

**CENTRACORE PROPERTIES TRUST**  
**COMPENSATION COMMITTEE CHARTER**

**Adopted January 22, 2004**

**Preface**

CentraCore Properties Trust (the “Company”) has previously established a Compensation Committee (the “Compensation Committee”) comprised of three independent members of its Board of Trustees. The Compensation Committee has prepared and approved this Compensation Committee Charter (the “Charter”) and has presented this Charter to the Board of Trustees of the Company (the “Board”) for ratification by the Board. The Compensation Committee recognized in its deliberations and in the drafting of this Charter that the Company differs fundamentally from most companies listed on the New York Stock Exchange in that the Company has a small management team and a business process associated with the acquisition and holding of real properties which are leased on a triple-net basis to tenants wholly responsible for the operation, maintenance and use of the properties.

**Purpose**

Corporate compensation, to be effective, must be adapted to the organization and to the fundamentals of its business activities. The purpose of this Committee and this Charter is to set forth the basic corporate compensation policies and guidelines adopted by the Compensation Committee for the Company and to define the goals and objectives intended to be achieved through compensation incentives and rewards. The compensation of the Company’s Chief Executive Officer is ultimately determined by the Compensation Committee or by the Compensation Committee together with the other independent Trustees on the Board. The compensation of senior management of the Company is ultimately determined by the Board based upon the advice and recommendations of the Compensation Committee.

**Responsibilities of the Compensation Committee.**

**Establishment and Evaluation of Corporate Compensation Policies and Guidelines**

The Compensation Committee has the primary responsibility, on behalf of the Board, for the establishment of corporate compensation policies for the Company and for the evaluation of senior management’s attainment of goals and objectives adopted for the Company. This review will include the compliance by senior management with the Company’s existing Whistleblower Complaint Procedures Policy, the Insider Trading Policy, the Independent Committee Policies and Procedures and the Code of Business Conduct, which includes the ethical standards applicable to management, members of the Board and employees of the Company. The corporate Compensation policies set forth in this Charter and any adopted in the future by resolution of the Compensation Committee are subject to ratification by the Board.

## Establishment and Evaluation of Trustee Compensation

The Compensation Committee is responsible for the review and recommendation to the Board of compensation for Trustees serving on the Board and Committees of the Board and additional compensation, if any, to be awarded to the Chairman of the Board or Chairman of any Committee of the Board. The Trustee compensation is intended to attract quality nominees for Board membership, encourage and reward active participation in Board and committee activities, and provide appropriate compensation to Board members who have significant responsibilities, including the Chairman of the Board, the Chairman of the Audit Committee, the Chairman of the Compensation Committee or the Chairman of any other Committee with significant recurring responsibilities.

## Maintenance of Independent Compensation Committee

The Compensation Committee shall consist of two or more members, as nominated by the Corporate Governance & Nominating Committee and determined by the Board from time to time. The members of the Compensation Committee shall be limited to members of the Board who are determined by the Board to be independent members in accordance with the independence standards included in the Corporate Governance & Nominating Committee Charter of the Company. Additionally, no trustee may serve unless that trustee (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. A member shall serve until such member’s successor is duly elected 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 Trustees.

## **Corporate Compensation Policies and Guidelines.**

The Compensation Committee is primarily responsible for the review of compensation levels of senior management and establishing compensation policies to achieve the goals and objectives of the Company. The Compensation Committee shall interact directly with the Chief Executive Officer of the Company to assure the compensation of the Chief Executive Officer and each other member of senior management is competitive for companies similarly situated to the Company, attracts qualified candidates for senior management positions, rewards achievement of established goals and objectives, provides appropriate and manageable disincentives for the failure to meet established goals and objectives, rewards long term employment of senior management and fairly compensates senior management and Trustees of the Company for their commitment to the Company.

