



## **COMPENSATION COMMITTEE CHARTER**

### **Purpose and Responsibilities**

The Compensation Committee (the "Committee") of FelCor Lodging Trust Incorporated (the "Company") shall have direct responsibility to:

1. Review and approve annual base salaries and other compensation of the Chief Executive Officer and other executive officers;
2. Review and approve on an annual basis the corporate goals and objectives applicable to all employees of the Company and review and approve any other corporate and individual performance objectives relevant to the compensation of the Chief Executive Officer, and evaluate the Chief Executive Officer's performance in light of these goals and objectives;
3. Determine and approve the performance-based compensation of the Chief Executive Officer based upon the foregoing evaluation of his performance;
4. Review and approve incentive-compensation plans, deferred compensation plans and equity-based compensation plans (including adoption, amendment and/or termination of any such plans, to the extent such plans do not require approval of such actions by the Board of Directors), subject to limitations on the delegation by the Board of Directors of such matters to the Committee under applicable laws, regulations or plans, in which case, such action by the Committee shall have the effect of a recommendation to the Board of Directors;
5. Determine and approve, in consultation with the Chief Executive Officer, the performance-based compensation of the other executive officers of the Company; and
6. Produce an annual report of the Committee as required by the Securities and Exchange Commission ("SEC") for inclusion in the Company's annual proxy statement.

## **Composition and Qualifications**

The Committee shall consist of three or more members of the Board of Directors, each of whom is determined by the Board of Directors to be “independent” under applicable laws, regulations and rules. Additionally, no director may serve on the Committee unless that director (1) is a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (2) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

## **Considerations for CEO Compensation**

In determining the long-term incentive compensation component of Chief Executive Officer compensation, the Committee should consider such factors as it deems relevant under the circumstances, including (in its discretion) notable accomplishments, strategic or otherwise critical transactions, and the Company’s business and/or financial performance, relative stockholder return, as well as the value of similar incentive awards to chief executive officers at comparable companies and prior incentive awards paid to the Company’s Chief Executive Officer. Nothing in this Charter shall preclude discussion of Chief Executive Officer compensation with the Board of Directors, generally.

## **Appointment and Removal**

The members of the Committee shall be appointed by the Board of Directors upon the recommendation of the Corporate Governance and Nominating Committee, and each member shall serve until such member’s successor is duly appointed and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

## **Chairperson**

The Chairperson of the Committee shall be elected by the Board of Directors. The Chairperson will chair all regular sessions of the Committee and set the agenda for Committee meetings.

## **Delegation to Subcommittees**

In fulfilling its responsibilities, the Committee may delegate any or all of its responsibilities to a subcommittee consisting of one or more members of the Committee.

## **Meetings**

The Committee shall meet as frequently as circumstances dictate, but no less than twice annually. The Secretary of the Company, the Chairperson of the Board or the Chairperson of the Committee may call meetings of the Committee. The Committee may invite to its meetings any director, any member of management of the Company, and such other persons as it deems appropriate in order to carry out its responsibilities.

## **Additional Authority and Responsibilities**

The Committee shall have the following additional authority and responsibilities:

1. In consultation with the Chief Executive Officer and the Company's senior management, establish and, from time to time, review the Company's general compensation philosophy and practices.
2. Review annually director compensation levels and practices and, if determined to be appropriate, approve changes in such compensation levels and practices.
3. Oversee and administer all incentive compensation plans, deferred compensation plans and equity-based compensation plans; establish guidelines, rules and interpretations for such plans; grant, approve and ratify grants and awards, and amendments thereto, made under any such plans; and review and monitor grants and awards made under such plans.
4. Meet annually with the Chief Executive Officer to receive the Chief Executive Officer's recommendations concerning individual and corporate performance goals, his or her evaluation of progress toward meeting these goals and recommendations regarding compensation with respect to other executive officers.
5. Review and approve guidelines and/or agreements with respect to employment, severance, change in control or other termination payments to be made to executive officers, other officers and key employees of the Company, as well as exceptions to those guidelines or agreements with respect to executive officers.
6. Review and approve any special or supplemental benefits provided to any director, the Chief Executive Officer or other executive officer of the Company.

7. Determine and approve the compensation of a newly-hired Chief Executive Officer or a person promoted to that position.
8. Review and discuss the Company's Compensation Discussion and Analysis disclosure. Based upon this review and discussion, the Compensation Committee shall determine whether to recommend to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K and Annual Meeting proxy statement.
9. At least annually review and confirm that the Company's compensation policies and practices do not, in any way, create risks that are reasonably likely to have a material adverse effect on the Company.
10. In discharging its duties, the Committee shall have full access to all Company books, records, facilities, personnel, legal counsel and independent auditors.
11. Review and approve any additional services to be performed for the Company or its affiliates by a compensation consultant or its affiliates during any fiscal year in which the Committee has retained such consultant to provide advice or recommendations as to the form or amount of executive officer or director compensation.
12. Advise the Board of Directors concerning stockholder advisory votes that are required by applicable rules and regulations of the SEC relating to executive compensation (including golden parachutes), including the frequency of such votes.
13. Perform any other activities consistent with this Charter, the Company's Bylaws and governing law as the Committee or the Board of Directors deems appropriate.

### **Compensation Advisors**

The Committee shall have the authority, in its sole discretion, to retain or obtain advice of compensation advisors, including compensation consultants, independent legal counsel and other advisors, to assist the Committee in discharging its duties. The Committee shall have direct responsibility for the appointment, oversight and compensation of any such compensation advisors. When selecting compensation advisors, the Committee shall consider the independence of such advisors, taking into account any independence factors identified by the SEC or any applicable stock exchange. The Committee shall evaluate whether any

compensation consultant it retains has any conflict of interest in accordance with applicable laws, rules and regulations. The Committee shall have sole authority to terminate compensation advisors engaged by the Committee and to approve related fees and other retention terms. The Company will provide appropriate funding, as determined by the Committee (or by its chair on behalf of the Committee), for payment of compensation to any such advisors engaged by the Committee.

### **Reports and Performance Review**

The Committee shall report its actions and any recommendations to the Board of Directors at the next regularly scheduled meeting following each Committee meeting and each committee member shall submit an annual performance self-evaluation of the Committee to the Corporate Governance and Nominating Committee.

### **Procedural Rules**

The Committee may establish its own rules for the conduct of its meetings and proceedings, subject to the provisions of Section 3.16 of the Bylaws of the Company and the following requirements:

1. Each member of the Committee shall have one vote;
2. A quorum of the Committee shall consist of one-third but not less than two of its members;
3. The Committee shall be authorized to take any permitted action only by the affirmative vote of a majority of the members thereof present at any meeting at which a quorum of its members is present, or by the unanimous written consent of all of the members thereof;
4. Meetings of the Committee may be held in person, by means of conference telephone or similar communications equipment or by any other means permitted by the Company's Bylaws; and
5. The Committee shall maintain and submit to the Board of Directors copies of the minutes of each meeting of the Committee, and each written consent to action taken without a meeting, reflecting the actions so authorized or taken by the Committee since the preceding meeting of the Board of Directors.

## **Disclosure of Charter**

This Charter will be disclosed as required by applicable rules of the NYSE and SEC.

*Adopted by the Board of Directors*  
October 29, 2013