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Karen M. Singer

Senior Vice President, General Counsel and Secretary 2007

2006 255,000

222,027 18,356

180,065

67,541

4,946 281,644

208,000 18,529

31,215 753,594

533,729

- (1) The portion of the cash annual incentive awards determined by the necessary actual performance against the performance objectives granted in 2008 and 2007 as compensation for services performed during 2007 and 2006, respectively, is included in the column of this table entitled "Non-Equity Incentive Plan Compensation." The amounts included in this column represent additional discretionary cash amounts awarded in 2008 and 2007 above the awards determined by the necessary actual performance against the performance objectives for services performed during 2007 and 2006, respectively.
- (2) Represents expense recognized under SFAS 123(R) relating to awards of restricted shares, as adjusted to exclude the effect of reductions for estimated forfeitures related to service-based vesting conditions. See Notes 2 and 12 to the Company's consolidated financial statements included in the Company's Annual Report to shareholders for the year ended December 31, 2007 for additional information regarding restricted shares.
- (3) Represents expense recognized under SFAS 123(R) relating to awards of options, as adjusted to exclude the effect of reductions for estimated forfeitures related to service-based vesting conditions. See Notes 2 and 12 to the Company's consolidated financial statements included in the Company's Annual Report to shareholders for the year ended December 31, 2007 for additional information regarding options, including assumptions made in determining values for common share options.
- (4) Represents the portion of the cash annual incentive awards determined by the necessary actual performance against the performance objectives granted in 2008 and 2007 as compensation for services performed during 2007 and 2006, respectively.
- (5) Refer to the table below entitled "All Other Compensation" for amounts, which include perquisites, auto allowances, personal financial and tax preparation fees paid by the Company on behalf of the officers, dividends on unvested restricted common shares in 2006 and Company match on employee contributions to the Company's 401(k) and nonqualified deferred compensation plans.
- (6) Mr. Waesche served as our Chief Financial Officer until August 14, 2006, when he was promoted to Chief Operating Officer.
- (7) Mr. Riffée joined the Company on August 14, 2006.

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All Other Compensation

Name	Year	Financial Advice and Tax Preparation Benefits	Auto Allowance	Johns Hopkins Wellness Program Participation	Dividends on Unvested Restricted Shares(1)	Tax Gross-Ups Upon Restricted Share Vesting(2)	Matching of Contributions to 401(k) and Deferred Compensation Plans	Total
Randall M. Griffin	2007	\$ 5,862	\$ 15,000	\$ 2,673			\$ 6,750	\$ 30,285
	2006	4,300	15,000		192,295	668,085	6,600	886,280
Roger A. Waesche, Jr.	2007		12,000				4,808	16,808
	2006		12,000	2,260	62,052		6,600	82,912
Stephen E. Riffée	2007	1,075	13,200	2,212			6,750	23,237
	2006		4,615		18,600			23,215
Dwight S. Taylor	2007		13,200	2,388			6,750	22,338
	2006	4,741	10,546		26,699		6,600	48,586
Karen M. Singer	2007	1,579	10,200				6,750	18,529
	2006	956	9,231	2,259	12,169		6,600	31,215

(1) For 2006, includes dividends on unvested restricted shares. For 2007, the value of the stock awards, as set forth in the table entitled "Summary Compensation" under the heading entitled "Stock Awards" reflects the value of the right to receive dividends on unvested restricted shares. While the same was true for 2006, we have reconsidered the applicable disclosure rule and determined for purposes of 2007 reporting that the actual receipt of dividends on restricted shares should not be included in "All Other Compensation."

(2) This represents the reimbursement of income taxes resulting from the vesting of restricted shares associated with restricted share awards that originated in 1999 and 2000. We have not since issued restricted share awards that provide for such a reimbursement of income taxes and do not expect to do so in the future.

Employment Agreements

We have employment agreements with our Named Executive Officers that establish various parameters of their compensation, particularly their base salaries and certain benefit entitlements. A description of material terms of these agreements follows:

Randall M. Griffin is party to an agreement that commenced on April 1, 2005 and expires on June 30, 2010;

Roger A. Waesche, Jr. is party to an agreement that commenced on July 1, 2002 and expires on June 30, 2013;

Stephen E. Riffée is party to an agreement that commenced on August 14, 2006 and expires on August 13, 2012;

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Dwight S. Taylor is party to an agreement that commenced on July 1, 2002 and expires on March 31, 2009; and

Karen M. Singer is party to an agreement that commenced on September 15, 2005 and expires on September 14, 2010.

Each of these agreements has a continuous and self-renewing one-year term after the basic term unless otherwise indicated by either the Company or the executive prior to a specified point in time during the then current term. These agreements may be terminated by either the Company or the executive at any time on one day's prior notice. Under the employment agreements, the executive officers are required to devote their full business time to our affairs and are prohibited from competing directly or indirectly with us during the term of the agreement and for a period thereafter. The

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agreements provide that incentive compensation shall be set by the Board of Trustees upon the Compensation Committee's recommendation. The Compensation Committee may take action in future years to increase the executive officers' base salaries. Current base salary and allowance for automobile, personal financial planning and income tax preparation provided for under the agreements of the Named Executive Officers are set forth below:

Name of Executive	Current Base Salary	Allowance for Automobile, Personal Financial Planning and Income Tax Preparation
Randall M. Griffin	\$ 600,000	\$ 21,000
Roger A. Waesche, Jr.	450,000	17,000
Stephen E. Riffie	370,000	18,200
Dwight S. Taylor	340,000	17,200
Karen M. Singer	280,000	12,200

These employment agreements provide for severance packages in the event of (1) termination by us without cause or by the executive based upon constructive termination or (2) a change of control of Corporate Office Properties Trust, as defined in the agreements. The employment agreements also provide for full vesting of common share options and restricted shares upon death or disability. These provisions are discussed further in the section below entitled "Potential Payments on Termination, Change in Control, Death or Disability."

2007 Grants of Plan-Based Awards

The following table sets forth information about equity and non-equity awards granted to the Named Executive Officers for 2007.

Name	Grant Date (1)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units (3)	Grant Date Fair Value of Stock Awards \$(3)(4)
		Threshold (\$)	Target (\$)	Maximum (\$)		
Randall M. Griffin	3/1/2007 3/1/2007	\$ 484,500	\$ 855,000	\$ 1,140,000	30,188	\$ 1,526,607
Roger A. Waesche, Jr.	3/1/2007 3/1/2007	318,750	425,000	637,500	13,708	693,214
Stephen E. Riffée	3/1/2007 3/1/2007	221,000	289,000	408,000	3,689	186,553
Dwight S. Taylor	3/1/2007 3/1/2007	202,150	311,000	373,200	9,122	461,300
Karen M. Singer	3/1/2007 3/1/2007	165,750	216,750	306,000	7,515	380,034

(1) March 1, 2007 is the date on which the Board of Trustees established the range of potential cash annual incentive awards for 2007 performance by Named Executive Officers, and the date on which it made 2007 grants of restricted shares under the long-term incentive program for the such executives; such restricted share grants related to 2006 performance, and were determined in connection with the range of potential long-term incentive payouts established in March 2006 for 2006 performance. At the March 1, 2007 meeting, the Board of Trustees also established the range of potential long-term incentive payouts for 2007 performance. Grants of restricted shares were made on February 28, 2008 with respect to 2007 performance. See the section entitled "Compensation Discuss and Analysis" for a discussion and presentation of these grants.

(2) As described in the section entitled "Compensation Discussion and Analysis," the Board of Trustees approved cash annual incentive awards for the executive officers, as a percentage of base salary, for three levels of performance. These columns show the estimated future payouts of annual incentive awards for the three levels of performance approved by the Board of Trustees for 2007, as converted from the percentages of base salary, using the executive's base salary used to compute

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the 2007 annual incentive award. The table below sets forth the actual annual incentive award payouts approved by the Board of Trustees on February 28, 2008.

Name of Executive	Award as % of Base Salary	Award Amount	Actual Amount Received(a)
Randall M. Griffin	187.5%	\$ 1,068,750	\$ 1,000,000
Roger A. Waesche, Jr.	130.8%	555,980	532,000
Stephen E. Riffiee	109.4%	372,004	355,000
Dwight S. Taylor	83.3%	259,129	330,000
Karen M. Singer	110.4%	281,644	300,000

(a) For Mr. Griffin, Mr. Waesche and Mr. Riffiee, the difference between the award amount determined by the necessary actual performance against the performance objectives and the actual amount awarded represents voluntary reductions by such executives in order to leave additional capacity for awards to others in the Company. For Mr. Taylor and Ms. Singer, the difference between the award amount determined by the necessary actual performance against the performance objectives and the actual amount awarded represents discretionary awards granted to these executives over the computation provided for under the Plan.

(3) This column reflects the restricted share awards made on March 1, 2007 under the long-term incentive plan related to 2006 performance. These shares vest over a three-year period in equal increments on the anniversary of the grant date.

(4) The grant date fair value was calculated using the closing common share price on the NYSE on March 1, 2007 of \$50.57.

Outstanding Equity Awards at December 31, 2007

The table below provides information about unexercised common share options and unvested restricted shares at December 31, 2007 for the Named Executive Officers.

Name	Grant Date	Option Awards				Restricted Share Awards	
		Number of Securities Underlying Unexercised Options		Option Exercise Price(\$)	Option Expiration Date	Number of Shares That Have Not Vested(1)	Market Value of Shares That Have Not Vested (\$)(2)
		Exercisable	Unexercisable				
Randall M. Griffin	9/28/1998	25,300		\$ 9.25	9/28/2008		\$
	3/11/1999	20,000		9.25	3/11/2009		
	12/16/1999	210,000		7.38	12/16/2009		
	1/1/2000	6,932		7.63	1/1/2010		
	9/12/2000	25,000		9.75	9/12/2010		
	3/8/2001	50,000		9.90	3/8/2011		
	3/7/2002	168,068		12.45	3/7/2012		
	5/15/2003				N/A	3,600	113,400
	2/26/2004				N/A	13,702	431,613
	2/25/2005				N/A	27,235	857,903
	3/9/2006				N/A	40,236	1,267,434
	3/1/2007				N/A	30,188	950,922

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Roger A. Waesche, Jr.	9/12/2000	40,000	9.75	9/12/2010		
	3/7/2002	50,000	12.45	3/7/2012		
	5/15/2003			N/A	1,440	45,360
	2/26/2004			N/A	7,771	244,787
	2/25/2005			N/A	16,049	505,544
	3/9/2006			N/A	15,091	475,367
	3/1/2007			N/A	13,708	431,802
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Stephen E. Riffée	8/14/2006			N/A	25,200	793,800
	3/1/2007			N/A	3,689	116,204
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Dwight S. Taylor	5/15/2003			N/A	1,296	40,824
	2/26/2004			N/A	3,357	105,746
	2/25/2005			N/A	6,002	189,063
	3/9/2006			N/A	6,241	196,592
	3/1/2007			N/A	9,122	287,343
<hr/>						
Karen M. Singer	1/1/2002	4,000	11.87	1/1/2012		
	1/1/2004	7,500	20.34	1/1/2014		
	1/31/2003			N/A	1,156	36,414
	1/31/2004			N/A	1,013	31,910
	2/25/2005			N/A	1,998	62,937
	3/9/2006			N/A	3,444	108,486
	3/1/2007			N/A	7,515	236,723
	<hr/>					

