

**CAMDEN PROPERTY TRUST  
AUDIT COMMITTEE OF THE BOARD OF TRUST MANAGERS CHARTER**

**Amended and Restated February 15, 2016**

**I. PURPOSE**

The Committee (the "Committee") is established by the Board of Trust Managers (the "Board") of Camden Property Trust (the "Company") for the primary purposes of assisting the Board in overseeing:

the integrity of the Company's financial statements;

the Company's compliance with legal and regulatory requirements;

the performance of the Company's data security and privacy programs;

the qualifications, independence and performance of the independent registered public accounting firm (the "Independent Accountants") engaged by the Committee on behalf of the Company; and

the performance of the Company's internal audit department.

In addition, the Committee shall review, as it deems appropriate, the adequacy of the Company's systems of disclosure controls and internal controls regarding financial reporting and accounting.

Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee should also provide an open avenue of communication among the Independent Accountants, financial and senior management, the internal auditing function, and the Board.

The Committee may obtain advice and assistance from outside legal, accounting or other advisors as it deems appropriate to perform its duties and responsibilities. The Committee may retain and compensate these advisors without seeking Board approval.

The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the Independent Accountants and to any advisers the Committee chooses to engage.

The Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Section III of this Charter. The Committee will report regularly to the Board regarding the execution of its duties and responsibilities.

**II. COMPOSITION AND MEETINGS**

The Committee shall be comprised of three or more Trust Managers as determined by the Board, each of whom shall meet the independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and free from any relationship that, in

the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. Trust Manager and Committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service) are the only compensation that a member of the Committee may receive from the Company. All members of the Committee shall have a working familiarity with basic finance and accounting practices and at least one member of the Committee shall be an audit committee financial expert (as defined in Item 407(d)(5)(ii) of Regulation S-K [17 CFR Part 229]). The existence of such member or members as an audit committee financial expert(s), including his or her name and whether or not he or she is independent, shall be disclosed in periodic filings as required by the Securities and Exchange Commission (the "SEC"). Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

No Trust Manager may serve as a member of the Committee if he or she serves on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such individual to effectively serve on the Committee. Any such determination must be disclosed in the Company's annual proxy statement.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board and shall serve until their successors shall be duly elected and qualified or until their earlier death, retirement, resignation or removal. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies on it, subject to such new member(s) satisfying the independence, experience and financial expertise requirements referred to herein. The members of the Committee shall designate a Chair by majority vote of the full Committee membership.

The Committee shall hold regular meetings as may be necessary and such special meetings as may be called by the Chair of the Committee or at the request of the Independent Accountants or the Company's internal audit department. The agenda for such meetings shall be approved by the Chair of the Committee in consultation with other Committee members, management, the Company's internal audit department and the Independent Accountants. As part of its job to foster open communication, the Committee will meet periodically with management, a representative of the Company's internal audit department, and the Independent Accountants in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee will meet quarterly with the Independent Accountants and management to discuss, prior to their release, the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Committee may request any officer or employee of the Company or the Company's outside counsel or Independent Accountants to attend a meeting of the Committee or to meet with any member of, or consultant to, the Committee. Independent Trust Managers who are not members of the Committee are welcome to attend and participate in the meetings of the Committee unless otherwise specified by the Chairperson, but may not vote and will not, unless otherwise approved by the Lead Trust Manager, be compensated for participation in any such meeting.

### **III. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties the Committee shall:

#### **Documents/Reports/Accounting Information Review**

1. Review this Charter periodically, at least annually, and recommend to the Board any necessary amendments as conditions dictate.
2. Prepare, and maintain by periodic review (at least annually), a Committee Responsibility Checklist to aid the Committee in fulfilling its responsibilities under this Charter.
3. Review and discuss with management and the Independent Accountants the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Review and discuss other reports or documents submitted by the Company to a governmental entity or the public that contain significant financial information regarding the Company that has not previously been publicly disclosed.
4. Recommend to the Board whether the financial statements should be included in the Company's Annual Report on Form 10-K. Discuss with management and the Independent Accountants the quarterly financial statements prior to the filing of each Quarterly Report on Form 10-Q.
5. Discuss with management earnings press releases (paying particular attention to the use of "pro forma" or "adjusted" non-GAAP information) and financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be on general terms (i.e., discussion of the types of information to be disclosed and the type of presentation to be made). The Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.
6. Review the regular reports to management (or summaries thereof) prepared by the internal audit department, as well as management's response.

