AMERICAN CAMPUS COMMUNITIES INC
Form DEF 14A
March 21, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)
Filed by the Registrant ý
Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
ý Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to § 240.14a-12

AMERICAN CAMPUS COMMUNITIES, INC.

(Name of Registrant as Specified in Its Charter)

Not Applicable

(Name of Person(s) Filing Proxy Statement, if other Than the Registrant)

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(3) Filing party:____

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12700 Hill Country Blvd., Suite T-200
Austin, Texas 78738
March 21, 2018
Dear Stockholder:
You are cordially invited to attend the Annual Meeting of Stockholders of American Campus Communities, Inc. to be held at 8:30 a.m. (Central Time) on Thursday, May 3, 2018, at our corporate office located at 12700 Hill Country Blvd., Suite T-200, Austin, Texas. A notice of the meeting, a proxy and a proxy statement containing information about the matters to be acted upon are enclosed.
As American Campus Communities' Board, we are committed to representing and protecting your interests by providing strategic oversight of the Company's Executive Management team, with a focus on long-term value creation. We believe that the Company's well-positioned balance sheet, sound strategic business plan, and stable operating performance are all key factors in the Company's continuing success.
Our Board is comprised of eight highly-qualified and experienced leaders, led by an independent Chairman of the Board. A healthy focus on corporate governance is vital to the Company and its stockholders, and we are committed to ensuring that each of our Board members brings a robust and balanced skillset of diverse perspectives, capabilities and experience to his or her role. The Board recognizes an opportunity is to further diversify the gender and ethnicity of directors and has recently engaged an executive search firm to assist us in identifying qualified director nominees in that effort.
We appreciate your interest, investment and support and believe that thorough and constructive dialogue with our stockholders serves to strengthen our approach to corporate governance and our overall business. During 2017, senior management and directors engaged in a proactive outreach program, communicating with stockholders regarding a variety of governance topics more fully discussed on page 14. These meetings helped to inform our views and were considered in the processes that set our governance practices and strategic direction. Following the formal business session of our Annual Meeting of Stockholders, there will be an opportunity for questions of general interest to the stockholders.
It is important that your shares be represented and voted whether or not you plan to attend the Annual Meeting in person. If you choose not to attend and vote at the Annual Meeting in person, you may vote by completing and mailing the enclosed proxy card. Voting by written proxy will ensure your shares are represented at the Annual Meeting. Please review the instructions on the proxy card or the information forwarded by your bank, broker or other holder of record regarding each of these voting options.
On behalf of the Board of Directors,
Sincerely,
/s/ Edward Lowenthal
Edward Lowenthal
Independent Chairman of the Board

American Campus Communities, Inc.
12700 Hill Country Blvd., Suite T-200
Austin, Texas 78738

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held May 3, 2018

To the Holders of Common Stock of
AMERICAN CAMPUS COMMUNITIES, INC.:

The 2018 Annual Meeting of Stockholders of American Campus Communities, Inc., a Maryland corporation, will be held at our corporate office located at 12700 Hill Country Blvd., Suite T-200, Austin, Texas, on Thursday, May 3, 2018, at 8:30 a.m. (Central Time) to consider and take action upon the following:

(i) To elect eight directors to a one-year term of office expiring at the 2019 Annual Meeting of Stockholders or until their successors are duly elected and qualified;
(ii) To approve the American Campus Communities, Inc. 2018 Incentive Award Plan;
(iii) To ratify Ernst & Young LLP as our independent auditors for 2018;
(iv) To hold an advisory vote on executive compensation; and
(v) To consider and act upon any other matters that may properly be brought before the Annual Meeting and at any adjournments or postponements thereof.

The enclosed proxy card is solicited by the Board of Directors, which recommends that our stockholders vote FOR the election of the nominees named therein, FOR approval of the American Campus Communities, Inc. 2018 Incentive Award Plan and FOR approval, on an advisory basis, of the compensation of our named executive officers. The Audit Committee, which has the sole authority to retain our independent auditors, recommends that you vote FOR the ratification of Ernst & Young LLP as our independent auditors for 2018. Please refer to the attached Proxy Statement for further information with respect to the business to be transacted at the Annual Meeting.

The Board of Directors has fixed the close of business on March 12, 2018, as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof. Only stockholders of record of our common stock at the close of business on that date will be entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof.

Whether or not you plan to attend the Annual Meeting in person, please mark, execute, date and return the enclosed proxy card in the postage-prepaid envelope provided. Should you attend the Annual Meeting in person you may, if you wish, withdraw your proxy and vote your shares in person.

By Order of the Board of Directors,
/s/ Daniel B. Perry
DANIEL B. PERRY
Executive Vice President, Chief Financial Officer, Treasurer and Secretary
Austin, Texas
March 21, 2018

Important Notice Regarding the Availability of Proxy Materials for the
Annual Stockholder Meeting to Be Held on May 3, 2018

This Proxy Statement, Annual Report to Stockholders and Annual Report on Form 10-K for the fiscal year ended December 31, 2017, are available in the Investor Relations section of our website at www.AmericanCampus.com under “SEC Filings.”

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American Campus Communities, Inc.
12700 Hill Country Blvd., Suite T-200
Austin, Texas 78738

PROXY STATEMENT

The accompanying proxy card, to be mailed to stockholders together with the Notice of Annual Meeting of Stockholders and this Proxy Statement on or about March 26, 2018, is solicited by the Board of Directors of American Campus Communities, Inc. (the “Company”) in connection with the Annual Meeting of Stockholders (the “Annual Meeting”) to be held on May 3, 2018.

PROXY STATEMENT SUMMARY

The following summary highlights important information you will find in this Proxy Statement regarding matters to be considered at the Annual Meeting. As it is only a summary, please read the other information contained in this Proxy Statement before you vote.

