

PARKWAY, INC.
COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

(Adopted September 9, 2016)

I. Purpose

The Compensation Committee (the “Committee”) is responsible for ensuring that the compensation program for key executives of Parkway, Inc. (the “Corporation”) is effective in attracting and retaining key executives, that it links pay to performance, and that it is administered fairly and in the stockholders’ interests. The Committee will review and recommend to the Board of Directors (the “Board”) appropriate executive compensation policy, compensation of the Corporation’s officers and directors, and executive and employee benefit plans and programs, and shall be responsible to the Board for overseeing such policies, compensation, plans and programs approved by the Board and, where appropriate, by the stockholders.

II. Membership

The Committee shall be comprised of at least three and not more than four directors. The members of the Committee shall be nominated by the Corporate Governance and Nominating Committee (“CGNC”) and elected by the Board at the annual organizational meeting of the Board and serve until their successors shall be duly elected and qualified. In making nominations to the Committee, the CGNC shall comply with the provisions of the Stockholders Agreement entered into by and among the Corporation, TPG VI Pantera Holdings, L.P. and TPG VI Management LLC (the “TPG Stockholders Agreement”) in connection with the merger of Parkway Properties, Inc. with and into a subsidiary of Cousins Properties Incorporated and the subsequent spin-off of the Corporation. The Chair of the Committee shall be designated by the Board.

The Board must determine in its judgment that each member of the Committee is independent of management and a “non-employee director,” as that term is defined under Rule 16b-3 of the Securities Exchange Act of 1934. An independent director means a director who has been determined by the Board to be independent within the meaning of the listing standards of the New York Stock Exchange (the “NYSE”), the regulations of the Securities and Exchange Commission, and any other applicable laws and regulations applicable to Committee members, as amended from time to time. In addition, at least two members of the Committee must qualify as “outside directors” as that term is defined for the purposes of the Internal Revenue Code Section 162(m). No member of the Committee shall occupy a position disclosable as a compensation committee interlock under Securities and Exchange Commission regulations. Each member of the Committee shall remain independent (within the meaning of the listing standards of the NYSE and all laws and regulations applicable to Committee members) during their term of service on the Committee.

III. Meetings and Procedures

- The Committee shall fix its own rules of procedure, which shall be consistent with the Bylaws of the Corporation and this Charter.
- The Committee shall meet at least once annually and more frequently as circumstances require.
- The Chair of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.
- The Committee may take action by a majority vote of all of the members of the Committee (present in person or by telephonic means) or by a unanimous written consent of all of the members of the Committee in accordance with the provisions of the Corporation's Bylaws and the Maryland General Corporation Law.
- The Committee may request that any directors, officers or employees of the Corporation, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests.
- Following each of its meetings, the Committee will report on the meeting to the Board at the next regularly scheduled Board Meeting. Such report will include a description of all actions taken by the Committee at the meeting.
- The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Corporation.

IV. Policies and Principles

The Committee shall apply the following principles in the performance of its duties for the Corporation:

- Compensate competitively in order to attract, retain and motivate a highly competent executive team dedicated to achieving the Corporation's mission and strategic plans, which are designed to result in long-term growth in stockholder value;
- Tie individual compensation to individual and team performance and the success of the Corporation;
- Align the executive officers and certain eligible employees' interests with those of the Corporation by making incentive compensation dependent upon the performance of the Corporation or the appropriate business unit; and
- Align executive officers' and selected eligible employees' interests with those of the Corporation and its stockholders by providing long-term compensation opportunities through participation in the Corporation's equity compensation plans, deferred compensation plans or other long-term incentive compensation plans as may be adopted from time to time.

V. Responsibilities and Duties

The Committee shall perform the following duties and responsibilities:

GENERAL

- Recommend to the Board the overall compensation and benefits strategy for the Corporation, in consultation with senior management of the Corporation.

PERFORMANCE EVALUATION

- Review and approve corporate goals and objectives relevant to CEO compensation and evaluate the CEO's performance in light of those goals and objectives.
- Recommend performance measures and, if applicable, goals for measuring corporate and business unit performance in consultation with the Chairman of the Board, CEO and President, for approval by the Board.
- Establish and administer performance goals of the Corporation and certify that performance goals have been attained for Section 162(m) of the Internal Revenue Code.

EVALUATION OF COMPETITIVE PAY AND OVERALL FINANCIAL CONTRIBUTIONS

- Evaluate competitive pay levels for executive officers based on reliable industry analyses; approve "peer group" companies to be included in competitive compensation comparisons. In determining the appropriate compensation for executive officers, the Committee should consider the Corporation's performance and relative stockholder return and any stockholder vote on compensation.
- Ensure that compensation plans are designed with an appropriate balance of risk and reward in relation to the Corporation's overall business strategy and do not encourage excessive or unnecessary risk-taking behavior.
- Review the financial performance and operation of major compensation or benefit programs involving stock or commitments beyond one year (incentive stock options, employee stock ownership, 401(k), employment contracts, etc.) and recommend approval of awards and rate of annual contribution to plans and changes where appropriate.

