

**THOMAS PROPERTIES GROUP, INC.**  
**COMPENSATION COMMITTEE CHARTER**

**(Adopted October 21, 2004)**

**Purpose**

The Compensation Committee of the Board of Directors (the “*Board*”) of Thomas Properties Group, Inc. (the “*Company*”) establishes and administers the Company's policies, programs and procedures for compensating its executive officers and Board of Directors. Among other things, the Committee has direct responsibility to:

- determine the compensation of the Company’s Chief Executive Officer and other executive officers; and
- make recommendations to the Board with respect to incentive compensation plans and equity-based plans.

**Composition**

*Size.* The size of the Committee shall be determined by the Board, but it must always have at least three members.

*Qualifications.* Each Committee member shall meet the independence criteria of the listing requirements of the National Association of Securities Dealers, Inc. (“*NASD*”). Desirable qualifications for Committee members include industry knowledge, experience in business management, executive compensation, employee benefits, and human resources.

*Appointment and Removal.* The Board selects Committee members based on recommendations of the Nominating and Corporate Governance Committee. The Committee will select a Committee Chair from among its members. Each Committee member will serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member.

**Duties and Responsibilities**

The duties and responsibilities of the Committee shall include the following:

1. Establish Executive Compensation Policies and Programs. The Committee will develop and implement the Company’s compensation policies and programs for executive officers and Board members.
2. Review, Determine and Approve Executive Officer Compensation. The Committee will review, determine and approve, at least annually, corporate goals and objectives relevant to the compensation of the CEO and the other executive officers of the Company. The Committee will, either as a Committee or together with other independent directors (as directed by the Board), evaluate the

performance of the executive officers in the light of those corporate goals and objectives and set compensation levels for these executive officers based on those evaluations and any other factors as it deems appropriate. In determining the long-term incentive component of the compensation of the CEO, the Committee will consider the Company's performance and relative stockholder return, the value of similar incentive awards to the CEOs at comparable companies and the awards given to the Company's CEO in past years.

3. Recommend Incentive Compensation Plans. The Committee will make recommendations to the Board with respect to the approval, adoption and amendment of all cash- and equity-based incentive compensation plans in which any executive officer of the Company participates.
4. Recommend Equity-Based Plans. The Committee will also make recommendations to the Board with respect to the approval, adoption and amendment of all other equity-based plans.
5. Administer Compensation Plans. The Committee will administer the Company's equity-based incentive compensation plans and other plans adopted by the Board that contemplate administration by the Committee. The Committee, or a subcommittee, shall approve all grants of stock options and other equity-based awards, subject to the terms and conditions of applicable plans.
6. Oversee Regulatory Compliance. The Committee will, in consultation with appropriate officers of the Company, oversee regulatory compliance with respect to compensation matters, including overseeing any compensation programs intended to preserve tax deductibility, and, as may be required, establishing performance goals and determining whether performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
7. Review Employment Agreements and Severance Arrangements. The Committee will review and approve any proposed employment agreement with, and any proposed severance or retention plans or agreements applicable to, any executive officer of the Company. In addition, the Committee shall review and approve any severance or other termination payments proposed to be made to any executive officer of the Company.
8. Review Director Compensation. In accordance with the Company's Corporate Governance Guidelines, the Committee will periodically review director compensation in relation to other comparable companies and in the light of such other factors as the Committee may deem appropriate. The Committee shall discuss this review with the Board.
9. Board Reports. The Committee will report its activities to the Board at least annually in such manner and at such times as the Committee or the Board deem appropriate.

10. Other Delegated Duties or Responsibilities. The Committee will perform any other duties or responsibilities delegated to the Committee by the Board from time to time.

## **Meetings**

The Committee will meet as frequently as necessary to carry out its responsibilities under this Charter. The Committee Chair will, in consultation with the other members of the Committee and appropriate officers of the Company, establish the agenda for each Committee meeting. Any Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. The Committee Chair or a majority of the Committee members may call a meeting of the Committee at any time. The Committee shall conduct its business as provided in the Company's by-laws and this Charter. The Committee Chair will supervise the conduct of the meetings and will have other responsibilities as the Committee may specify from time to time.

The Committee may request any officer or other employee of the Company, or any representative of the Company's legal counsel or other advisors, to attend a meeting or to meet with any members or representatives of the Committee. Any individual whose performance or compensation is to be discussed at a Committee meeting should not attend such meeting unless specifically invited by the Committee. Notwithstanding the foregoing, the Chief Executive Officer may not be present while the Committee is voting on or deliberating the Chief Executive Officer's compensation.

## **Delegation**

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the Committee who are (a) "non-employee directors" within the meaning under Rule 16b-3 of the Securities Exchange Act of 1934, and (b) "outside directors" for the purposes of Section 162(m) of the Internal Revenue Code.

## **Resources and Authority**

The Committee shall have appropriate resources and authority to discharge its responsibilities, including, without limitation, appropriate funding, in such amounts as the Committee deems necessary, to compensate any consultants or any other advisors retained by the Committee. The Committee will have the sole authority to retain and terminate compensation consultants to assist in the evaluation of director or executive officer compensation and the sole authority to approve the fees and other retention terms of such compensation consultants. The Committee may also retain independent counsel and other independent advisors to assist it in carrying out its responsibilities.

## **Compensation Committee Report**

The Committee, with the assistance of management and any outside advisors the Committee deems appropriate, shall prepare a report for inclusion in the Company's proxy statement relating to the Company's annual meeting of stockholders.

## **Annual Review**

At least annually, the Committee will (a) review this Charter with the Board and recommend any changes to the Board and (b) evaluate its own performance against the requirements of this Charter and report the results of this evaluation to the Board. The evaluation will include establishment of the goals and objectives of the Committee for the upcoming year. The Committee will conduct its review and evaluation in such manner as it deems appropriate.