company, specifically addressing every officer position of the Company, to the Board by December 1 of each year, beginning December 1, 2006, so that the succession plan may be reviewed by the Board approximately six (6) months prior to each annual shareholders meeting of the Company. While employed by the Company, Executive shall not serve as a principal, partner, employee, officer or director of, or consultant to, any other business or entity conducting business for profit without the prior written approval of the Board of Directors of the Company. In addition, under no circumstances will Executive have any financial interest in any competitor of the Company; provided, however, that Executive may invest in no more than 2% of the outstanding stock or securities of any competitor whose stock or securities are traded on a national stock exchange of any country. Executive may serve on two (2) boards of organizations without approval of the Board, provided that the organizations are not in competition with the Company and conduct no business with the Company.

3. COMPANY POLICIES. Executive shall be subject to and shall comply with all codes of conduct, personnel policies and procedures applicable to employees and/or senior executives of the Company, including, without limitation, policies regarding sexual harassment, conflicts of interest and insider trading.

4. TERM. The term of this Agreement shall be for a fixed period from the date of its execution by both parties until 5:00 p.m. on the day immediately before the 2008 annual shareholders meeting of the Company.

5. RENEWAL. This Agreement will be automatically extended for additional one (1) year terms unless the Executive or the Board of Directors of the Company provides written notice of non-renewal no less than six (6) months prior to the expiration of the then-pending term.

6. COMPENSATION AND BENEFITS. As compensation for his services during the Term of this Agreement and based upon the performance of Executive and the Company during each calendar year, Executive shall be paid and receive the amounts and benefits set forth in subparagraphs (a), (b), (c) and (d) below:

(a) BASE SALARY. An annual base salary ("Base Salary") of no less than Four Hundred Thousand Dollars (\$400,000.00). Executive's Base Salary will be consistent with the salaries of the chief executive officers for companies within a peer group chosen by the Compensation Committee. Executive's Base Salary shall be payable in accordance with the Company's regular payroll practices in effect from time to time for executive officers of the Company.

(b) BONUS. Executive shall be eligible for an annual cash bonus to be paid to him in the form of a Year-End Bonus. The amount of such Year-End Bonus, if any, will be based on the achievement of certain goals by Executive and the Company's performance criteria as established by the Board of Directors or a

committee thereof. Moreover, such Year-End Bonus, if any, shall be consistent with the annual incentives awarded to chief executive officers of companies within a peer group chosen by the Compensation Committee. The Year-End Bonus for each calendar year, if any, shall be paid to Executive on the later of (1) February 28th of the immediately succeeding year or (2) within thirty days of receipt by the Company of a final financial audit of the Company's performance for the preceding calendar year.

(c) OTHER BENEFITS. Executive shall be entitled to vacation with pay, health insurance, fringe benefits, and such other employee benefits generally made available by the Company to its executive officers, in accordance with the established plans and policies of the Company, as in effect from time to time.

(d) LONG TERM INCENTIVE. Executive shall be granted stock options, restricted stock or such other form of long term incentive permitted under the Forward Air Corporation 1999 Stock Option and Incentive Plan (the "Stock Option Plan"), or such other Stock Option/Incentive Plan(s) as may be implemented by the Board of Directors from time to time, and consistent with the awards to chief executive officers of companies within a peer group chosen by the Compensation Committee. The terms and conditions of the options, restricted stock or other form of long term incentive shall be set forth in an Agreement at the time of the grant or award and, such grant or award shall be made in accordance with the Stock Option Plan and its terms and conditions as they may exist at the time of Executive's exercise, sale or other disposition of any part of the grant or award.

2

7. TERMINATION.

(a) BY COMPANY WITHOUT JUST CAUSE. The Company may terminate Executive's employment hereunder, in its sole discretion, without just cause (as defined in Paragraph 7(b) below), at any time upon written notice to Executive. If, prior to the end of the Term of this Agreement, the Company terminates Executive's employment without "just cause," the Executive shall be entitled to receive the compensation and benefits set forth in subparagraphs (i) through (iii) below.