- (1) The forfeiture restrictions on restricted share awards that were unvested at December 31, 2007 lapsed or will lapse on the following dates:

Grant Date	Vesting Schedule
1/31/2003	All remaining shares vested on 1/31/2008.
5/15/2003	All remaining shares vest on 5/15/2008.
1/31/2004	48% vested on 1/31/2008 and 52% vest on 1/31/2009.
2/26/2004	48% vested on 2/26/2008 and 52% vest on 2/26/2009.
2/25/2005	30% vested on 2/25/2008; 33% vest on 2/25/2009; and 37% vest on 2/25/2010.
3/9/2006	21% vested on 3/9/2008; 24% vest on 3/9/2009; 26% vest on 3/9/2010; and 29% vest on 3/9/2011.
8/14/2006	21% vest on 8/14/2008; 24% vest on 8/14/2009; 26% vest on 8/14/2010; and 29% vest on 8/14/2011.
3/1/2007	33.3% vested on 3/1/08; 33.3% vest on 3/31/2009; and 33.4% vest on 3/1/2010.

- (2) Value is calculated by multiplying the number of shares subject to vesting by \$31.50, the closing price of our common shares on the NYSE on December 31, 2007.

Option Exercises and Stock Vested in 2007

The table below provides information about the value realized on options exercised and restricted shares vesting during 2007 for the Named Executive Officers.

Name	Option Awards		Restricted Share Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise(1)	Number of Shares Acquired on Vesting	Value Realized on Vesting(2)
Randall M. Griffin	94,700	\$ 4,242,238	24,349	\$ 1,224,806
Roger A. Waesche, Jr.	45,000	1,901,565	11,951	606,325
Stephen E. Riffie			4,800	191,232
Dwight S. Taylor	102,500	3,809,034	5,474	272,987
Karen M. Singer	10,000	328,989	2,702	140,898

(1) Value realized on share options exercised is calculated by multiplying the difference between the option exercise price and the common share price upon exercise of options by the number of common shares underlying the options.

(2) Value realized on vesting of restricted shares is calculated by multiplying the average of the high and low common share prices, as reported by the NYSE on the vesting date, by the number of shares vesting.

Nonqualified Deferred Compensation

The following table shows the contributions, earnings and account balances for the Named Executive Officers in the Company's nonqualified deferred compensation plan:

Named Executive	Executive Contributions in 2007(1)	Company Contributions in 2007(2)	Aggregate (Losses) Earnings in 2007(3)	Aggregate Distributions in 2007	Aggregate Balance at 12/31/07(4)
Randall M. Griffin	\$ 166,694	\$	\$ (129,834)	\$	\$ 1,445,891
Roger A. Waesche, Jr.	(800)		39,276		555,615
Stephen E. Riffie	14,929		231		15,160
Dwight S. Taylor	23,909		10,530		346,730
Karen M. Singer	64,947		3,300	(73,826)	120,405

(1) The amounts in this column include amounts reflected in the Summary Compensation Table in the salary column, as well as non-equity incentive plan compensation paid in 2007 for 2006.

(2) The amounts in this column are also included in the Summary Compensation Table in the all other compensation column as a portion of the 401(k) and deferred compensation plan match.

(3) The amounts in this column reflect aggregate losses or earnings on participant-directed investments. The nonqualified deferred compensation plan does not pay above-market interest rates.

(4) The table below sets forth the portions of the amounts included in this column that were reported in the Summary Compensation Table appearing in the Company's proxy statements in this year or in prior years:

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Named Executive	Amounts Reported as Compensation		
	Current Year	Prior Years	Total
Randall M. Griffin	\$ 166,694	\$ 1,016,545	\$ 1,183,239
Roger A. Waesche, Jr.		302,487	302,487
Stephen E. Riffie	14,929		14,929
Dwight S. Taylor	23,923	165,498	189,421
Karen M. Singer	61,422	108,876	170,298

Potential Payments on Termination, Change in Control, Death or Disability

The employment agreement of Mr. Griffin provides for the following severance package in the event of (1) termination by us without cause or by the executive based upon constructive termination or (2) a change in control of the Company or Mr. Griffin's employer:

in the event of termination by us without cause or by Mr. Griffin based upon constructive termination, payment equal to his base annual salary multiplied by three plus the average of his three most recent annual incentive awards multiplied by three;

in the event of a change in control of the Company or Mr. Griffin's employer, payment equal to his base annual salary multiplied by the number of years then remaining in the employment agreement term (but not less than three years) plus the average of his three most recent annual incentive awards multiplied by the number of years then remaining in the employment agreement term (but not less than three years);

perquisites and benefits for 24 months following termination unless such benefits are available to him through other employment after termination;

full vesting of previously unvested share options and restricted shares with the right to exercise options for up to 18 months following termination; and

in the case of a change in control, reimbursement for any parachute excise taxes and all Federal and state income or other taxes with respect to payment of the amount of such excise tax, including all such taxes with respect to any such grossing-up amount.

The employment agreements of Mr. Waesche and Mr. Taylor provide for the following severance package in the event of (1) termination by us without cause or by the executive based upon constructive termination or (2) a change in control of the Company or the executive's employer:

payment equal to his base annual salary multiplied by three;

payment equal to the average of his three most recent annual incentive awards multiplied by three;

perquisites and benefits for 24 months following termination unless such benefits are available to him through other employment after termination;

full vesting of previously unvested share options and restricted shares with the right to exercise options for up to 18 months following termination; and

in the case of a change in control, reimbursement for any parachute excise taxes and all Federal and state income or other taxes with respect to payment of the amount of such excise tax, including all such taxes with respect to any such grossing-up

amount.

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The employment agreement of Mr. Riffie provides for the following severance package in the event of (1) termination by us without cause or by Mr. Riffie based upon constructive termination or (2) a change in control of the Company or Mr. Riffie's employer:

payment equal to his base annual salary multiplied by three;

payment equal to the average of his three most recent annual incentive awards multiplied by three;

perquisites and benefits for 12 months following termination unless such benefits are available to him through other employment after termination;

full vesting of previously unvested share options and restricted shares with the right to exercise options for up to 18 months following termination; and

in the case of a change in control, reimbursement for any parachute excise taxes and all Federal and state income or other taxes with respect to payment of the amount of such excise tax, including all such taxes with respect to any such grossing-up amount.

The employment agreement of Ms. Singer provides for the following severance package in the event of (1) termination by us without cause or by Ms. Singer based upon constructive termination or (2) a change in control of the Company or Ms. Singer's employer:

payment equal to her base annual salary;

payment equal to the average of her three most recent annual incentive awards;

perquisites and benefits for 12 months following termination unless such benefits are available to her through other employment after termination; and

full vesting of previously unvested share options and restricted shares with the right to exercise options for up to 18 months following termination.

Under the employment agreements, a termination by us without cause is termination of employment for any reason other than (1) expiration of the term of the executive's employment agreement or any renewal term; (2) termination upon disability; or (3) a "for-cause" termination. A "for- cause" termination is the termination of employment by us on the basis or as a result of (1) a violation by the executive of any applicable law or regulation respecting the Company's business; (2) the executive's conviction of a felony or any crime involving moral turpitude; (3) any act of dishonesty or fraud, or the executive's commission of an act which in the opinion of the Board of Trustees disqualifies the executive from serving as an executive or Trustee; (4) the willful or negligent failure of the executive to perform his or her duties under the employment agreement, which failure continues for a period of 30 days after written notice thereof is given to the executive; or (5) a violation of any provision of the Company's Code of Business Conduct and Ethics by the executive.

Under the employment agreements, constructive termination is termination initiated by the executive upon such executive being "constructively discharged" by us, which means the occurrence of any of the following events (not in connection with a "for-cause" termination): (1) the executive is not re-elected to, or is removed from, his or her position, other than as a result of the executive's election or appointment to positions of equal or superior scope and responsibility; (2) the executive shall fail to be vested by the Company with the powers, authority and support services normally attendant to any of said offices; (3) the Company notifies the executive that the employment of the executive will be terminated or materially modified in the future or that the executive will be constructively discharged in the future; (4) the Company changes the primary employment location of the executive to a place that is more than 50 miles from the primary employment location as of the date of the employment agreement; or (5) the Company otherwise commits a material breach of its obligations under the employment agreement.

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Under the employment agreements, a change in control means the occurrence of any of the following during the term of the employment agreement: (1) the consummation of the acquisition by any person, (as such term is defined in Section 13(d) or 14(d) of the Exchange Act of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of the combined voting power embodied in the then outstanding voting securities of the Company or the executive's employer; or (2) approval by the shareholders of the Company or the executive's employer of: (a) a merger or consolidation of the Company or the executive's employer, if the shareholders of the Company or the employer of the executive immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities of the entity resulting from such merger or consolidation in substantially the same proportion as was represented by their ownership of the combined voting power of the voting securities of the Company or the executive's employer outstanding immediately before such merger or consolidation; or (b) a complete or substantial liquidation or dissolution, or an agreement for the sale or other disposition, of all or substantially all of the assets of the Company or the employer of the executive.

In the event of death or disability, the employment agreements provide for the full vesting of all options and restricted shares granted to executive officers under any stock plan or similar program.

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The table below reflects the payments that may be made to the Named Executive Officers pursuant to the provisions discussed above, assuming that the termination event described occurred on December 31, 2007.

