

**CHARTER OF THE NOMINATING AND  
CORPORATE GOVERNANCE COMMITTEE OF  
APPLE HOSPITALITY REIT, INC.**

This Nominating and Corporate Governance Committee Charter (the “*Charter*”) of the Board of Directors (the “*Board*”) of **Apple Hospitality REIT, Inc.**, a Virginia corporation (the “*Company*”), is dated effective as of July 9, 2014.

**PURPOSE**

The purpose of the Nominating and Corporate Governance Committee (the “*Committee*”) of the Board shall be to:

- (i) oversee all aspects of the Company’s corporate governance functions on behalf of the Board;
- (ii) take a leadership role in shaping, and make recommendations to the Board regarding, the corporate governance of the Company;
- (iii) develop and recommend to the Board a set of corporate governance guidelines and principles applicable to the Company and amendments or modifications thereto;
- (iv) review and make recommendations to the Board on matters involving the general operation of the Board, including the size and composition of the Board and the structure and composition of Board committees;
- (v) identify, review and evaluate candidates, including incumbent directors, to serve as directors of the Company or to fill vacancies on the Board, consistent with criteria approved by the Board;
- (vi) select candidates to the Board to serve as nominees for director for the annual meeting of shareholders (or special meeting of shareholders at which directors are to be elected);
- (vii) recommend to the Board nominees for each Board committee;
- (viii) serve as a focal point for communication between such candidates, non-committee directors and the Company’s executive officers;
- (ix) make other recommendations to the Board regarding affairs relating to the directors of the Company, including director compensation; and
- (x) oversee the evaluation of the board and management.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s Bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain

from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board.

## **COMPOSITION**

The Committee shall consist of three or more directors, as determined by the Board, each of whom satisfies the independence requirements of the New York Stock Exchange (the "*NYSE*"), any rules and regulations of the U.S. Securities and Exchange Commission (the "*SEC*") and any other applicable laws relating to independence, as determined by the Board in its business judgment. The members of the Committee, including the Chair, shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board. Vacancies occurring on the Committee shall be filled by the Board.

Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

## **RESPONSIBILITIES**

The operation of the Committee shall be subject to the provisions of the Bylaws of the Company, the Virginia Stock Corporation Act, and the rules of the NYSE and the rules and regulations of SEC, each as in effect from time to time. The Committee shall have the full power and authority to carry out the following primary responsibilities:

- 1. Director Nominations.* The Committee has the responsibility of identifying, reviewing and evaluating candidates to serve on the Company's Board consistent with criteria approved by the Board, including consideration of any potential conflicts of interest as well as applicable independence and experience requirements. The Committee shall also have the primary responsibility for reviewing, evaluating and considering the recommendation for nomination of incumbent directors for reelection to the Board, as well as monitoring the size of the Board. The Committee shall, at least annually, review the performance of each current director and shall consider the results of such evaluation when determining whether or not to recommend the nomination of such director for an additional term. The Committee shall also recommend to the Board for selection candidates to the Board to serve as nominees for director for the annual meeting of shareholders. The Committee shall consider, develop and recommend to the Board such policies and procedures with respect to the nomination of directors or other corporate governance matters as may be required pursuant to any rules or regulations promulgated by the SEC or the NYSE or otherwise considered to be desirable and appropriate in the discretion of the Committee. The Committee shall also have the power and authority to consider recommendations for Board nominees and proposals submitted by the Company's shareholders and to establish any policies, requirements, criteria and procedures, including policies and procedures to facilitate shareholder communication with the Board, to recommend to the Board appropriate action on any such proposal or recommendation and to make any disclosures required by applicable law in the course of exercising its authority. The foregoing notwithstanding, if the Company is legally

required by contract or otherwise to permit a third party to designate one or more of the directors to be elected or appointed, then the nomination or appointment of such directors shall be governed by such requirements.

2. *Director Qualifications.* The Committee may consider the following criteria, among others the Committee shall deem appropriate, in recommending candidates for election to the Board:

- personal and professional integrity, ethics and values;
- experience in corporate governance, such as an officer or former officer of a publicly held company, and a general understanding of marketing, finance and other elements relevant to the success of a publicly traded company in today's business environment;
- experience in the Company's industry;
- experience as a board member of another publicly held company;
- academic expertise in an area of the Company's operations;
- fit of the individual's skills, experience, and personality with those of other directors in maintaining an effective, collegial, and responsive Board;
- diversity, age, background and skills;
- practical and mature business judgment, including ability to make independent analytical inquiries; and
- ability and willingness to devote sufficient time to serve on the Board and committees of the Board.

