



Charter of the Compensation Committee of the Board of Trustees

A. Purpose

The principal purposes of the Compensation Committee (the “**Compensation Committee**”) of the Board of Trustees (the “**Board**”) of Elme Communities (the “**Company**”) shall be: (i) discharging responsibilities relating to compensation of the Company’s Chief Executive Officer (the “**CEO**”), other executive officers and trustees, taking into consideration, among other factors, any shareholder vote on compensation; (ii) implementing and administering the Company’s compensation plans applicable to Management (defined below); (iii) overseeing and assisting the Company in preparing the Compensation Discussion & Analysis (the “**CD&A**”) for inclusion in the Company’s proxy statement and/or annual report on Form 10-K; (iv) providing for inclusion in the Company’s proxy statement a description of the processes and procedures for the consideration and determination of executive officer and trustee compensation; (v) preparing and submitting for inclusion in the Company’s proxy statement and/or annual report on Form 10-K a Compensation Committee Report, each as more fully described below, in accordance with applicable rules and regulations; and (vi) fulfilling the other responsibilities set forth in this Charter or otherwise assigned to it by the Board.

B. Committee Membership

The Compensation Committee shall consist of no fewer than three independent trustees of the Company. Members of the Compensation 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 Compensation 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 Compensation Committee must (i) satisfy the independence requirements of the New York Stock Exchange (the “**NYSE**”), the rules and regulations of the U.S. Securities and Exchange Commission (the “**SEC**”) and other applicable laws relating to independence, as determined by the Board in its business judgment and (ii) qualify as a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

C. Committee Powers, Duties and Responsibilities

1. Executive Officer Compensation. The Compensation Committee shall –
 - (i) review, approve and recommend to the Board for its approval the determination of (a) the *corporate goals and objectives* with respect to the CEO and other executive officers (such other executive officers, collectively with the CEO, “**Management**”) under any short-term incentive plan, long-term incentive plan or other compensation plan and (b) the *individual goals and objectives* with respect

to the CEO under any short-term incentive plan, long-term incentive plan or other compensation plan (and, if required under any such plan, any other executive officers);

- (ii) review, approve and recommend to the Board for its approval the determination of (a) the *performance* of Management in light of such *corporate goals and objectives* and (b) the *performance* of the CEO (and, if required under any such plan, any other executive officers) in light of such *individual goals and objectives*; and
- (iii) review, approve and recommend to the Board for its approval the determination of compensation paid by the Company to Management, including, to the extent applicable (a) compensation structure, (b) annual base salary, (c) awards under any short-term incentive plan, long-term incentive plan or other compensation plan, (d) any proposed employment, retirement, severance, change in control, consulting or similar agreements, and any amendments, supplements or waivers to the foregoing agreements, and (e) any perquisites, special or supplemental benefits.

The Compensation Committee shall endeavor to maintain close coordination with the Board to ensure that its recommendations are consistent with the corporate goals and objectives set by the Board. As well, the Compensation Committee shall, in consultation with Management, endeavor to ensure that the foregoing approvals and determinations are in accordance with applicable law, rules and regulations, and to the extent appropriate or necessary comply with any federal securities or tax law requirements, such as Rule 16b-3 of the Exchange Act . In recommending the appropriate compensation for Management, the Compensation Committee should consider any factors the Compensation Committee deems necessary or appropriate in its discretion, including any shareholder vote on compensation and appropriate peer company benchmarking of comparable officers. The Compensation Committee shall also seek to ensure that compensation plans are designed with an appropriate balance of risk and reward in relation to the Company's overall business strategy and do not encourage excessive or unnecessary risk-taking behavior. In addition, the Compensation Committee shall seek to ensure that such programs encourage high performance, promote accountability and ensure that Management's interests are aligned with the interests of the Company's shareholders.

2. Compensation of Trustees. The Compensation Committee shall (i) review and evaluate, on a periodic basis, the compensation for trustees, including Board and committee retainers, meeting fees, equity-based compensation and such other forms of compensation as the Compensation Committee may consider appropriate and (ii) recommend to the full Board, as appropriate, changes to such compensation. The Compensation Committee shall consider the compensation payable to directors at comparable companies and any other factors it deems necessary or appropriate in making recommendations to the Board with respect to the compensation of directors.

