

APPLE HOSPITALITY REIT, INC.

Corporate Governance Guidelines

A. Introduction

The following Corporate Governance Guidelines (the “**Guidelines**”) have been adopted as guidelines and principles for the conduct of the Board of Directors (the “**Board**”) of Apple Hospitality REIT, Inc. (the “**Company**”). They reflect the Board’s commitment to monitoring the effectiveness of decision-making at the Board and management level and ensuring adherence to good corporate governance principles, all with a goal of enhancing shareholder value over the long term. The Guidelines are subject to periodic review by the Nominating and Corporate Governance Committee of the Board (the “**Governance Committee**”).

The Guidelines should be interpreted in the context of all applicable laws and regulations and the Company’s articles of incorporation and bylaws. The Guidelines are statements of policy and are not intended to supersede or interpret any federal or state law, rule or regulation, including the Virginia Stock Corporation Act, or the Company’s articles of incorporation or bylaws.

B. Director Responsibilities and Qualifications

1. General Responsibilities.

The Board, which is elected by the shareholders, is the ultimate decision-making body of the Company, except with respect to those matters reserved to the shareholders by law or pursuant to the Company’s articles of incorporation and/or bylaws. The Board will have the following general responsibilities:

- supervising and directing the business and affairs of the Company in the interest, and for the benefit, of the Company’s shareholders in order to enhance shareholder value over the long term;
- reviewing and, where appropriate, approving the Company’s major strategic, financial and business objectives, plans and actions;
- reviewing and approving guidelines that set out the criteria to be used to evaluate the merits of specific investments as well as the Company’s overall portfolio composition; and
- establishing policies and principles for the selection, and possible succession planning, of directors, the Company’s Chief Executive Officer (the “**CEO**”) and other management officers.

The Board will exercise its business judgment to act in a manner which it reasonably believes to be in the best interests of the Company and its shareholders consistent with its legal

duties. All directors owe a duty of loyalty to the Company which mandates that the best interests of the Company prevail over any individual interests of a director. Under the Virginia Stock Corporation Act, each director must discharge his or her duties as a director, including his or her duties as a member of a committee, in accordance with his good faith business judgment of the best interests of the corporation.

Directors are expected to adhere to a high ethical standard in performing and carrying out their duties and responsibilities for the Company. In particular directors are expected to comply with these Guidelines and the Company's Code of Business Conduct and Ethics as in effect from time to time.

2. General Qualifications.

The Board places a high priority on the vitality and experience of its Board and in the discharge of its responsibilities. The Governance Committee will identify and recommend to the Board candidates for director in accordance with the policies, procedures and criteria established by the Governance Committee and the Board from time to time. When formulating its recommendations, the Governance Committee will also consider advice and recommendations from others as it deems appropriate. The Board will also consider the director candidates that are submitted for election by the shareholders at the annual shareholders' meeting. At a minimum, director candidates will be selected on the basis of integrity, judgment, ability to make independent analytical inquiries, willingness and ability to devote adequate time and resources to diligently perform Board duties, appropriate and relevant business experience and acumen, and reputation, both personal and professional, consistent with the image and reputation of the Company. The Board is committed to a diversified membership, in terms of both the individuals involved and their various experiences and areas of expertise.

3. Election of Directors.

As provided in the Company's bylaws, in any election of directors, each director will be elected by the vote of a plurality of all the votes cast at a meeting of shareholders duly called and at which a quorum is present. However, if an incumbent director fails to receive at least a majority of the votes cast, he or she shall offer to resign from the Board and the Governance Committee will consider such offer to resign, will act on an expedited basis to determine whether to accept such director's resignation and will submit such recommendation for prompt consideration by the Board. The director whose resignation is under consideration shall not participate in any deliberation or vote of the Governance Committee or Board regarding that resignation. The Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation. Within 90 days after the date of certification of the election results, the Board will promptly disclose its decision and basis for whether to accept the resignation (or the reasons for not accepting the resignation, if applicable) in a press release, filing with the Securities and Exchange Commission or by other public announcement. If such incumbent director's resignation is not accepted by the Board, such director will continue to serve until his or her successor is elected and qualifies, or his or her death, resignation, retirement or removal, whichever event shall occur first. If a director's resignation is accepted by the Board, or if a nominee for director is not elected and the nominee

is not an incumbent director, then the Board, in its sole discretion, may fill any resulting vacancy pursuant to the bylaws. The Company's policy regarding election of directors will be summarized in each proxy statement relating to an election of directors.

