

**CORPORATE GOVERNANCE GUIDELINES OF  
CORPORATE OFFICE PROPERTIES TRUST  
(Adopted by COPT Board on 12/10/15 & Amended 5/10/18)**

**Mission Statement**

The objective of these corporate governance guidelines is to provide appropriate checks and balances on the Board of Trustees (the “Board”) and management of Corporate Office Properties Trust (the “Company”) to ensure that those to whom the shareholders entrust the direction and success of the Company act in the best interests of the shareholders. The mission of the Board is to oversee the corporate governance of the Company and to facilitate the Company’s principal mission to create long-term economic value for its shareholders at a rate and with a consistency that are among the best companies and competitive with its industry as a whole. In fulfilling this mission, the Board may also, when it deems appropriate, consider the interests of its other stakeholders and interested parties, including its employees, customers, suppliers, creditors, local communities, and the public at large.

**I. Board Composition and Structure**

- A. Size of Board. The Board periodically reviews its size to determine the size that is appropriate for its effective operation.
  
- B. Mix of Trustees; “Independent” Trustees. A substantial majority of the Board will be independent. No trustee will be independent unless the Board affirmatively determines that the trustee has no material relationship with the Company (either directly or as a partner, shareholder, or officer of an organization that has a relationship with the Company). The following *per se exclusions* apply to the determination of trustee independence: a trustee will not be deemed independent if: (1) the trustee is, or within the last three years, has been, employed by the Company or a member of his/her immediate family is, or within the last three years has been, an executive officer of the Company; (2) the trustee or a member of his/her immediate family receives, or during any 12-month period within the last three years received, more than \$120,000 in direct compensation from the Company (other than trustee 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); (3) the trustee is a current partner or employee of the Company’s internal auditors or outside independent registered public accounting firm serving as the Company’s auditors, or a member of the trustee’s immediate family is a current partner of such auditors or firm, or is a current employee of such auditors or such firm and personally works on the Company’s audit, or the trustee or a member of the trustee’s

immediate family was within the last three years a partner or employee of such auditors or firm and personally worked on the Company's audit during that time; (4) the trustee or a member of his/her immediate family is, or within the last three years has been, employed as an executive officer of another entity of which any of the Company's present executive officers at the time serves or served on that other entity's compensation committee; (5) the trustee is a current employee, or a member of his/her immediate family is a current executive officer, of another company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of \$1 million or 2% of such other company's consolidated gross revenues; or (6) the trustee is a current executive officer or compensated employee, or an immediate family member of the trustee is a current executive officer, of a charitable organization to which the Company has made donations in an amount which, in any of the last three fiscal years, exceeded the greater of \$1 million or 2% of such charitable organization's donations.

C. Selection of Trustees. Each year at the Company's annual shareholders meeting, the Board recommends a slate of nominees for election by shareholders. In addition, the Board fills vacancies on the Board when necessary or appropriate. The Board's recommendations or determinations are based on the recommendations of, and information supplied by, the Nominating and Corporate Governance Committee as to the suitability of each individual and, where applicable, the slate as a whole, to serve as trustees, taking into account the criteria described below and other factors, including the requirements for Board committee membership. In recommending nominees, the Committee shall consider nominees recommended by the Company's shareholders provided any such shareholder submits the following information to the Chairman of the Nominating and Corporate Governance Committee c/o 6711 Columbia Gateway Drive, Suite 300, Columbia, Maryland 21046 by 120 days prior to the one-year anniversary of the date of the mailing of the Company's proxy statement for its most recent annual meeting of shareholders:

1. the name of the candidate and the information about the individual that would be required to be included in a proxy statement under the rules of the SEC;
2. information about the relationship between the candidate and the nominating shareholder;
3. the consent of the candidate to serve as a trustee;

4. proof of the number of Company's common shares that the nominating shareholder owns and the length of time the shares have been owned; and
5. a separate statement of the candidate's qualifications relating to Board membership criteria (as set forth below).