Governance Highlights

The Board of Directors and the Company are committed to strong corporate governance which promotes the long-term interests of stockholders, strengthens management and director accountability and helps to maintain public trust in the Company. The "Governance of the Company" section, beginning on page 14, describes the governance framework, which includes the following highlights:

- Separate Chief Executive Officer and Independent Chairman of the Board
- Annual election of directors by majority vote, with a plurality carve-out in the case of contested elections
- Prohibition on a classified board structure
- Independent directors comprise almost 90% of the Board and 100% of the Audit, Compensation, Nominating and Corporate Governance, and Risk Committees
- Robust director selection process, which resulted in a new independent director joining the Board during 2018 and the retention of a third party to assist in identifying additional Board members to complement Board diversity
- Regular director performance assessment and annual board and committee evaluations
- Ongoing succession planning for directors, the Chief Executive Officer and other executive officers
- Independent directors approve the primary risk policies as reflected in the charter of the Risk Committee
- Risk oversight by full board and committees and independent Risk Committee
- No directors or executive officers involved in material related party transactions
- Director and senior officer stock ownership guidelines, which include a prohibition on the sale by senior officers of vested restricted stock awards until the applicable ownership guideline has been met, and a requirement that the Chief Executive Officer own common stock having a market value of at least six times his annual base salary
- Limits on board service
- Prohibition on repricing options and stock appreciation rights
- Prohibition on cash buyouts of underwater options and stock appreciation rights
- Anti-hedging and anti-pledging policies

- Regular executive sessions of independent directors
- Clawbacks to recoup compensation

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2017 Executive Compensation

The Company's executive compensation programs are designed to attract, retain and motivate talented executives, to reward executives for the achievement of pre-established Company and tailored individual goals consistent with the Company's strategic plan and to link compensation to Company performance. Executives are primarily compensated through base salary, annual cash incentive compensation and long-term equity incentive compensation. The Company's executive compensation philosophy emphasizes performance-based incentive compensation over fixed cash compensation so that the vast majority of total direct compensation is variable and not guaranteed, as displayed below in the visual diagram of 2017 target compensation for the Chief Executive Officer, or CEO, and other named executive officers or NEOs. In addition, a significant percentage of incentive compensation is in the form of equity awards granted to reward past performance. Although these performance-based equity awards are fully earned at the time of grant, a substantial portion of the awards vests over time, furnishing additional retention benefits and achieving enhanced alignment with stockholders. We believe this structure appropriately focuses the executive officers on the creation of long-term value and encourages prudent evaluation of risks.

Pay-At-Risk: 2017 Direct Compensation Target

2017 Executive Compensation Decisions

In 2017, compensation decisions once again reflected strong alignment between pay and performance. In determining the incentive compensation paid to active named executive officers for 2017, the Compensation Committee rigorously evaluated Company and individual performance relative to the pre-established measures and goals under the annual cash and long-term equity incentive plans.

For 2017, annual cash incentive compensation for named executive officers was subject to each executive's individual performance, departmental performance, the overall performance of the Company and the advancement of the Company's long-term strategic initiatives. The determination reflected the achievement of pre-established measures related to transactional, operational, financial and strategic objectives that served as the underlying assumptions in the Company's stated earnings guidance, such as growth of net operating income, or NOI, operating margin improvement, the achievement of development yields, quality external growth, targeted dispositions and rental revenue growth. The determination also considered advancement of pre-established strategic initiatives and the Company's short-term and long-term total stockholder returns relative to appropriate market indexes.

Also for 2017, 50% of the value of long-term equity incentive awards for named executive officers was determined exclusively by achievement of absolute total stockholder return ("TSR"), relative TSR and funds from operations-modified, or FFOM, per share. These quantitative performance metrics are not subject to Compensation Committee or Board discretion. The other 50% was predicated on performance metrics that enable the Compensation Committee to exercise discretion in rewarding actions that preserve long-term stockholder value while discouraging excessive risk-taking. The Compensation Committee and the independent members of the Board believe that this equal weighting between a fixed quantitative evaluation of performance and a more qualitative evaluation provides the appropriate incentive structure and balance to drive long-term stockholder value and discourage excessive risk-taking. The Compensation Committee and the independent members of the Board will continue to evaluate the long-term incentive plan in the context of the overall executive compensation program, business needs and feedback from stockholders.

In 2017, the Company accomplished significant financial objectives and milestones, including:

- Setting record levels in total revenue and FFOM
- Leading the sector in leasing for the 13th consecutive year (setting the stage for the 14th consecutive year of same store rental revenue growth in 2018)
- Producing same store NOI growth for the 13th consecutive year (every year since becoming a public company in 2004)
- Improving same store property NOI margin and achieving total NOI margin of 55.3% (achieving the Company's 55% margin goal in three years, in relation to the three-to-five year timeline laid out in 2014),
- Producing FFOM per share growth over the prior year
- Delivery of 10 new owned development projects into service on-schedule, totaling $609.2 million in development cost, the largest development delivery year in the Company's history

A reconciliation of net income to FFOM and NOI for the year ended December 31, 2017, is contained in the 2017 Annual Report on Form 10-K and in the earnings release furnished on a Current Report on Form 8-K filed on February 21, 2018.

This discussion of the Company, its business and individual measures are used in assessing performance. These measures are discussed in the limited context of the executive compensation program. You should not interpret them as statements of the Company's expectations or as any form of guidance. We caution you not to apply the statements or disclosures made in this CD&A in any other context.

The year also included unanticipated challenges, including a more difficult than expected lease-up, primarily due to the impact of new student housing supply in three markets, and significant expenses associated with Hurricanes Harvey and Irma. With these challenges, the Company did not meet pre-established targets for rental revenue growth, same

store NOI growth or FFOM per share, and the Company's 14.4% decrease in total stockholder return did not meet the pre-established TSR threshold. The named executive officers did, however, achieve many of the individual performance objectives and many of the pre-established transactional, operational, financial and strategic objectives that served as the underlying assumptions in the Company's stated earnings guidance.

As displayed graphically below, reflecting the Company's performance-based compensation philosophy, CEO total incentive compensation decreased over 27% for the 2017 performance year versus a 14.4% decrease in the Company's TSR. Compared to the 2015 performance year, CEO incentive compensation decreased 7.9% while the Company's TSR since 2015 increased 6.8%, reflecting strong alignment between pay and performance as detailed in "Executive Compensation—Compensation Discussion and Analysis."

