



Charter of the Audit Committee of the Board of Trustees

A. Purpose

The principal purposes of the Audit Committee (the “**Audit Committee**”) of the Board of Trustees (the “**Board**”) of Elme Communities (the “**Company**”) shall be to (i) oversee the accounting and financial reporting processes of the Company and the audits of the Company’s financial statements and (ii) prepare an annual Audit Committee report as required by the U.S. Securities and Exchange Commission (the “**SEC**”) to be included in the Company’s annual proxy statement. The Audit Committee’s oversight responsibility includes oversight relating to:

- the integrity of the Company’s consolidated financial statements and financial reporting process;
- the Company’s systems of disclosure controls and procedures, internal control over financial reporting and other financial information provided by the Company;
- the Company’s compliance with financial, legal and regulatory requirements;
- the annual independent audit of the Company’s financial statements, the engagement and retention of the registered independent public accounting firm (the “**Independent Auditor**”) and the evaluation of the qualifications, independence and performance of the Independent Auditor;
- the role and performance of the Company’s internal audit function; and
- the fulfillment of the other responsibilities set forth in this Charter or otherwise assigned to it by the Board.

B. Committee Membership

The Audit Committee shall consist of no fewer than three independent trustees of the Company. Members of the Audit Committee (i) shall be appointed by the Board upon the recommendation of the Corporate Governance/Nominating Committee of the Board (provided that the ultimate authority for determination of membership of the Audit Committee is vested in the Board notwithstanding any contrary recommendation) and (ii) may be removed by the Board in its discretion. Each member of the Audit Committee must satisfy the requirements of the New York Stock Exchange (“**NYSE**”), the rules and regulations of the SEC and other applicable laws relating to independence, financial literacy and experience. At least one member of the Audit Committee shall be an “audit committee financial expert” as defined in the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and as determined by the Board in its business judgment, and the Board may presume that such person satisfies rules of the NYSE that require at least one member of the Audit Committee to have accounting or related financial management expertise. No member of the Audit Committee may serve on the audit committee of more than three public companies, including the Company, unless the Board has affirmatively determined such simultaneous service would



not impair the ability of such member to serve effectively on the Audit Committee and has disclosed such determination in the Company's annual proxy statement or on the Company's website. Any action duly taken by the Audit Committee shall be valid and effective, whether or not the members of the Audit Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein. No member of the Audit Committee may accept, either directly or indirectly, consulting, advisory or other compensatory fees from the Company or any of its subsidiaries, other than the Company's or its subsidiaries' standard trustee fees (including additional amounts, if any, that may be paid for serving on the Audit Committee or other committees of the Board).

C. Committee Powers, Duties and Responsibilities

1. Appointment, Compensation and Review of Independent Auditor. The Audit Committee shall appoint, compensate, retain and oversee the work of the Independent Auditor (including resolution of disagreements between management and any auditor regarding financial reporting). The Independent Auditor shall report directly to the Audit Committee and is ultimately accountable to the Audit Committee. All fees for the Independent Auditor which have been approved by the Audit Committee shall be paid by the Company, and the Company shall make funds available for the payment of such fees. The Audit Committee shall approve in advance all tax and non-audit services which may legally be provided to the Company by the Independent Auditor, including the fees and terms for such services. The Chairman of the Audit Committee shall have the right to approve all such tax and non-audit services on behalf of the Audit Committee and shall promptly advise the remaining members of the Audit Committee of such approval at the next regularly scheduled meeting.

The Audit Committee shall also (i) obtain and review, at least annually, a report by the Independent Auditor describing the Company's internal quality-control procedures, any material issues raised by the most recent internal quality-control review or peer review of the Independent Auditor, 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 Independent Auditor and any steps taken to address any such issues and, for purposes of assessing the Independent Auditor's independence, all relationships between the Independent Auditor and the Company, (ii) review the annual written statement from the Independent Auditor delineating all relationships between the Independent Auditor and the Company, and discuss any relationships which may impact the continued objectivity and independence of the Independent Auditor, (iii) evaluate the Independent Auditor and the lead audit partner on an annual basis taking into account the opinions of the Company's management and the Internal Auditor (as defined below) or others performing similar functions, (iv) consider whether there should be regular rotation of the lead audit partner more frequently than required by law or regular rotation of the Independent Auditor in order to assure continuing independence, (v) discuss with Independent Auditor their independence, and