(i) BASE SALARY. The Executive will continue to receive his Base Salary (subject to withholding of all applicable taxes and any amounts referred to in subparagraph (iii) below) for a period of one (1) year, or for the remainder of the then-pending term of this Agreement, whichever is longer with such payments to be made in the same manner paid as of the date of termination.

(ii) BONUS. Any bonus amounts that the Executive had previously earned from the Company, but which may not yet have been paid as of the termination, shall not be affected by termination of Executive by the Company.

(iii) INSURANCE COVERAGE. Any health insurance benefits coverage (including any executive medical plan, if any) provided to the Executive at his date of termination shall be continued by the Company at its expense at the same level and in the same manner as if his employment had not terminated beginning on the date of such termination and ending on the date one (1) year from the date of such termination. Any additional coverages the Executive had at termination, including dependent coverage, will also be continued for such period on the same terms. Any costs the Executive was paying for such coverages at the time of termination shall be paid by the Executive by separate check payable to the Company each month in advance. If the terms of any benefit plan referred to in this paragraph do not permit continued participation by the Executive, then the Company will arrange for other coverage at its expense providing substantially similar benefits. The coverages provided for in this paragraph shall be applied against and reduce the period for which COBRA will be provided.

(b) BY COMPANY WITH JUST CAUSE. Executive hereby agrees and acknowledges that if he is terminated for just cause, as defined below, prior to the end of the Term of this Agreement, then he shall be entitled to no payment or compensation whatsoever (including without limitation, acceleration of unvested stock options) from the Company under this Agreement, other than as may be due him through his last day of employment.

DEFINITION OF "JUST CAUSE." For purposes of this Agreement, the phrase "just cause" shall mean: (i) Executive's fraud, malfeasance, self-dealing,

embezzlement or dishonesty with respect to business affairs of the Company whether or not the Company is materially harmed; (ii) Executive's conviction of or failure to contest prosecution for a felony or a crime involving moral turpitude; (iii) Executive's material breach of this Agreement; (iv) failure of Executive, after reasonable notice, to comply promptly with any valid and legal directive of the Board of Directors; or (v) a failure by Executive to perform adequately his responsibilities under this Agreement as demonstrated by objective and verifiable evidence showing that the business operations under Executive's control have been materially harmed as a result of Executive's gross negligence or willful misconduct.

3

A termination of Executive for just cause based on subparagraphs (iii), (iv) or (v) of the preceding sentence shall take effect thirty (30) days after the Executive receives from the Company written notice of intent to terminate and the Company's description of the alleged cause, unless Executive shall, during such thirty (30)-day period, remedy the events or circumstances constituting cause; provided, however, that such termination shall take effect immediately upon the giving of written notice of termination of just cause under any clause if the Company shall have determined in good faith that such events or circumstances are not remediable (which determination shall be stated in such notice).

(c) BY EXECUTIVE WITHOUT CHANGE OF CONTROL OR MATERIAL CHANGE IN DUTIES. Executive hereby agrees and acknowledges that if he resigns without a change of control or a material change in duties, as defined below, prior to the end of the Term of this Agreement, then he shall be entitled to no payment or compensation whatsoever (including without limitation, acceleration of unvested stock options) from the Company under this Agreement, other than as may be due him through his last day of employment.

