

**CHARTER  
OF  
THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS  
OF  
SPIRIT FINANCE CORPORATION**

**I. PURPOSE**

The primary purpose of the Compensation Committee (“Compensation Committee”) of the Board of Directors (“Board”) of Spirit Finance Corporation (the “Company”) is to: (i) discharge the Board’s responsibilities relating to compensation of the Company’s executive officers; and (ii) produce an annual report on executive compensation for inclusion in the Company’s proxy statement in accordance with applicable rules and regulations. For purposes of this charter, the term “executive officer” shall mean any Senior Vice President or higher ranking officer of the Company.

**II. COMPOSITION**

The Compensation Committee will be composed of at least two directors, all of whom satisfy the definition of “independent” under the listing standards of the New York Stock Exchange (“NYSE”) and of the NASDAQ Stock Market, Inc. (“NASDAQ”). All Compensation Committee members shall also be “non-employee directors” as defined by Rule 16b-3 under the Securities Exchange Act of 1934 and “outside directors” as defined by Section 162(m) of the Internal Revenue Code.

A Chairperson of the Compensation Committee and each Compensation Committee member shall be elected by the Board, and, in making its decision, the Board should consider the recommendation of the Nominating and Governance Committee. Each appointment shall be for a term of one year and shall serve until the Compensation Committee member’s successor is duly elected and qualified, but the Board may remove Compensation Committee members at any time by Board action.

**III. MEETINGS**

The Chairperson of the Compensation Committee will preside at each meeting of the Compensation Committee and, in consultation with the other members of the Compensation Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The Chairperson of the Compensation Committee will ensure that the agenda for each meeting is circulated in advance of the meeting. A quorum will consist of a majority of the members of the Compensation Committee and actions by a majority of the duly elected members of the Compensation Committee will constitute an action of the Compensation Committee. Meetings will be held at the principal offices of the Company or as directed by the Chairperson of the Compensation Committee.

Members of the Compensation Committee may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall

constitute presence in person at the meeting. The Compensation Committee may also take action without a meeting if a consent in writing to such action is signed by each member of the Compensation Committee, or each member grants electronic consent, and such written or electronic consent is filed with the minutes of proceedings of the Compensation Committee.

The Company will appoint the Chairperson of the Committee, or an appropriate employee of, or counsel to, the Company to keep regular minutes of all Compensation Committee proceedings. The minutes of each meeting will be reviewed and approved by legal counsel and the Chairperson of the Compensation Committee. The approved minutes will become a permanent corporate record and will be provided to the Board after each meeting. Unless otherwise provided in the Charter, the meetings and any other actions of the Compensation Committee will be governed by the provisions of the articles and bylaws of the Company applicable to meetings and actions of the Board and Committees thereof.

#### **IV. RESPONSIBILITIES AND DUTIES**

The Compensation Committee will have the authority, to the extent it deems necessary or appropriate, to retain a compensation consultant to assist in the evaluation of director, Chief Executive Officer (“CEO”) or executive officer compensation. The Compensation Committee shall have sole authority to retain and terminate any such consulting firm, including sole authority to approve the firm’s fees and other retention terms. The Compensation Committee shall also have authority, to the extent it deems necessary or appropriate, to retain other advisors. The Company will provide for appropriate funding, as determined by the Compensation Committee, for payment of compensation to any consulting firm or other advisors employed by the Compensation Committee.

The Compensation Committee will make regular reports to the Board and will propose any necessary action to the Board. The Compensation Committee will review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. The Compensation Committee will annually evaluate the Committee’s own performance.

The Compensation Committee will exercise the following responsibilities and duties:

1. Evaluate the performance of the CEO and other executive officers.
2. Review and approve the Company’s goals and objectives relevant to CEO compensation, evaluate the CEO’s performance in light of those goals and objectives, and set the CEO’s compensation level based on the evaluation.
3. 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 Company’s CEO in past years when determining the long-term component of the CEO’s compensation.
4. Review the Company’s executive officer compensation policies.

5. Annually establish guidelines, objectives and standards for determining the compensation of the Company's executive officers; consult with the Company's CEO regarding the CEO's recommendation to the Compensation Committee with respect to compensation of other executive officers; and determine non-CEO compensation.
6. Approve all employment agreements with executive officers.
7. Develop, administer and implement the Company's existing and future equity incentive plans.
8. Oversee the adoption of all 401(k) and other benefit plans of the Company and delegate the administration of such plans to the proper officers and employees of the Company as determined by the Compensation Committee.
9. Determine the number of shares underlying, and the terms of, restricted common share awards, stock options and other awards to be granted to the Company's directors, executive officers, other employees and consultants to the Company under the equity incentive plans; provided that awards made to the Compensation Committee members shall be approved by the Board.
10. Make recommendations to the Board with respect to adoption or amendment of non-CEO incentive-compensation plans and equity-based plans.
11. Prepare an annual report on executive compensation for inclusion in the Company's proxy statement for the Company's annual stockholder meetings.
12. Report Compensation Committee activities to the Board at least annually and advise the Board as to necessary actions.
13. Seek input from the Board on the foregoing matters.