Name	Cash Severance Payments(1)	Continuation of Medical/Welfare Benefits(2)	Value of Share Option and Restricted Share Vestings(3)	Parachute Excise Tax Gross-Up Payment(4)	Total Termination Benefits
Randall M. Griffin					
Premature or Constructive Termination	\$ 3,896,404	\$ 64,412	\$ 3,621,272	\$	\$ 7,582,088
Change in Control	\$ 3,896,404	\$ 64,412	\$ 3,621,272	\$	\$ 7,582,088
Death or Disability	\$	\$	\$ 3,621,272	\$	\$ 3,621,272
Roger A. Waesche, Jr.					
Premature or Constructive Termination	\$ 2,206,000	\$ 62,142	\$ 1,702,859	\$	\$ 3,971,001
Change in Control	\$ 2,206,000	\$ 62,142	\$ 1,702,859	\$	\$ 3,971,001
Death or Disability	\$	\$	\$ 1,702,859	\$	\$ 1,702,859
Stephen E. Riffie					
Premature or Constructive Termination	\$ 1,185,000	\$ 32,120	\$ 910,004	\$	\$ 2,127,124
Change in Control	\$ 1,185,000	\$ 32,120	\$ 910,004	\$ 579,495	\$ 2,706,619
Death or Disability	\$	\$	\$ 910,004	\$	\$ 910,004
Dwight S. Taylor					
Premature or Constructive Termination	\$ 1,504,000	\$ 37,754	\$ 819,567	\$	\$ 2,361,321
Change in Control	\$ 1,504,000	\$ 37,754	\$ 819,567	\$	\$ 2,361,321
Death or Disability	\$	\$	\$ 819,567	\$	\$ 819,567
Karen M. Singer					
Premature or Constructive Termination	\$ 383,667	\$ 14,004	\$ 476,469	\$	\$ 874,140
Change in Control	\$ 383,667	\$ 14,004	\$ 476,469	\$	\$ 874,140
Death or Disability	\$	\$	\$ 476,469	\$	\$ 476,469

- (1) Cash payments due to the Named Executive Officers upon premature or constructive termination would be paid by the Company monthly over a 12-month period unless otherwise required by or mutually-agreed upon due to tax considerations. Cash payments due to the Named Executive Officers upon a change in control would be paid by the Company in a lump sum.
- (2) These benefits were computed based on the monthly medical and welfare benefits, auto allowances, and financial planning allowances for the Named Executive Officers as of December 31, 2007 multiplied by the number of months over which such benefits are to continue beyond such executives' employment termination.
- (3) Value on vesting of stock options is calculated by multiplying the difference between stock option exercise prices and \$31.50, the closing price of our common shares on the NYSE on December 31, 2007, by the number of common shares underlying unvested stock options as of December 31, 2007. Value on restricted share vestings is calculated by multiplying the number of shares subject to vesting as of December 31, 2007 by \$31.50.
- (4) The gross-up payments do not take account of mitigation for payments being paid in consideration of non-competition agreements or as reasonable compensation. The amounts in the table are based on an excise tax rate of 20%, a Federal income tax rate of 35%, a Medicare tax rate of 1.45% and a state income tax rate of 7.0%. While the employment agreements of Mr. Griffin, Mr. Waesche and Mr. Taylor provide for reimbursement of parachute excise taxes and related tax gross-ups, we determined that no excise taxes were due for such executives in the periods used in the computation.

Proposal 3 Adoption of the 2008 Omnibus Equity and Incentive Plan

On April 2, 2008, our Board of Trustees adopted the 2008 Omnibus Equity and Incentive Plan (the "2008 Plan"), subject to the approval of our shareholders. The 2008 Plan will become effective if and when approved by our shareholders and will replace our 1998 Long Term Incentive Plan (the "1998 Plan"). The 1998 Plan expired on March 12, 2008.

For years, we have successfully used equity awards granted under the 1998 Plan to attract, retain and motivate employees. We believe that having a plan in place that permits us to grant equity awards to existing and prospective employees remains critical to our ability to attract, retain and motivate employees in a highly competitive marketplace. Because the 1998 Plan expired on March 12, 2008, unless the 2008 Plan is approved by our shareholders, we will not be able to grant equity awards to existing or prospective employees. Our inability to grant equity awards could have a significant adverse affect on our ability to attract, retain and motivate the well qualified employees that are critical to our success. Accordingly, we are seeking shareholder approval of the 2008 Plan.

The Board of Trustees unanimously recommends a vote "FOR" the 2008 Plan.

Summary of the 2008 Plan

The following description of certain material features of the 2008 Plan is intended to be a summary only. The summary is qualified in its entirety by the full text of the 2008 Plan that is attached hereto as Annex B.

Shares Available. The maximum number of shares to be issued under the 2008 Plan is 2,900,000 common shares; provided that different types of awards will count differently against the total number of shares available. Any award that delivers the full value of the underlying shares such as deferred share awards, restricted share awards, unrestricted share awards or performance share awards (a "Full Value Award") will be counted against the overall share limitation as 3.1 shares. The grant of any option or share appreciation right that has a term of five years or less from the date of grant will be counted against the overall share limitation as 0.8 shares. All other awards will be counted against the overall share limitation as 1.0 shares. Based solely on the closing price of our common shares as reported on the NYSE on March 14, 2008, the maximum aggregate market value of the 2,900,000 shares that could potentially be issued under the 2008 Plan is \$92,887,000.

The shares underlying any awards that are forfeited, canceled, expired, reacquired by us prior to vesting, satisfied without the issuance of common shares or otherwise terminated (other than by exercise) under the 2008 Plan are added back to the shares available for issuance under the 2008 Plan. Shares tendered or held back upon exercise of an option or settlement of an award to cover the exercise price or tax withholding are not available for future issuance under the 2008 Plan. In addition, upon exercise of share appreciation rights, the gross number of shares exercised shall be deducted from the total number of shares remaining available for issuance under the 2008 Plan.

Types of Awards. The types of awards permitted under the 2008 Plan will include share options, share appreciation rights, deferred share awards, restricted share awards, unrestricted share awards, cash-based awards, performance shares, dividend equivalent rights and other equity-based awards.

Eligibility. All officers, employees, non-employee Trustees and other key persons (including consultants and prospective employees) of the Company and its subsidiaries will be eligible to receive awards under the 2008 Plan. Persons eligible to participate in the 2008 Plan will be those officers, employees, non-employee Trustees and other key persons (including consultants and prospective employees) of the Company and its subsidiaries as selected from time to time by the Administrator. Approximately 360 individuals are currently eligible to participate in the 2008 Plan.

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Plan Administration. The 2008 Plan will be administered by either the Compensation Committee of the Board of Trustees, the Board of Trustees or by such other committee of the Board of Trustees performing the functions of the Compensation Committee (in either case, the "Administrator"). The Administrator has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the 2008 Plan. The Administrator may delegate the authority to grant awards to employees who are not subject to the reporting and other provisions of Section 16 of the Exchange Act to our Chief Executive Officer.

Change of Control. In the event of a change in control or sale of the Company, the time-based vesting provisions of all awards granted under the 2008 Plan will fully accelerate, except as the Administrator may otherwise specify with respect to particular awards, and performance-based vesting may accelerate.

Term. No awards may be granted under the 2008 Plan 10 years after the date of shareholder approval.

Amendment. The 2008 Plan may not be amended without common shareholder approval to the extent required by the NYSE or to preserve the qualified status of incentive options or ensure that compensation earned under the 2008 Plan qualifies as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986 (the "Code"). Generally, under current NYSE rules, all material amendments to the 2008 Plan, including those that materially increase the number of shares available, expand the types of awards available or the persons eligible to receive awards, extend the term of the 2008 Plan, change the method of determining the strike price of options or delete or limit any provision prohibiting the repricing of options, must be approved by our common shareholders. Otherwise, our Board of Trustees may at any time amend or discontinue the 2008 Plan.

Repricing. The Administrator may not reprice or reduce the exercise price of any outstanding options or share appreciation rights, other than as a result of a proportionate adjustment made in connection with a reorganization, recapitalization, reclassification, share dividend, share split, reverse share split, extraordinary dividend or other similar event.

Limitations on Individual Grants of Options or Share Appreciation Rights. The maximum award of options or share appreciation rights granted to any one individual will not exceed 2,500,000 shares (subject to adjustment for share splits and similar events) for any calendar year period.

Performance-Based Compensation. To ensure that certain awards granted under the 2008 Plan to a "Covered Employee" (as defined in the Code) qualify as "performance-based compensation" under Section 162(m) of the Code, the 2008 Plan provides that the Administrator may require that the vesting of such awards be conditioned on the satisfaction of performance criteria that may include any or all of the following: (1) earnings before interest, taxes, depreciation and/or amortization, (2) net income (loss) (either before or after interest, taxes, depreciation and/or amortization), (3) changes in the market price of our common shares, (4) economic value-added, (5) funds from operations or similar measure, (6) sales or revenue, (7) acquisitions or strategic transactions, (8) operating income (loss), (9) cash flow (including, but not limited to, operating cash flow and free cash flow), (10) return on capital, assets, equity, or investment, (11) shareholder returns, (12) return on sales, (13) gross or net profit levels, (14) productivity, (15) expense, (16) margins, (17) operating efficiency, (18) customer satisfaction, (19) working capital, (20) earnings (loss) per share, (21) rent growth, (22) objectively determinable expense management, (23) capital deployment, (24) development milestones, (25) sales or market shares and (26) number of customers, any of which may be measured either in absolute terms, or on a per share basis, as compared to any incremental increase or as compared to results of a peer group. The Administrator will select the particular performance criteria within 90 days following the commencement of a performance cycle. Subject to adjustments for share splits and similar events, the

maximum award granted to any one individual that is intended to qualify as "performance-based compensation" under Section 162(m) of the Code will not exceed 700,000 shares of common shares for any performance cycle. If a performance-based award is payable in cash to any executive, it cannot exceed \$10,000,000 for any performance cycle.

Share Options. The 2008 Plan permits the granting of (1) options intended to qualify as incentive stock options under Section 422 of the Code and (2) options that do not so qualify. Options granted under the 2008 Plan will be non-qualified options if they fail to qualify as incentive options or exceed the annual limit on incentive stock options. Non-qualified options may be granted to any persons eligible to receive incentive options and to non-employee Trustees and key persons. The exercise price of each option will be determined by the Administrator but may not be less than 100% of the fair market value of our common shares on the date of grant.

The term of each option will be fixed by the Administrator and may not exceed ten years from the date of grant. The Administrator will determine at what time or times each option may be exercised. Options may be made exercisable in installments and the exercisability of options may be accelerated by the Administrator. Options may be exercised in whole or in part with written notice to the Company.

Upon exercise of options, the option exercise price must be paid in full either in cash, by certified or bank check or other instrument acceptable to the Administrator, or by delivery (or attestation to the ownership) of shares that are beneficially owned by the optionee. Subject to applicable law, the exercise price may also be delivered to the Company by a broker pursuant to irrevocable instructions to the broker from the optionee.

To qualify as incentive options, options must meet additional federal tax requirements, including a \$100,000 limit on the value of shares subject to incentive options that first become exercisable by a participant in any one calendar year.

Share Appreciation Rights. The Administrator may award share appreciation rights to participants subject to such conditions and restrictions as the Administrator may determine, provided that the exercise price may not be less than 100% of the fair market value of our common shares on the date of grant. Share appreciation rights are settled in common shares. In addition, no share appreciation rights shall be exercisable more than 10 years after the date the Share Appreciation Right is granted.