In accordance with Article II, Section 8(a) of the Company's Amended and Restated Bylaws, as amended (the "Bylaws"), the majority voting standard applies to trustee election in an uncontested election.

- D. Board Membership Criteria. Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the size, function, and needs of the Board and, in doing so, takes into account that the Board as a whole will have competency in the following areas: (i) industry knowledge; (ii) accounting and finance; (iii) business judgment; (iv) management; (v) leadership; (vi) public real estate investment trusts and commercial real estate business; (vii) business strategy; (viii) crisis management; (ix) corporate governance; and (x) risk management. The Board also seeks members from diverse backgrounds so that the Board consists of members with a broad spectrum of experience and expertise and with a reputation for integrity and ethical behavior. Trustees should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated, and be selected based upon contributions that they can make to the Company. In determining whether to recommend a trustee for re-election, the Nominating and Corporate Governance Committee also considers the trustee's past attendance at meetings and participation in and contributions to the activities of the Board and committees of the Board on which he/she served.
- E. Independent Trustees. The Board notes that all trustees are elected by the shareholders and, therefore, have an equal voice. The Board believes that it is nevertheless advantageous to the function of the Board that the independent members of the Board appoint, from time to time, as such times as the Chairperson of the Board is not an independent trustee, a lead independent trustee who shall chair meetings of independent trustees; facilitate, as necessary and as desired by the independent members of the Board, communications between other members of the Board and the CEO (which communications may also be undertaken directly by the independent trustees); and assume such other duties as the independent trustees as a whole may designate from time to time.

The lead independent trustee shall be appointed by, and may be removed at any time by, the independent trustees. In addition to the lead independent trustee, the Chairperson of the Board, the CEO, or the Board as a whole may call upon any one or more trustees to provide leadership in a given situation. The Board understands that leadership in certain subject areas falls to the committee chairpersons responsible for the subject matter giving rise to the need, and that the chairpersons function as the committee liaisons to the Chairperson of the Board and the rest of the Board. In circumstances in which the independent trustees meet without the lead independent trustee, the Chairperson of the Compensation Committee will be designated to: (i) coordinate the activities of the independent trustees; (ii) provide input with respect to agenda items; and (iii) consult, as appropriate, with the other chairpersons of Board committees in order to avoid diluting the authority or responsibility of such committee chairpersons.

F. Term Limits; Retirement; Resignation.

1. *Term Limits.* The Board does not believe that it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they have the disadvantage of causing the loss of the contribution of trustees who have been able to develop, over a period of time, increasing insight into the Company and its operations, and therefore provide an increasing contribution to the Board as a whole.
2. *Retirement Policy.* The Board has adopted a mandatory retirement age for Trustees of seventy-five (75) years of age. Accordingly, the Board will not nominate for election or re-election to the Board a Trustee who is seventy-five (75) years of age at the time of such nomination and such individual shall retire at the conclusion of his or her term without regard to whether a successor is duly elected and qualified.
3. *Resignation Policy.* All trustees who change their primary job responsibilities that they held at the time of their most recent election to the Board will inform the Chairperson of the Nominating and Corporate Governance Committee (or, if such Chairperson is the informing trustee, another member of such committee) of such change and, at the request of the Board, offer a letter of resignation for Board consideration. The Board will, in its sole discretion, determine whether such change in responsibilities will impair the trustee's ability to effectively serve on the

Board, and may waive such requirement for resignation where it has determined the ability of the trustee to serve is not impaired. In addition, the trustees are subject to the trustee resignation policy set forth in Article II, Section 8(b) of the Bylaws.

