

COMMERCIAL NET LEASE REALTY, INC.

GOVERNANCE AND NOMINATING COMMITTEE CHARTER

**Purpose:**

The purpose of the Governance and Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of Commercial Net Lease Realty, Inc. (the “Company”) is to provide counsel to the Board with respect to: (a) developing and making recommendations to the Board for the creation, and ongoing review and revision of a set of effective corporate governance guidelines that promote the competent and ethical operation of the Company (the “Governance Guidelines”) and a policy governing ethical business conduct of all employees and directors of the Company (the “Code of Business Conduct”); (b) identifying and recommending to the Board individuals to stand for election and reelection to the Board by the Company’s stockholders at the Company’s Annual Meeting of Stockholders and to fill vacancies that may arise from time to time; (c) making recommendations to the Board as to the membership of committees of the Board, including a chairman for such committees; and (d) fulfilling the duties set forth below and such other responsibilities as may be delegated to the Committee by the Board from time to time.

**Composition:**

The Committee shall be composed of two or more directors who are “independent,” as such term is defined or construed from time to time in the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder (the “Exchange Act”), the New York Stock Exchange’s Listed Company Manual (the “NYSE Manual”) and other laws and regulations applicable to the Company and the Committee. Prior to approving a director’s appointment to the Committee, the Board shall have determined, upon the advice of the Committee, that such director satisfies the foregoing independence requirements as well as any additional independence requirements established from time to time by the Board in the Governance Guidelines.

The initial Committee members shall be elected by the Board and will serve until their successors are duly elected and qualify. Once established, the Committee shall recommend, for approval of the full Board, one of its members to serve as Chairman of the Committee. In addition, from time to time as it sees fit, the Committee shall recommend to the full Board for its approval the removal of directors from the Committee or the appointment of additional directors to the Committee. In making those recommendations, the Committee shall take into account any factors regarding Board and committee composition set forth in the Governance Guidelines.

**Compensation:**

The Committee members shall be entitled to compensation for being members of the Committee as such fees are established from time to time by the Board in accordance with the Guidelines. Each member of the Committee shall be entitled to be reimbursed for reasonable out-of-pocket expenses incurred by such member in attending meetings of the Committee and in performing duties as a member of the Committee. No member of the Committee shall receive from the Company any compensation other than fees for serving as a director and a member of the Committee or any other committee of the Board.

### **Meetings:**

The Committee shall meet at least one (1) time per year, and at such other times as determined by the Chairman of the Committee to be necessary or appropriate for the Committee to carry out its duties and responsibilities. Meetings of the Committee shall be called by the Chairman of the Committee, the Chief Executive Officer of the Company or majority of the members of the Committee. Except for any regular meeting of the Committee, notice of any meeting of the Committee shall be given in the manner provided for in the By-laws of the Company for meetings of the Board and its committees.

The provisions set forth in the Company's By-laws for meetings of the Board and its committees shall govern the quorum and voting requirements for all meetings of the Committee.

The Committee shall be required to keep a record of its actions and proceedings and shall report to the Board at the next meeting of the Board following the Committee meeting with such report to include recommendations for Board actions when appropriate.

All Board members are encouraged to attend meetings of the Committee.

### **Duties, Powers and Responsibilities:**

The duties, powers and responsibilities of the Committee shall include the following:

- (a) Developing and recommending the Governance Guidelines to the Board.
- (b) Recommending to the Board the names of qualified persons to fill vacancies on the Board or any of the Board's committees as they occur.
- (c) Recommending to the Board prior to each Annual Meeting of Stockholders a slate of nominees for election or reelection to the Board seats which are up for election at such annual meeting.
- (d) Seeking out and evaluating candidates to serve on the Board who exhibit the criteria for director candidates established in the Governance Guidelines from time to time.
- (e) Considering suggestions for Board membership submitted by stockholders in accordance with the notice provisions and procedures set forth in the Company's By-laws.
- (f) Recommending to the Board, subject to the provisions of the Governance Guidelines, the membership of the Board's committees, including a chairman for each of those committees.
- (g) Recommending to the Board the size of the Board in light of the operating requirements of the Company.
- (h) Recommending to the Board the removal of directors from the Board or any of the Board's committees.
- (i) Making initial determinations for recommendation to the Board as to whether each director or director candidate is independent for purposes of service on the Board and on the Board's committees.

- (j) Making initial determinations for recommendation to the Board as to whether, for purposes of membership on the Audit Committee of the Board of Directors of the Company (the “Audit Committee”), a director or director candidate is an “audit committee financial expert,” as that term is defined from time to time in the Exchange Act, the NYSE Manual and other laws and regulations applicable to the Company and the Audit Committee.
- (k) Making initial determinations for recommendation to the Board as to whether each Audit Committee member or Audit Committee member candidate has the requisite financial knowledge to serve on the Audit Committee.
- (l) Reviewing periodically, both independently and with the Company’s General Counsel and outside counsel, in light of changing conditions, new legislation, regulations and other developments, the Company’s Governance Guidelines and other corporate governance matters and making recommendations to the Board with respect to modifications to the Governance Guidelines and other corporate governance matters as the Committee deems appropriate.
- (m) Reviewing periodically, both independently and with the Company’s General Counsel and outside counsel, in light of changing conditions, new legislation, regulations and other developments, the Company’s Code of Business Conduct and making recommendations to the Board with respect to adoption and modification of such policy as the Committee deems desirable.
- (n) Evaluating the performance of the Board and each director on an annual basis.
- (o) Providing to the Board a report on the Committee’s activities after each meeting of the Committee.
- (p) As the Committee deems necessary and in its sole power, retaining a search firm or similar consultant to identify potential director candidates or any other outside advisor, and approving all fees and terms of any such engagement.
- (q) Reviewing and assessing the adequacy of the Committee charter periodically and amending the Committee charter as conditions dictate.
- (r) Performing such other duties and responsibilities as may be delegated to the Committee by the Board from time to time.

**Limitations on Authority:**

The selection and nomination of any directors to be selected by the holders of any class of the Company’s preferred stock will not be subject to the selection or nomination process of the Committee.

**Annual Performance Evaluation:**

The Committee shall on an annual basis conduct an evaluation of its performance.

**Disclosure of Charter:**

This charter will be made available on the Company's website at [www.nnnreit.com](http://www.nnnreit.com).

*Initially adopted: November 11, 2003*

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