Deferred Shares. Deferred share awards are ultimately payable in the form of common shares and may be subject to such conditions and restrictions as the Administrator may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with the Company through a specified vesting period. In the event these awards granted to employees have a performance-based restriction, the restriction period will be at least one year, and in the event these awards have a time-based restriction, the restriction period will be at least three years, but vesting can occur incrementally over the three-year period. In addition, at the Administrator's discretion, these minimum vesting requirements may be reduced with respect to any employee who has provided notice to the Company of his or her intent to retire from the Company within the restriction or vesting period. The minimum vesting requirements set forth above will not apply to deferred share awards granted to non-employee Trustees. In the Administrator's sole discretion, and subject to the participant's compliance with the procedures established by the Administrator and requirements of Section 409A of the Code, it may permit a participant to make an advance election to receive a portion of his or her future cash compensation otherwise due in the form of a deferred share award.

Restricted Shares. The Administrator may award shares to participants subject to such conditions and restrictions as the Administrator may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with us through a specified restriction period. However, in the event these awards granted to employees have a performance-based

restriction, the restriction period will be at least one year, and in the event these awards granted to employees have a time-based restriction, the restriction period will be at least three years, but vesting can occur incrementally over the three-year period. In addition, at the Administrator's discretion, these minimum vesting requirements may be reduced with respect to any employee who has provided notice to the Company of his or her intent to retire from the Company within the restriction or vesting period. The minimum vesting requirements set forth above will not apply to restricted shares granted to non-employee Trustees.

Unrestricted Shares. The 2008 Plan gives the Administrator discretion to grant share awards free of any restrictions. Unrestricted shares may be granted to any participant in recognition of past services or other valid consideration and may be issued in lieu of cash compensation due to such participant.

Cash-based Awards. Each cash-based award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a cash-based award may be made in cash or in common shares, as the Administrator determines.

Performance Share Awards. The Administrator may grant performance share awards to any participant which entitle the recipient to receive common shares upon the achievement of certain performance goals and such other conditions as the Administrator shall determine. Such conditions may include: the performance goals; the periods during which performance is to be measured, which may not be less than one year in the case of performance share awards granted to employees, provided that, in the Administrator's discretion, such minimum vesting requirement may be reduced with respect to any employee who has provided notice to the Company of his or her intent to retire from the Company within such one-year period; and such other limitations and conditions as the Administrator shall determine. The minimum vesting requirement set forth in the foregoing sentence will not apply to performance share awards granted to non-employee Trustees.

Dividend Equivalent Rights. Dividend equivalent rights are awards entitling the grantee to current or deferred payments equal to dividends on a specified number of common shares. Dividend equivalent rights may be settled in cash or shares and are subject to other conditions as the Administrator shall determine. Dividend equivalent rights shall not be granted to any grantee as a component of an option or a share appreciation right.

Other Equity-Based Awards. The Administrator may grant units or any other membership or ownership interests (which may be expressed as units or otherwise) in a subsidiary (or other affiliate of the Company), with any shares being issued in connection with the conversion of (or other distribution on account of) an interest granted under the provisions of the 2008 Plan.

Tax Withholding. Participants in the 2008 Plan are responsible for the payment of any federal, state or local taxes that we are required by law to withhold upon any option exercise or vesting of other awards. Subject to approval by the Administrator, participants may elect to have the minimum tax withholding obligations satisfied by authorizing the Company to withhold shares to be issued pursuant to an option exercise or other award.

Tax Aspects Under the Code

The following is a summary of the principal federal income tax consequences of certain transactions under the 2008 Plan. It does not describe all federal tax consequences under the 2008 Plan, nor does it describe state or local tax consequences.

Incentive Options. No taxable income is generally realized by the optionee upon the grant or exercise of an incentive option. If shares issued to an optionee pursuant to the exercise of an incentive option are sold or transferred after two years from the date of grant and after one year from the date of exercise, then (1) upon sale of such shares, any amount realized in excess of the option price (the

amount paid for the shares) will be taxed to the optionee as a long-term capital gain, and any loss sustained will be a long-term capital loss, and (2) we will not be entitled to any deduction for federal income tax purposes. The exercise of an incentive option will give rise to an item of tax preference that may result in alternative minimum tax liability for the optionee.

An incentive option will not be eligible for the tax treatment described above if it is exercised more than three months following termination of employment (or one year in the case of termination of employment by reason of disability). In the case of termination of employment by reason of death, the three-month rule does not apply.

If shares acquired upon the exercise of an incentive option are disposed of prior to the expiration of the two-year and one-year holding periods described above, generally: (1) the optionee will realize ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of the shares at exercise (or, if less, the amount realized on a sale of such shares) over the option price thereof; and (2) we will be entitled to deduct such amount. Special rules will apply where all or a portion of the exercise price of the incentive option is paid by tendering shares.

Non-Qualified Options. No taxable income is generally realized by the optionee upon the grant of a non-qualified option. Generally: (1) at exercise, ordinary income is realized by the optionee in an amount equal to the difference between the option price and the fair market value of the shares on the date of exercise, and we receive a tax deduction for the same amount; and (2) at disposition, appreciation or depreciation after the date of exercise is treated as either short-term or long-term capital gain or loss depending on how long the shares have been held. Special rules will apply where all or a portion of the exercise price of the non-qualified option is paid by tendering shares. Upon exercise, the optionee will also be subject to Social Security taxes on the excess of the fair market value over the exercise price of the option.

Parachute Payments. The vesting of any portion of an option or other award that is accelerated due to the occurrence of a change in control may cause a portion of the payments with respect to such accelerated awards to be treated as "parachute payments," as defined in the Code. Any such parachute payments may be non-deductible to us, in whole or in part, and may subject the recipient to a non-deductible 20% federal excise tax on all or a portion of such payment (in addition to other taxes ordinarily payable).

Limitation on the Company's Deductions. As a result of Section 162(m) of the Code, our deduction for certain awards under the 2008 Plan may be limited to the extent that the Chief Executive Officer or other executive officer whose compensation is required to be reported in the summary compensation table receives compensation in excess of \$1 million a year (other than performance-based compensation that otherwise meets the requirements of Section 162(m) of the Code). The 2008 Plan is structured to allow certain grants to qualify as performance-based compensation.

New Plan Benefits

No grants have been issued with respect to the shares to be reserved for issuance under the 2008 Plan. The number of shares that may be granted to any participant in the 2008 Plan is not determinable at this time, as such grants are subject to the discretion of the Administrator. Accordingly, in lieu of providing benefits that will be received by the following individuals under the 2008 Plan, the

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following table provides information concerning equity awards granted to the following individuals during fiscal year ended December 31, 2007:

Name of Executive or Group	Common Shares Underlying Share Options	Other Awards Under the Plan
Randall M. Griffin		30,188
Roger A. Waesche, Jr.		13,708
Stephen E. Riffie		3,689
Dwight S. Taylor		9,122
Karen M. Singer		7,515
All current executive officers as a group		64,222
All current Trustees who are not executive officers, as a group	40,000	
All current employees who are not executive officers, as a group	257,691	77,137

Vote Required

Because this proposal is required to be approved by shareholders under the rules of the New York Stock Exchange, two separate thresholds must be met for this proposal to be approved: (1) votes for the proposal must be at least a majority of all of the votes cast on the proposal (including votes for and against and abstentions) and (2) the total number of votes cast on the proposal (regardless of whether they are for or against or abstentions) must represent more than 50% of all of the shares entitled to vote on the proposal. For these purposes, abstentions will be treated as votes cast and broker non-votes will not be treated as votes cast.

Our Board of Trustees unanimously recommends a vote FOR the approval of the 2008 Omnibus Equity and Incentive Plan. Proxies solicited by the Board of Trustees will be voted for the proposal unless instructions to the contrary are given.

Equity Compensation Plan Information

The table below provides information as of December 31, 2007 regarding our compensation plans under which equity securities are authorized for issuance to employees or non-employees in exchange for consideration in the form of goods and services.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities in Column (a)) (c)
Equity compensation plans approved by security holders	2,141,344	\$ 25.29	975,504(1)
Equity compensation plans not approved by security holders		N/A	
Total	2,141,344	\$ 25.29	975,504

(1) Includes 975,504 awards available to be issued under the 1998 Long Term Incentive Plan; total awards issuable under this plan are computed based on 13% of the total of (i) our common shares outstanding plus (ii) the number of common shares which would be outstanding upon redemption of all units in our operating partnership or other securities which are convertible into common shares (subject to adjustment to prevent antidilution or enlargement of the rights of plan participants). Currently, there are no shares available to be issued under the 1998 Plan as it expired on March 12, 2008.

As of March 14, 2008, the number of securities to be issued upon the exercise of outstanding options is equal to 2,122,799, the weighted average exercise price of outstanding options is equal to \$25.24, the weighted average term is 5.6 years and there are no securities remaining for issuance. In addition, a total of 547,223 restricted shares were outstanding as of March 14, 2008.

During 2005, 2006 and 2007, we granted 521,588, 503,800 and 297,691 options and 130,975, 163,420 and 141,359 restricted shares, respectively. Our weighted average common shares outstanding for 2005, 2006 and 2007 totaled 37,370,585, 41,462,982 and 46,527,216, respectively.

Report of the Audit Committee

The Audit Committee of Corporate Office Properties Trust's Board of Trustees is comprised of the three Trustees named below. Each of the Trustees meets the independence and experience requirements of the New York Stock Exchange and satisfies the Securities and Exchange Commission's additional independence requirements for members of audit committees. The Board of Trustees has determined that Kenneth D. Wethe is an "audit committee financial expert" as defined by the Securities and Exchange Commission. The Audit Committee adopted and, in September 2006, the Board of Trustees approved, a charter outlining the Audit Committee's practices. A copy of the charter is available in the investor relations section of the Company's Internet website in the subsection entitled "Corporate Governance." The Audit Committee's charter is also available in print to any shareholder upon request. To the extent modifications are made to the Audit Committee's charter, such modifications will be reflected on the Company's Internet website.

Management is responsible for the Company's financial statements, financial reporting process, internal financial controls, compliance with legal and regulatory requirements and ethical behavior. The Company's independent registered public accounting firm is responsible for expressing opinions on the conformity of the Company's consolidated financial statements with generally accepted accounting principles, the presentation of the fairness of the Company's financial statement schedule and the effectiveness of the Company's internal control over financial reporting. The Company's internal audit function is responsible for, among other things, helping to evaluate and improve the effectiveness of risk management, control and governance processes, and being a resource to assist in improving the Company's operations. The role of the Audit Committee is to oversee these activities.