4. Independence and other Qualifications.

A majority of the members of the Board must meet the criteria for independence established by the New York Stock Exchange ("NYSE"), as in effect from time to time and as interpreted by the Board in its business judgment. The Board will undertake an annual review of the independence of all non-employee directors and, in accordance with the independence criteria established by the Board from time to time, will make an affirmative determination that each "independent" director has no direct or indirect material relationship with the Company. The names of the independent directors will be published in the Company's annual proxy statement to shareholders or in the Company's annual report on Form 10-K (the "Form 10-K").

The Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics required for new Board members as well as the composition of the Board as a whole. This assessment may include, among other things, the following:

- 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.

Nominations for directors, including nominees to committees of the Board, will be made or recommended by the Governance Committee in accordance with the policies and principles in its charter and as determined by the Board. The Governance Committee also will consider for Board membership individuals who are nominated by shareholders upon submission of the information required by the Company's bylaws in writing to the Secretary of the Company at the Company's

principal executive offices. Unless otherwise determined by the Governance Committee or the Board, the Governance Committee's process for identifying and evaluating nominees for director will be the same regardless of who makes the recommendation.

5. Restrictions on Board Service and Actions.

- *Mandatory Retirement Age.* The Board has not established a mandatory retirement age.
- *Devotion of Adequate Time.* The Board recognizes that it is important that each director have the requisite time to devote to the oversight of the Company's business. The Company does not have a policy limiting the number of other public company boards of directors upon which a director may sit, in general. However, in recommending nominees to the Board, the Governance Committee shall consider the number of other public company boards and other boards (or comparable governing bodies) on which a prospective nominee or a director is a member. Each director shall provide notice to, and receive approval from, the Chair of the Governance Committee in advance of accepting an invitation to serve on another public company board of directors. However, no such approval shall be necessary for a director's continued service on any public company board of directors on which such director was serving on the date such director joined the Board. Service on boards of other organizations should be consistent with the Company's Code of Business Conduct and Ethics and the rules of the NYSE.
- *Other Directorships.* Although the Company does not impose a limit on outside directorships, it does recognize the substantial time commitments attendant to Board membership and expects that the members of its Board be fully committed to devoting all such time as is necessary to fulfill their Board responsibilities, both in terms of preparation for, and attendance and participation at, meetings. In addition, in recognition of the enhanced time commitments associated with membership on a public company's audit committee, the Board has adopted a policy that no member of the Audit Committee may serve simultaneously on the audit committees of more than two other public companies (in addition to the Company's audit committee).
- *Change in Circumstances.* If a director's principal occupation or business association changes, or if a director takes on significant additional business responsibilities, such director shall promptly inform the Board of such change and the Governance Committee shall determine whether it is appropriate for such director to continue to serve on the Board. The director shall be expected to act in accordance with the Governance Committee's recommendation in this regard.
- *Term Limits.* The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the

Company and its operations based on their understanding of the Company's history, policies and objectives and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to term limits, the Governance Committee will review each director's continuation on the Board before the end of such director's then-current term. This will allow each director the opportunity to confirm his or her desire to continue as a member of the Board.

6. Chairman.

The Board will elect its Chairman ("**Chairman**") based on such factors as the directors deem relevant.

C. Functioning of the Board

The Chairman of the Board, in consultation with other members of the Board, will determine the timing and length of meetings of the Board. There will be at least three regularly scheduled meetings of the Board in each calendar year. In addition to regularly scheduled meetings, additional unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Company. Directors are expected to attend, in person or by telephone, all Board meetings and meetings of committees on which they serve, prepare for meetings, review relevant materials, ask questions and engage in discussion, and spend the time needed to properly discharge their responsibilities. In addition, directors are expected to attend the Company's annual meetings of shareholders.

The Chairman of the Board will set the agenda for Board meetings, with the understanding that certain items pertinent to the advisory and monitoring functions of the Board will be brought to it periodically by the Chairman for review and/or decision. Agenda items that fall within the scope of responsibilities of a Board committee will be reviewed with the chair of that committee. Each Board member is encouraged to suggest the inclusion of items on the agenda at any time.

Presentation materials are important to the Board's understanding of the business and essential to prepare Board members for productive meetings. Materials relating to specific agenda items will be provided to Board members sufficiently in advance of the Board meeting to allow the directors to prepare for discussion of such items at the meeting, and it is expected that all directors will review such materials in advance of each meeting. It is recognized that, in the event of a pressing need for the Board to meet on short notice, materials may not be available in advance of the meeting. In that event, sufficient time for discussion will be allocated to allow the Board to become adequately informed of any issues to be discussed at such meeting.

