

UDR, INC.
CHARTER OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

Adopted February 2, 2017

PURPOSE AND AUTHORITY

The Audit and Risk Management Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) (i) to represent and assist the Board in its general oversight of the integrity of the Company’s financial statements and the Company’s accounting and financial reporting process, audits of the financial statements, internal controls and internal audit functions; (ii) to prepare an audit committee report as required by the Securities and Exchange Commission (“SEC”) to be included in the Company’s annual proxy statement; and (iii) to provide oversight of: (a) the Company’s compliance with legal and regulatory requirements; (b) the independent auditors’ qualifications and independence; and (c) the Company’s risk management policies to ensure that management is effectively identifying, assessing, monitoring and controlling major risk exposures. The Committee shall report regularly to the Board.

The Committee shall have the authority to retain such independent legal, accounting or other advisers as it determines necessary to carry out its duties and, if necessary, to institute special investigations. The Committee may request any officer or employee of the Company, or the Company’s outside counsel or independent registered public accounting firm, to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Further, the Committee may request any such officer, employee, outside counsel or independent registered public accounting firm to provide any pertinent information to the Committee or to any other person or entity designated by the Committee.

The Company shall provide the Committee with appropriate funding, as determined by the Committee in its capacity as a committee of the Board, including for the payments of: (1) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (2) compensation to any independent advisers retained by the Committee in carrying out its duties; and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

In discharging its duties and responsibilities the Committee shall have full access to any applicable records of the Company. The Committee shall also undertake those specific duties and responsibilities listed below and such other duties on the Board may from time to time prescribe.

COMMITTEE MEMBERSHIP

The Committee shall consist of no fewer than three members all of whom shall meet the requirements governing independence of audit committee members established by the New York Stock Exchange (the “NYSE”) and the SEC, including those issued pursuant to Rule 10A-3 of the Securities Exchange Act of 1934. No Committee member may receive any consulting, advisory or other fees from the Company or its subsidiaries other than director and committee

fees from the Company. No Committee member may simultaneously serve on the audit committee of more than two other public company audit committees.

Each member of the Committee must be financially literate as determined by the Board, and at least one member shall have accounting or related financial management expertise and must be an “audit committee financial expert,” as defined by the SEC. The designation or identification of a person as an audit committee financial expert shall not (a) impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation or identification or (b) affect the duties, obligations or liability of any other member of the Committee or Board. Additionally, members of the Committee are expected to possess an adequate familiarity with and knowledge of effective risk management practices.

The members of the Committee and its Chairperson shall be appointed by the Board, on the recommendation of the Governance Committee, to serve an annual term. Committee members may be replaced by the Board. The Chairman of the Board will be an ex-officio member of the Committee, will be entitled to attend any meetings of the Committee, and shall have voting rights in the case of a tie vote.

If the Chairperson is not present, the members may designate an acting Chairperson by majority vote of the membership present.

DUTIES AND RESPONSIBILITIES

General:

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the 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 auditors. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Corporation’s financial statements, or any professional certification as to the independent auditors’ work, including with respect to auditor independence.

The Committee shall have the full power and authority to carry out the following responsibilities:

A. Responsibilities Related to the Independent Auditor

1. Retain, oversee and, where appropriate, terminate the independent auditor. On an annual basis, approve the compensation and all engagement terms of the independent auditor, and evaluate the performance of the independent auditor. The independent auditor reports directly to the Committee.
2. At least annually, in accordance with NYSE requirements, obtain and review a report by the independent auditors describing (a) the independent auditors’ internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control

review or peer review of the independent auditors 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 independent auditors, (c) any steps taken to deal with any such issues, and (d) (to assess the auditors' independence) all relationships between the independent auditors and the Company.

3. Review with the independent auditors, prior to the beginning of their audit, the scope of their examination and planning and staffing of the audit.
4. Meet with the independent auditors, without management present, and inquire as to:
 - any audit problems or difficulties encountered during their audit, including any restrictions on the auditors' scope of activities or access to requested information;
 - any significant disagreements with management;
 - any communications between the audit team and the independent auditor's national office respecting auditing or accounting issues presented by the engagement;
 - any accounting adjustments that were noted or proposed by the independent auditors but were passed (as immaterial or otherwise);
 - any "management" or "internal control" letter issued, or proposed to be issued, to the Company;
 - any accounting or disclosure issues not resolved to their satisfaction; and
 - any other matters (including matters affecting the auditors' independence) that should be discussed with the Committee that were not raised or covered elsewhere.
5. Review and discuss with the independent auditor the matters required to be discussed with the independent auditor under Auditing Standard No. 1301, as adopted by the Public Company Accounting Oversight Board and amended from time to time.
6. Report the results of the audit to the Board and, if the Committee is satisfied with all of its reviews and discussions, recommend that the audited financial statements be included in the Annual Report on Form 10-K filed with the SEC.
7. Direct the independent auditors to prepare and deliver annually a statement as to independence consistent with PCAOB Ethics and Independence Rule 3526, Communicating with Audit Committees Concerning Independence (it being understood that the independent auditors are responsible for the accuracy and completeness of this statement), and discuss with the independent auditors any relationships or services disclosed in this statement that may affect their objectivity and independence.
8. Resolve any disagreements between the independent auditors and management.

