

SUMMIT HOTEL PROPERTIES, INC. COMPENSATION COMMITTEE CHARTER

The following shall constitute the Charter (the “Charter”) of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Summit Hotel Properties, Inc. (the “Company”):

I. ORGANIZATION

The Board of Directors of the Company (the “Board”) has constituted a standing committee of the Board known as the Compensation Committee (the “Committee”).

II. COMPOSITION AND SELECTION

The Committee shall be composed of three or more directors. The members of the Committee shall satisfy the independence requirements of the New York Stock Exchange as then in effect. In addition, members of the Committee must qualify as “outside directors” as such term is defined under Section 162(m) of the Internal Revenue Code of 1986, as amended, and as “non-employee directors” as such term is defined under Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended.

The members of the Committee shall be appointed by the Board annually on the recommendation of the Nominating and Corporate Governance Committee and may be removed by the Board. The members of the Committee shall serve for one year or until their successors are duly elected and qualified. Unless a Chairman is appointed by the full Board, the members of the Committee shall designate a Chairman by majority vote of the full Committee. All vacancies in the Committee shall be filled by the Board.

The duties and responsibilities of Committee members contained herein shall be in addition to those duties otherwise required for members of the Board.

III. STATEMENT OF PURPOSE

The primary purpose of the Committee is to assist the Board in discharging its responsibilities relating to compensation of the Company’s directors, officers and employees. In furtherance of this role, the Committee seeks to attract and retain high-quality leadership and ensure that the Company’s executive compensation strategy supports the Company’s objectives and stockholder interests.

IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Committee may, in its sole discretion, retain and terminate any compensation consultant, independent legal counsel, accounting or other adviser to be used to assist in the evaluation of Chief Executive Officer (“CEO”) or executive officer compensation and shall have sole authority to approve consultant, counsel, accounting or other adviser fees and other retention terms. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such consultant, counsel, accountant or other adviser so retained by the Committee. The Committee shall have the appropriate funding from the Company, as determined by the

Committee, for the payment of reasonable compensation to any such consultant, counsel, accountant or other adviser so retained by the Committee. The Committee may select such consultant, counsel, accountant or other adviser to the Committee only after taking into consideration all factors relevant to that entity's or person's independence from management in accordance with the requirements of the NYSE as then in effect, and any standards promulgated by the NYSE and SEC.

The Committee may form and delegate authority to subcommittees when appropriate.

The Committee shall:

1. Review periodically and approve the Company's compensation strategy to ensure that management is afforded the appropriate incentives and is rewarded appropriately for its contributions to the Company's growth and profitability and that the executive compensation strategy supports the Company's objectives and stockholder interests.
2. Review and approve annually corporate goals and objectives relevant to the compensation of the Company's Executive Chairman of the Board of Directors (the "Executive Chairman"), the CEO and, in consultation with the Executive Chairman and the CEO, the other executive officers of the Company; evaluate Executive Chairman and CEO performance in light of those goals and objectives; determine and approve the individual elements of Executive Chairman and CEO total compensation based on such evaluation; and, in determining the long-term incentive component of Executive Chairman and CEO compensation, consider, among other things, the Company's performance and relative stockholder return, the value of similar long-term incentive awards to executive chairmen and chief executive officers at comparable companies and the awards given to the Executive Chairman and the CEO in past years.
3. Oversee an evaluation process for the Company's executive officers other than the Executive Chairman and CEO and, pursuant to such process, meet with the Executive Chairman and CEO to review the annual performance evaluations of the Company's other executive officers.
4. Review and approve the compensation of the Company's other executive officers.
5. Review and approve annually, for the Executive Chairman, CEO and the other executive officers of the Company, among other things: (a) annual base salary level; (b) annual incentive opportunity level; (c) any long-term incentive awards; (d) the financial metrics defined for corporate objective purposes for the annual incentive opportunities offered to executive officers; (e) employment agreements, severance arrangements and change in control agreements/provisions, in each case as, when and if appropriate; and (f) any special or supplemental benefits.
6. Review periodically, at least annually, the compensation and benefits offered to non-employee directors and recommend changes to the Board, as appropriate, for approval by the Board.

7. Review and discuss with Company management the Company's policies and practices of compensating its employees, including non-executive officers, as they relate to the Company's risk management practices and risk-taking incentives and report thereon to the Board.
8. Review and discuss with the Company's management the Compensation Discussion and Analysis required by Securities and Exchange Commission Regulation S-K, Item 402 (or any other successor rule or regulation) and, based on such review and discussion, determine whether to recommend to the Board that the Compensation Discussion and Analysis be included for use in the Company's Annual Report on Form 10-K or Proxy Statement for the annual meeting of stockholders.
9. Provide the required compensation committee report for use in the Company's Annual Report on Form 10-K or Proxy Statement for the annual meeting of stockholders.
10. Review and make recommendations to the Board with respect to incentive compensation plans and equity-based plans.
11. Administer and implement the Company's incentive compensation plans and equity-based plans.
12. Undertake studies and make recommendations to the Board, as the Board or the Committee may deem appropriate, with respect to the Company's compensation structure and policies.
13. Make periodic reports to the Board, as the Committee deems appropriate or as requested by the Board.
14. Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
15. Conduct an annual evaluation of the Committee's own performance.
16. Conduct an annual assessment of the Company's compensation policies and practices for all employees, not just executive officers, to determine if the Company's compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company, and report the results of such annual assessment to the Board.
17. Perform any other activities consistent with this Charter, the Bylaws of the Company and applicable law, as the Committee deems appropriate or as requested by the Board.

V. MEETINGS

The business of the Committee shall be conducted at its regular meetings, at special meetings or by unanimous written consent. The Committee shall meet at least twice each year and at such other times as it deems necessary or appropriate to fulfill its responsibilities. A majority of the members of the Committee shall constitute a quorum at any meeting. The Chairman or a majority of the members of the Committee may call meetings of the Committee upon reasonable notice to all members of the Committee. While a shorter period of time may be reasonable under the circumstances, notice at least one business day in advance of a meeting shall be deemed reasonable for all purposes hereunder. The Committee shall keep a record of its actions and proceedings and make a report thereof from time to time to the Board.

VI. CONSISTENCY WITH ARTICLES OF INCORPORATION AND BYLAWS

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

VII. AMENDMENT

This Charter may be amended or altered at any meeting of the Board by the affirmative vote of a majority of the number of directors fixed by the Bylaws.