

STAG Industrial, Inc.

Compensation Committee Charter

Purpose

The Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of STAG Industrial, Inc. (the “Company”) to discharge the Board’s responsibilities relating to compensation of the Company’s directors and executive officers. The Committee has overall responsibility for approving and evaluating the director and executive officer compensation plans, policies and programs of the Company.

The Committee is also responsible for (i) reviewing and discussing with the Company’s management the Compensation Discussion and Analysis (“CD&A”) required to be included in the Company’s proxy statement for the annual meeting of shareholders and recommending to the Board whether the CD&A should be included in such proxy statement and (ii) providing the Committee Report that complies with the federal securities laws and regulations for inclusion in the Company’s proxy statement for the annual meeting of shareholders.

Committee Membership

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence requirements of the New York Stock Exchange and the federal securities laws and regulations for such committee.

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee. Committee members may be replaced by the Board.

Committee Meetings

The Committee shall meet at least once per year, or more frequently as circumstances require. A majority of the members shall represent a quorum of the Committee, and, if a quorum is present, any action approved by at least a majority of the members present (in person or by telephone conference call) shall represent the valid action of the Committee. The Committee may form and delegate authority to subcommittees, or to one or more members of the Committee, when appropriate. The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

Committee Authority and Responsibilities

In addition to those set forth in this Charter, the Committee will perform such other functions as assigned by law, the New York Stock Exchange, or other exchange on which the Company’s securities are then listed, the Company’s Articles of Amendment and Restatement or Bylaws, or the Board of Directors.

1. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, Chief Executive Officer (“CEO”) or senior executive compensation and shall have sole authority to approve the consultant’s fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

A. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser retained by the Committee.

B. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or other adviser retained by the Committee.

C. The Committee may select, or receive advice from a compensation consultant, legal counsel or other adviser to the Committee, other than in house legal counsel, only after taking into consideration the following factors:

i. The provision of other services to the Company by the person who employs the compensation consultant, legal counsel or other adviser;

ii. The amount of fees received from the Company by the person who employs the compensation consultant, legal counsel or other adviser, as percentage of the total revenue of the person who employs the compensation consultant, legal counsel or other adviser;

iii. The policies and procedures of the person who employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;

iv. Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;

v. Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and

vi. Any business or personal relationship of the compensation consultant, legal counsel or other adviser or the person employing the adviser with an executive of the Company.

2. The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and recommend to the Board the CEO's compensation levels based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.
3. The Committee shall annually review and approve the compensation of all directors, including incentive-compensation plans and equity-based plans.
4. The Committee shall annually review and approve, for the CEO and the executive officers of the Company, (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits.

5. The Committee shall administer the equity incentive plans of the Company, as well as any other stock option, stock purchase, incentive or other benefit plans of the Company, fulfilling such duties and responsibilities as are set forth in such plans.
6. Review and discuss with management the disclosures in the CD&A, and recommend to the Board whether such disclosures should be included in the Company's proxy statement for the annual meeting of shareholders, and review and discuss with management any other disclosures regarding executive compensation to be included in the Company's public filings or shareholders reports.
8. The Committee shall make regular reports to the Board.
9. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review its own performance.