(d) BY EXECUTIVE WITH CHANGE OF CONTROL OR MATERIAL CHANGE IN DUTIES. Upon occurrence of an event constituting a "Change of Control" or "Material Change of Duties" as defined herein, Executive may elect to resign his employment and, agreeing to waive any other compensation, elect to receive a Change OF CONTROL BENEFIT or Material Change in Duties Benefit as follows: (i) an amount equal to Executive's Base Salary over a twelve month period, payable in installments as normal payroll over the twelve months following the date of the Change of Control or Material Change in Duties; (ii) the payment of a Year-End Bonus in an amount equal to the Year-End Bonus awarded to Executive in the prior year, which shall be payable in accordance with Paragraph 6(b) hereof; (iii) any unpaid portion of the Year-End Bonus for prior calendar years, accrued and unpaid vacation pay, unreimbursed expenses incurred and any other benefits owed to Executive pursuant to any written employee benefit plan or policy of the Company; (iv) the vested portion of Executive's stock options and the acceleration and immediate vesting of any unvested portion of Executive's stock options under Paragraph 6(d) hereof; and (v) continued coverage during the twelve month period following the date of the Change in Control or Material Change in Duties under the Company's employee medical and life insurance plans. Executive may, in accordance with the Stock Option Plan, exercise all vested stock options.

(e) IF EXECUTIVE DECLINES CHANGE OF CONTROL BENEFIT OR MATERIAL CHANGE IN DUTIES BENEFIT. Without limiting the generality of the foregoing, after a Change of Control or Material Change in Duties, and if Executive declines the Change in Control Benefit or Material Change in Duties Benefit, in writing, Executive shall be employed as the President and Chief Executive Officer of the Company until this Agreement expires or is terminated pursuant to the provisions of Paragraph 7 hereof (including termination by Executive pursuant to Paragraph 7(c)).

4

8. DEFINITIONS.

(a) "CHANGE OF CONTROL OR MATERIAL CHANGE IN DUTIES" shall be deemed to have taken place if subparagraphs (b)(i), (ii) or (iii) or subparagraph (c) below occur.

(b) "CHANGE OF CONTROL" shall be deemed to have occurred when:

(i) any person or entity, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, other than the Company, a wholly-owned subsidiary thereof, or any employee benefit plan of the Company or any of its subsidiaries becomes the beneficial owner of Company securities having 50% or more of the combined voting power of the then-outstanding securities of the Company that may be cast for the election of directors of the Company (other than as a result of the issuance of securities initiated by the Company in the ordinary course of business); OR

(ii) as the result of, or in connection with, any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions, the holders of all the Company's securities entitled to vote generally in the election of directors of the Company immediately prior to such transaction constitute, following such transaction, less than a majority of the combined voting power of the then-outstanding securities of the Company or any successor corporation or entity entitled to vote generally in the election of the directors of the Company or such other corporation or entity after such transactions; OR

(iii) the Company sells all or substantially all of the assets of the Company.

(c) "MATERIAL CHANGE IN DUTIES" shall be deemed to have occurred when the Executive is assigned any duties inconsistent in any material respect with Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as in effect on the Effective Date, or any other action by the Company which results in a materially demonstrable diminution in such position, authority, duties or responsibilities.

(d) "BY DEATH OR DISABILITY." If Executive's employment is terminated due to Executive's death, the Executive's surviving spouse, or if none, his estate, shall receive the benefits payable under (i), (ii) and (iii) of Paragraph 7(a) above; provided, however, any payments due thereunder shall be made in a lump sum payment within 60 days of the Executive's death. In addition, if the Executive's dependents are eligible to and actually elect to continue under COBRA any coverages provided under Paragraph 7(a)(iii), the Company shall pay the cost of such COBRA coverage for the period remaining under Paragraph 7(a)(iii). If Executive's employment is terminated due to Executive's disability (as defined in the Company's long-term disability plan or insurance policy, or if no such plan or policy exists, as determined in good faith by the Board of Directors of the Company), Executive shall be entitled to the benefits payable or to be provided under (i), (ii) and (iii) of Paragraph 7(a). Executive or his estate, as the case may be, shall not by operation of this paragraph forfeit any rights in which he is vested at the time of his death or disability.

9. NON-COMPETITION, NON-DISCLOSURE, AND NON-SOLICITATION. Executive agrees to execute and be bound by the terms and conditions of the Restrictive Covenants Agreement attached hereto as EXHIBIT A, which is hereby made a part of this Agreement. Upon termination of this Agreement, for whatever reason, Executive remains bound to the Non-Competition, Non-Disclosure and Non-Solicitation obligations set forth in EXHIBIT A hereto.

