

**PS BUSINESS PARKS, INC.**

**CHARTER OF THE CAPITAL COMMITTEE  
OF THE BOARD OF DIRECTORS**

[Adopted by the Board of Directors on July 26, 2016]

**PURPOSE & RESPONSIBILITIES:**

- The purpose of the Capital Committee is to assist the Board of Directors in overseeing the assessment, monitoring and optimizing of the Company's capital expenditures.
- The Committee's focus will include development and redevelopment opportunities as well as the Company's annual recurring capital expenditures which include maintenance capital, tenant improvements and leasing commissions.
- The goal is to place the Company in the best position to maximize the long-term benefits of its capital expenditures while ensuring its assets are well maintained and positioned in the marketplace to meet the needs and demands of the Company's customer base.

**MEMBERSHIP:**

The Committee shall be composed of at least three members of the Board, including an independent Chair. The Board will designate one of its independent members as the Chair and appoint all other members of the Committee. All members of the Committee may be removed or replaced by the Board.

**MEETINGS:**

The Committee shall meet as often as it determines necessary or appropriate to meet its objectives. The Chair of the Committee, in consultation with other Committee members, shall determine the frequency and length of the Committee meetings.

A quorum at any Committee meeting shall be at least a majority of the members. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held; provided however that any decision or determination of the Committee made without a meeting but reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

The Chair of the Committee shall be responsible for establishing the agendas for meetings of the Committee. An agenda, together with materials relating to the subject matter of each meeting, shall be sent to all members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee's deliberations, decisions and determinations. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board. The Committee shall make regular reports to the Board.

## **DUTIES AND RESPONSIBILITIES:**

### ***Charter:***

- At least annually, this charter shall be reviewed and reassessed by the Committee and any proposed changes shall be submitted to the Board for approval.

### ***Performance Evaluation:***

- The Committee shall evaluate its performance on an annual basis and develop criteria for such evaluation.

### ***Capital Investments:***

- The Committee shall regularly discuss the Company's investment and capital expenditure policies, objectives and plans with, and provide recommendations to, management.
- The Committee shall review and approve proposed capital expenditures outside of the ordinary course of business exceeding certain thresholds to be determined, from time to time, by the Committee or the Board.
- The Committee shall periodically review the Company's performance on major capital investment or expenditure projects versus original projections and develop recommendations to the Board based upon that information.

### ***Access to Records, Consultants and Others:***

In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company. The Committee shall also have the authority to retain, and obtain advice and assistance from, internal or external financial, legal, or other consultants or advisors. The Committee shall have the ultimate authority and responsibility to engage or terminate any outside consultant or advisor and to approve the terms of any such engagement, including fees. The Committee may also request any officer or other employee of the Company, the Company's outside counsel or any other person to meet with any members of, or consultants to, the Committee. Any payment or commitment that involves \$50,000 or more shall require prior approval of the Board.

### ***Delegation:***

The Committee may delegate any of its responsibilities to a subcommittee comprised of two or more members of the Committee.

### ***Other Delegated Responsibilities:***

The Committee shall also carry out such other duties that may be delegated to it by the Board of Directors from time to time.