At the invitation of the Board, members of management of the Company that are recommended by the Chairman, in consultation with the CEO (if such offices are filled by different people), may attend Board meetings for the purpose of participating in discussions. Generally, presentations of matters to be considered by the Board will be made by the officer or manager responsible for that area of the Company's operations.

In addition, Board members will have complete access to management and employees of the Company. The CEO or Secretary of the Company will, whenever requested, assist in arranging and facilitating such meetings or contacts. Members of the Board will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company. The CEO or Secretary of the Company will, as deemed necessary or advisable by the Board, assist in arranging and facilitating meetings of the Board with the Company's independent advisors, including its legal counsel and independent auditing firm.

D. Responsibility, Composition and Functioning of Committees

The Board will maintain at all times a Compensation Committee, an Audit Committee and a Nominating and Corporate Governance Committee. The members of each of these committees shall meet the independence requirements for directors as set forth in the rules of the NYSE and applicable securities laws and regulations and as set forth in committee charters. While each such committee will have a written charter addressing the purpose, goals, duties and responsibilities of the committee, the key responsibilities of each committee are as follows:

- The Compensation Committee is responsible for (i) discharging responsibilities relating to compensation of the Company's Chief Executive Officer and other executive officers, taking into consideration, among other factors, any shareholder vote on compensation, (ii) implementing and administering the Company's incentive compensation plans and equity-based plans, (iii) overseeing and assisting the Company in preparing the Compensation Discussion & Analysis for inclusion in the Company's proxy statement and/or 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 (v) preparing and submitting for inclusion in the Company's proxy statement and/or annual report on Form 10-K a Compensation Committee report, in accordance with applicable rules and regulations.
- The Audit Committee prepares an Audit Committee Report to be included in the Company's annual proxy statement and assists the Board in the oversight of the Company's accounting and financial reporting processes, integrity of the Company's consolidated financial statements and financial reporting process, the compliance by the Company with financial, legal and regulatory requirements, the qualification and independence of the Company's independent auditors, the Company's overall risk profile, and the performance of the Company's internal audit function and independent auditors.
- The Governance Committee develops, recommends, implements and monitors the adherence to these Guidelines, oversees the Board's compliance with financial, legal and regulatory requirements, including applicable NYSE listing requirements, and its ethics program, as set forth in the Company's Code of Business Conduct, annually facilitates the assessment of the Board's performance as a whole and of individual directors, as required by applicable law, regulations and the NYSE corporate governance listing standards, oversees the Board's

evaluation of management, identifies and recommends to the full Board qualified candidates to serve as Board members, recommends nominees for election as directors at the annual meeting of shareholders consistent with the criteria approved by the Board and makes other recommendations to the Board regarding affairs relating to the directors, including director compensation.

The Board may from time to time form such other committees as it determines to be appropriate to facilitate and assist in the execution of the Board's responsibilities.

Committee members and chairs will, upon recommendations from time to time of the Governance Committee, be appointed by the Board, after consideration of the desires, experience and expertise of individual directors. The Governance Committee will review the committee membership and chairs on an annual basis, and may recommend to the Board rotating members and chairs from time to time, balancing the interests of continuity with diversity of experience and taking into account any legal, regulatory or NYSE requirements regarding the composition of a particular committee.

Each committee chair will establish the frequency, length and agenda of meetings as appropriate and necessary to carry out the committee's responsibilities. Sufficient time to consider the agenda items will be provided. Materials relating to specific agenda items will be provided to committee members sufficiently in advance of the committee meeting where necessary to allow the members to prepare for discussion of such items at the meeting. It is recognized that, in the event of a pressing need for a committee to meet on short notice, materials may not be available in advance of the meeting. In that event, sufficient time for discussion will be allocated to allow the committee to become adequately informed of any issues to be discussed at such meeting. At the invitation of the committee chair, members of management of the Company that are recommended by such committee chair, may attend committee meetings for the purpose of participating in discussions.

E. Director Compensation

Non-management directors will be compensated for their service to the Company in cash and/or equity of the Company on a basis that is commensurate with the commitment made by such directors to serve the Company, and taking into account the compensation paid to directors by other similarly situated public companies. The Governance Committee will periodically review the amount and nature of compensation paid to directors, and make recommendations to the full Board regarding any adjustments to such compensation arrangements as appropriate. Directors who also are employees of the Company will not receive additional compensation in their capacity, or for their service, as directors.

The Board recognizes that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated, and therefore such actions will be

discouraged. The Board will critically evaluate each of these matters when determining the form and amount of director compensation, and the independence of a director.

F. Share Ownership Guidelines

The Board believes that equity ownership by directors and executive officers can align their interests with shareholders' interests.