Management completed the documentation, testing and evaluation of the Company's system of internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. The Audit Committee was kept apprised of the progress of the evaluation and provided oversight and advice to management during the process. In connection with this oversight, the Committee received periodic updates provided by management, the internal audit function and the independent registered public accounting firm at each regularly scheduled Committee meeting. At the conclusion of the process, management provided the Committee with a report on the effectiveness of the Company's internal control over financial reporting, and represented to the Audit Committee that the Company's internal control over financial reporting was effective as of December 31, 2007 based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Committee also reviewed Management's Report on Internal Control over Financial Reporting contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2007 filed with the Securities and Exchange Commission, as well as the independent registered public accounting firm's Report of Independent Registered Public Accounting Firm (included in the Company's Annual Report on Form 10-K). The Report of Independent Registered Public Accounting Firm related to the audit of: (i) the consolidated financial statements and financial statement schedule included in Form 10-K; and (ii) the effectiveness of internal control over financial reporting. The Committee continues to oversee the Company's efforts related to its internal control over financial reporting and management's preparations for the evaluation in 2008.

The Audit Committee met with the Company's accounting and financial management team, the internal audit function and the independent registered public accounting firm to review the Company's annual and quarterly periodic filings containing annual and quarterly consolidated financial statements prior to the Company's submission of such filings to the Securities and Exchange Commission. In addition, the Audit Committee met with the internal audit function and with the independent registered public accounting firm without the presence of management.

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Management represented to the Audit Committee that the Company's consolidated financial statements for the year ended December 31, 2007 were prepared in accordance with generally accepted accounting principles. The Audit Committee discussed with the independent registered public accounting firm the matters required to be discussed under Statement on Auditing Standards No. 61, as amended, which addresses communication between audit committees and independent registered public accounting firms. The Audit Committee received from the independent registered public accounting firm the written disclosures and letter required by Independence Standards Board Standard No. 1, which addresses independence discussions between auditors and audit committees. The Audit Committee also held discussions with the independent registered public accounting firm regarding their independence from the Company and its management and considered whether the independent registered public accounting firm's provision of audit and non-audit services provided to the Company during 2007 was compatible with maintaining the registered public accounting firm's independence.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Trustees that the Company's audited consolidated financial statements for the year ended December 31, 2007 be included in the Company's 2007 Annual Report to Shareholders and Annual Report on Form 10-K for the year ended December 31, 2007 for filing with the Securities and Exchange Commission. This report is provided by the following independent Trustees, who constitute the Audit Committee.

AUDIT COMMITTEE

Kenneth D. Wethe, Chairman
Robert L. Denton
Steven D. Kesler

The Report of the Audit Committee shall not be deemed incorporated by reference by any general statement that incorporates by reference any portion of this proxy statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such acts.

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP ("PwC") served as our independent registered public accounting firm for the years ended December 31, 2007 and 2006. PwC also provided the Company with other auditing and advisory services. We are cognizant of the need for PwC to maintain its independence and objectivity in order to effectively serve in its role as our independent registered public accounting firm. As a result, our Audit Committee restricted the services for which PwC can be engaged to those services that could not impair or appear to impair PwC's independence and objectivity. In making this determination, the Audit Committee contemplates the nature of the services, the benefits that PwC performing such services brings both to the services and to their audit and PwC's proposed cost for providing such services.

The Audit Committee has procedures in place regarding the pre-approval of all services provided by PwC. Specifically, the Company's Management contacts the Audit Committee Chairman regarding the potential need for a service from PwC. PwC then provides an engagement letter to management pertaining to the service, which management reviews for the service description and proposed fee. Once management agrees with the engagement letter, it forwards the engagement letter to the Audit Committee Chairman. The Audit Committee Chairman then reviews the engagement letter for the criteria described in the previous paragraph and if, based on such review, he approves of the terms of the engagement letter, he forwards the letter to the other Audit Committee members requesting that they respond within a certain period of time should they not approve of the engagement letter. If the

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Audit Committee Chairman does not hear timely responses to the contrary, the Audit Committee Chairman is authorized to approve the engagement letter on behalf of the Audit Committee. All fees paid to PwC in 2007 were approved by the Audit Committee in accordance with this policy.

For the years ended December 31, 2007 and 2006, we incurred the approximate fees and expenses set forth below with PwC:

	<u>2007</u>	<u>2006</u>
Audit fees(1)	\$ 651,373	\$ 879,900
Audit-related fees(2)	134,079	223,980
Tax fees(3)	89,624	106,048
All other fees(4)		
Total	\$ 875,076	\$ 1,209,928

(1)

Audit fees include fees billed for services rendered in connection with audits of (i) our consolidated financial statements and financial schedule included in Form 10-K and (ii) the effectiveness of the Company's internal control over financial reporting, as well as reviews of quarterly consolidated financial statements included in Forms 10-Q. These fees totaled \$631,256 in 2007 and \$616,500 in 2006. Audit fees also include issuances of comfort letters on filings associated with share offerings. Audit fees reported above for the year ended December 31, 2006 changed by \$6,500 from what we reported in the proxy statement to the 2007 Annual Meeting due to additional billings made by PwC subsequent to the completion of that proxy statement.

(2)

Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements but not included in (1) above. This category includes fees for the audit of the financial statements of our employee retirement savings plan, audits of financial statements of acquired properties and consulting on financial accounting and reporting.

(3)

Tax fees consist of fees billed for professional services rendered for tax compliance, tax advice, and tax planning in 2007 and 2006.

(4)

All other fees consist of fees billed for products or services not included in the above categories. No such fees were incurred in 2007 or 2006.

None of the fees reflected above were approved by the Audit Committee pursuant to the "de-minimis exception" in Rule 2-01 of Regulation S-X.

We expect that PwC will serve as our independent registered public accounting firm for 2008, though we have asked that our shareholders ratify PwC's service as discussed under Proposal 4 below. We expect that a representative of PwC will be present at the 2008 Annual Meeting. The representative will have an opportunity to make a statement if he or she desires to do so and to answer appropriate questions.

Proposal 4 Ratification of the Appointment of Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors has selected and appointed PwC as our independent registered public accounting firm to audit our consolidated financial statements for the year ending December 31, 2008. Although ratification by shareholders is not required by law or by our By-Laws, the Audit Committee believes that submission of its selection to shareholders is a matter of good corporate governance. Even if the appointment is ratified, the Audit Committee, in its discretion, may select a different independent registered public accounting firm at any time if the Audit

Committee believes that such a change would be in the best interests of the Company and its shareholders. If our shareholders do not ratify the appointment of PwC, the Audit Committee will take that fact into consideration, together with such other factors it deems relevant, in determining its next selection of independent registered public accounting firm.

Vote Required. If a quorum is present at the 2008 Annual Meeting, the vote of a majority of the votes cast at a meeting at the Meeting will be required to approve the proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the current fiscal year. Abstentions and broker non-votes will have no effect on the proposal.

The Board of Trustees recommends a vote "FOR" approval of the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the current fiscal year.

Section 16(a) Beneficial Ownership Reporting Compliance

The rules of the Securities and Exchange Commission require that we disclose late filings of initial reports of share ownership and reports of changes in share ownership by our Trustees, officers and greater than 10% shareholders. Our Trustees, officers and greater than 10% shareholders are required by those rules to furnish us with copies of the reports of share ownership (and changes in share ownership) they file with the Securities and Exchange Commission. Based solely on our review of the copies of such reports received by us and other information provided by these parties, we believe that during the year ended December 31, 2007, our Trustees, officers and greater than 10% shareholders filed all required reports on a timely basis with the following exception:

Jay Shidler, Chairman of the Board of Trustees, failed to file on a timely basis one report on Form 5 relating to a charitable contribution of common shares. Mr. Shidler subsequently filed a Form 5 with respect to this contribution approximately one week after it was due.

Code of Ethics; Review and Approval of Related Party Transactions

The Company has a Code of Business Conduct and Ethics for all employees and Trustees and a Code of Ethics for Financial Officers. These codes of ethics documents are available in the investor relations section of the Company's Internet website in the subsection entitled "Corporate Governance." The Company's Internet website address is www.copt.com. We intend to make available on our Internet website any future amendments or waivers to our Code of Business Conduct and Ethics and Code of Ethics for Financial Officers within four business days after any such amendments or waivers. In addition, shareholders may request a copy of these codes of ethics documents, free of charge, by making this request in writing to the Vice President and Treasurer, at ir@copt.com or at our mailing address.

Our Code of Business Conduct and Ethics mandates that the Audit Committee must review and approve any "related party transaction," as defined by relevant SEC rules (generally, transactions involving amounts exceeding \$120,000 in which a related person has a direct or indirect material interest). In considering the transaction, the Audit Committee will consider all relevant factors, including, among others, our business rationale for entering into the transaction, any potential alternatives to entering into the transaction, whether the transaction is on terms that would be comparable to those available to third parties and the overall fairness of the transaction to the Company.

In general, either management or the affected Trustee or executive officer will bring the matter to the attention of either the chairman of the Audit Committee or our Senior Vice President, Secretary and General Counsel. If a member of the Audit Committee is involved in the transaction, he will be recused from all discussions and decisions about the transaction. The transaction must be approved in

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advance whenever practicable, and if not practicable, must be ratified as promptly as practicable. We earned fees from unconsolidated joint ventures totaling approximately \$458,000 in 2007 for property management, construction and leasing services performed.

Annual Report on Form 10-K

We will provide without charge to each person solicited by this proxy statement a copy of our Annual Report on Form 10-K for the year ended December 31, 2007 as filed with the Securities and Exchange Commission. You must make this request in writing to our Vice President and Treasurer, at *ir@copt.com* or at our mailing address set forth on the first page of this proxy statement.

Text of Amendment to Article V, Section 5.2 of our Amended and Restated Declaration of Trust

Article V, Section 5.2 of our Amended and Restated Declaration of Trust shall be amended and replaced in its entirety by the following:

"Section 5.2 *NUMBER AND CLASS*. The number of Trustees (hereinafter the "Trustees") is nine (9), which number may be increased or decreased pursuant to the Bylaws of the Trust. The Trustees shall be elected at each annual meeting of shareholders in the manner provided in the Bylaws or, in order to fill any vacancy on the Board of Trustees, in the manner provided in the Bylaws. It shall not be necessary to list in the Declaration of Trust the names and addresses of any Trustees."

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CORPORATE OFFICE PROPERTIES TRUST
2008 OMNIBUS EQUITY AND INCENTIVE PLAN

SECTION 1. *GENERAL PURPOSE OF THE PLAN; DEFINITIONS*

The name of the plan is the Corporate Office Properties Trust 2008 Omnibus Equity and Incentive Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Trustees and other key persons (including consultants and prospective employees) of Corporate Office Properties Trust (the "Company") and its Subsidiaries upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company and its shareholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

"Act" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Administrator" means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Trustees who are independent.

"Award" or *"Awards,"* except where referring to a particular category of grant under the Plan, shall include Incentive Options, Non-Qualified Options, Share Appreciation Rights, Deferred Share Awards, Restricted Share Awards, Unrestricted Share Awards, Cash-Based Awards, Performance Share Awards, Dividend Equivalent Rights, Units and other equity-based Awards as contemplated herein.

