

# **HIGHWOODS PROPERTIES, INC.**

## **AUDIT COMMITTEE CHARTER**

(Effective as of February 1, 2023)

### **Purposes**

The Audit Committee is intended to assist the Board of Directors of Highwoods Properties, Inc. (the “Company”) in its oversight of (1) the integrity of the financial statements and internal controls of the Company, (2) the independent auditor’s qualifications and independence, (3) the performance of the Company’s internal audit function and independent auditor and (4) the compliance by the Company with legal and regulatory requirements.

The Audit Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the “Commission”) to be included in the Company’s annual proxy statement.

### **Committee Membership**

The Audit Committee shall consist of no fewer than three members. The members of the Audit Committee shall meet the independence and experience requirements of the New York Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”) and the rules and regulations of the Commission. Each member of the Audit Committee shall be financially literate (or shall become financially literate within a reasonable period of time after his or her appointment to the Audit Committee), as such qualification is interpreted by the Board in its business judgment. At least one member of the Audit Committee shall qualify as an audit committee financial expert as defined by the Commission and, in accordance with the New York Stock Exchange listing standards, at least one member (who may also serve as the audit committee financial expert) shall have accounting or related financial management expertise as determined by the Board in its business judgment. In the event that an Audit Committee member serves simultaneously on the audit committees of more than two other public companies, the Board must make a determination that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee and to disclose such determination in the proxy statement.

The members of the Audit Committee shall be appointed by the Board on the recommendation of the Compensation and Governance Committee. Audit Committee members may be replaced by the Board. The Chair of the Audit Committee shall be designated by the Board. In the absence of the Chair, the members of the Audit Committee may designate a Chair by majority vote.

Members of the Audit Committee are not permitted by applicable law and shall not receive any compensation from the Company other than directors’ fees (including equity-based awards), which may include amounts paid to directors for service on committees and as chairs of committees of the Board.

## **Meetings**

The Audit Committee shall meet as often as it determines, but not less frequently than four times per year. A majority of the members of the Audit Committee shall constitute a quorum for purposes of holding a meeting and the Audit Committee may act by a vote of the majority of the members present at such meeting. In lieu of a meeting, the Audit Committee may act by unanimous written consent. The Chair of the Audit Committee, in consultation with the other committee members, may determine the frequency and length of the committee meetings and may set meeting agendas consistent with the Charter.

The Audit Committee shall periodically meet separately with management (including the Chief Financial Officer and Chief Accounting Officer), representatives of the firm responsible for the internal audit function (“internal audit representatives”), and the independent auditor and have such other direct and independent interaction with such persons from time to time as the members of the Audit Committee deem appropriate. The Audit Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. Minutes shall be kept of each meeting of the Audit Committee.

## **Committee Authority and Responsibilities**

The Audit Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company. The independent auditor shall report directly to the Audit Committee.

The Audit Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate and permissible pursuant to applicable law.

The Audit Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Audit Committee prior to the completion of the audit. The Audit Committee may delegate the authority to grant pre-approvals of audit and permitted non-audit services to the subcommittees authorized above, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the qualifications, performance and independence of the Company's independent auditor and its lead partner, the performance of the Company's internal audit function or any other matter the Audit Committee determines is necessary or advisable to report to the Board.

The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Audit Committee shall annually review the Audit Committee's own performance, including a review of the Audit Committee's compliance with this Charter.

The Audit Committee, to the extent it deems necessary or appropriate, shall:

Annual Audit and Financial Statement and Disclosure Matters

- (1) Meet with management, the independent auditor and the internal audit representatives prior to each annual audit to discuss the proposed scope of the audit, including the planning and staffing of the audit.
- (2) Review and discuss with management and the independent auditor the results of the audit and the annual audited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K for the fiscal year subject to the audit.
- (3) Review and discuss with management and the independent auditor the Company's quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements.
- (4) Review and discuss with management and the independent auditor major issues regarding accounting principles and procedures and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles.
- (5) Review and discuss with management and the independent auditor any major issues as to the adequacy of the Company's internal controls, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.
- (6) Review and discuss with management and the independent auditor any analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation

of the Company's financial statements, including analyses of the effects of alternative GAAP methods on the Company's financial statements.

