

# **Stratus Properties Inc.**

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## **Charter of the Nominating and Corporate Governance Committee of the Board of Directors**

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### **I. Purpose of the Nominating and Corporate Governance Committee**

The purpose of the Nominating and Corporate Governance Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of Stratus Properties Inc. (the “Company”) in fulfilling the Board’s oversight responsibilities by (1) identifying, considering and recommending to the Board candidates to be nominated for election or re-election to the Board at each annual meeting of stockholders or as necessary to fill vacancies and newly-created directorships; (2) monitoring the composition of the Board and its committees and making recommendations to the Board on membership of the committees; (3) maintaining the Company’s Corporate Governance Guidelines and recommending to the Board any desirable changes; (4) evaluating the effectiveness of the Board and its committees; (5) overseeing the form and amount of director compensation; and (6) addressing any related matters required by the federal securities laws or the NASDAQ Stock Market LLC (the “NASDAQ”) (or such other exchange or trading market on which the Company’s common stock is listed or traded).

### **II. Composition of the Nominating and Corporate Governance Committee**

The Committee will be comprised of two or more directors appointed by resolution adopted by a majority of the whole Board. Each member of the Committee shall meet the standards of independence, experience and any other qualifications required by the NASDAQ. The Board will appoint a chairman of the Committee. 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 whole Board. The Committee may form subcommittees and delegate to such subcommittees its responsibilities and authority.

### **III. Meetings of the Nominating and Corporate Governance Committee**

The Committee will meet at least two times annually or more frequently if the Committee deems it to be appropriate. Meetings may be called at the request of the chairman of the Committee, a majority of the members of the Committee, or the Chairman of the Board. The chairman of the Committee will preside at each meeting and, in consultation with the other members of the Committee, 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.

#### **IV. Authority and Responsibilities of the Nominating and Corporate Governance Committee**

In furtherance of the purpose of the Committee described above, the Committee will have the following authority and responsibilities:

##### **A. Board Candidates and Nominees.**

1. Seek, identify, evaluate, consider, recruit and select individuals qualified to become director nominees, consistent with criteria set forth in the Company's Corporate Governance Guidelines, recommend to the Board candidates to be nominated for election or re-election to the Board at each annual meeting of stockholders or to be elected to the Board as necessary to fill vacancies and newly-created directorships, and consider any individual proposed for service on the Board by a stockholder who (a) submits names for the Committee's consideration in accordance with the procedures in the Company's Corporate Governance Guidelines or (b) complies with the stockholder nomination procedures established in the Company's Amended and Restated By-Laws. In connection with this responsibility, the Committee will have the sole authority to retain and terminate any search firm to be used to identify or recruit director candidates or to otherwise assist the Committee in carrying out its responsibilities, including sole authority to approve the search firm's fees, which will be at the Company's expense, and approve other engagement terms.

2. Review the suitability for continued service of each director when his or her term expires or when he or she has a significant change in status, including a change in employment status, and recommend to the Board whether or not the director should be nominated for re-election.

3. Recommend to the Board which members of the Board and nominees for director meet the definition of "independence" under the rules of the Securities and Exchange Commission ("SEC") and the NASDAQ.

##### **B. Board Composition, Compensation and Procedures.**

1. Review annually the composition and size of the Board. In carrying out this responsibility, the Committee will consider director independence requirements, the collective knowledge, experience, expertise and diversity of the Board, the specific experience, qualifications, attributes or skills of each director, the long-term interests of the Company's stockholders, and any other criteria the Committee deems relevant.

2. Review annually the form and amount of director compensation, including cash, equity-based awards and other forms of director compensation, in accordance with the Company's Corporate Governance Guidelines. The Committee will administer and exercise all powers allocated to it under the Company's cash-based and equity-based incentive compensation plans with respect to directors, including the powers to (a) grant restricted stock units, stock options and other stock-based awards and (b) adopt policies.

3. Make recommendations on the frequency, content and structure of Board meetings.

4. Review and oversee any director orientation or director continuing education programs established by the Company.

5. Establish stock ownership guidelines for the non-employee directors of the Company and monitor compliance with such guidelines.

C. Board Committees.

1. Make recommendations to the Board regarding the size and composition of each committee of the Board, including the identification of individuals qualified to serve as members of a committee, and recommend individual directors to fill any vacancy that may occur on a committee.

2. Determine whether at least one member of the Audit Committee is an “audit committee financial expert” as defined by the SEC and if no member of the Audit Committee has such qualifications, determine whether it is in the Company’s best interest to identify and recruit a candidate with such qualifications.

3. Monitor the functioning of the committees of the Board and recommend to the Board any appropriate changes, including the creation and elimination of committees.

4. Recommend that the Board establish such special committees as may be desirable or necessary from time to time in order to address ethical, legal or other matters that may arise. The Committee’s power to make such a recommendation under this Charter shall be without prejudice to the right of any other committee of the Board, or any individual director, to make such a recommendation at any time.

D. Corporate Governance.

1. Maintain and review periodically, and at least annually, the Company’s Corporate Governance Guidelines to assure that they are appropriate for the Company, and recommend any desirable changes to the Board.

2. Consider any other corporate governance issues that arise from time to time and develop appropriate recommendations for the Board.

E. Other Powers. In addition to the authority and responsibilities specified above, the Committee will have the authority to conduct or authorize investigations into or studies of matters within the Committee’s scope of responsibilities, and retain, at the Company’s expense, independent counsel or other advisers as it deems necessary.

**V. Annual Evaluations**

A. Performance Evaluations of the Board. The Committee will be responsible for overseeing the annual evaluation of the performance of the Board. The Committee will report to the Board the results of this evaluation, including any recommended changes to policies or procedures of the Company or the Board.

B. Evaluation of this Charter. The Committee will periodically review and evaluate the adequacy of this Charter and recommend any proposed changes to the Board.

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Approved by the Nominating and Corporate Governance Committee and adopted by the Board of Directors on March 26, 2013; as amended through May 4, 2017.