Directors are required to own securities equivalent to at least two times the director's annual base cash retainer. Directors are expected to comply with these share ownership guidelines within two years of election to the Board, or with respect to current directors, two years from the date of adopting of these share ownership guidelines.

The Chief Executive Officer is required to own securities of the Company equal in value to at least five times his or her base salary. Each of the Company's other executive officers is required to own securities of the Company equal to at least three times his or her base salary. The Chief Executive Officer and other executive officers are expected comply with these share ownership guidelines within two years of being named an officer, or with respect to current officers, two years from the date of adopting of these share ownership guidelines.

In order to achieve the share ownership levels, directors and officers are strongly encouraged to retain securities granted through the Company's equity incentive plans less any shares withheld for taxes on that grant. "Ownership of securities of the Company" includes shares owned individually or jointly with a spouse, held in an individual retirement account, held in a deferred compensation plan and shares (or full value share-based awards, including restricted stock units) that have not yet vested, but does not include stock options. The stock price used to determine value will be the closing price on the first open market day on or after January 1 each year.

The Governance Committee may waive the stock ownership requirements in the event of financial hardship or other good cause.

G. Director Orientation and Continuing Education

All new directors will participate in the Company's orientation program. This orientation will include presentations by management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers and its independent auditors.

All directors are expected to stay actively informed and up to date on current issues relating to director responsibilities and are encouraged to participate in continuing educational programs. From time to time, the Board may set aside time at its meetings to provide continuing director education for the benefit of the directors. The Company will pay all reasonable expenses relating to continuing director education.

H. Retention of Outside Advisors

The Board and each committee shall have the power to retain and terminate independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

I. Transactions with Directors

It is the policy of the Board that any transaction of the Company in which a director (or any member of a director's immediate family) has a personal or financial interest (direct or indirect) should be scrutinized carefully to ensure that the transaction is in the best interests of the Company and will not otherwise create a conflict of interest. It is incumbent upon each director to promptly notify the Audit Committee when he or she becomes aware of a matter in which he or she (or any member of a director's immediate family) has, or may have, a personal or financial interest (whether direct or indirect) or may otherwise have a potential conflict of interest.

Without approval in accordance with any written internal policies and controls concerning related party transactions developed and implemented by the Audit Committee or other subcommittee of independent directors of the Company from time to time, the Company will not enter into a transaction or arrangement (including utilizing the services of any director to provide legal, accounting, financial, consulting or other similar services to the Company) in which a director has a material personal or financial interest (direct or indirect) or which would cause the Board to fail to meet any requirement of the NYSE. Whether a director has a material personal or financial interest in a transaction or arrangement will be determined by the Board on a case-by-case basis, but at a minimum a director will be considered to have a material personal or financial interest in a transaction or arrangement if the Company will be required to disclose the transaction or arrangement in its annual proxy statement to shareholders or the Company's Form 10-K. The interested director will not participate in any Board discussion regarding the matter in which the director has such an interest. For purposes hereof, "director" will include any entity with which the director is affiliated, any immediate family member of a director and any entity in which a director's immediate family member has a material interest.

J. CEO Evaluation and Management Succession

The Compensation Committee will conduct an annual review of the CEO's performance in accordance with policies and principles set forth in its charter. The Board will review the Compensation Committee's report in order to ensure that the CEO is providing the best leadership for the Company in the long and short term.

The Board will periodically evaluate policies and principles for CEO selection and succession planning so as to facilitate smooth transitions of leadership. If appropriate, the Board will establish a committee to assist it in evaluating potential successors to the CEO.

K. Annual Board Review

The Board will conduct an annual review and self-evaluation to determine whether it and its committees are functioning effectively. The review will focus on the Board's contribution to the Company and will seek to identify specific areas, if any, that need improvement or strengthening. Such review shall include presentations to the Board by each committee chair, and may, if deemed necessary or appropriate by the Board, include reviews and/or presentations by the Company's independent advisors, including its legal counsel and independent auditing firm. The Governance Committee shall be responsible for overseeing the Board and committee evaluation process and reporting its assessments to the Board.

The Board also will conduct an annual review to ensure that the Company is in compliance with all applicable NYSE listing requirements and to ensure that all required certifications and public disclosures are made.

L. Periodic Review of Corporate Governance Guidelines

The Guidelines, as set forth herein, will be reviewed by the Governance Committee from time to time. If the Governance Committee determines that modifications are in order, it will make recommendations of changes for the Board to consider.

M. Disclosure

The Guidelines, 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 these Guidelines are available on the Company's website and provide the website address.

Revised and Approved: February 11, 2016