

W. P. CAREY INC.
COMPENSATION COMMITTEE CHARTER

- I. Purpose:** The Compensation Committee (this “Committee”) shall discharge the Board’s responsibilities relating to compensation of the Company’s Directors and officers and perform the duties and responsibilities set forth in this Charter. This Committee is committed to ensure that the compensation practices of the Company are in full compliance with law, in compliance with the Company’s Code of Ethics and commensurate with the high standards of performance expected of the Company’s Directors and officers.
- II. Composition:** The membership of the Committee shall include at least three voting directors, all of whom shall be independent and appointed by the Board of Directors based upon recommendations made by the Nominating and Corporate Governance Committee. Independence for membership purposes shall be established in accordance with a Board of Directors’ determination that such individual is free from any material relationship (either directly or as a partner, shareholder or officer of an organization that has such a relationship with the Company), consistent with Securities and Exchange Commission (the “SEC”) and New York Stock Exchange (“NYSE”) rules, regulations and listing standards. In affirmatively determining independence, the Board shall consider all factors specifically relevant to determining whether the individual has a relationship to the Company that is material to their ability to be independent from management in connection with their duties, including but not limited to the source of such individual’s compensation (including any consulting, advisory, or other compensatory fees paid by the Company) and whether such individual is affiliated with the Company or any of its subsidiaries or their affiliates, consistent with SEC and NYSE rules, regulations and listing standards. A person may serve on the Compensation Committee only if he or she (i) is a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

The Board may remove a Director from this Committee. A Director may resign as a member of the Committee upon notice to the Secretary of the Company. The Board of Directors shall appoint the Chairman of the Committee.

- III. Responsibilities and Duties:** This Committee’s responsibilities and duties shall be to:
- (A) Review compensation principles that apply generally to Company employees.
 - (B) Review corporate goals and objectives relevant to Chief Executive Officer’s compensation, evaluate the Chief Executive Officer’s performance in light of those goals and objectives, set the Chief Executive Officer’s base salary and short-term incentive compensation level based on the Committee’s evaluation of competitive compensation practices and the Chief Executive Officer’s

performance in achieving the corporate goals established for the position by the Committee and set the Chief Executive Officer's long-term incentive component of compensation considering the Company's performance and relative stockholder return, the value of incentive awards to chief executives at other companies, and (as appropriate) the awards given to the Company's Chief Executive Officers in past years, the economic environment and general market conditions. The Chief Executive Officer's compensation should consist of an appropriate mix of salary and incentive-based opportunities, both in a mix of cash and equity if appropriate, to provide stability and promote long-term growth of the Company. In considering the level of any type of compensation, the Committee may consider any other additional factors as this Committee shall determine to be appropriate. In evaluating and determining the Chief Executive Officer's compensation, the Committee shall review and consider the results of the most recent stockholder advisory vote on executive compensation ("Say on Pay Vote") required by Section 14A of the Securities Exchange Act of 1934, as amended, but shall not be bound by such results.

- (C) Review, amend and make recommendations to the Board of Directors with respect to (a) the compensation for all Directors and (b) the compensation structure for all current key executives including incentive-compensation plans and equity-based plans. This Committee believes that its principal responsibility in compensating executives is to incentivize and reward officer and employee performance that will lead to long-term enhancement of the value of the Company. Each element of the Company's executive compensation program serves a somewhat different purpose, and this Committee endeavors to provide a combination of compensation elements that enable the Company to attract, retain, incentivize and reward executives of superior ability who are dedicated to the long-term interests of the stockholders. The Committee will select a peer group of companies against which to compare the Company's compensation systems for officers and key executives. In evaluating and or making recommendations regarding compensation of key executives, the Committee shall review and consider the results of the most recent Say on Pay Vote but shall not be bound by such results.
- (D) Review, adopt and, where required, make recommendations to the Board of Directors for approval with respect to incentive-compensation plans and equity-based plans of the Company.
- (E) Administer, make awards and otherwise exercise the various authorities prescribed for by the Committee by the terms of the Company's incentive-compensation plans and equity-based plans.
- (F) Review the Compensation Discussion and Analysis prepared by management and recommend such for inclusion in the Company's Annual Report on Form 10-K and proxy statement or such other documents as required by the Securities and Exchange Commission.

- (G) Produce an annual report on director and executive compensation for inclusion in the Company's proxy statement or Annual Report on Form 10-K, in accordance with applicable rules and regulations.
- (H) Regularly report its activities to the Board.
- (I) Review, and make recommendations to the Board regarding revisions of this Charter, which shall be published on the Company's website.
- (J) Review and approve stock ownership guidelines for Executive Officers.
- (K) Review and approve employment agreements with Executive Officers.
- (L) Evaluate the performance of this Committee on an annual basis.
- (M) Perform such other activities as this Committee deems appropriate or as may be delegated to it by the Board of Directors or by a plan of the Company, in each case consistent with this Charter, the Company's Bylaws and applicable laws, rules and regulations.
- (N) Except as noted above, this Committee shall perform each of its responsibilities and duties when appropriate.

IV. Committee Powers: This Committee shall have the following powers:

- (A) The sole power to retain and terminate a consulting firm, including the authority to approve the firm's fees and retention terms, to perform its duties hereunder, but only after taking into consideration all factors relevant to the consultant's independence from management, consistent with SEC and NYSE rules, regulations and listing standards. Any such consultant shall report directly to this Committee, and the Committee shall be directly responsible for the appointment compensation, and oversight of the work of such consultant.
- (B) To obtain advice and assistance from internal or external legal, accounting, human resource or other advisors and to have direct access to such advisors without the presence of any officer of the Company. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its consultants, outside counsel and any other advisors.
- (C) To form and delegate authority to subcommittees, *provided, however*, that any such subcommittees shall meet all applicable independence requirements and that the Committee shall not delegate to persons other than independent directors any functions that are required under applicable law, regulation, or stock exchange rule to be performed by independent directors.
- (D) Such other powers as may be necessary or appropriate to fulfill its purposes.

In carrying out its responsibilities, each Committee member shall be entitled to rely on the integrity and expertise of those persons retained, both internal and external, providing information to the Committee, and on the accuracy and completeness of such information, absent actual knowledge to the contrary.

Meetings: This Committee shall meet at least annually, or more frequently as circumstances dictate. A majority of the members of this Committee shall constitute a quorum for the transaction of business. The Chairman shall establish the agenda of each Committee meeting with the assistance of appropriate members of management. Each Committee member is free to suggest the inclusion of items on the agenda. Each Committee member is free to raise at any Committee meeting subjects that are not on the agenda for that meeting.