COMPENSATION DETERMINATIONS

- Determine the compensation (including salary, bonus, equity-based grants, any other long-term cash compensation, and, if applicable, contracts and any supplemental compensation or benefit arrangements) for the CEO, based on the performance evaluation described above, and for other senior executives as are subject to the Committee's direct purview. Absent further action by the Board, such other senior executives shall include the Corporation's officers with the title of Executive Vice President or higher.

- Recommend to the Board the compensation for Board members (retainer, committee chairman’s fees, equity awards and other similar items as appropriate).
- Recommend other compensation programs covering the Corporation’s directors for approval by the Board.

ACTIONS REQUIRING COMMITTEE APPROVAL

The Corporation may not take the following actions without the prior approval of the Committee:

- The hiring or termination of any of the Corporation’s Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Chief Investment Officer, or any material change in any of the duties of any such executive officer other than in connection with a Change of Control (as defined in the TPG Stockholders Agreement); and
- Any issuance, sale or authorization pursuant to any future compensation arrangements for the Corporation’s directors, officers, employees, consultants and agents.

OTHER DUTIES

- Review and make recommendations to the Board regarding all new employment, consulting, retirement and severance agreements and arrangements proposed for the Corporation’s executive officers and periodically evaluate existing agreements with the Corporation’s executive officers for continuing appropriateness.
- Review and make recommendations to the Board regarding a “clawback” policy for compensation based on financial results of the Corporation, in accordance with the standards of the NYSE, any applicable rules and regulations of the SEC and any other applicable laws regarding clawback policies.
- In consultation with management, review the Corporation’s policies and procedures with respect to risk assessment and risk management for compensating all employees, including non-executive officers, to determine whether any disclosure is required in connection with Item 402(s) of Regulation S-K and periodically report its findings to the Board.
- Oversee regulatory compliance and efficiency in connection with compensation matters, including determining Corporation policies on structuring compensation programs to preserve tax deductibility, and approving employee and director compensation plans as needed for Section 16 exemptions and other regulatory and tax considerations.
- Make or recommend changes to the Corporation’s executive incentive plans in accordance with their terms (subject to any required Board and/or shareholder approval).
- Perform such other functions which from time to time may be assigned by the Board.

- Review and discuss with management the Compensation Discussion and Analysis disclosure and, if applicable, any disclosure relating to risk related to the Corporation's compensation programs and policies in the Corporation's annual proxy statement. Based on its review and discussions, the Committee may recommend to the Board that the Compensation Discussion and Analysis disclosure be included in the proxy statement for the annual meeting of stockholders and in the Corporation's annual report on Form 10-K (generally through incorporation by reference to the proxy statement).
- Prepare the Compensation Committee Report to stockholders to be included with the annual proxy statement.

VI. Management and Outside Advisors

- Members of the Committee shall have direct access to the Corporation's senior management, employees, and financial, legal and other business advisors, as requested and as may be necessary and appropriate to support Committee functions.
- The Committee shall have the authority, in its sole discretion, to retain and terminate any compensation consultant used to assist in the evaluation of a director, CEO, or senior executive, or their compensation, any independent counsel, or any other advisor as the Committee deems necessary or appropriate to support Committee functions.
- The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent counsel or other adviser.
- The Corporation shall provide appropriate funding for payment of the compensation (as determined by the Committee in its sole reasonable opinion) of such compensation consultant, independent counsel or other advisers retained by the Committee, as well as reasonable ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- Prior to the retention of any such compensation consultant, legal counsel or advisor, the Committee will evaluate the independence of the consultant, legal counsel or other advisor based on factors established by the Securities and Exchange Commission and the NYSE, including Section 303A.05(c) of the NYSE Listed Company Manual or any successor provision, from time to time.
- The Committee will prepare and review disclosure to be included in the annual proxy statement regarding the use of consultants and any conflicts of interest with respect to such consultants, in accordance with applicable rules and regulations governing such disclosure.

VII. Delegation of Authority to Subcommittees

The Committee may delegate its authority to members as the Committee deems appropriate; provided, that any such delegation is consistent with applicable rules of the NYSE, and provided further, such subcommittee shall report any actions taken by it to the full Committee at its next regularly scheduled meeting.

VIII. Performance Evaluation

- The Committee shall conduct a self-evaluation of its performance annually.
- In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope.
- In conducting this review, the Committee shall address all matters that it considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.
- The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Corporation's or the Board's policies and procedures, which is then discussed with the full Board and acted upon as appropriate.