



# Governance

## Compensation Committee Charter

### Purposes:

The purposes of the Compensation Committee (the "Committee") of the Board of Directors ("Board") of iStar Financial Inc. (the "Company") are as follows:

- A. To discharge the responsibilities of the Board regarding oversight of compensation of the Company's executives, including plans and programs relating to cash compensation, incentive compensation, equity-based awards and other benefits and perquisites.
- B. To prepare the report on executive compensation for inclusion in the Company's annual proxy statement, in accordance with applicable rules and regulations.

### Membership:

The Committee shall be comprised of three (3) or more members of the Board, each of whom is, in the business judgment of the Board, "independent" under the rules and standards established by the New York Stock Exchange, Inc. Members of the Committee are appointed by the Board for one year terms and shall serve at the pleasure of the Board. The Board shall designate a chairman of the Committee.

### Duties and Responsibilities:

The Committee shall have the following duties and responsibilities:

- A. To review management's recommendations and advise management and the Board of Directors on broad compensation policies such as salary ranges, annual incentive bonuses and long-term incentive plans, including equity based compensation programs.
- B. To review performance objectives established for senior executives of the Company and evaluations of the performance of such executives relative to these objectives, in connection with its overall review of executive compensation.
- C. To recommend the base salary, cash incentive bonus, equity based incentive awards and other compensation for the Chief Executive Officer of the Company, for approval by the independent members of the Board of Directors.

- D. To approve base salaries, cash incentive bonuses, equity based incentive awards and other compensation for other officers and employees of the Company with base salaries in excess of \$200,000 per year.
- E. To administer the Company's Long Term Incentive Plan (the "LTIP").
- F. To perform such other duties and responsibilities pertaining to compensation matters as may be assigned to the Committee by the Board of Directors or the Chairman of the Board of Directors.

#### Performance Evaluation:

The Committee shall provide to the Board an annual performance evaluation of the Committee, including an assessment of the performance of the Committee based on the duties and responsibilities set forth in this charter and such other matters as the Committee may determine. The evaluation to the Board may take the form of an oral report by the Committee chairman or any other member of the Committee designated by the Committee to make the report..

#### Delegation to Subcommittee:

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

#### Resources and Authority of The Committee:

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel and other experts or consultants after considering all factors relevant to their independence, including the factors specified by applicable NYSE listing standards. The Committee shall have the sole authority to select and retain a compensation consultant, to terminate any consultant retained by the Committee, and to approve the fees and other retention terms of any consultant. The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K. Any compensation consultant retained by the Committee to assist with its responsibilities relating to executive compensation shall not be retained by the Company for any other human resource matter.

#### Minutes:

Minutes will be kept of each meeting of the Committee and will be available to each member of the Board. Any action of the Committee (other than actions for which the Committee has sole authority as set forth herein) shall be subject to revision, modification, rescission, or alteration by the Board, provided that no rights of third parties shall be affected by any such revision, modification, rescission, or alteration.

#### Amendments:

This Compensation Committee Charter may be amended in whole or in part with the approval of a majority of the Board.