

# **Stratus Properties Inc.**

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## **Charter of the Corporate Personnel Committee of the Board of Directors**

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### **I. Scope of Responsibility of Corporate Personnel Committee**

The primary function of the Corporate Personnel Committee (the “Committee”) is to assist the Board of Directors in fulfilling the Board’s oversight responsibilities by (1) discharging the Board’s responsibilities relating to compensation of the Company’s executive officers, (2) administering the Company’s incentive and stock-based compensation plans, and (3) producing an annual report on executive compensation for inclusion in the Company’s proxy statement.

### **II. Composition of Corporate Personnel Committee**

The Committee will be comprised of two or more directors, each of whom will meet the standards of independence, experience and any other qualifications required by the NASDAQ (or, if the Company’s common stock is listed or traded on some other exchange or trading system, the standards of independence and any other qualifications required by the other exchange or system). Members of the Committee will also qualify as “non-employee directors” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 and “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code. The Board will designate the Committee’s chairperson. The Board may appoint or remove any member of the Committee (or fill vacancies on the Committee) by the vote of a majority of the directors. The Committee may form and delegate authority to subcommittees.

### **III. Meetings of Corporate Personnel Committee**

The Committee will meet at least two times annually or more frequently if the Committee deems it to be appropriate. The chairperson of the Committee will preside at each meeting and, in consultation with the other members of the Committee and management, will set the agenda for each meeting. The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide information as the Committee requests, but the Committee reserves the right in its discretion to meet at any time in executive session. The Committee will deliver regular reports of its activities to the Board. The Committee will keep written minutes of its meetings, which minutes will be available to every member of the Board of Directors.

#### **IV. Authority and Responsibilities of Corporate Personnel Committee**

1. The Committee will periodically review and approve the goals and objectives relating to compensation of the Company's executive officers, evaluate the performance of the executive officers in light of those goals and objectives, and establish the compensation levels of the executive officers based on this evaluation.

2. The Committee will periodically review the Company's incentive compensation plans and stock-based plans and, if appropriate, adopt or amend policies under such plans or recommend to the Board amendments to such plans.

3. The Committee will administer and exercise all powers allocated to it under the Company's incentive and stock-based compensation plans, including the powers to (a) grant stock options and other stock-based awards, and (b) establish performance goals and determine whether such goals have been attained.

4. The Committee will review, approve and submit to the Board for its approval (a) any other proposed plan or arrangement offering or providing any incentive, retirement or other compensation, benefits or perquisites to one or more of the Company's executive officers (other than any plan or arrangement offering benefits that do not discriminate in scope, terms or operation in favor of executive officers and that are generally available to all salaried employees), and (b) any significant amendment or change to any such plan or arrangement.

5. The Committee will review, approve and submit to the Board for its approval (a) any proposed employment, severance or change-in-control agreement between the Company and an executive officer or proposed executive officer, and (b) any proposed extension or significant amendment thereto.

6. The Committee will issue an annual report on executive compensation for inclusion in the Company's proxy statement.

7. The Committee, in consultation with management, will oversee compliance with regulations governing executive compensation.

8. The Committee will annually recommend to the Board the slate of officers for the Company.

9. The Committee will periodically review the functions of the Company's executive officers and make recommendations to the Board concerning those functions.

10. The Committee will periodically review the succession plans relating to senior executive officer positions, and make recommendations to the Board with respect to succession planning.

11. The Committee will (a) oversee the compensation of non-executive officers of the Company and officers of the Company's subsidiaries, (b) monitor broadly the structure, philosophy, or competitiveness of the Company's general hiring or compensation practices, and (c) oversee the establishment and administration of the Company's broad-based employee benefit plans and programs, and review or approve significant amendments or changes thereto.

12. The Committee will have the sole authority to retain or terminate a compensation consultant to assist the Committee in carrying out its responsibilities, including sole authority to approve the consultant's fees, which will be at the Company's expense, and other engagement terms. In addition, to the extent it deems necessary or appropriate, the Committee may retain independent legal, financial or other advisors and the Committee will approve related fees, which will be at the Company's expense, and other engagement terms.

#### **V. Evaluation of this Charter and Corporate Personnel Committee's Performance**

The Committee will annually review and evaluate the adequacy of this Charter and recommend any proposed changes to the Board. The Committee will also annually review and evaluate its own performance.

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Approved by the Corporate Personnel Committee on February 12, 2004.

Adopted by the Board of Directors on February 12, 2004.