- G. Additional Directorships. Trustees are encouraged to limit the number of other boards of directors or boards of trustees (excluding non-profit boards) on which they serve, taking into account their potential meeting attendance, participation, and effectiveness on these boards. It is generally advisable for members of the Audit Committee to limit the number of audit committees on which they serve to three publicly traded companies (including the Company's Audit Committee). The Nominating and Corporate Governance Committee and the full Board will take into account the nature of and the time involved in a trustee's service on other boards in evaluating the suitability of individual trustee candidates. Every trustee must seek the consent of the Nominating and Corporate Governance Committee and the Chairperson of the Board to confirm the absence of any actual or potential conflict prior to accepting any invitation to serve on another corporate or not-for-profit board or with any government or advisory group.
- H. Compensation of Non-Employee Trustees. Company management should report annually as to how the Company's non-employee trustee compensation practices compare with those of other similarly situated public corporations. The Board should make changes in its non-employee trustee compensation practices only upon the recommendation of the Compensation Committee after discussion and approval by the Board. In discharging this duty, the Compensation Committee and the full Board should be guided by the following principles: compensation should fairly pay trustees for the work required; compensation should align trustees' interests with the long-term interests of shareholders; and the structure of the compensation should be simple, transparent, and easy for shareholders to understand.

## **II. Board Meetings and Procedures**

- A. Board Meetings.
1. *Number of Meetings; Attendance and Preparation*. The Board holds a minimum of four (4) regularly scheduled meetings per year. Trustees are expected to attend all regularly scheduled meetings and to have, prior to the meetings, reviewed all written meeting materials

distributed to them in advance. Trustees are expected to be physically present at all regularly-scheduled meetings, and a trustee who is unable to attend a meeting is expected to notify the Chairperson of the Board in advance of such meeting. If a trustee attends a non-telephonic meeting by telephone, such trustee shall be deemed to have attended the meeting for the purposes of determining whether a quorum exists and for voting purposes. However, a trustee may not send a representative with a proxy to vote on his/her behalf if such trustee is not able to attend a scheduled meeting, either in person or telephonically.

2. *Selection of Agenda Items.* The Chairperson of the Board and CEO should establish the agenda for Board meetings; however, trustees may at any time suggest that particular items be placed on the agenda and the Chairman of the Nominating and Corporate Governance Committee should be given an opportunity to review all agendas. The Chairperson of the Board, the CEO, and the Chairman of the Nominating and Corporate Governance Committee will annually prepare a “Master Agenda” that will set forth a general list of items to be considered at each of the Board’s regularly scheduled meetings during the year. Thereafter, the Chairperson of the Board and CEO will adjust the agenda for each specific meeting, if necessary, to include special items that had not been contemplated during the initial preparation of the Master Agenda. The Master Agenda will be provided to the entire Board.
3. *Distribution of Materials.* The Company will distribute written materials, including the agenda, for use at Board meetings sufficiently in advance of meetings to permit meaningful review. It is recognized, however, that under certain circumstances written materials may be unavailable to trustees in advance of the meeting. On those occasions in which the subject matter is too sensitive to provide in writing, the Chairperson of the Board or, if appropriate, the CEO, may elect to contact each trustee by telephone in advance of the meeting to discuss the subject and the principal issues the Board will need to consider. The Nominating and Corporate Governance Committee will periodically review the information flow to Board members to ensure that trustees receive the right kind and amount of information in sufficient time to prepare for meetings.
4. *Attendance of Non-Trustees.* The Board believes that attendance of key executive officers and other experts and consultants, as necessary, augments the meeting process

by providing certain expertise and insight into items that are open for discussion at certain meetings.

5. *Executive Sessions of Non-Employee Trustees; Meetings of Independent Trustees.* The non-employee trustees of the Board will meet in regular executive sessions, at least one (1) time per year, without any management trustees and any other members of the Company's management present, to (i) evaluate the CEO; (ii) review management succession planning; and (iii) consider such other matters as they may deem appropriate. The chairperson of the Nominating and Corporate Governance Committee will preside at the executive sessions. The trustees may meet in executive session at any time to consider issues that they deem important to address without management present. Following each executive session, the results of the deliberations and any recommendations should be communicated to the full Board. At least one (1) time per year, all trustees who qualify as independent, if different from the group of non-employee trustees, shall meet in executive session.