3-Year CEO Incentive Compensation

2017 Compensation Practices at a Glance

ü DO align pay and performance by linking a substantial portion of compensation to the achievement of pre-established performance measures that drive stockholder value

ü DO provide executive officers with the opportunity to earn market-competitive compensation through a mix of cash and equity compensation, with strong emphasis on performance-based incentive awards

ü DO have a robust peer selection process and benchmark executive compensation to target the median of the comparative group of peer companies

ü DO require executive officers and directors to own and retain shares of common stock that have significant value to further align interests with stockholders

ü DO enhance executive officer retention with 5-year vesting schedules for equity incentive awards earned for prior-year performance

ü DO enable the Board to "claw back" incentive compensation in the event of a financial restatement pursuant to recoupment policy

ü DO prohibit new tax gross-up arrangements under anti-tax gross-up policy

ü DO maintain a Compensation Committee comprised solely of independent directors

ü DO engage an independent compensation consultant to advise the Compensation Committee on executive compensation matters and establishing an appropriate peer group

û DO NOT base incentive awards on a single performance measure, thereby discouraging unnecessary or excessive risk-taking

û DO NOT provide guaranteed minimum payouts or uncapped award opportunities

û DO NOT reprice or permit cash buyouts of underwater stock options

û DO NOT provide executive officers with excessive perquisites or other personal benefits

û DO NOT provide executive officers with pension or retirement benefits other than pursuant to a 401(k) plan and a deferred compensation plan

û DO NOT permit executive officers or directors to engage in derivative or other hedging transactions in the Company's securities

û DO NOT provide accelerated vesting upon a change of control under the 2010 or 2018 Incentive Award Plans

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QUESTIONS AND ANSWERS

Q: What am I voting on?

A: Election of eight directors to hold office for a one-year term, ratification of Ernst & Young LLP as the Company's independent auditors for 2018, approval of the American Campus Communities, Inc. 2018 Incentive Award Plan and approval of an advisory vote on executive compensation.

Q: Who is entitled to vote?

A: Stockholders as of the close of business on March 12, 2018, are entitled to vote at the Annual Meeting. Each share of common stock is entitled to one vote.

Q: How do I vote?

A: Sign and date each proxy card you receive and return it in the prepaid envelope. If you do not mark any selections, the proxy holders named on your proxy card will vote your shares in favor of all of the director nominees, in favor of the ratification of Ernst & Young LLP as the Company's independent auditors for 2018, in favor of the American Campus Communities, Inc. 2018 Incentive Award Plan and in favor of approval, on an advisory basis, of the compensation of the named executive officers. You may change your vote or revoke your proxy at any time before the Annual Meeting by submitting written notice to the Secretary, submitting another proxy that is properly signed and later dated or voting in person at the Annual Meeting. In each case, the later submitted votes will be recorded and the earlier votes revoked. If you hold your shares in street name, please follow the procedures required by your bank, broker or other nominee to revoke a proxy. You should contact that firm directly for more information on these procedures.

Under New York Stock Exchange rules, the proposal to ratify the appointment of independent registered public accountants is considered a "discretionary" item. This means that brokerage firms may vote in their discretion on this matter on behalf of clients who have not furnished voting instructions at least 10 days before the date of the meeting. In their discretion, the proxy holders are authorized to vote on any other matters that may properly come before the Annual Meeting and at any postponement or adjournment thereof. The Board knows of no other items of business that will be presented for consideration at the Annual Meeting other than the proposals described in this Proxy Statement. In addition, no stockholder proposals or nominations were received on a timely basis, so no such matters may be brought to a vote at the Annual Meeting.

Q: Is my vote confidential?

A: Yes. Proxy cards, ballots and voting tabulations that identify individual stockholders are confidential. Only the inspectors of election and certain employees associated with processing proxy cards and counting the vote have access to your card. Additionally, all comments directed to management (whether written on the proxy card or elsewhere) will remain confidential, unless you ask that your name be disclosed.

Q: Who will count the vote and how are votes counted?

A: All votes will be tabulated by the inspector of election appointed for the Annual Meeting, who will separately tabulate affirmative and negative votes and withheld votes and abstentions. In order to be elected as a director, a nominee must receive a majority of the votes cast at the Annual Meeting at which a quorum is present. For election of directors, abstentions and broker non-votes will not affect the vote outcome. In order for Ernst & Young LLP to be ratified as the Company's independent auditors for 2018, for the American Campus Communities, Inc. 2018 Incentive Award Plan to be approved and for the advisory vote on executive compensation to be approved, the respective proposal must receive a majority of the votes cast at the Annual Meeting at which a quorum is present. For ratification of the independent auditors for 2018, an abstention will have the same effect as an "Against" vote and, as this is a routine matter, there will not be any broker non-votes. For approval of the American Campus Communities, Inc. 2018 Incentive Award Plan and approval of the advisory vote on executive compensation, an abstention will have the same effect as an "Against" vote, but a broker non-vote will not affect the vote outcome. "Broker non-votes" are proxies from brokers or other nominees indicating that such person has not received instructions from the beneficial owner or other person entitled to vote the shares that are the subject of the proxy on a particular matter with respect to which the broker or other nominee does not have discretionary voting power.

Q: What constitutes a quorum?

A: As of the record date for the Annual Meeting, 136,663,257 shares of common stock were issued and outstanding. A majority of the outstanding shares, present or represented by proxy, constitutes a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes will be counted in determining the presence of a quorum.

Q: Who can attend the Annual Meeting?

A: All stockholders of record as of March 12, 2018, can attend.

Q: Who pays for this proxy solicitation?

A: The Company will bear the entire cost of solicitation of proxies, including preparation, assembly and mailing of this Proxy Statement, the proxy card and any additional information furnished to stockholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding shares of the Company's common stock in their names that are beneficially owned by others to forward to these beneficial owners. Persons representing beneficial owners may be reimbursed for their costs of forwarding the solicitation material to such beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, facsimile, electronic mail or personal solicitation by the Company's directors, officers or employees. The Company will not pay any additional compensation to directors, officers or employees for such services.

PROPOSAL 1 –
ELECTION OF DIRECTORS

The Board recommends you vote FOR each of the nominees listed.

ELECTION OF DIRECTORS

There are currently eight directors on the Board, William C. Bayless, Jr., William Blakeley Chandlee III, G. Steven Dawson, Cydney C. Donnell, Edward Lowenthal, Oliver Luck, C. Patrick Oles, Jr., and John T. Rippel, each of whom has been nominated as director. The employment agreement with Mr. Bayless provides that he will be nominated as a director. See "Executive Compensation – Employment Contracts." Directors elected at the Annual Meeting will hold office for a one-year term.

All nominees have consented to serve as directors. The Board has no reason to believe that any of the nominees will be unable to act as director. However, if a director is unable to stand for re-election, the Board may either reduce the size of the Board or the Nominating and Corporate Governance Committee may designate a substitute. If a substitute nominee is named, the proxies will vote for the election of the substitute.