10. INJUNCTIVE RELIEF. The Executive acknowledges that his services to be rendered to the Company are of a special and unusual character which have a unique value to the Company, the loss of which cannot adequately be compensated by damages in an action at law. Executive further acknowledges that any breach of the terms of Paragraph 9, including EXHIBIT A, would result in material damage to the Company, although it might be difficult to establish the monetary value of the damage. Executive therefore agrees that the Company, in addition to any other rights and remedies available to it, shall be entitled to obtain an immediate injunction (whether temporary or permanent) from any court of appropriate jurisdiction in the event of any such breach thereof by Executive, or threatened breach which the Company in good faith believes will or is likely to result in irreparable harm to the Company. The existence of any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of Executive's agreement under this Paragraph and Paragraph 9 above. In the event that Company institutes suit against Executive to enforce its rights hereunder and is not successful on the merits, then Company shall indemnify

Executive from and against any and all costs (including attorneys' fees and legal expenses) and other expenses which Executive expended in defending said action.

11. MISCELLANEOUS.

(A) NOTICE. Any notice or other communication required or permitted under this Agreement shall be effective only if it is in writing and shall be deemed to have been duly given when delivered personally or seven (7) days after mailing if mailed first class by registered or certified mail, postage prepaid, addressed as follows:

If to the Company: Forward Air Corporation
 430 Airport Road
 Greeneville, TN 37745
 Attention: Legal Department

If to the Executive: Bruce A. Campbell
 260 Regency Parke
 Greeneville, TN 37745

or to such other address as either party may designate by notice to the other.

6

(b) ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties hereto with respect to the Executive's employment by the Company and supersedes and is in full substitution for the Employment Agreement, dated October 27, 2003, between the Company and Executive and any and all other prior understandings or agreements with respect to the Executive's employment.

(c) AMENDMENT. This Agreement may be amended only by an instrument in writing signed by the parties hereto, and any provision hereof may be waived only by an instrument in writing signed by the party or parties against whom or which enforcement of such waiver is sought. The failure of either party hereto to comply with any provision hereof shall in no way affect the full right to require such performance at any time thereafter, nor shall the waiver by either party hereto of a breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision, or a waiver of the provision itself, or a waiver of any other provision of this Agreement.

(d) BINDING EFFECT. This Agreement is binding on and is for the benefit of the parties hereto and their respective successors, heirs, executors, administrators and other legal representatives provided, however, that in the event of Executive's death, the provisions of Paragraph 9 or EXHIBIT A shall not be binding upon Executive's heirs or executors. Although the non-competition, non-disclosure and non-solicitation obligations of Executive set forth in Paragraph 9 and EXHIBIT A hereto may extend to the Company's successors and assigns, the remaining rights and obligations of this Agreement shall not be assigned by the Executive or the Company, except for assignment by the Company to any wholly owned subsidiary.

(e) SEVERABILITY AND MODIFICATION. If any provision of this Agreement or portion thereof is so broad, in scope or duration, so as to be unenforceable, such provision or portion thereof shall be interpreted to be only so broad as is enforceable. In addition, to the extent that any provision of this Agreement as applied to either party or to any circumstances shall be adjudged by a court of competent jurisdiction to be void or unenforceable, the same shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

(f) FORUM SELECTION AND CHOICE OF LAW. This Agreement shall be interpreted, construed and governed by and under the laws of the State of Tennessee. Each party irrevocably (i) consents to the exclusive jurisdiction and venue of the courts of Greene County, State of Tennessee and federal courts in the Eastern District of Tennessee, in any and all actions arising under or relating to this Agreement (including EXHIBIT A hereto), and (ii) waives any jurisdictional defenses (including personal jurisdiction and venue) to any such action. If any provision of this Agreement is deemed or held to be illegal, invalid, or unenforceable under present or future laws effective during the Term hereof, this Agreement shall be considered divisible and inoperative as to such provision to the extent it is deemed to be illegal, invalid or unenforceable, and in all other respects this Agreement shall remain in full force and effect;

EXHIBIT A
RESTRICTIVE COVENANTS AGREEMENT

This RESTRICTIVE COVENANTS AGREEMENT (this "Agreement" or this "Restrictive Covenants Agreement") is entered into as of January 24, 2006 by and between Forward Air Corporation (the "Company") and Bruce A. Campbell (the "Executive") contemporaneously with and as part of the Employment Agreement between the parties to which this Restrictive Covenants Agreement is attached.