- (vi) report the Audit Committee's conclusions to the full Board with respect to the Independent Auditor's qualifications, performance and independence.
2. Appointment, Compensation and Review of Internal Audit Function. The Audit Committee shall be responsible for oversight of the internal audit function (in whichever manner provided, whether internal or external, the "**Internal Auditor**"), including the retention evaluation and termination of the Internal Auditor and the approval of its fees and terms of engagement. The Internal Auditor shall report directly to the Audit Committee and is ultimately accountable to the Audit Committee. All fees for the Internal Auditor which have been approved by the Audit Committee shall be paid by the Company, and the Company shall make funds available for the payment of such fees. The Audit Committee shall also (i) meet periodically with the Internal Auditor to review the scope of the work to be performed, the results of the work previously performed, the adequacy and effectiveness of the controls tested, and any recommendations or problems encountered and management's response to those items and (ii) report the Audit Committee's conclusions to the full Board as necessary with respect to the performance of the internal auditor function. The Audit Committee shall also discuss with management and the Independent Auditor the responsibilities, budget and staffing of the internal auditor function.
 3. Review of Annual and Quarterly Financial Results and Statements. The Audit Committee shall review and discuss the annual audited and quarterly financial results and statements with management and the Independent Auditor, including the disclosure in "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to any interim or year-end filings. The review will include (i) any material accounting issues identified by management or the Independent Auditor and their impact on the financial statements, (ii) the Independent Auditor's evaluation of the quality of the disclosure and the content of the financial statements, (iii) any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, (iv) potential alternative treatments of financial information within generally accepted accounting principles noted by the Independent Auditor that have been discussed with management, the ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the Independent Auditor, (v) the effect of new or proposed regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements and other public disclosures, (vi) any related party transactions, (vii) the accuracy and reliability of the Company's quantitative public disclosures relating to environmental, social and governance (ESG) matters; and (viii) any other matters required to be communicated by the Independent Auditor to the Audit Committee by the applicable requirements of the Public Company Accounting Oversight Board, the SEC and other applicable requirements. The Audit Committee shall also meet with the Independent Auditor (i) to review the scope of the annual audit and the audit procedures to be utilized, (ii) to discuss any critical audit matters in connection with discussion of the



Independent Auditor's report and (iii) at the conclusion of the audit, to review such audit, including any comments or recommendations of the Independent Auditor.

The review will cover any audit problems or difficulties encountered by the Independent Auditor and management's response to those items, including, without limitation, any accounting adjustments that were noted or proposed by the Independent Auditor but were passed (as immaterial or otherwise), any communications between the audit team and the audit firm's national office respecting audit or accounting issues presented by the engagement, and any "management" or "internal control" letter issued or proposed to be issued by the Independent Auditor.

The Audit Committee shall also (i) review with the Independent Auditor and the Company's Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**") and Chief Accounting Officer ("**CAO**") the adequacy and effectiveness of the Company's internal accounting and financial controls, (ii) review any control deficiency letter prepared by the Independent Auditor, (iii) at such time as it may be required by law, review the Independent Auditor's ability to attest to and report on management's assessment of the Company's internal control structure and its financial reporting procedures in its Annual Report on Form 10-K, (iv) meet quarterly with the CEO, the CFO, the CAO and Independent Auditor to discuss management's report on any material weaknesses or significant deficiencies in internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and report on any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls, (v) meet quarterly with the CEO, the CFO and the CAO to discuss the Company's disclosure controls and procedures and the effectiveness of such disclosure controls and procedures, including any material weaknesses or significant deficiencies in, or material non-compliance with, such disclosure controls and procedures, (vi) discuss generally earnings press releases (including the review of "pro forma" or "adjusted" non-GAAP information) and financial information and earnings guidance that will be provided to analysts, rating agencies and the public, and (vii) confirm that pro forma and non-GAAP information that is publicly disclosed is presented in accordance with applicable laws, rules and regulations.

4. Review of Material Violation Reports. The Audit Committee shall review and discuss any reports concerning material violations submitted to it by Company attorneys or outside counsel pursuant to the SEC attorney professional responsibility rules or otherwise.
5. Audit Committee Report. The Audit Committee shall review and approve the report required by Item 407(d)(3)(i) of Regulation S-K to be included in the Company's annual proxy statement.
6. Establishment of Complaint and Whistleblower Procedures. The Audit Committee shall establish and oversee procedures for the (i) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters of or relating to the Company and (ii) confidential, anonymous submission by employees of the Company or its subsidiaries of concerns regarding questionable accounting or auditing matters of or relating to the



Company and its subsidiaries (or other irregularities of a general, operational or financial nature).

7. Review of Legal and Regulatory Compliance. The Audit Committee shall periodically review with management and the Independent Auditor any (i) material correspondence with, or other action by, regulators or governmental agencies, and (ii) complaints, employee submissions, published reports or material legal affairs that raise concerns regarding the Company's financial statements, accounting or auditing matters.
8. Risk Oversight. The Audit Committee, in coordination with the Board, shall engage in oversight with respect to the areas of material financial reporting risk and risk relating to REIT non-compliance, as well as the steps that management has taken to monitor and control exposure to such risks, and shall periodically report its findings to the Board. The Audit Committee's duties and responsibilities in this regard do not alter the obligations of management to assess and manage the Company's exposure to risk. The Audit Committee shall also maintain appropriate involvement with the Board's overall risk oversight function as required by applicable NYSE rules, including risk assessment and risk management policies.
9. Investigations. The Audit Committee shall have the authority to conduct or authorize investigations into any matters within its scope of responsibility, with full access to all books, records, facilities and personnel of the Company and its subsidiaries.
10. Policy Regarding Employees and Former Employees of the Independent Auditor. The Audit Committee shall establish clear policies regarding the Company's hiring of employees or former employees of the Independent Auditor who participated in any capacity in the audit of the Company.
11. Conflicts of Interest. The Audit Committee shall consider the possible conflicts of interest of trustees and officers and shall conduct an appropriate review of all related party transactions in accordance with the Company's Related Party Transactions Policy. The Audit Committee also will review the Company's Related Party Transactions Policy periodically and will report the results of such reviews to the Board.
12. Swaps and End-User Exception. The Audit Committee shall review and approve the decision by the Company or its subsidiaries to utilize the exemption from applicable requirements of the Commodity Exchange Act such as clearing and collateral posting with respect to entering into "swaps" (as defined under the Commodity Exchange Act and applicable regulations and rules ("**Swaps**")) pursuant to the "end-user exception" under the Commodity Exchange Act and applicable regulations and rules (any Swaps subject to such exemption are referred to as "**Exempt Swaps**"). The Audit Committee shall also (i) set a hedging policy governing use of Swaps, Exempt Swaps, and the "end-user exception" by the Company and its respective subsidiaries and (ii) review



