

**CHARTER OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF TRUSTEES  
OF CORPORATE OFFICE PROPERTIES TRUST  
(Adopted by COPT Board on 12/10/15)**

**I. Purpose**

The Compensation Committee (the “Committee”) of the Board of Trustees (“Board”) of Corporate Office Properties Trust (the “Company”) is appointed by, and generally acts on behalf of, the Board. The Committee’s general purposes shall include the following, as more fully set forth in this Charter:

- A. To establish and periodically review the Company’s compensation philosophy (as described further below) and the adequacy of compensation plans and programs for executive officers and other Company employees and to make recommendations to the Board with respect to such compensation;
- B. To establish compensation arrangements and incentive goals (Company financial measures, business metrics and individual goals) for executive officers and to administer such compensation plans and programs;
- C. To review and approve goals and objectives relevant to the Chief Executive Officer’s compensation, evaluate the CEO’s performance in light of those goals and objectives and, either as a Committee or together with the other independent trustees (as directed by the Board), recommend to the Board for approval the CEO’s compensation level based on this evaluation.
- D. To review the performance of all other executive officers and award incentive compensation and adjust compensation arrangements as appropriate based upon performance;
- E. To review and consider risks relating to the Company’s compensation policies;
- F. To review compensation arrangements for trustees and make appropriate recommendations to the Board for approval;
- G. To prepare the report on executive compensation for inclusion in the Company’s annual proxy statement in accordance with Securities and Exchange Commission (“SEC”) rules and regulations; and
- H. To review and discuss the Compensation Discussion and Analysis prepared by management for inclusion in the Company’s Annual Report on Form 10-K, and to determine whether to recommend to the Board that the Compensation Discussion and Analysis be included in the Company’s Annual Report on Form 10-K and, if applicable, in the Company’s annual proxy statement.

## **II. Compensation Philosophy**

- A. With respect to the executive officers, the Committee’s philosophy is to incentivize business behaviors and performance aligned with long-term shareholders’ interest, to ensure that each executive officer’s total compensation is aligned with and a driver of the success of the Company and to provide compensation opportunities that will attract, retain, and motivate superior executive personnel. This philosophy contemplates that the executive officers are not incentivized by this compensation structure to take unnecessary or excessive risks. Executive officers have the opportunity to receive total compensation, including base salary, annual incentive awards, and long-term incentives, such as restricted stock grants, stock options, and performance share units. The Committee aligns pay for performance such that “target” Company performance results in executive compensation at market, and “superior” Company performance could result in above market compensation.
- B. With respect to employees, the Committee’s philosophy is to provide pay and benefit programs that attract and retain qualified employees, drive employee development and performance to achieve short- and long-term business goals and strategies, and reinforce the Company’s culture and values.

## **III. Membership**

- A. The Committee shall be comprised of at least three trustees, each of whom must be independent. A trustee shall qualify as independent if the Board has affirmatively determined that the member has met the independence criteria set forth in the Company’s Corporate Governance Guidelines and as determined under the provisions of Rule 10C-1(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the rules of the New York Stock Exchange (“NYSE”). In addition, for purposes of meeting the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the “Code”), or any successor Code section, the Committee, or a sub-committee approving the performance goals to which certain of the executive compensation is tied in making performance-based awards, shall consist of at least three “outside” trustees, as defined in Treasury Regulation 1.162-27(e)(3) promulgated under the Code. Finally, for purposes of meeting the requirements of Rule 16b-3 of the Exchange Act, the Committee, or a subcommittee approving compensation decisions related to equity-based awards made to trustees and executive officers, shall consist of at least three “non-employee” trustees, as defined in Rule 16b-3 of the Exchange Act.
- B. The members of the Committee shall be nominated by the Nominating and Corporate Governance Committee and appointed by the Board for one-year terms. The Nominating and Corporate Governance Committee shall recommend, and the Board shall designate, one member of the Committee to serve as Chairperson. The members of the Committee shall serve until their resignation, retirement, or removal by the Board or until their successors shall be appointed. No member of

the Committee shall be removed except by majority vote of the independent trustees of the full Board then in office.

#### **IV. Meetings and Procedures**

- A. The Committee shall meet as often as it may deem necessary and appropriate in its judgment, but in no event less than three times per year. A majority of the members of the Committee shall constitute a quorum.
- B. The Chairperson of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.
- C. The Committee may delegate authority to one or more members of the Committee where appropriate, but no such delegation shall be permitted if the authority is required by law, regulation, or listing standard to be exercised by the Committee as a whole.
- D. The Committee may request that any trustees, officers, or employees of the Company, or other experts, consultants or other persons whose advice and counsel are sought by the Committee, attend any meeting to provide such information as the Committee or the Board requests.
- E. During at least three (3) Committee meetings each year, there shall be an Executive Session, and as appropriate, the Committee shall meet privately with the outside compensation advisor selected and retained in accordance with Section V below.
- F. The Committee shall fix its own rules of procedure, which shall be consistent with the By-laws of the Company and this Charter.
- G. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company.
- H. The Committee shall report to the Board on the matters discussed at each meeting of the Committee, including describing all actions taken by the Committee at the meeting.

