

HERSHA HOSPITALITY TRUST COMPENSATION COMMITTEE CHARTER

The following shall constitute the Compensation Committee Charter (the “Charter”) of the Board of Trustees of Hersha Hospitality Trust (the “Trust” or “Company”):

I. ORGANIZATION

There shall be constituted a standing committee of the board of trustees of the Trust (the “Board”) to be known as the compensation committee (the “Compensation Committee”).

II. COMPOSITION AND SELECTION

The Compensation Committee shall be comprised of a minimum of three trustees. The members of the Compensation Committee shall satisfy the independence requirements of the American Stock Exchange as then in effect.

The members of the Compensation Committee shall be appointed by the Board on the recommendation of the Nominating Committee and may be removed by the Board. The members of the Compensation Committee shall serve for one year or until their successors are duly elected and qualified. 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 Committee.

The duties and responsibilities of Compensation Committee members contained herein shall be in addition to those duties otherwise required for members of the Board.

III. STATEMENT OF PURPOSE

The Compensation Committee is appointed by the Board to discharge the Board’s responsibilities relating to compensation of the Trust’s trustees and officers. The Committee has overall responsibility for approving and evaluating the trustee and officer compensation plans, policies and programs of the Trust.

IV. COMMITTEE OBJECTIVES

The Compensation Committee’s primary objectives include serving as an independent and objective party to review the compensation of the Company’s Trust and officers, and evaluating and approving director and officer compensation plans, policies and programs.

V. COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Compensation Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, chief executive officer (“CEO”) or senior executive compensation and shall have sole authority to approve the consultant’s fees and other retention terms.

The Compensation Committee also shall have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

The Compensation Committee may form and delegate authority to subcommittees when appropriate.

The Compensation Committee shall:

1. Review and approve annually corporate goals and objectives relevant to the CEO and senior management's compensation; evaluate management's performance in light of those goals and objectives;
2. Review and make recommendations to the Board annually with respect to the compensation of all trustees;
3. Make recommendations to the Board with respect to incentive-compensation plans and equity-based plans;
4. Review and approve annually, for the CEO and the senior executives of the Trust, (a) employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate; and (b) any special or supplemental benefits;
5. Produce an annual report on executive compensation as required by the Securities and Exchange Commission to be included in the Trust's proxy statement.
6. Make regular reports to the Board.

VI. MEETINGS

The Compensation Committee shall meet as often as may be deemed necessary or appropriate in its judgment and that of the Board. The Chairman or a majority of the members of the Compensation Committee may call meetings of the Committee upon reasonable notice to all members of the Committee. Following each meeting, the Compensation Committee shall report to the Board at the next regularly scheduled Board meeting, or sooner, as circumstances may dictate.

VII. CONSISTENCY WITH ARTICLES OF INCORPORATION OR BYLAWS

To the extent that any provision or section of this Charter may be inconsistent with any article, provision or section of the Articles of Incorporation or Bylaws of the Trust, the Articles of Incorporation or the Bylaws, as appropriate, shall fully control.

VIII. CERTIFICATION

This Compensation Committee Charter was duly approved and adopted by the Board of the Trust on the 1st day of December, 2004.

K P Pell
Corporate Secretary