and approve such hedging policy and the decision to use the “end-user exception” at least annually.

13. Performance Evaluation. The Audit Committee shall undertake a self-evaluation of the performance of itself on an annual basis, including an assessment of its performance in light of the duties and responsibilities set forth in this Charter and such other matters as the Audit Committee may deem necessary or appropriate in its discretion. In connection with such performance evaluation, the Audit Committee also shall review and assess the adequacy of this Charter, and propose to the Board for its review and approval any changes to this Charter deemed necessary or appropriate.
14. Other. The Audit Committee shall have such other power, authority, duties and responsibilities as may be assigned to it by the Board from time to time.

D. Committee Structure and Operations

1. Meetings. The Audit Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities, but in any case no less than quarterly. A quorum at any Audit Committee meeting shall be at least a majority of the members. The Audit Committee shall establish a schedule of meetings to be held each year and may schedule additional meetings as it determines to be necessary or appropriate. In planning the annual schedule of meetings, the Audit Committee shall ensure that sufficient opportunities exist for its members: (i) to meet separately, periodically (but at least once a year), with the Independent Auditor and the Internal Auditor, without management present; (ii) to meet separately with management, without the Independent Auditor and the Internal Auditor present; and (iii) to meet with only the Audit Committee members present. The Audit Committee may meet by telephone or videoconference and may take action by unanimous written consent. The Audit Committee may invite to meetings such officers of the Company or other persons as the Audit Committee deems necessary or appropriate in its discretion. Minutes of each meeting shall be kept and distributed to each member of the Audit Committee.
2. Chairperson. The Board shall appoint a Chairperson of the Audit Committee (taking into account the recommendation of the Corporate Governance/Nominating Committee, but with the final decision for such appointment vested in the Board). The Chairperson of the Audit Committee shall be responsible for leadership of the Audit Committee, including presiding, when present, at all meetings of the Audit Committee, preparing the agenda, making committee assignments and reporting for the Audit Committee to the Board at its next regularly scheduled meeting following the meeting of the Audit Committee. If the Chairperson is not present at a meeting of the Audit Committee, the members present at the meeting shall designate one such member as the acting Chairperson for the meeting.
3. Procedures. The Audit Committee may adopt such procedures relating to the conduct of its proceedings as it deems appropriate.



4. Open Communication. The Audit Committee shall maintain regular and open communication among the constituent trustees, the Independent Auditor, the Internal Auditor and management.
5. Retention and Termination of Outside Advisors. The Audit Committee shall have the authority to retain and terminate outside legal or other advisors to the Audit Committee as it deems necessary or appropriate in its sole discretion. In selecting any such advisors or consultants, the Audit Committee shall consider the independence of such advisor or consultant, as determined by it in its business judgment. The Audit Committee shall have the sole authority to approve the fees and other retention terms for such outside advisors. The Company shall provide appropriate funding for payment of the compensation (as determined by the Audit Committee in its discretion) of such outside advisers retained by the Audit Committee, as well as ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.
6. Reporting to Full Board. The Audit Committee shall review with the Board any issues that arise within the scope of the oversight responsibility of the Audit Committee as described above and shall report regularly to the Board regarding the matters reviewed and the actions taken at each meeting of the Audit Committee and make appropriate recommendations for action by the Board.
7. Role of the Audit Committee. It is not the role of the Audit Committee to plan or conduct audits, to guarantee the accuracy of the Company's audits and financial statements or to determine that the audits and financial statements are in accordance with generally accepted accounting principles, other applicable accounting standards and applicable laws and regulations.

E. Disclosure

This Charter, as may be amended from time to time, shall be posted on the Company's website. The Company shall state in its annual proxy statement that this Charter is available on the Company's website and provide the website address.

F. Other Activities

The Audit Committee shall perform any other activities consistent with this Charter, the Company's charter and bylaws and governing law as the Board deems appropriate.

Updated: October 19, 2022

Previous Updates: December 17, 2020, October 15, 2019, October 18, 2017, October 21, 2015, February 15, 2012, May 18, 2009, December 12, 2008, November 29, 2004 (original adoption on February 20, 2003)