#### **Independent Accountants**

7. Directly appoint, retain, evaluate, terminate, and approve the compensation of the Independent Accountants. The Independent Accountants shall report directly to the Committee and the Committee shall be directly responsible for oversight of the Independent Accountants, including resolution of disagreements between management and the Independent Accountants in the event that they arise.
8. Review with the Independent Accountants the coordination of audit efforts to ensure completeness of coverage, reduction of redundant efforts, and the effective use of external and internal audit resources.

9. Discuss with the Independent Accountants the matters required by Statement on Auditing Standards No. 61 (Communication with Audit Committees), as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the Public Accounting Oversight Board in Rule 3200T, relating to quality of the accounting principles adopted by the Company and the conduct of the audit, including any audit problems or difficulties that the Independent Accountants may have encountered in the course of the audit work (including any restrictions on the scope of activities or access to requested information) and management's response thereto, and any significant disagreements with management; review the Independent Accountants' attestation and management's internal control report; and hold timely discussions with the Independent Accountants regarding the following:

all critical accounting policies and practices;

material written communications between the Independent Accountants and management, including, but not limited to, the management letter and schedule of unadjusted differences; and

an analysis as to the quality of the Company's accounting principles, setting forth significant reporting issues, alternative accounting treatments, and judgments made in connection with the preparation of the financial statements.

10. Periodically (at least annually), obtain and review a report by the Independent Accountants describing:

the firm's internal quality-control procedures;

any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and

(to assess the Independent Accountants' independence) all relationships between the Independent Accountants and the Company.

Evaluate the qualifications, performance and independence of the Independent Accountants, including a review and evaluation of the lead partner of the Independent Accountants. In making its evaluation, the Committee will take into account the opinions of management and the Company's internal audit department. Assure the regular rotation of the Independent Accountants' lead audit partner as required by law and consider whether, in order to assure continuing independence of the Independent Accountants, there should be regular rotation of the audit firm itself.

11. Review and preapprove both audit and non-audit services to be provided by the Independent Accountants (other than as provided in Section 10A(i)(B) of the Exchange Act relating to de minimis exceptions from the preapproval requirements).

12. Ensure that the Independent Accountants submit to the Committee on a periodic basis written statements regarding their independence and delineating all relationships between the Independent Accountants and the Company, including the written disclosures and letters required by applicable requirements of the Public Company Accounting Oversight Board regarding the Independent Accountants' communication with the Committee concerning independence, and discuss with the Independent Accountants such statements and any disclosed relationships or services that may impact the objectivity and independence of the Independent Accountants and, if so determined by the Committee, recommend that the Board take appropriate action to satisfy itself of the independence of the Independent Accountants.

13. Set clear hiring policies, compliant with laws or regulations, for employees or former employees of the Independent Accountants and periodically (at least annually), review and recommend changes (if any) to said policies.

### **Financial Reporting Processes and Accounting Policies**

14. Discuss with management, the Independent Accountants and the internal audit department: (a) the effectiveness of internal controls and the Independent Accountants' attestation and report thereon, (b) the adequacy of the Company's internal controls, including computerized information system controls and security, and (c) any related significant finding and recommendations of the Independent Accountants and internal audit department together with management's responses thereto.

15. Review management certifications required as exhibits to the Company's public reports.

16. Discuss with management and the Independent Accountants major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies.

17. Review analyses prepared by management and/or the Independent Accountants setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

18. Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, if any, on the financial statements of the Company.

19. Establish and maintain procedures for the receipt, retention, and treatment of complaints from the Company's employees, customers, suppliers and others regarding accounting, internal accounting controls, or auditing matters.

