

**UNIVERSAL HEALTH REALTY INCOME TRUST**

**COMPENSATION COMMITTEE**

**CHARTER\***

The Board of Trustees (the “Board”) of Universal Health Realty Income Trust (the “Trust”) has established the Compensation Committee (the “Committee”) for the purpose of carrying out the duties and responsibilities listed herein.

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**Composition and Meetings**

The Committee shall consist of at least three members of the Board, each of whom shall satisfy the applicable independence requirements under the listing standards of the New York Stock Exchange and any other regulatory requirements.

Committee members shall be designated by resolution adopted by a majority of the whole Board and may be removed by the Board in its discretion. The Board may appoint additional or replacement members of the Committee from time to time. The Board may appoint one member of the Committee to act as Chairperson of the Committee.

If a Chairperson of the Committee is appointed by the Board, such Chairperson will preside at each meeting of the Committee. The Chairperson of the Committee, in consultation with the other members of the Committee, (or, in the event that no Chairperson is appointed by the Board, the members of the Committee acting together) shall set the frequency of each meeting and the agenda of items to be addressed at each meeting. Minutes shall be prepared for each meeting of the Committee, which minutes shall be submitted to the Committee for approval at a later meeting. The minutes of all meetings of the Committee, as so approved, shall be sent to the Secretary of the Trust for filing in the official minute books of the Trust.

The Committee may request any officer or employee of the Trust or any subsidiary thereof, or any representative of outside legal, accounting or other advisors, to attend a meeting of the Committee.

**Duties and Responsibilities**

The Committee shall have the direct responsibility and authority of the Board to perform the following duties:

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\* No provision of this Charter is intended to create any right in favor of any third party, including any shareholder, officer, trustee or employee of the Trust, in the event of a failure to comply with any provision of this Charter.

1. Review and approve the Trust's goals and objectives relevant to the compensation of the Chief Executive Officer and the Trust's other executive officers;
2. Evaluate the performance of the CEO and of the Trust's other executive officers in accordance with policies and principles established by the Committee from time to time, including the Trust's goals and objectives relevant to the compensation of the CEO and the other executive officers;
3. Determine and approve, either as a Committee or (as directed by the Board) together with other Board members that satisfy the applicable independence requirements under the listing standards of the New York Stock Exchange, the compensation level of the Chief Executive Officer of the Trust ("CEO") and of the Trust's other executive officers based on the Committee's evaluation of the performance of the CEO and of the other executive officers, using those criteria deemed appropriate by the Committee from time to time, including, with respect to the long-term incentive component of the CEO's compensation, the Trust's performance and relative shareholder return, the value of incentive awards granted to principal executive officers of comparable companies and awards granted to the CEO of the Trust in past years;
4. Review and determine the form and amount of compensation of the non-management members of the Board, including cash, equity-based awards and other compensation, including benefits, in accordance with guidelines and general principles established by the Committee from time to time;
5. Administer, and make recommendations to the Board with respect to, incentive-compensation plans and equity-based plans, including the 1997 Incentive Plan, establish and verify annual performance targets and criteria for the granting of options to the Trust's officers and other employees, review and approve the granting of options in accordance with such criteria and determine potential bonus amounts;
7. Approve compensation awards (with or without ratification of the Board) as may be required to comply with applicable tax laws;
8. Produce an annual report on executive compensation, as required by the Securities and Exchange Commission (the "SEC") for inclusion in the Trust's annual proxy statement filed with the SEC;
9. Report periodically to the Board on the actions and deliberations of the Committee;
10. Review and reassess the adequacy of this Charter as appropriate, and recommend appropriate changes to the Governance Committee of the Board for its approval and recommendation to the Board as and where appropriate;
11. Conduct an annual performance evaluation of the Committee's performance and report the results of such evaluation to the Board or the Governance Committee thereof; and

12. Perform such other responsibilities as the Board may from time to time direct.

### **Subcommittees**

The Committee shall have the authority to establish one or more subcommittees which shall have the responsibilities and consist of those members of the Committee (but not less than two) as the Committee may determine from time to time.

### **Committee Resources**

The Committee shall also have the sole authority to retain and terminate compensation consultants to assist it in evaluating the Trust's compensation plans, particularly those pertaining to its Board members, CEO and other executive officers of the Trust, and to approve the fees and other terms relating to the provision of those services. In addition, the Committee shall have the authority, without seeking prior Board approval, to retain outside legal, accounting and other advisors, as the Committee determines necessary or appropriate to assist it in carrying out its duties. The Trust shall provide appropriate funding, as determined by the Committee, for payment of compensation to any advisors retained by the Committee.

### **Amendment**

This Charter may be amended from time to time by the Board or an appropriate committee thereof, and any amendment must be reported and disclosed as required by and in accordance with applicable laws, rules and regulations.