3. *Director Removal and Resignation.* If necessary, the Committee, in its discretion, shall consider and may recommend to the shareholders the removal of a director for cause or without cause, in accordance with the applicable provisions of the Company's Articles of Incorporation, Bylaws, Corporate Governance Guidelines and the applicable provisions of Virginia law. After a vacancy arises on the Board or a director advises the Board of his or her intention to resign, the Committee shall also have the primary responsibility for reviewing, evaluating and considering the recommendation for appointment by the Board to fill such vacancy, such prospective member of the Board as the Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve.

4. *Management and Board Evaluation.* The Committee shall periodically review, discuss, assess and evaluate the performance of the Company's executive officers (with respect to their contributions and interactions with the Board) and the Board, including the Board's committees, seeking input from the Company's executive officers, the full Board and others. The evaluation shall include evaluation of the Board's contribution

as a whole and effectiveness in serving the best interests of the Company and its shareholders, specific areas in which the Board and/or management believe contributions could be improved, and overall Board size and composition, including the reelection of current Board members. The factors to be considered shall include whether the directors, both individually and collectively, can and do provide the integrity, experience, judgment, commitment, skills and expertise appropriate for the Company. The Committee shall make appropriate recommendations to improve performance, if necessary. The results of these reviews shall be provided to the Board for further discussion as appropriate. In addition, the Committee shall periodically review with the Chief Executive Officer the plans for succession to the offices of the Company's executive officers and make recommendations to the Board with respect to the selection of appropriate individuals to succeed to these positions.

5. *Board Committee Structure.* The Committee shall periodically review the Board's committee structure, including all standing or any ad hoc committees of the Board, and recommend to the Board for its approval such changes in number, function or composition of committees of the Board as the Committee deems appropriate. The Committee shall oversee the Board's committee structure and operations, including authority to delegate to subcommittees and committee reporting to the Board. The Committee, after due consideration of the interests, independence and experience of the individual directors and the independence and experience requirements of the NYSE, the rules and regulations of the SEC and applicable law, and such other factors or criteria as the committee deems appropriate, shall recommend to the entire Board annually the chairmanship and membership of each committee and shall recommend additional committee members to fill vacancies as needed.
6. *Continuing Education.* The Committee shall consider instituting a plan or program for the continuing education of directors.
7. *Corporate Governance Principles.* The Committee shall develop a set of corporate governance principles to be applicable to the Company, shall periodically review and assess these principles and their application, and shall recommend and review any changes deemed appropriate to the Board for its consideration. The Committee also shall (i) advise the Board periodically with respect to the Company's compliance with its Corporate Governance Guidelines and applicable laws and regulations, including the applicable NYSE listing requirements, and (ii) consider corporate governance issues that arise from time to time and make recommendations to the Board with respect thereto (including on any remedial or corrective actions to be taken), as the Committee may deem appropriate.
8. *Code of Business Conduct and Ethics.* The Committee shall monitor the implementation of the Company's Code of Business Conduct and Ethics (the "*Code*"), propose to the Board for its approval, from time to time, any revisions thereto as the Committee deems to be appropriate and consider and act upon any request for waivers under the Code.
9. *Committee Self-Assessment.* The Committee shall review, discuss and assess its own performance at least annually, including its compliance with this Charter. The Committee shall also periodically review and assess the adequacy of this Charter,

including the Committee's role and responsibilities as outlined in this Charter, and shall recommend any proposed changes to the Board for its consideration.

#### **OUTSIDE ADVISORS**

The Committee shall have the authority, as it deems appropriate, to retain or replace, as needed, any independent counsel or other outside expert or advisor that the Committee believes to be desirable and appropriate. The Committee may also use the services of the Company's legal counsel or other advisors to the Company. The Committee shall have sole authority to approve fees, costs and other terms of engagement of such outside resources. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons retained by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall have sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve such search firm's fees and other retention terms.

#### **DELEGATION OF DUTIES**

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, to the extent consistent with the Company's Articles of Incorporation, Bylaws, Corporate Governance Guidelines and applicable law and rules of the NYSE and SEC. Such subcommittees must be composed entirely of independent directors and must have a published committee charter.

#### **MEETINGS**

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are consistent with the provisions of the Company's Bylaws that are applicable to the Committee or the Company's Corporate Governance Guidelines.

The Committee shall meet on a regularly scheduled basis at least once per year and more frequently as the Committee deems necessary or desirable. All non-management directors that are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, or any other person whose presence the Committee believes to be desirable and appropriate. Notwithstanding the foregoing, the Committee may exclude from its meetings any person it deems appropriate, including but not limited to, any non-management director that is not a member of the Committee.

#### **MINUTES AND REPORTS**

Minutes of each meeting of the Committee shall be prepared and distributed to each director of the Company and the Secretary of the Company promptly after each meeting. The Committee, through the Chair, shall report all material activities of the Committee to the Board at the next regularly scheduled Board meeting following meetings of the Committee, or whenever so requested by the Board.