REASONS FOR THIS AGREEMENT: During Executive's relationship with the Company, Executive has learned, will learn, or has or will have access to, important proprietary information related to the operations and business of Forward Air Corporation and its subsidiaries and affiliates (collectively, the "Company's Business"). Executive acknowledges that the proprietary customer, operations, financial, and business information that has been or will be learned or accessible has been and will be developed through the Company's expenditure of substantial effort, time and money, and together with relationships developed with customers and employees, could be used to compete unfairly with the Company. The Company's ability to sell its products on a competitive basis depends, in part, on its proprietary information and customer relationships, and the Company would not share this information, provide training or promote Executive's relationship with customers if the Company believed that it would be used in competition with the Company, which non-disclosure would cause Executive's performance and opportunities to suffer. Further, the value of the Company to any potential buyer will be based in part upon the restrictive covenants and commitments contained herein.

In consideration of employment or continued employment and other valuable consideration, the receipt and sufficiency of which are acknowledged, the Company and Executive agree:

1. DEFINITIONS: For this Restricted Covenants Agreement, the following terms shall have the meaning specified below:

(a) PERSON: Any individual, corporation, limited liability company, partnership, joint venture, association, unincorporated organization or other entity.

(b) TERMINATION DATE: The date of Executive's termination of employment from the Company, whether such termination is voluntary or involuntary, whether with or without cause, and whether before or after the expiration of the Term of the Executive's Employment Agreement.

(c) CUSTOMERS: All customers of the Company who did business with the Company during the one (1)-year period immediately prior to the Executive's Termination Date.

(d) CONFIDENTIAL INFORMATION: "Confidential information" as defined herein shall exclude company trade secrets and is defined as such other information not rising to the level of a trade secret, relating to the Company's customers, operation, finances and business that derives value, actual or potential, from not being generally known to other Persons, including, but not limited to, technical or non-technical data, formulas, patterns, compilations (including compilations of customer information), programs (including fulfillment and marketing programs), devices, methods (including fulfillment methods), techniques, processes, financial data (including sales forecasts) or lists of actual or potential customers or suppliers (including identifying information about those customers), whether or not reduced to writing. Confidential Information includes information disclosed to the Company by third parties that the Company is obligated to maintain as confidential.

(e) TERRITORY: The term "Territory" as used in this Restrictive Covenants Agreement means the continental United States and Canada. Executive acknowledges that Executive will have direct and indirect supervisory responsibility for the development of markets and to provide services to Company throughout the

Territory.

(f) **COMPETING BUSINESS:** Any Person (other than the Company) providing or offering goods or services identical to or reasonably substitutable for the Company's Business.

2. **TRADE SECRETS AND CONFIDENTIAL INFORMATION:** Executive shall not use or disclose the Company's trade secrets during or after employment. Executive shall not use or disclose Confidential Information for a period of two (2) years following the termination of employment for any reason, except in connection with his duties performed in accordance with his Employment Agreement or except with the prior written consent of the Chairman of the Board of the Company; provided, however, Executive may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event Executive will promptly notify the Company of such order or subpoena to provide the Company an opportunity to protect its interests.

3. **RETURN OF MATERIALS:** On the Termination Date, or for any reason or at any time at the Company's request, Executive will deliver promptly to the Company all materials, documents, plans, records, notes or other papers and any copies in Executive's possession or control relating in any way to the Company's Business, which at all times shall be the property of the Company.