On an annual basis, or more frequently if necessary, the Compensation Committee shall perform each of the following responsibilities:

1. Review with the Board the Company’s overall long term and short term goals and objectives and the responsibility of the Chief Executive Officer and other senior management to affect the achievement of such goals and objectives;

2. Review and approve goals and objectives relevant to compensation for the Chief Executive Officer and other senior management;
3. Review and evaluate the attainment of corporate goals and objectives by the Chief Executive Officer and other senior management;
4. Meet and discuss with the Chief Executive Officer and other senior management their respective compensation and performance;
5. Evaluate comparable levels of compensation and the relative components of such compensation for the Chief Executive Officer and other senior management of the Company and other similar organizations;
6. Consider, in connection with determining the long-term incentive component of compensation for the Chief Executive Officer and other senior management, the Company's performance and relative stockholder return, the value of similar incentive awards to Chief Executive Officers and other senior management at comparable companies, and the awards given to the Chief Executive Officer and other senior management in past years. The Compensation Committee is not precluded from approving awards (with the ratification of the Board) as may be required to comply with applicable tax laws, such as Rule 162(m).
7. Report to the Board and determine, based upon the concurrence of the independent members of the Board, the compensation for the Chief Executive Officer and other senior management of the Company;
8. Prepare a report of the Compensation Committee on executive compensation for inclusion in the Company's annual proxy statement and other reports required to be filed by the Company in accordance with all applicable rules and regulations;
9. Review and report to the Board and determine, based upon the concurrence of the independent members of the Board, the compensation for the members of the Board and Committees of the Board and for the Chairman of the Board and Chairman of any Committees of the Board;
10. Review the desirability or necessity of engaging consultants to assist the Compensation Committee, have sole authority with respect to retaining such consultants, accountants and legal counsel as may be deemed by the Compensation Committee to be appropriate in carrying out the responsibilities of the Compensation Committee on such terms and at such costs as shall be determined in the sole discretion of the Compensation Committee and have sole authority with respect to termination of such consultants, accountants and legal counsel;
11. Report to the Board and determine, based upon the concurrence of the independent members of the Board, the benefits and efficacy of entering into employment contracts, consulting arrangements, change-in-control agreements, severance agreements or termination agreements with the Chief Executive Officer and any other senior management of the Company on such terms and conditions as may promote the goals and objectives of the Company and the Compensation Committee;
12. Review and recommend to the full Board new executive compensation programs or plans, any material change to any such existing program or plan, and policies for the administration of such programs or plans.
13. Review existing Company salary levels, discretionary bonus levels, equity based compensation, retirement benefits and health and other insurance plans to the extent provided by the Company and determine any changes necessary or appropriate to be

made in such plans to achieve the goals and objectives of the Company and the Compensation Committee;

14. Review the succession plan of the Company and the compensation plans relevant to the succession plan;
15. Review with the Chief Executive Officer and report to the Board any issues relating to compensation or benefits which require action or consideration by the Board;
16. Review at least annually the Charter of the Compensation Committee and recommend any changes to the Board; and

Review and evaluate at least annually the performance of the members of the Compensation Committee and report the results of the evaluation to the Board.

Any member of the Compensation Committee may, directly, or through the Chairman of the Compensation Committee, request the advice of outside counsel or relevant information from the Chief Executive Officer or other senior management. The Compensation Committee shall request the Company's general counsel to advise the Compensation Committee from time to time on developments in corporate compensation and best practices for the Compensation Committee. Management of the Company shall endeavor to inform the Compensation Committee of all new matters that pertain to the responsibilities and role of members of the Compensation Committee.

Members of the Compensation Committee are expected to use their best efforts to attend, in person or by telephone, each meeting of the Compensation Committee. In consultation with management of the Company, the Chairman of the Compensation Committee shall provide an agenda and all information and materials relevant to each meeting of the Compensation Committee to the members thereof sufficiently in advance of meetings, to the maximum extent practicable, to provide adequate time for review and consideration of the materials. The Chief Executive Officer should not attend any meeting at which the Chief Executive Officer's performance or compensation are discussed, unless specifically invited by the Compensation Committee. The Compensation Committee may also exclude from its meetings any persons it deems appropriate.

### **Chairman**

Unless a Chairman is elected by the full Board, the members of the Compensation Committee shall designate a Chairman by majority vote of the full Compensation Committee membership. The Chairman will chair all regular sessions of the Compensation Committee and set the agendas for Compensation Committee meetings.

### **Delegation to Subcommittees**

In fulfilling its responsibilities, the Compensation Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Compensation Committee.