Directors are elected by a majority of the votes cast at the Annual Meeting. Each share of common stock is entitled to one vote for each of the eight director nominees. Cumulative voting is not permitted.

BOARD OF DIRECTORS

Board Composition

The Nominating and Corporate Governance Committee seeks directors with established strong professional reputations and experience in areas relevant to the strategy and operations of the business. Each of the nominees for election as a director at the Annual Meeting holds or has held senior executive positions in large, complex organizations and has experience that meets this objective, as described below. In these positions, they have also gained experience in core management skills, such as strategic and financial planning, public company financial reporting, compliance, risk management and leadership development. Each director also has experience serving on or advising boards of directors and board committees of other organizations and has an understanding of corporate governance practices and trends.

The Nominating and Corporate Governance Committee also believes that each of the nominees has other key attributes that are important to an effective board: integrity, candor, analytical skills, the willingness to engage management and each other in a constructive and collaborative fashion, and the ability and commitment to devote significant time and energy to serve on the Board and its committees. The Nominating and Corporate Governance Committee takes into account diversity considerations (as discussed below in "Board Diversity") in determining the director nominees and planning for director succession and believes that, as a group, the nominees bring a diverse range of perspectives to the Board's deliberations. Each of the nominees, other than Mr. Bayless, is independent of the Company and its management.

In addition to the above, the Nominating and Corporate Governance Committee also considered the specific experience described in the biographical details that follow in determining to nominate the individuals set forth below for election as directors.

William C. Bayless Jr. CEO & Director since 2004 Committees: Executive	William C. Bayless, Jr. has been Chief Executive Officer since October 2003 and also served as President from October 2003 to January 2017. Bill is a co-founder of the Company and participated in the founding of the student housing business of its predecessor entities. Bill served as Executive Vice President and Chief Operating Officer of the predecessor entities from July 1995 to September 2003, where he directed all aspects of the predecessor entities' business segments including business development, development and construction management, acquisitions and management services. He served as the Company's Vice President of Development from the inception of the predecessor entities in 1993 until July 1995. Bill served as the Director of Operations for Century Development's student housing division from 1991 to 1993. From 1988 to 1991, Bill served as the Director of Marketing responsible for business development and marketing for the student housing division of Cardinal Industries. Bill began his career in student housing with Allen & O'Hara where he held the positions of Resident Assistant, Resident Manager and Area Marketing Coordinator from 1984 to 1988. Bill was instrumental in the formation of American Campus Charities Foundation, which supports charitable activities focused on disadvantaged youth and education in the Company's hometown of Austin, Texas, as well as in the local markets served by the Company's communities. The Foundation has raised in excess of $1 million for the causes consistent with its focus. Bill also currently serves on the Board for the Rise School of Austin, which provides high quality early childhood education for gifted, traditional and developmentally delayed children in an inclusive setting, using individualized learning techniques. He received a B.S. in Business Administration from West Virginia University. Age: 53. Areas of Relevant Experience: Ability to lead the organization; detailed knowledge and unique perspective and insights regarding the student housing industry and the strategic and operational opportunities and challenges, economic and industry trends, and competitive and financial positioning of the Company and the business.
William Blakeley Chandlee III Director since 2017 Committees: Risk, Nominating and Corporate Governance	William Blakeley Chandlee III has been the Executive Vice President of Outcome Health, a health information provider, since March 2017 and was Vice President of Facebook from 2007 to February 2017, where his role included identifying, launching and scaling organizational structure, systems and teams required to most effectively and efficiently manage and support the largest agency and client relationships across the world via regionally distributed teams in the US, London, Singapore and Sao Paolo. Prior to joining Facebook, Blake worked at Yahoo! UK Ltd, where he was Commercial Director, UK and played an instrumental role in setting the strategic direction of the organization and managing the various sales teams calling on agencies and clients in the UK marketplace. He has also been part of various founding teams resulting in several new companies that focused on the intersection of consumers and media. Blake received a B.S. from Gettysburg College. Age: 51. Areas of Relevant Experience: Technology and social marketing; business development and leadership.

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G. Steven Dawson Director since 2004 Committees: Audit, Compensation	G. Steven Dawson is a private investor focused on real estate, energy, financial services and other commercial interests in the US and Canada. He has significant experience serving on the boards of directors of both public and private companies. From 1990 to 2003 he served as the Chief Financial Officer of Camden Property Trust (NYSE:CPT) and its predecessors. Camden is a large multifamily REIT based in Houston with apartment operations, construction and development activities throughout the United States. During the period from 2011 to 2013, Steve served in various capacities, including as president, CEO and trustee, for a private Canadian REIT that owned manufactured housing communities in the US. Steve currently serves on the boards of Cohen & Co. (NYSE American: COHN), a financial services firm with fixed income and structured credit securities trading operations in the U.S. and Europe, and Medical Properties Trust (NYSE: MPW), a hospital/healthcare REIT with acute care properties in the US and Europe. Steve holds a degree in business from Texas A&M University, where he serves on the Real Estate Roundtable of the Mays Graduate School of Business. Age: 60. Areas of Relevant Experience: Financial reporting; accounting and controls; REIT management, real estate operations and development; manufacturing
Cydney C. Donnell Director since 2004 Committees: Compensation, Executive, Risk	Cydney C. Donnell has been the Director of Real Estate Programs and an Executive Professor at the Mays Business School of Texas A&M University, and has served as Associate Department Head of the Finance Department since February 2011. Cydney has taught various subject matters, including real estate finance, investments and corporate governance, since August 2004. Cydney was formerly a principal and Managing Director of European Investors/E.I.I. Realty Securities, Inc. Cydney served in various capacities at EII and was Chair of the Investment Committee from 2002 to 2003, the Head of the Real Estate Securities Group and Portfolio Manager from 1992 to 2002 and Vice-President and Analyst from 1986 to 1992. Cydney served on the Board of European Investors Holding Company from 1992 to 2005. Prior to joining EII, she was a real estate lending officer at RepublicBanc Corporation in Dallas from 1983 to 1986. Cydney currently serves on the board of Pebblebrook Hotel Trust (NYSE:PEB), a hotel REIT. She served on the Board of Directors of Madison Harbor Balanced Strategies Inc., a closed-end investment fund registered under the Investment Company Act of 1940 and a REIT from 2005 to 2017. In 2007, Cydney was appointed to the Employees Retirement System of Texas Board of Trustees by Governor Rick Perry. Cydney has served on the Board and Institutional Advisory Committee of the National Association of Real Estate Investment Trusts, or NAREIT. She has also served in various leadership capacities for The Association of Former Students of Texas A&M University and the Junior League of the City of New York. Cydney received a B.B.A. from Texas A&M University and an M.B.A. from Southern Methodist University. Age: 58. Areas of Relevant Experience: Financial investment and services; REITs; corporate governance; university operations.