3. Oversight of Perquisites. The Compensation Committee shall review and approve any potential perquisites and benefit policies or programs available to the Company's executive officers, including oversight of determination regarding whether such potential perquisites and benefits require disclosure.
4. Oversight of Compensation Plans. The Compensation Committee shall oversee (and, to the extent required by the plans, administer) the Company's compensation plans applicable to Management (other than those compensation plans applicable to all employees in general) and all equity-based compensation plans. Such oversight shall include, but not be limited to, (i) approving equity-based awards and, if applicable, option grants, (ii) interpreting such plans, (iii) determining rules and regulations relating to such plans, (iv) modifying or canceling existing awards or grants, (v) determining the number of shares underlying awards and grants to trustees, officers and other employees and (vi) imposing limitations, restrictions and conditions upon any award or grant as the Compensation Committee deems necessary or appropriate. At least annually, the Compensation Committee shall assess the desirability of proposing and making recommendations to the Board with respect to any new compensation plans applicable to Management or other equity-based plans, any proposed changes to existing plans, and any proposed increase in shares reserved for issuance under existing equity-based plans. The term "compensation plans" as used herein shall include (i) any short-term incentive plan, long-term incentive plan, supplemental executive retirement plan, deferred compensation plan or other comparable plan, or (ii) any other agreement or arrangement intended to compensate Management, as determined by the Compensation Committee.
5. CD&A. The Compensation Committee shall oversee and assist the Company in preparing the CD&A for inclusion in the Company's proxy statement and/or annual report on Form 10-K, as well as other Company reports (when and as necessary) filed with the SEC. The Compensation Committee shall provide a description of the processes and procedures for the consideration and determination of executive and trustee compensation, as required for inclusion in the Company's proxy statement, all in accordance with applicable rules and regulations. The Compensation Committee shall review and discuss the CD&A with Management and, based on the review and discussion, make a recommendation to the Board regarding whether to include the CD&A in the Company's proxy statement and/or annual report on Form 10-K.
6. Annual Compensation Committee Report. The Compensation Committee shall review and approve an annual Compensation Committee Report, as required by Item 407(e)(5) of Regulation S-K, for inclusion in the Company's annual proxy statement and/or annual report on Form 10-K in accordance with applicable rules and regulations promulgated by the SEC.
7. Clawback Policy. The Compensation Committee shall review and make recommendations to the Board regarding the Company's "clawback" policy for

compensation based on financial results of the Company, in accordance with the standards of the NYSE, any applicable rules and regulations of the SEC and any other applicable laws regarding clawback policies. The Compensation Committee shall also administer such clawback policy, with the power and authority set forth in the applicable policy adopted by the Board.

8. Risk Oversight. The Compensation Committee, in coordination with the Board, shall engage in oversight with respect to the areas of financial risk, financial reporting risk and operational risk, in each case arising from compensation plans, 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 Compensation 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 Compensation Committee, in consultation with Management, will also review compensation risk disclosure to the extent required in connection with Item 402(s) of Regulation S-K.
9. Performance Evaluation. The Compensation 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 Compensation Committee may deem necessary or appropriate in its discretion. In connection with such performance evaluation, the Compensation 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.
10. Environmental and Social; Human Capital. The Compensation Committee shall oversee and administer the Company's compensation strategies related to the achievement of targets pertaining to environmental and sustainability matters, corporate social responsibility matters and human capital matters.
11. Other. The Compensation 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 Compensation 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 frequently than once each year. A quorum at any Compensation Committee meeting shall be at least a majority of the members. The Compensation 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. The Compensation Committee may meet by telephone or videoconference and may take action by unanimous written consent. The Compensation Committee may invite to meetings such officers of the Company or other persons as the Compensation Committee deems necessary or appropriate in its discretion. Minutes of each meeting shall be kept and distributed to each member of the Compensation Committee.

2. Chairperson. The Board shall appoint a Chairperson of the Compensation 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 Compensation Committee shall be responsible for leadership of the Compensation Committee, including presiding, when present, at all meetings of the Compensation Committee, preparing the agenda, making committee assignments and reporting for the Compensation Committee to the Board at its next regularly scheduled meeting following the meeting of the Compensation Committee. If the Chairperson is not present at a meeting of the Compensation Committee, the members present at the meeting shall designate one such member as the acting Chairperson for the meeting.
3. Procedures. The Compensation Committee may adopt such procedures relating to the conduct of its proceedings as it deems appropriate.
4. Retention and Termination of Outside Advisors. The Compensation Committee shall have the sole authority to retain and terminate outside legal or other advisors to the Compensation Committee as it deems necessary and appropriate in its sole discretion, including compensation consultants. In selecting any such advisors or consultants, the Compensation Committee shall take into consideration all factors relevant to the independence of such advisor or consultant, as determined by it in its business judgment, in accordance with the standards of the NYSE, any applicable rules and regulations of the SEC and other applicable laws relating to independence of advisors and consultants. Such factors include, but are not limited to, (i) the provision of other services to the Company by the person that employs the advisor or consultant, (ii) the amount of fees received from the Company by the person that employs the advisor or consultant as a percentage of that person's total revenue, (iii) the policies and procedures of the person that employs the advisor or consultant that are designed to prevent conflicts of interest, (iv) any business or personal relationship of the advisor or consultant with a member of the Compensation Committee, (v) any stock of the Company owned by the advisor or consultant and (vi) any business or personal relationship of the advisor or consultant or the person employing the advisor or consultant with an executive officer of the Company. The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work of the advisors and consultants. The Compensation 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 Compensation Committee in its discretion) of such outside advisors retained by the Compensation Committee, as well as ordinary administrative expenses of the Compensation Committee that are necessary or appropriate in carrying out its duties.
5. Reporting to Full Board. The Compensation Committee shall report regularly to the Board, and not less than once per year, regarding the matters reviewed and the actions taken at each meeting of the Compensation Committee and make



appropriate recommendations for action by the Board.

6. Resources. The Compensation Committee shall have full access to any relevant resources of the Company.

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

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