

NATIONAL RETAIL PROPERTIES, INC.

COMPENSATION COMMITTEE CHARTER

Purpose:

The purpose of the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of National Retail Properties, Inc. (the “*Company*”) is to discharge the responsibilities of the Board with respect to approving and evaluating the compensation plans, policies and programs for executive officers (which are officers of the Company or its subsidiaries with the title of Executive Vice President or higher) and directors of the Company and approving all awards to any employees and directors under the Company’s equity incentive plans. To that end, the Committee shall have the responsibility, power and authority to fulfill 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 (2) 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 assessed and determined, upon the advice of the Governance and Nominating Committee of the Board (the “*Governance 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 Company’s Corporate Governance Guidelines (the “*Governance Guidelines*”). In making its independence determination, the Board shall have specifically considered the director’s compensation sources, including any consulting, advisory or other compensatory fee paid by the Company or any person or entity, the director’s affiliations with the Company, its subsidiaries and affiliates, including whether an affiliate relationship places the director under the control of the Company or its senior executives or creates a direct relationship with the Company’s senior executives, and whether any such compensation sources or affiliations may impair the director’s ability to make independent judgments about the Company’s executive compensation.

The Committee members shall be appointed by the Board, upon recommendation of the Governance Committee, and will serve until their successors are duly appointed and qualify. The Board, upon the recommendation of the Governance Committee, shall determine who shall serve as Chairman of the Committee, the removal of any directors from the Committee and the appointment of additional directors to the Committee.

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 Governance 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 (the “*CEO*”) 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 Bylaws of the Company for meetings of the Board and its committees.

The provisions set forth in the Company’s Bylaws 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) Creating and reviewing the Company’s executive officer compensation programs, including salaries, bonuses, benefits and other compensation, to ensure the attraction, retention and appropriate reward of executive officers, to motivate their performance in the achievement of the Company’s business objectives, and to align the interests of executive officers with the long-term interests of the Company’s stockholders.
- (b) Reviewing and approving the Company’s goals and objectives relevant to CEO compensation, evaluating CEO performance in light of those goals and objectives, and establishing the CEO’s compensation based on that evaluation; and in determining the long-term incentive component of CEO compensation, considering the Company’s performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company’s CEO in past years.
- (c) Reviewing and approving the compensation of directors.
- (d) Creating and reviewing the Company’s incentive compensation and other equity-based plans and recommending changes in such existing plans to the Board as necessary.
- (e) Approving all awards to any employee or director under the Company’s various stock option and other equity incentive plans.
- (f) Reviewing the Company’s compensation policies and practices with respect to all employees of the Company and determining whether such policies and practices are reasonably likely to have a material adverse effect on the Company.
- (g) Preparing an annual report on executive compensation for inclusion in the Company’s annual proxy statement or annual report on Form 10-K.

- (h) Assisting the Company in preparing the Compensation Discussion & Analysis included in the Company's annual proxy statement, which shall disclose an overview of the Company's executive compensation programs, policies and philosophy.
- (i) Providing to the Board a report on the Committee's activities after each meeting of the Committee.
- (j) As the Committee deems necessary and in its sole power, retaining and terminating a compensation consultant to evaluate executive officer or director compensation or any other outside advisor, and approving all fees and terms of any such engagement.
- (k) Being directly responsible for the appointment, compensation and oversight of the work of any compensation consultant or other outside advisor.
- (l) Considering any conflicts of interest with a compensation consultant or other outside advisor, taking into account (i) any other services provided to the Company by the person that employs the consultant or advisor ("*firm*"), (ii) the amount of the fees paid by the Company as a percentage of such firm's total revenue, (iii) the firm's policies and procedures designed to prevent conflicts of interests, (iv) a Committee member or executive officer's business or personal relationships with the consultant, adviser or firm, and (v) the Company's stock owned by the consultant or adviser.
- (m) Assessing the Committee's funding needs and ensuring that the Committee receives appropriate funding from the Company for payment of any compensation consultant or any other outside advisor retained by the Committee.
- (n) Reviewing and assessing the adequacy of the Committee charter periodically and amending the Committee charter as conditions dictate.
- (o) Performing such other duties and responsibilities as may be delegated to the Committee by the Board from time to time.

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.

Initially adopted: November 11, 2003

Last revised: May 22, 2013

Last reviewed: February 16, 2016