"Award Agreement" means a written or electronic agreement setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Agreement is subject to the terms and conditions of the Plan.

"Board" means the Board of Trustees of the Company.

"Cash-Based Award" means an Award entitling the recipient to receive a cash-denominated payment.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"Covered Employee" means an employee who is a "Covered Employee" within the meaning of Section 162(m) of the Code.

"Deferred Share Award" means an Award of phantom units to a grantee.

"Dividend Equivalent Right" means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the Shares specified in the Dividend Equivalent Right (or other award to which it relates) if such Shares had been issued to and held by the grantee.

"Effective Date" means the date on which the Plan is approved by shareholders as set forth in Section 22.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

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"Fair Market Value" of the Shares on any given date means the fair market value of the Shares determined in good faith by the Administrator; provided, however, that if the Shares are listed on the New York Share Exchange ("NYSE") or another national securities exchange, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations.

"Family-Member" of a grantee means a grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the grantee's household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

"Full-Value Award" means Deferred Share Awards, Restricted Share Awards, Unrestricted Share Awards, Performance Share Awards and any other Award that delivers the full value of the underlying Shares.

"Incentive Option" means any Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

"Non-Employee Trustee" means a member of the Board who is not an employee of the Company or any Subsidiary, provided, however, "Non-Employee Trustees" may serve as consultants to the Company or a Subsidiary.

"Non-Qualified Option" means any Option that is not an Incentive Option.

"Operating Partnership" means Corporate Office Properties, L.P., a Delaware limited partnership.

"Option" means any option to purchase Shares granted pursuant to Section 5.

"Performance-Based Award" means any Restricted Share Award, Deferred Share Award, Performance Share Award, Units or Cash-Based Award granted to a Covered Employee that is intended to qualify as "performance-based compensation" under Section 162(m) of the Code and the regulations promulgated thereunder.

"Performance Criteria" means the criteria that the Administrator selects for purposes of establishing the Performance Goal or Performance Goals for an individual for a Performance Cycle. The Performance Criteria (which shall be applicable to the organizational level specified by the Administrator, including, but not limited to, the Company or a unit, division, group, or Subsidiary of the Company) that will be used to establish Performance Goals are limited to one or more of the following: earnings before interest, taxes, depreciation and amortization, net income (loss) (either before or after interest, taxes, depreciation and/or amortization), changes in the market price of the Shares, economic value-added, funds from operations or similar measure, sales or revenue, acquisitions or strategic transactions, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, assets, equity, or investment, shareholder returns, return on sales, gross or net profit levels, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings (loss) per share, rent growth, objectively determinable expense management, capital deployment, development milestones, sales or market shares and number of customers, any of which may be measured either in absolute terms, or on a per share basis as compared to any incremental increase or as compared to results of a peer group.

"Performance Cycle" means one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance

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Criteria will be measured for the purpose of determining a grantee's right to and the payment of a Performance-Based Award.

"Performance Goals" means, for a Performance Cycle, the specific goals established in writing by the Administrator for a Performance Cycle based upon the Performance Criteria.

"Performance Share Award" means an Award entitling the recipient to acquire Shares upon the attainment of specified Performance Goals.

"Restricted Share Award" means an Award entitling the recipient to a grant of Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"Sale Event" shall mean (i) the consummation of the acquisition by any person, (as such term is defined in Section 13(d) or 14(d) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of the combined voting power embodied in the then outstanding voting securities of the Company; or (ii) approval by the shareholders of the Company of: (a) a merger or consolidation of the Company, if the shareholders of the Company immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities of the entity resulting from such merger or consolidation in substantially the same proportion as was represented by their ownership of the combined voting power of the voting securities of the Company outstanding immediately before such merger or consolidation; or (b) a complete or substantial liquidation or dissolution, or an agreement for the sale or other disposition, of all or substantially all of the assets of the Company.

"Sale Price" means the value as determined by the Administrator, consistent with the terms of the applicable Sale Event, of the consideration payable, or otherwise to be received by shareholders, per Share pursuant to a Sale Event.

"Section 409A" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

"Shares" means the common shares of beneficial interest, \$.01 par value per share of the Company, subject to adjustments pursuant to Section 3.

"Share Appreciation Right" means an Award entitling the recipient to receive Shares having a value equal to the excess of the Fair Market Value of the Shares on the date of exercise over the exercise price of the Share Appreciation Right multiplied by the number of Shares with respect to which the Share Appreciation Right shall have been exercised.

"Subsidiary" means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

"Ten Percent Owner" means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of shares of beneficial interest in the Company or any parent or subsidiary corporation.

"Units" means units of partnership interest, including one or more classes of profit interests in the Operating Partnership.

"Unrestricted Share Award" means an Award of Shares free of any restrictions.

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SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) *Administration of Plan.* The Plan shall be administered by the Administrator.

(b) *Powers of Administrator.* The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the extent, if any, of Awards granted to any one or more grantees;

(iii) to determine the number of Shares to be covered by any Award;

(iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the form of written instruments evidencing the Awards;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) subject to the provisions of Section 5(a)(ii), to extend at any time the period in which Options may be exercised; and

(vii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) *Delegation of Authority to Grant Awards.* Subject to applicable law, the Administrator, in its discretion, may delegate to the Chief Executive Officer of the Company all or part of the Administrator's authority and duties with respect to the granting of Awards to individuals (i) who are not subject to the reporting and other provisions of Section 16 of the Exchange Act and (ii) who are not Covered Employees. Any such delegation by the Administrator may include limitations as to the amount of Awards that may be granted during the period of the delegation and/or on the terms of any such Awards. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate that were consistent with the terms of the Plan.

(d) *Award Agreement.* Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award, the provisions applicable in the event employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

(e) *Indemnification.* Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's declaration of trust or bylaws or any directors' and

officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(f) *Foreign Award Recipients.* Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Awards, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

SECTION 3. SHARES ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) *Shares Issuable.* The maximum number of Shares reserved and available for issuance under the Plan shall be 2,900,000 Shares, subject to adjustment as provided in Section 3(c). Subject to the overall limitations described below, Shares may be issued up to such maximum number pursuant to any type or types of Award; provided, however, that Options or Share Appreciation Rights with respect to no more than 2,500,000 Shares may be granted to any one individual grantee during any one calendar year period. Additionally, no more than 2,900,000 Shares shall be issued in the form of Incentive Options. For purposes of these limitations, the Shares underlying any Awards that are forfeited, canceled or otherwise terminated (other than by exercise) shall be added back to the Shares available for issuance under the Plan. Shares tendered or held back upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding shall not be available for future issuance under the Plan. In addition, upon exercise of Share Appreciation Rights, the gross number of Shares exercised shall be deducted from the total number of Shares remaining available for issuance under the Plan. The Shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company.

(b) *Effect of Awards.* The grant of any Full Value Award shall be deemed, for purposes of determining the number of Shares available for issuance under Section 3(a), to be an Award for 3.1 Shares for each such Share actually subject to such Full Value Award. The grant of any Option or Share Appreciation Right that has a term of five years or less from the date of grant shall be deemed, for purposes of determining the number of Shares available for issuance under Section 3(a), as an Award for 0.8 Shares for each such Share actually subject to such Award. The grant of any Award other than those specifically referred to in the preceding sentences of this Section 3(b) (i.e., any Award that is not either (i) a Full Value Award or (ii) an Option or Share Appreciation Right that has a term of five years or less from the date of grant) shall be deemed, for purposes of determining the number of Shares available for issuance under Section 3(a), as an Award for one Share for each such Share actually subject to the Award.

(c) *Changes in Shares.* Subject to Section 3(d) hereof, if, as a result of any reorganization, recapitalization, reclassification, share dividend, share split, reverse share split or other similar change that affects the Shares, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of Shares or other securities of the Company, or additional Shares

or new or different Shares or other securities of the Company or other non-cash assets are distributed with respect to such Shares or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding Shares are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of Shares reserved for issuance under the Plan, (ii) the number of Options or Share Appreciation Rights that can be granted to any one individual grantee and the maximum number of Shares that may be granted under a Performance-Based Award, (iii) the number and kind of Shares or other securities subject to any then outstanding Awards under the Plan, (iv) the repurchase price, if any, per share subject to each outstanding Restricted Share Award, and (v) the price for each Share subject to any then outstanding Options and Share Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Options and Share Appreciation Rights) as to which such Options and Share Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of Shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional Shares shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

(d) *Mergers and Other Transactions.*

(i) Except as the Administrator may otherwise specify with respect to particular Awards in the relevant Award documentation, in the case of and subject to the consummation of a Sale Event, all Options and Share Appreciation Rights that are not exercisable immediately prior to the effective time of the Sale Event shall become fully exercisable as of the effective time of the Sale Event and all other Awards with time-based vesting, conditions or restrictions shall become fully vested and nonforfeitable, with respect to such time-based vesting, conditions or restrictions, as of the effective time of the Sale Event. In addition, all Awards with conditions and restrictions relating to the attainment of performance goals may become fully vested and nonforfeitable, with respect to such performance-based vesting, conditions or restrictions, as of the effective time of the Sale Event.

(ii) Upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate, unless provision is made in connection with the Sale Event in the sole discretion of the parties thereto for the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of Shares and, if appropriate, the per share exercise prices, as such parties shall agree (after taking into account any acceleration hereunder).

(iii) In the event of a termination pursuant to Section 3(d)(ii), the Company will take one of the following actions with respect to each Option and Share Appreciation Right (with the choice among the following options to be made by the Administrator in its sole discretion): (A) make or provide for a cash payment to the grantee holding such Option or Share Appreciation Right, in exchange for the cancellation thereof, in an amount equal to the difference between (i) the Sale Price multiplied by the number of Shares subject to such Option or Share Appreciation Right (to the extent then exercisable (after taking into account any acceleration hereunder) at prices not in excess of the Sale Price) and (ii) the aggregate exercise price for such Shares pursuant to such Option or Share Appreciation Right; or (B) permit the grantee holding such Option or Share Appreciation Right, within a specified period of time prior to the consummation of the Sale Event, as determined by the

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Administrator, to exercise such Option or Share Appreciation Right as of, and subject to, the consummation of such Sale Event (to the extent such Option or Share Appreciation Right would be exercisable as of the consummation of such Sale Event (after taking into account any acceleration hereunder)).

(e) *Substitute Awards.* The Administrator may grant Awards under the Plan in substitution for shares and share based awards held by employees, directors or other key persons of another entity in connection with the merger or consolidation of the employing entity with the Company or a Subsidiary or the acquisition by the Company or a Subsidiary of property or shares of the employing entity. The Administrator may direct that the substitute awards be granted on such terms and conditions as the Administrator considers appropriate in the circumstances. Any substitute Awards granted under the Plan shall not count against the Share limitation set forth in Section 3(a).

