

**PEBBLEBROOK HOTEL TRUST**  
**COMPENSATION COMMITTEE CHARTER**

**Purpose**

The Compensation Committee is appointed by the Board to discharge the Board's responsibilities relating to compensation of the Company's trustees and executive officers. The Committee has overall responsibility for approving and evaluating the trustee and executive officer compensation plans, policies and programs of the Company.

The Compensation Committee is also responsible for (i) reviewing and discussing with the Company's management the Compensation Discussion and Analysis, or CD&A, required to be included in the Company's proxy statement for the annual meeting of shareholders and recommending to the Board whether the CD&A should be included in such proxy statement and (ii) providing the Compensation Committee Report that complies with the federal securities laws and regulations for inclusion in the Company's proxy statement for the annual meeting of shareholders.

**Committee Membership**

The Compensation Committee shall consist of no fewer than three members, each of whom the Board has determined is "independent" under the Corporate Governance Rules of The New York Stock Exchange, Inc. (the "NYSE") as they apply to the independence of members of compensation committees.

All members of the Compensation Committee should qualify as "Non-Employee Directors" for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and as "outside directors" for the purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

The members of the Compensation Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee. Compensation Committee members may be replaced by the Board.

**Committee Authority and Responsibilities**

The Compensation Committee shall meet at least once per year, or more frequently as circumstances require. In addition to those set forth in this Charter, the Compensation Committee will perform such other functions as assigned by law, the NYSE or other exchange on which the Company's securities are then listed, the Company's Declaration of Trust or Bylaws, or the Board.

1. The Compensation Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of trustee, CEO or senior executive compensation and shall have sole authority to approve the consultant's fees and other retention terms. The Compensation Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

2. The Compensation Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and recommend to the Board the CEO's compensation levels based on this evaluation. In determining the long-term incentive component of CEO compensation, the Compensation Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.
3. The Compensation Committee shall annually review and make recommendations to the Board with respect to the compensation of all executive officers and other key executives, including incentive-compensation plans and equity-based plans, and shall periodically review and make recommendations to the Board with respect to the compensation of non-management trustees.
4. The Compensation Committee shall annually review and approve, for the CEO and the executive officers of the Company, (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits.
5. The Compensation Committee may form and delegate authority to subcommittees when appropriate.
6. The Compensation Committee shall make regular reports to the Board.
7. The Compensation Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Compensation Committee shall annually review its own performance.

### **Independence of Committee Advisors**

The Compensation Committee shall have the resources, funding and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of any compensation consultants, outside legal counsel or other advisors to the Compensation Committee (each, an "Advisor"), as it deems appropriate, without seeking approval of the Board or management. The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Advisor it retains. Except when not required by the Corporate Governance Rules of the NYSE, the Compensation Committee may select or receive advice from an Advisor only after taking into consideration all factors relevant to the Advisor's independence from management, including the following:

- the provision of other services to the Company by the person that employs the Advisor;
- the amount of fees received from the Company by the person that employs the Advisor as a percentage of such person's total revenue;

- the policies and procedures of the person that employs the Advisor that are designed to prevent conflicts of interest;
- any business or personal relationship of the Advisor with a member of the Compensation Committee;
- any shares of the Company owned by the Advisor; and
- any business or personal relationship of the Advisor or the person employing the Advisor with an executive officer of the Company.

The Compensation Committee is required to conduct the above independence assessment with respect to any compensation consultant, legal counsel, accounting or other advisor that provides advice to the Compensation Committee other than (i) in-house legal counsel and (ii) any compensation consultant, legal counsel, accounting or other advisor whose role is limited to the following activities:

- consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors of the Company and that is available generally to all salaried employees; or
- providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the compensation consultant and about which the compensation consultant does not provide.

*As ratified by the Board of Trustees, October 19, 2017.*