

HERSHA HOSPITALITY TRUST COMPENSATION COMMITTEE CHARTER

The following shall constitute the charter (this "Charter") of the Compensation Committee (the "Committee") of the Board of Trustees (the "Board") of Hersha Hospitality Trust (the "Company"):

STATEMENT OF PURPOSE

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

COMPOSITION AND SELECTION

The Committee shall be comprised of a minimum of three (3) trustees. Each member of the Committee must be independent in accordance with the provisions of Rule 10C-1(b)(1) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules of the New York Stock Exchange (the "NYSE"). In determining the independence of any trustee who will serve on the Committee, the Board shall consider all factors specifically relevant to determining whether that trustee has a relationship to the Company that is material to that trustee's ability to be independent from management in connection with the duties of a Committee member, including, but not limited to, (i) the source of compensation of such trustee, including any consulting, advisory or other compensatory fee paid by the Company to such trustee, and (ii) whether such trustee is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company. In addition, each member of the Committee must qualify as a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act and as an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

The members of the Committee shall be elected annually by the Board at the organization meeting of the Board following the Annual Meeting of Shareholders based on the recommendation of the Nominating and Corporate Governance Committee. The members of the Committee may be removed by the Board. Unless a Chairman is elected by the Board, the members of the Committee shall designate a Chairman by majority vote of the members of the Committee.

OUTSIDE ADVISORS

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other advisor to assist the Committee with the execution of its duties under this Charter. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other advisor retained by the Committee. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other advisor retained by the Committee. The Committee may select a compensation consultant, legal counsel or other advisor to the compensation committee only after taking into consideration, all factors relevant to that

person's independence from management, including, but not limited to, the factors specified in Section 303A.05(c)(iv)(A)—(F) of the NYSE rules.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Committee shall:

1. Review and approve annually corporate goals and objectives relevant to the CEO and senior management's compensation; evaluate management's, including the CEO's, performance in light of those goals and objectives and determine and approve the CEO's and senior management's compensation level based on this evaluation;
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 Company, (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. Review and discuss with management the Company's disclosures to be included in the Company's annual proxy statement and annual report on Form 10-K regarding executive compensation matters, including the Company's disclosures under "Compensation Discussion and Analysis" ("CD&A") and narrative descriptions of the Committee's procedures for determining executive compensation;
6. Recommend to the Board whether the Company's CD&A should be accepted for inclusion in the Company's annual proxy statement and annual report on Form 10-K;
7. Prepare a report of the compensation committee to shareholders to be included in the Company's annual proxy statement as required by the SEC;
8. Evaluate the Committee's performance and report to the Board on such evaluation;
9. Review and assess periodically the adequacy of this Charter and recommend any proposed changes to the Board for approval, including changes concerning the structure and operations of the Committee; and
10. Perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee shall deem appropriate.

The Committee shall have full access to any relevant records of the Company and may also request that any officer or other employee of the Company meet with any members of, or consultants to the Committee as is reasonably necessary for the Committee to effectively perform its duties and responsibilities.

DELEGATION OF AUTHORITY

The Committee may form and delegate its authority to subcommittees or the Chair of the Committee when it deems appropriate.

CONSISTENCY WITH DECLARATION OF TRUST OR BYLAWS

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