Edward Lowenthal Director since 2004 Committees: Executive, Compensation, Nominating and Corporate Governance	Edward Lowenthal has served as the Independent Chairman of the Board since August 2015. He has been President of Ackerman Management LLC since April 2002, a private investment management and advisory company with particular focus on real estate and other asset-based investments. Ed was a founder and served as the President of Wellsford Real Properties, Inc. (NYSE:WRP) from 1997 until 2002, which owned and operated multifamily apartments throughout the United States. Ed currently serves as a director of Omega Healthcare Investors, Inc. (NYSE:OHI), a healthcare REIT, and served as a director of Desarrolladora Homex, S.A. de C.V. (NYSE:HXM), a Mexican-based home builder, from 2004 to 2013. Ed serves as non-executive Chairman of Tiburon Lockers, Inc., a privately-held owner and operator of rental locker systems, and as a trustee of The Manhattan School of Music. He received a B.A. degree from Case Western Reserve University and a J.D. degree from Georgetown University Law Center, where he was an editor of the Georgetown University Law Journal. Age: 73. Areas of Relevant Experience: Real estate investment and development; REIT management; law.
Oliver Luck Director since 2012 Committees: Nominating and Corporate Governance, Risk	Oliver Luck has served as Executive Vice President for Regulatory Affairs and Strategic Partnerships of the National Collegiate Athletic Association (NCAA) since January 2015. From 2010 to January 2015, he was the Athletic Director of West Virginia University. From 2006 to 2010, Oliver was the President/General Manager of the Houston Dynamo of Major League Soccer. From 2001 to 2005, Oliver was the Chief Executive Officer of the Harris County-Houston Sports Authority, where he oversaw the financing, construction and management of professional sports and entertainment infrastructure in Houston, including Minute Maid Park, Reliant Stadium and Toyota Center. Oliver worked for the National Football League from 1990 to 2001, where he served in a variety of positions, including Vice President of Business Development and President and Chief Executive Officer of NFL Europe. Oliver played quarterback for the Houston Oilers from 1982 to 1986. He is currently a member of the National Football League Player Safety Advisory Panel, and served as a member of the College Football Playoff Selection Committee and in various capacities in a number of university and community associations. He was a finalist to be a Rhodes Scholar, a National Football Foundation Scholar and a two-time Academic All-American who received a B.A. degree from West Virginia University and a J.D. degree from University of Texas School of Law. Age: 57. Areas of Relevant Experience: University management; business development and leadership; law.

C. Patrick Oles Jr. Director since 2014 Committees: Audit, Executive	C. Patrick Oles, Jr. has been the President and Chief Executive Officer of Barshop & Oles Company, a privately-owned, Texas-based commercial real estate development, investment and management firm, since 1983. Pat served on the senior staff of the Governor of Texas, William P. Clements, Jr., as Director of Governmental Appointments, from 1980 to 1982. Pat has been involved in numerous governmental, business and civic organizations, including ten years of service on the Board of Directors of the Lower Colorado River Authority and as a founding member and Chairman of the Board of Trustees of the Texas Parks & Wildlife Foundation. He was a member of the Advisory Board of Directors of JPMorgan Chase, Chairman of the local chapter of the Young Presidents Organization and a Trustee of the Texas Nature Conservancy. Pat currently serves as a member of the Board of Directors of SouthWest Water Company, a privately-owned provider of water and wastewater services, as a member of the Executive Committee of the Seton Fund, as a member of the Development Board of the McCoy College of Business Administration of Texas State University and as Chair of the UT Elementary School Development Council. Pat received a B.B.A. from the University of Texas at Austin, and now holds the McCoy Professorship for Studies in Entrepreneurship in the McCoy College of Business Administration at Texas State University. Age: 63. Areas of Relevant Experience: Real estate investment and development; governmental interactions.
John T. Rippel Director since 2018 Committees: Audit	John T. Rippel is a founding partner of Alliance Residential Company, one of the largest private U.S. multifamily companies, and has been its Chief Investment Officer since 2001 with responsibility for identifying development opportunities and directing the acquisition process for existing communities throughout the country. John began his multifamily career in 1982 as the partner in charge of south Texas development and acquisition for Trammell Crow Residential. In 1994, he led his division to the successful initial public offering of Gables Residential, where he served as a director and its President and Chief Operating Officer. Prior to joining Trammell Crow Residential, John was a CPA with Kenneth Leventhal Company, a national public accounting firm which is now a part of Ernst & Young. John obtained his BBA from the University of Texas at Austin. Age: 63. Areas of Relevant Experience: Real estate investment and development; REIT management; financial reporting.

Consideration of Director Nominees

The Nominating and Corporate Governance Committee will consider appropriate nominees for director whose names are submitted in writing by a holder of the Company's common stock. Nominations must be addressed to Chairman of the Nominating and Corporate Governance Committee, c/o American Campus Communities, Inc., 12700 Hill Country Blvd., Suite T-200, Austin, Texas 78738, indicating the nominee's qualification and other relevant biographical information and providing confirmation of the nominee's consent to serve as director. In order to be considered for the next annual election of directors, any such written request must comply with the requirements set forth in the Company's bylaws.

The Chairman of the Board or the Chief Executive Officer or Board of Directors may call a special meeting of the stockholders. A special meeting of stockholders will be called upon the written request of the stockholders entitled to cast not less than a majority of all the votes entitled to be cast at such meeting, provided that such written request complies with the requirements set forth in the Company's bylaws.

The committee considers nominees for the Board from any reasonable source, including current Board members, stockholders or other persons. The Nominating and Corporate Governance Committee did not retain any third party in connection with the identification of the current nominees for director, but in 2018 has retained an executive search firm to assist in identifying additional Board members to advance the Board's diversity goals, as discussed in "Board Diversity" on page 18.

