

Clawback Policy

October 1, 2017

In the event of a material restatement of the financial results (other than a restatement caused by a change in applicable accounting rules or interpretations) of Monmouth Real Estate Investment Corporation (the “Company”), the Compensation Committee (the “Committee”) of the Company’s Board of Directors shall review the performance-based compensation of the Company’s Named Executive Officers (as defined in the Company’s Proxy Statement from year to year) for the three years prior to such material restatement. If the Committee determines that the amount of any performance-based compensation actually paid or awarded to a Named Executive Officer (the “Awarded Compensation”) would have been lower if it had been calculated based on such restated financial statements (the “Actual Compensation”) and that such executive officer engaged in actual fraud or willful unlawful misconduct that materially contributed to the need for the restatement, then the Committee may direct the Company to recoup the after-tax portion of the difference between the Awarded Compensation and the Actual Compensation.

In determining the after-tax portion of any compensation to be returned, the Committee shall take into account (a) any taxes paid by the executive on receipt of the Compensation that is repaid and (b) its goodfaith estimate of the value of any tax deduction available to the executive officer in respect of such repayment.

The Committee will interpret and administer this policy in what it reasonably believes to be the best interests of the Company, based on the facts and circumstances deemed relevant by the Committee. The Committee shall not seek recovery to the extent it determines (i) that to do so would be unreasonable or (ii) that it would be in the best interest of the Company not to do so. In making such determination, the Committee shall take into account such considerations as it deems appropriate, including, without limitation, (i) the likelihood of success under governing law versus the cost and effort involved, (ii) whether the assertion of a claim may prejudice the interests of the Company, including in any related proceeding or investigation, (iii) the passage of time since the occurrence of the act in respect of the applicable fraud or willful unlawful misconduct and (iv) any pending legal proceeding relating to the applicable fraud or willful unlawful misconduct.

Before the Committee determines to seek recovery pursuant to this policy, it shall provide to the applicable executive officer written notice and the opportunity to be heard, at a meeting of the Committee (which may be in-person or telephonic, as determined by the Committee). The Named Executive Officer shall have the right to appeal any adverse determination by the Committee to the Board of Directors of the Company (excluding any non-independent directors), whose determination shall be final and conclusive.