- (7) Review and discuss with management and the independent auditor the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.
- (8) Review and discuss with management (including the internal audit representatives) and the independent auditor the Company's internal controls report prior to the filing of the Company's Form 10-K.
- (9) Review and discuss quarterly reports from the independent auditor on:
  - (a) All critical accounting policies and practices to be used.
  - (b) All alternative treatments of financial information within GAAP for policies and practices that have been discussed with management and the independent auditor, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
  - (c) All other material written communications between the independent auditor and management, such as any management letter, management representation letter, reports on observations and recommendations on internal controls, independent auditor's engagement letter, independent auditor's independence letter and a listing of adjustments and reclassifications not recorded, if any.
- (10) Discuss with management and the independent auditor the Company's earnings releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. The Audit Committee's discussion in this regard may be general in nature (i.e., discussion of the types of information to be disclosed and the type of presentation to be made) and need not take place in advance of each earnings release or each instance in which the Company may provide earnings guidance.
- (11) Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- (12) Review and discuss with management and the independent auditor the Company's disclosures of greenhouse gas emissions and the material impacts on the business, strategy and outlook caused by climate change, severe weather events and other natural conditions and transition activities and the adequacy and effectiveness of internal controls related to such disclosures.

- (13) Discuss with the independent auditor the results of the audit and any problems or difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, any significant disagreements with management and management's response to such matters. Among the items that the Audit Committee should consider reviewing with the independent auditor are: (a) any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise); (b) any communications between the audit team and the independent auditor's national office respecting auditing or accounting issues presented by the engagement; and (c) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor to the Company. The Audit Committee shall obtain from the independent auditor assurances that Section 10A(b) of the Exchange Act has not been implicated.
- (14) Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 114, "The Auditor's Communication With Those Charged With Governance," as amended or superseded.
- (15) Review disclosures made to the Audit Committee by the Chief Executive Officer and the Chief Financial Officer during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

#### Oversight of the Company's Relationship with the Independent Auditor

- (16) Review and evaluate the lead partner of the independent auditor team.
- (17) Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, peer review or Public Company Accounting Oversight Board ("PCAOB") review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of any permitted information technology services or other non-audit services is compatible with maintaining the auditor's independence and taking into account the opinions of management and the internal audit representatives. The Audit Committee shall present its conclusions with respect to the independent auditor to the Board.

- (18) Inquire as to the independence of the independent auditor. As part of this responsibility, the Audit Committee shall discuss with the independent auditor its independence from the Company, and obtain and review, at least annually, a formal written statement prepared by the independent auditor describing all relationships between the independent auditor and the Company, consistent with PCAOB Rule 3526, “Communications with Audit Committees Concerning Independence,” or any successor as then in effect. The Audit Committee is responsible for actively engaging in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and for recommending that the Board take appropriate action in response to the independent auditor’s report to satisfy itself of the independent auditor’s independence.
- (19) Ensure the rotation of the audit partners as required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.
- (20) Set clear policies for the Company’s hiring of employees or former employees of the independent auditor.

#### Oversight of the Company’s Internal Audit Function

- (21) Appoint and remove the firm responsible for the internal audit function and approve the fees to be paid to such firm.
- (22) Review the objectivity and performance of the firm responsible for the internal audit function on an annual or more frequent basis. Discuss such review with the Company’s management.
- (23) Review the reports prepared by the firm responsible for the internal audit function and management’s responses.
- (24) Discuss with independent auditor and management the internal audit function’s responsibility and review and approve the annual internal audit plan prepared by the firm responsible for the internal audit function, the budget, staffing and any recommended changes in the planned scope of the internal audit.

#### Other Powers and Responsibilities

- (25) Discuss with management and the independent auditor the Company’s compliance with the applicable regulatory provisions required to maintain the Company’s status as a REIT.
- (26) Obtain reports from management, the firm responsible for the internal audit function and the independent auditor that the Company and its subsidiaries are in conformity with applicable legal requirements and the Company’s Code of

Business Conduct and Ethics. Review reports and disclosures of insider and affiliated party transactions. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.

- (27) Discuss with management and the independent auditor any related party transactions brought to the Audit Committee's attention that could reasonably be expected to have a material impact on the Company's financial statements.
- (28) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- (29) Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
- (30) Discuss with the Company's General Counsel or outside counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies and internal controls.
- (31) Discuss with management the risks to the long-term resiliency of the Company's business, operations and financial condition and the processes and procedures management has implemented to identify, monitor and control such risks, including the Company's environmental, social and governance ("ESG") strategies. The Committee's oversight of such risks shall be without duplication of: (a) the Investment Committee's oversight of the Company's policies and performance related to the resilience and sustainability of the Company's real estate portfolio, including matters such as health and safety, the environment and climate change; and (b) the Compensation and Governance Committee's oversight, monitoring and guidance on matters related to corporate and social citizenship, public and legal policy, political and regulatory affairs, sustainability, quality of work life, human capital management, diversity and inclusion and the economic and social vitality of the communities and markets in which the Company operates.

Each member of the Audit Committee shall, in the performance of such member's duties, be fully protected in relying in good faith upon the records of the Company or upon information, opinions, reports or statements presented by any of the Company's officers or employees, or committees of the Board or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence, all to the extent permitted by Maryland law.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's

financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.