Each of the current directors has been nominated for election as director at the 2018 Annual Meeting.

GOVERNANCE OF THE COMPANY

Board Independence and Meetings

Board Governance Documents. The Board maintains charters for all committees. In addition, the Board has adopted a written set of corporate governance guidelines and a code of business conduct and ethics. To view the committee charters, corporate governance guidelines and code of business conduct and ethics, please visit www.AmericanCampus.com. The Board has adopted and adheres to corporate governance practices that the Board and senior management believe promote the highest standards of integrity, are sound and represent best practices. The Board of Directors periodically reviews these governance practices, the rules and listing standards of the New York Stock Exchange and SEC regulations, as well as best practices suggested by recognized governance authorities.

Independence. Currently, the Board has eight directors. The Board of Directors has determined, after considering all of the relevant facts and circumstances, that seven current directors (Messrs. Chandlee, Dawson, Lowenthal, Luck, Oles and Rippel and Ms. Donnell) are independent, as “independence” is defined by the New York Stock Exchange. This means that none of the independent directors has any direct or indirect material relationship with the Company, either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company. As a result, the Board has a majority of independent directors on the Board as required by the listing requirements of the New York Stock Exchange.

Executive Sessions. Non-employee directors have regularly scheduled executive sessions in which they meet without the presence of management or management directors. These executive sessions typically occur after each regularly scheduled meeting of the Board of Directors. Any independent director may request that an additional executive session be scheduled. The presiding director of these executive sessions is the Independent Chairman of the Board, Mr. Lowenthal.

Board Leadership Structure; Separate Independent Chairman of the Board

Since the 2004 IPO, the roles of Chief Executive Officer and Chairman of the Board have been separate. Currently, Mr. Lowenthal serves as the Chairman of the Board and Mr. Bayless serves as a director and Chief Executive Officer. The Board of Directors believes this is the most appropriate structure for us at this time because it makes the best use of Mr. Lowenthal’s skills and experience gained over a distinguished career, including as a founder and President of Wellsford Real Properties, Inc.

Board’s and Committees’ Roles In Risk Oversight

The Board as a whole has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant committees that report on their deliberations to the Board. The oversight responsibility of the Board and its committees is enabled by management reporting processes that are designed to provide visibility to the Board about the identification, assessment and management of critical risks and management’s risk mitigation strategies. These areas of focus include competitive, economic, operational (including those related to cybersecurity), financial (accounting, credit, liquidity and tax), legal, regulatory, compliance, health, safety and environment, and reputational risks. The Board and its committees oversee risks associated with their respective principal areas of focus, as summarized in the following Board Committee table. Each committee meets in executive session with key management personnel and representatives of outside advisors (for example, the head of Internal Audit meets in executive session with the Audit Committee).

Board Committees

The following table identifies each committee of the Board, its key function, its primary areas of risk oversight and the number of meetings held during 2017. A copy of the charter for each of these committees is available on the Company’s website at www.AmericanCampus.com.

Committee	Key Responsibilities	2017 Meetings
Board of Directors	• Strategic oversight • Corporate governance • Stockholders' advocacy	6[1]
Primary Areas of Risk Oversight:	Ø Strategic, financial and execution risks and exposures associated with annual operating and long term strategic plans, major litigation and regulatory exposures Ø Other current matters that may present material risk to the Company's operations, plans, prospects or reputation; and acquisitions and divestitures (including through post-closing reviews)	
Audit Report: Page 62 Charter last amended October 2013	• Overseeing the integrity of the Company's consolidated financial statements and its compliance with legal and regulatory requirements • Assessing the independent auditor's qualifications and independence and the performance of the Company’s independent auditors • Reviewing, as it deems appropriate, the adequacy of the Company's systems of disclosure controls and internal controls regarding financial reporting and accounting • Sole authority to appoint and replace the independent auditors (who report directly to the committee), approve the engagement fee of the independent auditors, and pre-approve the audit services and any permitted non-audit services that the independent auditors may provide to the Company	8
Primary Areas of Risk Oversight:	Ø Risks and exposures associated with financial matters, particularly financial reporting, tax, accounting, disclosure, internal control over financial reporting, financial policies, investment guidelines and credit and liquidity matters	
Compensation Report: Page 29 Charter last amended June 2013	• Establishing the Company's general compensation philosophy • Overseeing the Company's compensation programs and practices including any employment, severance and termination agreements, or arrangements with any Named Executive Officer • Reviewing and approving corporate goals and objectives relevant to the compensation of named executive officers • Evaluating annually the performance of the named executive officers in light of the goals and objectives • Determining the compensation level of each named executive officer based on this evaluation	6
Primary Areas of Risk Oversight:	Ø Risks and exposures associated with leadership assessment and executive compensation programs and arrangements, including incentive plans	
Executive	• Approving, subject to certain limitations, acquisitions, financings, and dispositions • Authorizing the execution, subject to certain limitations, of certain contracts and agreements, including those relating to the borrowing of money • Exercising generally all other powers of the Board, except for those that require action by all directors or the non-employee directors under the Company's articles of incorporation, bylaws or applicable law	0

Committee	Key Responsibilities	2017 Meetings
Nominating and Corporate Governance Charter last amended March 2010	• Assisting the Board in promoting the Company's and the stockholders' best interests through the implementation of sound corporate governance principles and practices • Identifying individuals qualified to become Board members, consistent with criteria approved by the Board and recommending to the Board the director nominees for the next Annual Meeting • Developing and recommending to the Board a set of corporate governance principles applicable to the Company • Overseeing the evaluation of the Board and management	4
Primary Areas of Risk Oversight:	Ø Risks and exposures relating to programs and policies concerning corporate governance and succession planning	
Risk Charter last amended August 2015	• Assessing the Company's risk appetite and crisis management strategy relating to key risks • Creating guidelines, policies and processes for assessing, managing, monitoring and mitigating such risks • Approving plans for detecting, responding to and mitigating security breaches	3
Primary Areas of Risk Oversight:	Ø The Company's risk governance structure Ø Policies and processes for risk assessment and risk management, including those related to the Company's business strategies, cyber systems, litigation, assets, and controls. Ø Evaluating the Company's risk appetite and strategy relating to key risks and guidelines, policies and processes for assessing, managing, monitoring and mitigating such risks Ø Plans for detecting, responding to and mitigating security breaches Ø Crisis management policies and procedures	

1 All directors attended at least 75% of the total number of meetings of the Board and committees, collectively, on which they served during 2017. All directors are encouraged to attend the Annual Meeting. All the persons then serving as members of the Board attended the 2017 Annual Meeting.