4. **NON-SOLICITATION OF EMPLOYEES:** During employment and for a period equal to the longer of (i) twelve (12) months following his Termination Date or (ii) the period during which Executive is paid pursuant to the terms of his Employment Agreement, Executive will not solicit or induce or in any manner attempt to solicit or induce, any person employed by the Company to leave such employment, whether or not such employment is pursuant to a written contract with the Company or at will.

5. **NON-SOLICITATION OF CUSTOMERS:** During employment and for a period equal to the longer of (i) twelve (12) months following his Termination Date or (ii) the period during which Executive is paid pursuant to the terms of his Employment Agreement, Executive will not solicit Customers for the purpose of providing or offering products or services identical to or reasonably substitutable for the Company's Business.

2

6. **NON-COMPETITION:** During employment and for a period equal to the longer of (i) twelve (12) months following his Termination Date or (ii) the period during which Executive is paid pursuant to the terms of his Employment Agreement, Executive will not, within the Territory, be employed or engaged by a Competing Business to provide services similar to those that Executive provided to the Company.

7. **FURTHER LIMITATIONS:** Notwithstanding any provision of this Restrictive Covenants Agreement to the contrary, if Executive's employment is terminated (whether by the Company or by Executive) under circumstances that would entitle him to receive benefits under Executive's Employment Agreement with the Company providing compensation and benefits for terminations following a "change in control" of the Company (as defined in such agreement), then the time periods in Paragraph 5 and 6 above shall be reduced to twelve (12) months.

8. **DISPARAGEMENT:** Executive shall not at any time make false, misleading or disparaging statements about the Company, including its products, management, employees and customers.

9. **OWNERSHIP OF CONFIDENTIAL INFORMATION:** The Executive hereby agrees that any and all improvements, inventions, discoveries, formulas, processes, methods, know-how, confidential data, trade secrets and other proprietary information (collectively "Work Product") within the scope of any business of the Company or any affiliate which the Executive may conceive or make or has conceived or made during his employment with the Company shall be and are the sole and exclusive property of the Company, and that the Executive shall, wherever requested to do so by the Company, at its expense, execute and sign any and all applications, assignments or other instruments and do all other things which the Company may deem necessary or appropriate (i) in order to apply for, obtain, maintain, enforce or defend letters patent of the United States or any foreign country for any Work Product, or (ii) in order to assign, transfer, convey or otherwise make available to the Company the sole and exclusive right, title and interest in and

to any Work Product.

10. FORUM SELECTION AND CHOICE OF LAW: This Agreement shall be interpreted, construed and governed by and under the laws of the State of Tennessee. Each party irrevocably (i) consents to the exclusive jurisdiction and venue of the courts of Greene County, State of Tennessee and federal courts in the Eastern District of Tennessee, in any and all actions arising under or relating to this Agreement, and (ii) waives any jurisdictional defenses (including personal jurisdiction and venue) to any such action. If any provision of this Agreement is deemed or held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, this Agreement shall be considered divisible and inoperative as to such provision to the extent it is deemed to be illegal, invalid or unenforceable, and in all other respects this Agreement shall remain in full force and effect; provided, however, that if any provision of this Agreement is deemed or held to be illegal, invalid or unenforceable there shall be added hereto automatically a provision as similar as possible to such illegal, invalid or unenforceable provision as shall be legal, valid or enforceable. Further, should any provision contained in this Agreement ever be reformed or rewritten by any judicial body of competent jurisdiction, such provision as so reformed or rewritten shall be binding upon the Executive and the Company.

IN WITNESS WHEREOF, the Company and the Executive have executed this Restrictive Covenants Agreement as of the date first written above.

EXECUTIVE

/s/ Valera L. Doherty By: /s/ Bruce A. Campbell

Witness Bruce A. Campbell
 President and Chief Executive Officer

FORWARD AIR CORPORATION

/s/ Valera L. Doherty By: /s/ Rodney L. Bell

Witness Rodney L. Bell
 Vice President and Controller