20. Establish and maintain procedures for the confidential, anonymous submission by the Company's employees, customers, suppliers and others regarding questionable accounting or auditing matters.

21. Receive reports from the party responsible for investigating complaints, either internal or external, regarding questionable accounting, auditing or internal control matters.

### **Internal Audit**

22. Ensure that the Company has an internal audit department to provide management and the Committee with ongoing assessments of the Company's risk management processes and system of internal control.

23. Review the adequacy of the Company's internal audit department and review and advise on the selection and removal of the head of the internal audit department.

24. Periodically, meet separately with the head of the internal audit department to discuss any issues warranting Committee attention.

25. Periodically (at least annually), review and recommend changes (if any) to the internal audit plan.

### **Legal Compliance, Risk Management, and Tax Compliance**

26. Discuss with the Company's counsel legal matters, including corporate securities trading policies, the protection of electronic information and information systems from disruption, destruction, and unauthorized access / disclosure, and any other relationships or transactions, which might have a material impact on the Company's financial statements or compliance policies or procedures.

27. Review and approve various tests prepared by management and/or the Independent Accountants setting forth the Company's compliance with Internal Revenue Service requirements for the Company to maintain its status as a real estate investment trust.

28. Discuss with management guidelines and policies to govern the process by which risk assessment and risk management is handled, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

### **Use of Swaps, Exempt Swaps and the End-User Exception**

29. Review and approve the decision by the Company and its subsidiaries to enter into swaps, as defined in Section 1a(47) of the Commodity Exchange Act and applicable regulations and rules ("Swaps").

30. Review and approve the decision by the Company and its subsidiaries to enter into Swaps that are exempt from the requirements of section 2(h)(1) and 2(h)(8) of the

Commodity Exchange Act ("Exempt Swaps"), pursuant to section 2(h)(7) of the Commodity Exchange Act and applicable regulations and rules (the "End-User Exception"). The Committee must set appropriate policies governing the use of Swaps, Exempt Swaps, and the End-User Exception by the Company and its subsidiaries. The Committee must review and approve the decision to use Exempt Swaps, and the policies governing the use of Exempt Swaps, at least annually or more often upon a triggering event, including but not limited to, a change in the Company's hedging policy.

For the avoidance of doubt, the Committee's authority includes, but is not limited to, the authority to set appropriate policies governing the use of Swaps, Exempt Swaps, and the End-User Exception by the Company and its subsidiaries. The Committee must review and approve the decision by the Company and/or its subsidiaries to use Exempt Swaps, and the policies governing the use of Exempt Swaps, at least annually or more often upon a triggering event, including but not limited to, a change in the Company's hedging policy.

### **Other Responsibilities**

31. Prepare the annual Committee report required by the SEC's proxy rules to be included in the Company's annual proxy statement.

32. Annually, conduct a performance evaluation of the Committee relative to the Committee's purpose, duties and responsibilities outlined herein.

33. Report regularly to the Board regarding the execution of the Committee's duties and responsibilities, including reviewing with the Board any issues which arise with respect to the quality or integrity of the Company's financial statements, compliance with legal or regulatory requirements, including information security and data privacy requirements, the performance and independence of the Company's Independent Accountants or the performance of the Company's internal audit department.

34. Perform any other activities consistent with this Charter, the Company's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

35. The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit and non-audit services; however, the decisions of such subcommittee to grant preapprovals shall be presented to the full Committee at its next scheduled meeting.

36. The Committee may perform such other functions as may be requested by the Board from time to time.

### **Limitations on Committee's Role**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to prepare financial statements, plan or conduct audits or to determine whether the Company's financial statements and disclosures are complete or accurate or in

accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Independent Accountants.

It is also not the responsibility of the Committee to develop corporate governance guidelines or codes of business conduct or ethics, including, except as expressly set forth herein, with respect to conflicts of interests or relationships between the Company and its executive officers or Trust Managers. This is the responsibility of the Corporate Governance Committee of the Board.