Committee Charting

The following table graphically displays the current directors, the current committee members, the respective committee chair, the independent members and Audit Committee financial experts (as such term is defined in Item 407(d)(5)(ii) of Regulation S-K), based on their expertise in accounting and financial management. Each member of the Nominating and Corporate Governance, Compensation, Audit and Risk Committees satisfies the independence requirements of applicable law and the requirements of the SEC and NYSE.

Winston W. Walker served as Chair of the Compensation Committee and as a member of the Audit Committee until his retirement as a member of the Board on May 4, 2017. Dennis G. Lopez served as Chair of the Compensation Committee and as a member of the Nominating and Corporate Governance Committee and the Risk Committee until his resignation as a member of the Board on November 6, 2017. Mr. Lowenthal served as a member of the Audit Committee from May 4, 2017 to March 8, 2018. Ms. Donnell served as a member of the Nominating and Corporate Governance Committee until May 4, 2017.

Director Qualifications; Limits on Board Service

The Nominating and Corporate Governance Committee reviews with the Board on an annual basis the appropriate skills and characteristics required of Board members in the context of the then-current composition of the Board. In addition to qualities of intellect, this assessment includes, integrity and judgment, business experience and knowledge, reputation and character, issues of diversity (as discussed below), relevant industry and trade association knowledge and participation, accounting and financial expertise, public company experience and relevant legal and regulatory qualifications. The committee also seeks candidates who are willing to challenge management in a productive and constructive manner, and who possess the willingness and ability to devote the time and effort required to effectively serve on the Board. The committee makes this determination in the context of an assessment of the perceived needs of the Board at that point in time. The committee evaluates all nominees for director based on these criteria, including nominees that may be recommended by stockholders.

The Board recognizes that its members benefit from service on the boards of other companies. That service is encouraged, but it is also critical that directors have the opportunity to dedicate sufficient time to their service on the Board. To that end, individuals who serve on more than six other public company boards will not normally be asked to join the Board unless the Board determines that such simultaneous service would not impair the ability of such individual to effectively serve on the Board.

Term Limits; Retirement Age

The Guidelines on Governance provide that, as a general matter, non-employee directors will not stand for election to a new term of service at any Annual Meeting following their 75th birthday. However, the Board may approve exceptions to this practice when it believes it is in the Company's interest to do so. The Board does not believe it should establish term limits for director service, instead preferring to rely upon the mandatory retirement age and the evaluation procedures described below as primary methods of ensuring that each director continues to act in a manner consistent with the best interests of the Company, stockholders and the Board. The Board believes that term limits have the disadvantage of limiting valuable insights from directors who have been able to develop, over a period of time, a specialized understanding of student housing and, therefore, provide a beneficial contribution to the Board as a whole.

Board Diversity

The Nominating and Corporate Governance Committee considers the current composition of the Board in light of the diverse communities and geographies the Company serves and the interplay of a candidate's or nominee's experience, education, skills, background, gender, race, age, ethnicity, and other qualities and attributes with those of the other Board members. In implementing its practice of considering diversity of thought, more emphasis may be placed on attracting or retaining director nominees with certain specific skills or experience, such as industry, regulatory, operational, or financial expertise, depending on the circumstances and the composition of the Company's Board at the time. Gender, age, race, and ethnic diversity also have been, and will continue to be, a priority in the director nomination process as a board comprised of directors with widely-varying backgrounds provide a more robust and complex perspective and is better able to provide oversight in driving sustainable financial performance in the current complex and rapidly-evolving business environment. The Nominating and Corporate Governance Committee and independent members of the Board remain cognizant of the Board's characteristics, monitoring the effectiveness of the current practice and focusing on its diverse priorities as the Board evolves and new candidates or nominees are considered. For the last several years, the Committee has been concentrating on increasing the gender and ethnic diversity of the Board. In the interest of expediting the process, the Nominating and Corporate Governance Committee has retained a third party to assist in identifying qualified director nominees.

Board and Committee Evaluations

The Board recognizes that a thorough, constructive evaluation process enhances the effectiveness of the Board and contributes to the implementation of the Company’s governance practice. It is important to take stock of Board, committee, and director performance and to solicit and act upon feedback received. As such, each director participates in the annual process outlined below.

Number of Directors; Director Vacancies

The bylaws provide that at any regular meeting or at any special meeting called for that purpose, a majority of the entire Board of Directors may increase or decrease the number of directors, provided that there cannot be less than three directors. The tenure of office of a director will not be affected by any decrease in the number of directors. The bylaws also provide that if any or all the directors cease to be directors, any vacancy, other than vacancies that result from an increase in the number of directors or from the removal of a director, may in general be filled solely by a majority of the remaining directors, even if the remaining directors do not constitute a quorum. Any vacancy that results from an increase in the number of directors constituting the entire Board of Directors may be filled by a majority of the entire Board of Directors. Any vacancy that results from the removal of a director may be filled either by a majority of the remaining directors or the Company's stockholders. Any director elected to fill a vacancy will hold office until the next annual election of directors and until a successor is elected and qualified.

Stockholder Approval of Amendment of the Charter and Bylaws and Transactions Outside the Ordinary Course of Business

The Company's charter, including its provisions on removal of directors, may be amended by the affirmative vote of the holders of at least a majority of all of the votes entitled to be cast on the matter. The Company's bylaws may be amended by a majority of the directors or by the affirmative vote of at least a majority of all of the votes entitled to be cast on the matter.

The charter provides that the Company may not merge with or into another entity, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of the Company's business unless the transaction or transactions are approved by the affirmative vote of the majority of all of the votes entitled to be cast on the matter, except if:

- the merger will merge one of the Company's 90% or more owned subsidiaries into the Company without amending the charter other than in limited respects and without altering the contract rights of the stock of the subsidiary (in which case only the approval of the Board of Directors and the board of directors of the subsidiary is necessary);
- the Company is the successor corporation in a share exchange (in which case only the approval of the Board of Directors is necessary); or
- the Company is the survivor in the merger and the merger does not change the terms of any class or series of the Company's outstanding stock, or otherwise amend the charter, and the number of shares of stock of each class or series outstanding immediately before the merger does not increase by more than 20% of the number of shares of each such class or series of stock that was outstanding immediately prior to effectiveness of the merger (in which case only the approval of the Board of Directors is necessary).

