

PREFERRED APARTMENT COMMUNITIES, INC.

CHARTER OF THE COMPENSATION COMMITTEE

As adopted by the Board of Directors as of August 6, 2020

This Charter of the Compensation Committee (the “Committee”) has been adopted by the Board of Directors (the “Board”) of Preferred Apartment Communities, Inc. (together with its subsidiaries, the “Company”).

A. Purpose

The purpose of the Committee shall be (i) the evaluation of services provided by the individual who serves as the President and Chief Executive Officer and other executive officers of the Company; (ii) the evaluation of compensation paid by the Company directly, if any, to any individual who serves as President and Chief Executive Officer or other executive officers of the Company; (iii) the approval, evaluation and administration of all equity compensation plans of the Company; and (iv) to take a leadership role in shaping the Company’s compensation policies.

B. Duties and Responsibilities

To fulfill its compensation responsibilities and duties, the Committee shall:

1. Evaluate annually the compensation policies and practices of the Company and make any recommendations for change to the Board. The Committee shall determine as part of this evaluation whether the risks arising from the Company’s compensation policies and practices are reasonably likely to have a material adverse effect on the Company.
2. Evaluate annually the appropriate level of compensation for Board and Committee service (including service as a chairperson of any committee) by independent members of the Board, including their participation in incentive-compensation plans and equity-based compensation plans. The ultimate decision regarding the compensation of any independent members of the Board shall be subject to the approval of the Board
3. Consider goals and objectives relevant to the compensation of the President and Chief Executive Officer, including any equity based compensation, evaluate the performance of its President and Chief Executive Officer in light of those goals and objectives, and will review and recommend for Board approval the compensation to the President and Chief Executive Officer. In determining the long-term incentive component of the President and Chief Executive Officer compensation, the Committee may consider the Company's performance and relative stockholder return, the value of similar incentive awards given to chief executive officer's at comparable companies, the awards given to the Company's President and Chief Executive Officer in past years and such other factors as the Committee deems appropriate in the best interests of the Company. In evaluating and determining compensation to its President and Chief Executive Officer, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation required by Section 14A of the Exchange Act. The Committee shall not

make any review, deliberation or approval of any aspect of the President and Chief Executive Officer's compensation in the presence of the President and Chief Executive Officer.

4. To review and recommend for Board approval (or approve, where applicable) the compensation, including any equity based compensation, to all other executive officers.
5. The Committee shall not approve any direct or indirect loan, guarantee or other extension of credit to the President and Chief Executive Officer or any other director or officer of the Company, except as permitted under Section 13(k) of the Securities Exchange Act of 1934.
6. Review at least annually the goals and objectives of the Company's incentive-based and equity-based compensation plans and other compensation and employee benefit plans of the Company (collectively, the "Plans")), and recommend that the Board amend these goals and objectives if the Committee deems it appropriate.
7. Review at least annually the Company's Plans in light of the goals and objectives of these Plans, and recommend that the Board amend these Plans if the Committee deems it appropriate.
8. Perform such duties and responsibilities as may be assigned to the Committee, by the Board, under the terms of any incentive-compensation or equity-based plan, or as required by the New York Stock Exchange ("NYSE") or the Securities Exchange Commission.
9. Review and discuss annually with management a draft of the Company's Compensation Discussion and Analysis to be included in the Company's annual report on Form 10-K or annual proxy statement. In connection with such review, the Committee shall produce a report as required by Securities and Exchange Commission rules to be included in the annual report on Form 10-K or annual proxy statement stating whether (i) the Committee has reviewed and discussed the Compensation Discussion and Analysis with management and (ii) based on the review and discussions, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Company's annual report on Form 10-K or annual proxy statement.
10. To delegate any of its responsibilities to subcommittees as the Committee may deem appropriate.

C. Outside Advisors

The Committee shall have the authority, in its sole discretion, to select, retain and terminate any compensation consultant used to assist in the evaluation of director or executive compensation, including sole authority to approve the consultant's fees and any other retention terms. In addition, the Committee shall have access to and authority to retain independent advisors, including legal counsel, if and when it deems necessary to perform its duties. The Committee

shall retain these advisors without seeking Board approval and shall have sole authority to approve related fees and retention terms. The Committee will appoint or retain these advisors only after taking into consideration factors that may affect such advisor's independence, including those specified in Section 303A.05(c) of the NYSE Listed Company Manual (as the same may be amended or supplemented from time to time). The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

D. Annual Performance Evaluation

The Committee shall conduct an annual self-performance evaluation, including an evaluation of its compliance with this Charter and report on its annual self-performance evaluation to the Board. The Committee also shall review and reassess the adequacy of the Committee's Charter at least annually and recommend any proposed changes to the Board for approval.

E. Membership

The Committee shall consist of no fewer than three (3) directors, as determined by the Board. Each Committee member shall be a member of the Board and shall meet the independence requirements of the NYSE, be a "non-employee director" as defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, and meet any other independence requirements of the U.S. Securities Exchange Commission and any other requirements set forth in applicable laws, rules and regulations. Each Committee member shall also have knowledge and experience relating to officer, management and employee compensation and related matters. The Committee members shall be appointed annually by the Board on the recommendation of the Nominating and Corporate Governance Committee and shall serve until their successors are duly elected and qualified or their earlier resignation or removal. Any member of the Committee may be removed and replaced by the Board.

F. Chair

The Committee shall include a Committee chairperson or chair. The Committee chairperson shall be appointed by the Board. The Committee chairperson shall be entitled to chair all regular sessions of the Committee and cast a vote to resolve any ties.

G. Meetings

The Committee shall meet as often as needed or required. Special meetings may be convened as the Committee deems necessary or appropriate. All Committee members shall strive to be present at all Committee meetings.

The Committee chair may call a Committee meeting upon due notice of each other Committee member at least forty-eight (48) hours prior to the meeting. A majority of Committee members, acting in person or by means of telephone or other forms of electronic means, shall constitute a quorum. The Committee shall act by majority vote. Any action required or permitted to be taken at a meeting of the Committee may be taken by unanimous written consent of the members of

the Committee in lieu of a meeting. The committee meetings shall follow a set agenda established by the Committee chairman. The Committee shall be responsible for maintaining minutes and other applicable records of each Committee meeting. The Committee shall report its actions and recommendations to the Board after each Committee meeting.