SECTION 4. *ELIGIBILITY*

Grantees under the Plan will be such full or part-time officers or other employees, Non-Employee Trustees and key persons (including consultants and prospective employees) of the Company and its Subsidiaries as are selected from time to time by the Administrator in its sole discretion (the "Eligible Grantees").

SECTION 5. *OPTIONS*

Any Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

Options granted under the Plan may be either Incentive Options or Non-Qualified Options. Incentive Options may be granted only to employees of the Company or any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Option, it shall be deemed a Non-Qualified Option.

(a) *Options Granted to Employees and Key Persons.* The Administrator in its discretion may grant Options to Eligible Grantees. Options granted pursuant to this Section 5(a) shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable. The Administrator, at the Administrator's discretion, shall have the right to provide the Eligible Grantees with the choice between receiving cash compensation or Options, subject to such terms and conditions as the Administrator may establish.

(i) *Exercise Price.* The exercise price per Share covered by an Option granted pursuant to this Section 5(a) shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Option that is granted to a Ten Percent Owner, the option price of such Incentive Option shall not be less than 110 percent of the Fair Market Value on the grant date.

(ii) *Option Term.* The term of each Option shall be fixed by the Administrator, but no Option shall be exercisable more than ten years after the date the Option is granted. In the case of an Incentive Option that is granted to a Ten Percent Owner, the term of such Option shall be no more than five years from the date of grant.

(iii) *Exercisability; Rights of a Shareholder.* Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any Option. An optionee shall have the rights of a shareholder only as to Shares acquired upon the exercise of an Option and not as to unexercised Options.

(iv) *Method of Exercise.* Options may be exercised in whole or in part, by giving written notice of exercise to the Company or its designee, specifying the number of Shares to be

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purchased. Payment of the purchase price may be made by one or more of the following methods to the extent provided in the Option Award Agreement:

(A) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(B) Through the delivery (or attestation to the ownership) of Shares that have been purchased by the optionee on the open market or that are beneficially owned by the optionee and are not then subject to restrictions under any Company plan. Such surrendered Shares shall be valued at Fair Market Value on the exercise date. To the extent required to avoid variable accounting treatment under FAS 123R or other applicable accounting rules, such surrendered Shares shall have been owned by the optionee for at least six months; or

(C) By a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issued upon exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price; *provided, however*, the Company shall accept a cash or other payment from the optionee to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole Shares to be issued; *provided further, however*, that Shares will no longer be outstanding under an Option and will not be exercisable thereafter to the extent that Shares are used to pay the exercise price pursuant to the "net exercise; or

(D) By the optionee delivering to the Company or its designee a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure.

Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the Shares to be purchased pursuant to the exercise of an Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Option) by the Company of the full purchase price for such Shares and the fulfillment of any other requirements contained in the Option Award Agreement or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned Shares through the attestation method, the number of Shares transferred to the optionee upon the exercise of the Option shall be net of the number of attested Shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Options may be permitted through the use of such an automated system.

(v) *Annual Limit on Incentive Options.* To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the Shares with respect to which Incentive Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000. To the extent that any Option exceeds this limit, it shall constitute a Non-Qualified Option.

SECTION 6. *SHARE APPRECIATION RIGHTS*

(a) *Exercise Price of Share Appreciation Rights.* The exercise price of a Share Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Shares on the date of grant.

(b) *Grant and Exercise of Share Appreciation Rights.* Share Appreciation Rights may be granted by the Administrator independently of any Option granted pursuant to Section 5 of the Plan.

(c) *Terms and Conditions of Share Appreciation Rights.* Share Appreciation Rights shall be subject to such terms and conditions as shall be determined from time to time by the Administrator.

(d) *Share Appreciation Rights Term.* The term of each Share Appreciation Right shall be fixed by the Administrator, but no Share Appreciation Rights shall be exercisable more than ten years after the date the Share Appreciation Right is granted.

SECTION 7. *RESTRICTED SHARE AWARDS*

(a) *Nature of Restricted Share Awards.* The Administrator shall determine the restrictions and conditions applicable to each Restricted Share Award at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The grant of a Restricted Share Award is contingent on the grantee executing the Restricted Share Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

(b) *Rights as a Shareholder.* Upon execution of the Restricted Share Award Agreement, and payment of any applicable purchase price, a grantee shall have the rights of a shareholder with respect to the voting of the Restricted Shares, subject to such conditions contained in the Restricted Share Award Agreement. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Shares shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Shares are vested as provided in Section 7(d) below, and (ii) certificated Restricted Shares shall remain in the possession of the Company until such Restricted Shares are vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) *Restrictions.* Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Share Award Agreement. Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 19 below, in writing after the Award Agreement is issued if a grantee's employment (or other service relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Share that has not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price (if any) from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other service relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a shareholder. Following such deemed reacquisition of unvested Restricted Shares that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

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(d) *Vesting of Restricted Shares.* The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Shares and the Company's right of repurchase or forfeiture shall lapse. Notwithstanding the foregoing, in the event that any such Restricted Shares granted to employees shall have a performance-based goal, the restriction period with respect to such Shares shall not be less than one year, and in the event any such Restricted Shares granted to employees shall have a time-based restriction, the total restriction period with respect to such Shares shall not be less than three years; provided, however, that Restricted Shares with a time-based restriction may become vested incrementally over such three-year period, and, provided further, that, in the Administrator's discretion, these minimum vesting requirements may be reduced with respect to any employee who has provided notice to the Company of his or her intent to retire from the Company within the one or three year period. The minimum vesting requirements set forth in the foregoing sentence will not apply to Restricted Shares granted to Non-Employee Trustees. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the Shares on which all restrictions have lapsed shall no longer be Restricted Shares and shall be deemed "vested." Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 18 below, in writing after the Award Agreement is issued, a grantee's rights in any Restricted Shares that have not vested shall automatically terminate upon the grantee's termination of employment (or other service relationship) with the Company and its Subsidiaries and such Shares shall be subject to the provisions of Section 7(c) above.

SECTION 8. DEFERRED SHARE AWARDS

(a) *Nature of Deferred Share Awards.* The Administrator shall determine the restrictions and conditions applicable to each Deferred Share Award at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The grant of a Deferred Share Award is contingent on the grantee executing the Deferred Share Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Notwithstanding the foregoing, in the event that any such Deferred Share Award granted to employees shall have a performance-based goal, the restriction period with respect to such Award shall not be less than one year, and in the event any such Deferred Share Award granted to employees shall have a time-based restriction, the total restriction period with respect to such Award shall not be less than three years; provided, however, that any Deferred Share Award with a time-based restriction may become vested incrementally over such three-year period, and, provided further, that, in the Administrator's discretion, these minimum vesting requirements may be reduced with respect to any employee who has provided notice to the Company of his or her intent to retire from the Company within the one or three year period. The minimum vesting requirements set forth in the foregoing sentence will not apply to Deferred Share Awards granted to Non-Employee Trustees. At the end of the deferral period, the Deferred Share Award, to the extent vested, shall be settled in the form of Shares. To the extent that a Deferred Share Award is subject to Section 409A, it may contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order for such Award to comply with the requirements of Section 409A.

(b) *Election to Receive Deferred Share Awards in Lieu of Compensation.* The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of a Deferred Share Award. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee

elects to defer shall be converted to a Deferred Share Award for a fixed number of phantom units based on the Fair Market Value of Shares on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate.

(c) *Rights as a Shareholder.* A grantee shall have the rights as a shareholder only as to Shares acquired by the grantee upon settlement of a Deferred Share Award; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the phantom units underlying his Deferred Share Award, subject to such terms and conditions as the Administrator may determine.

(d) *Termination.* Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 19 below, in writing after the Award Agreement is issued, a grantee's right in all Deferred Share Awards that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 9. *UNRESTRICTED SHARE AWARDS*

The Administrator may, in its sole discretion, grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Share Award under the Plan. Unrestricted Share Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 10. *CASH-BASED AWARDS*

The Administrator may, in its sole discretion, grant Cash-Based Awards to any grantee in such number or amount and upon such terms, and subject to such conditions, as the Administrator shall determine at the time of grant. The Administrator shall determine the maximum duration of the Cash-Based Award, the amount of cash to which the Cash-Based Award pertains, the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and may be made in cash or in Shares as the Administrator determines.

SECTION 11. *PERFORMANCE SHARE AWARDS*

(a) *Nature of Performance Share Awards.* The Administrator may, in its sole discretion, grant Performance Share Awards independent of, or in connection with, the granting of any other Award under the Plan. The Administrator shall determine whether and to whom Performance Share Awards shall be granted, the Performance Goals, the periods during which performance is to be measured, which may not be less than one year in the case of Performance Share Awards granted to employees, provided that, in the Administrator's discretion, such minimum vesting requirement may be reduced with respect to any employee who has provided notice to the Company of his or her intent to retire from the Company within such one-year period, and such other limitations and conditions as the Administrator shall determine. The minimum vesting requirement set forth in the foregoing sentence will not apply to Performance Share Awards granted to Non-Employee Trustees.

(b) *Rights as a Shareholder.* A grantee receiving a Performance Share Award shall have the rights of a shareholder only as to Shares actually received by the grantee under the Plan and not with respect to Shares subject to the Award but not actually received by the grantee. A grantee

shall be entitled to receive Shares under a Performance Share Award only upon satisfaction of all conditions specified in the Performance Share Award agreement (or in a performance plan adopted by the Administrator).

(c) *Termination.* Except as may otherwise be provided by the Administrator either in the Award agreement or, subject to Section 19 below, in writing after the Award agreement is issued, a grantee's rights in all Performance Share Awards shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 12. *PERFORMANCE-BASED AWARDS TO COVERED EMPLOYEES*

(a) *Performance-Based Awards.* Any employee or other key person providing services to the Company and who is selected by the Administrator may be granted one or more Performance-Based Awards in the form of a Restricted Share Award, Deferred Share Award, Performance Share Awards, Cash-Based Award or other equity-based Award payable upon the attainment of Performance Goals that are established by the Administrator and relate to one or more of the Performance Criteria, in each case on a specified date or dates or over any period or periods determined by the Administrator. The Administrator shall define in an objective fashion the manner of calculating the Performance Criteria it selects to use for any Performance Period. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit, or an individual. The Administrator, in its discretion, may adjust or modify the calculation of Performance Goals for such Performance Period in order to prevent the dilution or enlargement of the rights of an individual (i) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development, (ii) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or (iii) in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions provided however, that the Administrator may not exercise such discretion in a manner that would increase the Performance-Based Award granted to a Covered Employee. Each Performance-Based Award shall comply with the provisions set forth below.