- B. Access to Senior Management/Independent Advisors. Board members have complete and open access to senior members of management. The CEO will invite key employees to attend Board sessions at which the CEO believes they can meaningfully contribute to Board discussion. The Board has the authority, in their discretion, to retain independent advisors, at the Company's expense.
- C. Access to Shareholders and Other Interested Parties. The Chairperson of the Board and the CEO are responsible for establishing standards for effective communications with the Company's shareholders, customers, associates, communities, suppliers, creditors, and corporate partners. Trustees are not precluded from meeting with such parties, but any such meetings generally should be held with management present.
- D. Confidentiality. The Board believes that maintaining confidentiality of information and deliberations is an imperative.

### **III. Board Duties and Responsibilities**

- A. Oversight. To accomplish its mission to maximize long-term shareholder value, the Board must:
  - 1. Ensure that the Company operates in a legal, ethical, and socially responsible manner;

2. Select, evaluate, and offer substantive advice and counsel to the CEO and, where appropriate, other executive officers, and work with the CEO and, where appropriate, other executive officers to develop effective measurement systems that will evaluate and determine the Company's degree of success in creating long-term economic value for its shareholders;
  3. Review, approve, and monitor fundamental financial and business strategies and major corporate actions;
  4. Oversee the Company's capital structure and financial policies and practices;
  5. Assess major risks facing the Company and review options for their mitigation; and
  6. Provide counsel and oversight on the selection, evaluation, development, and compensation of executive officers and provide critical and candid feedback on their successes and failures.
- B. Corporate Governance. The Board will review and, if it deems appropriate, approve changes to these corporate governance guidelines that have been recommended to the Board by the Nominating and Corporate Governance Committee.
- C. Charters. The Board will review and, if it deems appropriate, approve changes to the Company's Audit, Nominating and Corporate Governance, and Compensation Committee charters that have been recommended to the Board by such committees.
- D. Orientation and Education. The Company will conduct an orientation program for new Board members that includes extensive materials, meetings with key management, and visits to Company facilities. Additionally, all trustees are encouraged to avail themselves of educational opportunities enabling them to better perform their duties.
- E. Company Visitation. The trustees are encouraged to visit the Company and its subsidiaries each year to familiarize himself/herself with the business of the Company and its subsidiaries. These visits should be pre-arranged with the CEO or another officer the CEO may designate, and trustees are requested to report to the full Board at the next Board meeting after any such visit their observations from such visits.



- F. Assessing Board and Committee Performance. The Board will conduct an annual self-evaluation of its performance and the performance of its individual members and an evaluation of each of the Board committees' performance and the performance of individual members of such committees to determine whether it and its committees are functioning effectively. The Board's evaluation will be based, in part, on the Nominating and Corporate Governance Committee's evaluation of the Board, and the self-evaluations conducted by each of the committees.
- G. Assessing Performance of CEO and Other Executive Officers. The Board believes that the performance of the CEO and other executive officers should be evaluated annually and as a regular part of any decision with respect to the compensation of such officers. The Board has delegated the responsibility to the Compensation Committee to evaluate the performance of the CEO and other executive officers in the course of approving their salary, bonus, and long-term incentives such as stock and stock option awards. The Committee is responsible for setting annual and long-term performance goals for the CEO and other executive officers and for evaluating his/her performance against such goals. The Committee meets annually with the CEO and, where it deems necessary, other executive officers to receive their recommendations concerning such goals and to evaluate each executive officer's performance against the prior year's goals.
- H. Succession Planning. The Board plans for the succession to the positions of CEO and other executive officers of the Company. To assist the Board, the CEO annually provides the Nominating and Corporate Governance Committee with an assessment of the executive officers and their potential to succeed him/her. The CEO also will provide the Nominating and Corporate Governance Committee with an assessment of persons considered to be potential successors to other executive officer positions and a review of any development plans recommended for such potential successors. The results of these reports will be reported to and discussed with the Board.
- I. Business Conduct and Ethics. The Board believes that, in order to maintain the highest ethical, legal, and socially responsible standards of conduct, the Company should maintain appropriate codes of business conduct and ethics regarding, among other things: (i) conflicts of interest, (ii) corporate opportunities, (iii) confidentiality, (iv) fair dealing, (v) protection and proper use of Company assets, (vi) compliance with laws, rules, and regulations, and (vii) such other matters as the Board deems appropriate. Such

codes also will include standards of conduct reasonably applicable to designated persons, including the CEO, the President, COO and CFO and the senior financial officers, designed to deter wrongdoing and to promote: (i) honest and ethical conduct, (ii) full, fair, accurate, timely, and understandable disclosure in the periodic reports, proxy statements, and other filings under the Exchange Act that are required to be filed by the Company, (iii) compliance with applicable governmental rules and regulations, (iv) the prompt internal reporting of violations of the codes; and (v) accountability for adherence to the code.