#### **V. Outside Advisors**

- A. The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of any consultants, outside legal counsel or other advisors as the Committee shall deem necessary or desirable to assist with the execution of its duties and responsibilities as set forth in this Charter, and to set the compensation, and oversee the work, of any such consultants, counsel or other advisors.
- B. Prior to selecting and receiving advice from a compensation consultant, outside legal counsel and any other advisor, the Committee shall evaluate whether any consultant, counsel or other advisor retained or to be retained by the Committee

has any conflict of interest in accordance with Exchange Act Rule 10C-1(b)(4)(i) through (vi) or the applicable rules of any self-regulatory organization.

- C. The Committee shall have the resources available with respect to consultants, legal counsel and other advisors as set forth in Section VII below.
- D. The Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisors to the Committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

## **VI. Duties and Responsibilities**

The Committee shall have the following duties and responsibilities:

- A. Compensation Philosophy, Plans, and Programs
  1. Periodically review, consider, and approve the philosophy for compensation of the Company's executive officers and other employees, consistent with those principles set forth in Section II of this Charter.
  2. Establish compensation plans and programs for senior executives and other employees, including incentive and equity-based plans and programs, any appropriate employment contracts, special retirement benefits, and severance or change in control arrangements.
  3. Annually review the adequacy of such plans and programs for the executive officers and other employees, (a) comparing such plans and programs to those of the Company's peer group companies, (b) ensuring appropriate forms and levels of incentives to management to align management's goals with the interests of shareholders, and (c) reporting the results of, and recommendations resulting from, such review to the Board. In reviewing such plans and programs, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation ("Say on Pay Vote") required by Section 14A of the Exchange Act.
  4. Administer the Company's executive incentive plans and equity-based plans and programs.
  5. Monitor the requirements of Section 162(m) of the Code, as amended, and determine the extent to which the Company should comply with its provisions and any steps that the Committee must take in order to comply with such provisions.

6. Periodically review, consider and evaluate risks relating to and arising from the Company's compensation policies and practices, including, among other things, inappropriate risk taking and implications to recruitment and retention.
7. Review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Votes and the frequency of the Say on Pay Vote to be included in the Company's annual proxy statement.

B. Specific Compensation Amounts and Incentives

1. Annually review, and recommend for Board approval, the corporate goals and objectives applicable to the compensation of the CEO, evaluate at least annually the CEO's performance in light of those goals and objectives, and determine and approve the CEO's compensation level based on this evaluation, including the amount of annual and any long-term incentive awards and any adjustments to his/her annual salary amount based upon such performance and consistent with the achievement of the established goals. Deliberations of the Committee regarding the CEO's compensation are undertaken without the participation of the CEO.
2. After evaluation of the CEO's recommendations, establish the compensation of all other executive officers and, within ninety (90) days after the commencement of each fiscal year, establish their annual and long term incentive opportunity levels and the financial and any other goals to be met to earn such awards. Recommend, for Board approval, such compensation amounts and incentive levels and goals.
3. Review with the CEO his/her evaluation of the executive officers' progress towards those goals periodically throughout the year.
4. Review with the CEO his/her evaluation of the performance of the other executive officers, and recommend for Board approval, the amounts of annual and any long-term incentive awards and any adjustments to the annual salary amounts based upon such performance and consistent with the achievement of the established goals.
5. Review annually management's summary report on all other employee compensation actions.
6. Review the trustee compensation and make recommendations to the Board for any modifications to such compensation.

7. In evaluating, determining and making recommendations regarding executive compensation, the Committee shall consider the results of the Say on Pay Vote.

**C. Other Responsibilities**

1. Review and reassess on an annual basis the adequacy of this Charter and recommend any proposed changes to the Board for its approval.
2. Annually review and assess the performance of the Committee and each Committee member and deliver a report to the Board setting forth the results of the evaluation. In conducting the evaluation, the Committee shall address matters that it considers relevant to its performance, including at a minimum, the adequacy, appropriateness, and quality of the information and recommendations that the Committee presented 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.
3. Prepare the report on executive compensation for inclusion in the Company's annual proxy statement in accordance with the Securities and Exchange Commission regulations, and determine, based on a review and discussion with management, whether to recommend to the Board that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K and, if applicable, in the Company's annual proxy statement.
4. Perform any other activities consistent with this Charter, the Company's Certificate of Incorporation, the Company's By-laws, and governing law as the Committee or the Board deems necessary or appropriate.

**VII. Committee Resources**

The Committee shall have the sole authority and discretion, and necessary funding, to retain, set compensation and retention terms for, and terminate any consultants, legal counsel, or other advisors that the Committee determines to employ to assist it in the performance of its duties. The Committee shall also have access to internal advisors and all other resources within the Company to assist it in carrying out its duties and responsibilities.