(b) *Grant of Performance-Based Awards.* With respect to each Performance-Based Award granted to a Covered Employee, the Administrator shall select, within the first 90 days of a Performance Cycle (or, if shorter, within the maximum period allowed under Section 162(m) of the Code) the Performance Criteria for such grant, and the Performance Goals with respect to each Performance Criterion (including a threshold level of performance below which no amount will become payable with respect to such Award). Each Performance-Based Award will specify the amount payable, or the formula for determining the amount payable, upon achievement of the various applicable performance targets. The Performance Criteria established by the Administrator may be (but need not be) different for each Performance Cycle and different Performance Goals may be applicable to Performance-Based Awards to different Covered Employees.

(c) *Payment of Performance-Based Awards.* Following the completion of a Performance Cycle, the Administrator shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved and, if so, to also calculate and certify in writing the amount of the Performance-Based Awards earned for the Performance Cycle. The Administrator shall then determine the actual size of each Covered Employee's Performance-Based Award, and, in doing so, may reduce or eliminate the amount of the Performance-Based Award for a Covered Employee if, in its sole judgment, such reduction or elimination is appropriate.

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(d) *Maximum Award Payable.* The maximum Performance-Based Award payable to any one Covered Employee under the Plan for a Performance Cycle is 700,000 Shares (subject to adjustment as provided in Section 3(c) hereof) or \$10,000,000 in the case of a Performance-Based Award that is a Cash-Based Award.

SECTION 13. *DIVIDEND EQUIVALENT RIGHTS*

(a) *Dividend Equivalent Rights.* A Dividend Equivalent Right may be granted hereunder to any grantee as a component of a Deferred Share Award, Restricted Share Award or Performance Share Award or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Agreement. A Dividend Equivalent Right shall not be granted hereunder to any grantee as a component of an Option or a Share Appreciation Right. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Agreement. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional Shares, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or Shares or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of a Deferred Share Award, Restricted Share Award or Performance Share Award may provide that such Dividend Equivalent Right shall be settled upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award. A Dividend Equivalent Right granted as a component of a Deferred Share Award, Restricted Share Award or Performance Share Award may also contain terms and conditions different from such other Award.

(b) *Interest Equivalents* Any Award under this Plan that is settled in whole or in part in cash on a deferred basis may provide in the grant for interest equivalents at such rate as is determined by the Administrator, to be credited with respect to such cash payment. Interest equivalents may be compounded and shall be paid upon such terms and conditions as may be specified by the grant.

(c) *Termination.* Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 19 below, in writing after the Award Agreement is issued, a grantee's rights in all Dividend Equivalent Rights or interest equivalents granted as a component of a Deferred Share Award, Restricted Share Award or Performance Share Award that has not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 14. *OTHER EQUITY-BASED AWARDS*

The Administrator shall have the right to grant Units or any other membership or ownership interests (which may be expressed as units or otherwise) in a Subsidiary (or other affiliate of the Company), with any Shares being issued in connection with the conversion of (or other distribution on account of) an interest granted under the authority of Section 14 to be subject to Section 3 and the other provisions of the Plan.

SECTION 15. *TRANSFERABILITY OF AWARDS*

(a) *Transferability.* Except as provided in Section 15(b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

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(b) *Administrator Action.* Notwithstanding Section 15(a), the Administrator, in its discretion, may provide either in the Award Agreement regarding a given Award or by subsequent written approval that the grantee (who is an employee or trustee) may transfer his or her Awards (other than any Incentive Options) to his or her Family Members, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award.

(c) *Designation of Beneficiary.* Each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

SECTION 16. TAX WITHHOLDING

(a) *Payment by Grantee.* Each grantee shall, no later than the date as of which the value of an Award or of any Shares or other amounts received thereunder first becomes includable in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver evidence of book entry (or Share certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) *Payment in Shares.* Subject to approval by the Administrator, a grantee may elect to have the Company's minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from Shares to be issued pursuant to any Award a number of Shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due.

SECTION 17. SECTION 409A AWARDS.

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is then considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any such Award may not be accelerated except to the extent permitted by Section 409A.

SECTION 18. TRANSFER, LEAVE OF ABSENCE, ETC.

For purposes of the Plan, the following events shall not be deemed a termination of employment (or service relationship):

(a) a transfer to the employment of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another;

(b) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute

or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing; or

(c) any other change in the grantee's employment or service relationship as determined by the Administrator, in its sole discretion, including without limitation, a change from employee to consultant.

SECTION 19. *AMENDMENTS AND TERMINATION*

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the holder's consent. Except as provided in Section 3(c) or 3(d), in no event may the Administrator exercise its discretion to reduce the exercise price of outstanding Options or Share Appreciation Rights or effect repricing through cancellation and re-grants. To the extent required under the rules of any securities exchange or market system on which the Shares are listed, to the extent determined by the Administrator to be required by the Code to ensure that Incentive Options granted under the Plan are qualified under Section 422 of the Code, or to ensure that compensation earned under Awards qualifies as performance-based compensation under Section 162(m) of the Code, Plan amendments shall be subject to approval by the Company shareholders entitled to vote at a meeting of shareholders. Nothing in this Section 19 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(d).

SECTION 20. *STATUS OF PLAN*

With respect to the portion of any Award that has not been exercised and any payments in cash, Shares or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Shares or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 21. *GENERAL PROVISIONS*

(a) *No Distribution.* The Administrator may require each person acquiring Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) *Delivery of Share Certificates.* Share certificates to grantees under this Plan shall be deemed delivered for all purposes when the Company or a share transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company. Uncertificated Shares shall be deemed delivered for all purposes when the Company or a share transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing Shares pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed, quoted or traded. All Share certificates delivered pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or

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foreign jurisdiction, securities or other laws, rules and quotation system on which the Shares are listed, quoted or traded. The Administrator may place legends on any Share certificate to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) *Shareholder Rights.* Until Shares are deemed delivered in accordance with Section 21(b), no right to vote or receive dividends or any other rights of a shareholder will exist with respect to Shares to be issued in connection with an Award, notwithstanding the exercise of an Option or any other action by the grantee with respect to an Award.

(d) *Other Compensation Arrangements; No Employment Rights.* Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(e) *Trading Policy Restrictions.* Option exercises and other Awards under the Plan shall be subject to such Company's insider trading policy and procedures, as in effect from time to time.

(f) *Forfeiture of Awards under Sarbanes-Oxley Act.* If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, then any grantee who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002 shall reimburse the Company for the amount of any Award received by such individual under the Plan during the 12-month period following the first public issuance or filing with the United States Securities and Exchange Commission, as the case may be, of the financial document embodying such financial reporting requirement.

SECTION 22. *EFFECTIVE DATE OF PLAN*

This Plan shall become effective upon approval by the holders of a majority of the votes cast at a meeting of shareholders at which a quorum is present. No grants of Options and other Awards may be made hereunder after the tenth anniversary of the Effective Date, provided, however, no grants of Incentive Options may be made hereunder after the tenth anniversary of the date the Plan is approved by the Board.

SECTION 23. *GOVERNING LAW*

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of Maryland, applied without regard to conflict of law principles.

DATE APPROVED BY BOARD OF TRUSTEES: April 2, 2008

DATE APPROVED BY SHAREHOLDERS:

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CORPORATE OFFICE PROPERTIES TRUST

ANNUAL MEETING OF SHAREHOLDERS

Thursday, May 22, 2008

9:30 a.m.

Corporate Office Properties Trust

6711 Columbia Gateway Drive

Suite 300

Columbia, Maryland 21046

- **From 95 South:** Take 95 South to exit 41B (MD-175 W). Take the Columbia Gateway Drive ramp and turn onto Columbia Gateway Drive. At second traffic light, make left to 6711 Columbia Gateway Drive.
- **From 95 North:** Take 95 North to exit 41 B (MD-175W). Take the Columbia Gateway Drive ramp and turn onto Columbia Gateway Drive. At second traffic light, make left to 6711 Columbia Gateway Drive.
- **From Baltimore-Washington International Airport:** Take I 95 West and merge into 95 South via exit 4B. Exit to MD-175W via exit 41B. Take the Columbia Gateway Drive ramp and turn onto Columbia Gateway Drive. At second traffic light, make left to 6711 Columbia Gateway Drive.

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	Corporate Office Properties Trust 6711 Columbia Gateway Drive, Suite 300 Columbia, MD 21046-2104	proxy
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This proxy is solicited by the Board of Trustees for use at the Annual Meeting on May 22, 2008.

The common shares you hold in your account or in a dividend reinvestment account will be voted as you specify on the reverse side.

If no choice is specified, the proxy will be voted FOR Items 1, 2, 3 and 4.

By signing the proxy, you revoke all prior proxies and appoint Randall M. Griffin and Roger A. Waesche, Jr., and each of them acting in the absence of the other, with full power of substitution, to vote your shares on the matters shown on the reverse side and any other matters which may come before the Annual Meeting and all adjournments.

See reverse for voting instructions

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COMPANY# 914
1001999

There are three ways to vote your Proxy

Your telephone or Internet vote authorizes the Named Proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

VOTE BY TELEPHONE TOLL FREE 1-800-560-1965 QUICK * EASY *** IMMEDIATE**

- Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week, until 12:00 p.m. (CT) on May 21, 2008.
- Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions the voice provides you.

VOTE BY INTERNET <http://www.eproxy.com/ofc/> QUICK * EASY *** IMMEDIATE**

- Use the Internet to vote your proxy 24 hours a day, 7 days a week, until 12:00 p.m. (CT) on May 21, 2008.
- Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions to obtain your records and create an electronic ballot.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the enclosed postage-paid envelope or return it to Corporate Office Properties Trust, c/o Shareowner ServicesSM, P.O. Box 64873, St. Paul, MN 55164-0873.

If you vote by telephone or Internet, please do not mail your Proxy Card.

V *Please detach here* V

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The Board of Trustees Recommends a Vote FOR Items 1, 2, 3 and 4.

1. Election of Trustees:	01. Robert L. Denton	<input type="radio"/>	Vote FOR	<input type="radio"/>	Vote WITHHELD
	02. Randall M. Griffin		the nominees		from the nominees
			(except as		
			marked)		

(Instructions: To withhold authority to vote for any indicated nominee, write the number(s) of the nominee(s) in the box provided to the right.)

2.	Elimination of the classification of our Board of Trustees.	<input type="radio"/> For	<input type="radio"/> Against	<input type="radio"/> Abstain
3.	Adoption of the 2008 Omnibus Equity and Incentive Plan:	<input type="radio"/> For	<input type="radio"/> Against	<input type="radio"/> Abstain
4.	Ratification of the Appointment of Independent Registered Public Accounting Firm:	<input type="radio"/> For	<input type="radio"/> Against	<input type="radio"/> Abstain

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR EACH PROPOSAL.

Address Change? Mark Box
Indicate changes below:

Date

Signature(s) in Box

Please sign exactly as your name(s) appears on Proxy. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the proxy.