9. Review and evaluate the independent auditors' qualifications, independence and performance, including a review and evaluation of the lead partner of the auditor, taking into account the opinions of Company management and personnel responsible for the Company's internal audit function.
10. Annually consider whether or not a change in the independent auditor is in the best interest of the Company.
11. Review any reports of the independent auditors mandated by the Securities Exchange Act of 1934, including Section 10A, and obtain from the independent auditors assurance that it has complied with Section 10A of the Securities Exchange Act of 1934.
12. Pre-approve all audit and permitted non-audit services to be provided to the Company by the independent auditors (including the fees and terms thereof), subject to certain exceptions provided for *de minimis* amounts for certain non-audit services as provided by law, and confirm that any such services are not prohibited by law or the rules of the NYSE, and are appropriately disclosed in the Company's SEC filings. Notwithstanding the foregoing, the Committee's pre-approval of audit and non-audit services will not be required if such services are entered into pursuant to pre-approval policies established by the Committee regarding engagement of the independent auditor in accordance with applicable law. The Committee may delegate authority to grant pre-approvals of audit or permitted non-audit services to one or more members of the Committee, provide that any decision to grant pre-approval pursuant to such delegated authority shall be presented to the Committee at its next scheduled meeting.

B. Interim and Annual Financial Reports

Periodically and to the extent appropriate under the circumstances:

1. Review and discuss the Company's annual audited financial statements and interim and quarterly financial statements with management and the independent auditors, including the Company's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations," the Company's critical accounting policies and practices, significant estimates and judgments, any other material written communication between the auditors and management and review the adequacy and effectiveness of the Company's disclosure controls and procedures and management's reports thereon.
2. Review and discuss with management and the independent auditor their reports regarding the Company's internal control over financial reporting, including any significant deficiencies or material weaknesses identified by management in connection with its required quarterly certifications under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.
3. Generally discuss earnings press 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 Committee need not discuss in advance each earnings release or each instance in which the Company provides earnings guidance.

4. Discuss with the independent auditors the results of their review of the interim financial results in accordance with Statement on Auditing Standards No. 100 or as otherwise required by law or the rules of the SEC or the requirements of the American Institute of Certified Public Accountants, or the standards and rules of the Public Company Accounting Oversight Board, such that the results are communicated:
 - prior to the filing with the SEC of the Company's Quarterly Report on Form 10-Q; and
 - either to all members of the Committee or to the Chairperson of the Committee.
5. Discuss with outside counsel and management the substance of any significant litigation, contingencies or claims that had, or may have, a significant impact on the financial statements.

C. *Internal Controls*

Periodically and to the extent appropriate under the circumstances:

1. Discuss with management the adequacy and effectiveness of the Company's internal accounting and financial controls, including those related to the security of its information systems and risk assessment and risk management.
2. Review the independent auditors' letter to management and ascertain that management has adequately responded to the letter.
3. Obtain reports from management, the internal auditors and the independent auditors regarding the Company and its subsidiaries' compliance with applicable laws and regulations, as well as the Company's Code of Business Conduct and Ethics. Review reports and disclosures of insider and affiliated party transactions.
4. Review and approve, at least annually, an Internal Audit Charter and an Internal Audit Plan. The Committee shall also receive regular reports from the Internal Auditor regarding the results of the internal audits. The Committee shall also discuss with the Internal Auditor, at least annually, the responsibilities and staffing of the Company's internal audit function as well as the planned allocation of internal audit resources among its various areas of audit responsibilities.
5. Review the significant reports to management prepared by the Company's internal audit department and management's responses.

D. *Risk Management*

1. Periodically and to the extent appropriate under the circumstances:
 - a. Review with management the Company's major financial exposures, including risk exposure to floating rate debt and the steps management has taken to monitor

and control such exposures, including the Company's risk assessment process and risk management policies.

- b. Review with management or the independent auditors changes in, or adoption of, accounting principles and reporting and auditing standards, as well as off-balance sheet structures, that have had, or may have, an effect on the Company's financial statements.
 - c. Review and discuss with management, the internal auditors and the independent auditors, the Company's policies with respect to risk assessment and risk management. The Committee should discuss the Company's major risk exposures and the steps management has taken to maintain and control these exposures.
2. Report regularly to the Board and 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 or the performance of the internal audit function.
 3. Receive direct reports from the internal auditor on a regular and as needed basis.
 4. 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 Company employees of concerns regarding questionable accounting or auditing matters.
 5. Review and approve the decision by the Company and its subsidiaries to enter into swaps, including swaps that are excepted from the mandatory centralized clearing and trade execution requirements adopted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), in reliance on the "end-user exception" specified in the Dodd-Frank Act and applicable rules and regulations promulgated from time to time.

E. General

1. Establish hiring policies regarding current and former employees of the independent auditors.
2. Review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
3. Review its own performance at least annually.
4. Perform such other functions assigned by law, the Company's charter or bylaws or the Board.

MEETINGS

The Committee shall meet at least quarterly, or more frequently as circumstances require. The Committee shall meet separately, periodically, with management, the internal auditors (or other personnel responsible for the internal audit function) and the independent auditors to discuss issues warranting attention by the Committee.

MINUTES

The Committee will maintain written minutes of its meeting which minutes will be filed with the minutes of the meetings of the Board.