#### **IV. Board Committees**

A. Board Committees; Committee Charters. Except where Board committees have sole authority to act as required by applicable law or a listing standard, it is the general policy of the Company that major decisions be considered by the Board as a whole. As a consequence, the Board has determined to constitute only those committees that it believes are critical to the efficient operation of the Board or are required by applicable law or a listing standard. The Board currently has four (4) standing Committees: the Audit Committee; the Nominating and Corporate Governance Committee; the Compensation Committee and the Investment Committee. The Board has the authority to establish such other committees, temporary or permanent, as the Board deems advisable. The Audit Committee will consist of three or more trustees, each of whom will satisfy the independence requirements set forth herein and any additional requirements set forth in its charter and any other listing or regulatory requirements. The Compensation Committee and the Nominating and Corporate Governance Committee will consist of three or more trustees, each of whom will satisfy the independence requirements set forth herein and any additional requirements set forth in their respective charters and any other listing or regulatory requirements. The Investment Committee will consist of three or more trustees, each of whom will satisfy the requirements set forth in its charter. The Nominating and Corporate Governance Committee will recommend, and the Board will designate, a chairperson of each committee.

1. Each committee (except for the Investment Committee) will meet in executive session during each of the Board's regularly scheduled meetings.
2. Each of the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee will have appropriate written charters. The

charter of each committee will be reviewed annually by the Board and the relevant committee. These committee charters will be made available on the Company's website at: [www.copt.com](http://www.copt.com).

- B. Committee Agendas. The chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop his/her committee's agenda. Each committee will issue a schedule of agenda subjects to be discussed for the ensuing year at the beginning of each year. This forward agenda also will be shared with the Board.
- C. Rotation of Committee Members. The Board does not believe in mandating fixed rotation of committee members and/or committee chairpersons, since there may be reasons at a given point in time for maintaining continuity. However, the Board may seek to rotate committee members and chairs, on a staggered basis within each committee. The Board seeks thereby to avoid trustee entrenchment, while ensuring continuity and the availability of experience derived through longevity.
- D. Board Oversight; Committee Reports. The Board is responsible for overseeing the activities of its committees (except where such committees have sole authority to act pursuant to applicable law or listing standard) and for ensuring that the committees are fulfilling their duties and responsibilities. The Board will regularly receive reports from its committees regarding their activities and will take such actions as it deems necessary or appropriate in response to these reports.

## V. **Other Principles**

- A. Confidential Voting. The Board has adopted a policy whereby shareholders' proxies are received by the Company's independent tabulators and the vote is certified by independent inspectors of election. Proxies and ballots that identify the vote of individual shareholders will be kept confidential from the Company's management and trustees, except as necessary to meet legal requirements, in cases where shareholders request disclosure, or in a contested election.
- B. Disclosure and Review of Corporate Governance Guidelines. These corporate governance guidelines will be made available on the Company's website. The Nominating and Corporate Governance Committee will review these corporate governance guidelines from time to time, but not less frequently than annually, and will report the results of its review to the full Board.

- C. Disclosure Policy. The Board believes that it is imperative that the Company promote full, fair, accurate, timely, and understandable disclosure in the periodic reports and other statements required to be filed by the Company.
- D. Loans. Personal loans to directors or executive officers are not permitted.
- E. Conflicts. To the extent that there is a conflict between these corporate governance guidelines and the Company's Code of Business Conduct and Ethics, the Code of Business Conduct and Ethics shall prevail.