Guidelines on Governance and Codes of Ethics

The Board has adopted Guidelines on Governance to address significant corporate governance issues. These guidelines provide a framework for the Company's corporate governance initiatives and cover a variety of topics, including the role of the Board, Board selection and composition, Board committees, Board operation and structure, Board orientation and evaluation, Board planning and oversight functions and stock ownership guidelines. The Nominating and Corporate Governance Committee is responsible for overseeing and reviewing the guidelines and reporting and recommending to the Board any changes to the guidelines.

The Board of Directors has also adopted a Code of Business Conduct and Ethics, which is designed to help officers, managers and employees resolve ethical issues in an increasingly complex business environment. It covers topics such as reporting unethical or illegal behavior, compliance with law, share trading, conflicts of interest, fair dealing, protection of the Company's assets, disclosure of proprietary information, internal controls, personal community activities, business records, communication with external audiences and obtaining assistance to help resolve ethical

issues. The Board also adopted a Code of Ethical Conduct for Senior Financial Officers, which is applicable to the Company's principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions.

You may obtain a copy of the committee charters, Guidelines on Governance, Code of Business Conduct and Ethics and Code of Ethical Conduct for Senior Financial Officers at www.AmericanCampus.com.

Stockholder Outreach and Engagement

Engagement and transparency with stockholders is helpful in gleaning useful feedback on a wide variety of topics, including governance, compensation, stockholder communication, board composition, stockholder proposals, business performance and operations.

The Company regularly interacts and communicates with stockholders through a number of forums, including quarterly earnings presentations, SEC filings, annual meetings, investor conferences and web communications. Management's outreach efforts during 2017 included meetings with stockholders representing in the aggregate over 50% of the outstanding common stock and presentations by senior management at investor conferences. Additionally in 2017, members of senior management and the Board proactively engaged both passive and active stockholders in a review of the Company's corporate governance policies, board composition, executive compensation program, sustainability initiatives, long-term business strategy and other topics.

The information received in regular stockholder interaction and through the Company's proactive outreach program is shared regularly with management and the Board and is considered in the processes that set the Company's governance practices and strategic direction. Stockholder feedback is also considered in refining and tailoring the public disclosure practices of the Company.

Stockholder Communications

Stockholders and interested parties who wish to communicate with any member of the Board of Directors may do so in writing to the following address:

Mr. Edward Lowenthal
Chairman of the Board
c/o American Campus Communities, Inc.
12700 Hill Country Blvd., Suite T-200
Austin, Texas 78738

Mr. Lowenthal will review all correspondence addressed to the Board, or any individual Board member, for any inappropriate correspondence and correspondence more suitably directed to management. Mr. Lowenthal will summarize all correspondence not forwarded to the Board and make the correspondence available to the Board for its review at the Board's request. Mr. Lowenthal will forward stockholder communications to the Board prior to the next regularly scheduled meeting of the Board following the receipt of the communication as appropriate.

Stock Ownership Guidelines

To further support the Company's goal of achieving a strong link with stockholders, directors are strongly encouraged to purchase and hold shares of common stock with a market value equal to or greater than $250,000 within three years of their election to the Board and senior officers (which currently total 31 persons) are strongly encouraged to acquire and hold shares of the Company's common stock having a market value equal to or greater than the following amounts within three years of becoming a senior officer:

Chief Executive Officer	6 times annual base salary
President or Executive Vice President	3 times annual base salary
Senior Vice President	1 times annual base salary

Operating partnership units, options, restricted stock awards, units subject to vesting, settlement or forfeiture, and shares held in the Company's deferred compensation plan count towards the recommended levels. Once a director or senior officer meets the stock ownership guidelines, periodic market declines in the value of the Company's common stock will not adversely affect any previous determination by the Board that the stock ownership guidelines had been met by the director or senior officer. In addition, senior officers must hold, and may not sell, any vested restricted stock awards until the applicable stock ownership guideline has been met. As of the record date all directors and senior officers were in compliance with the stock ownership guidelines.

Short Selling, Hedging and Pledging Prohibitions

Directors and officers may not make "short sales" of any of the Company's equity securities. "Short sales" are defined as sales of securities that the seller does not own at the time of the sale, or, if owned, securities that will not be delivered for a period longer than 20 days after the sale. In addition, the Company's directors and officers may not engage in transactions in derivatives of the Company's equity securities, including hedging transactions.

Directors and executive officers may not pledge any of the Company's equity securities.

Repricing and Cash Buyouts of Underwater Option and Stock Appreciation Right Prohibitions

The 2018 Incentive Award Plan and Corporate Governance Guidelines prohibit the repricing of options to purchase the Company's common stock and stock appreciation rights. The exercise price for options or stock appreciation rights will not be lowered even if the current market price of the Company's common stock is below the exercise price. The 2018 Incentive Award Plan also prohibits cash buyouts of underwater options and stock appreciation rights. To date, the Company has not issued any stock options or stock appreciation rights.

Management Succession

Pursuant to the Company’s Guidelines on Governance, the Board undertakes regular and appropriate succession planning for the Chief Executive Officer and other executive officers, including policies and principles for selection and performance review for the Chief Executive Officer, as well as policies regarding succession in case of emergency or the retirement of the Chief Executive Officer. The Nominating and Corporate Governance Committee has reviewed the succession plans and reported on them to the Board.

Prohibition on Classifying the Board

The Company’s bylaws prohibit a future election to classify the Board pursuant to Section 3-803 of the Maryland General Corporation Law, which prohibition may not be repealed unless approved by stockholders by the affirmative vote of at least a majority of all the votes cast on the matter by stockholders entitled to vote on the matter.

EXECUTIVE OFFICERS

The Company's executive officers are elected by the Board to serve at the pleasure of the Board or until their successors are elected and qualified. The following executive officers are not directors. For information regarding William C. Bayless, Jr., Chief Executive Officer, see "Board of Directors – Board Composition."

Jennifer Beese EVP & COO	Jennifer Beese has served as Executive Vice President and Chief Operating Office since January 2017. Jennifer served as Executive Vice President - Operations, Marketing and Leasing from October 2013 to January 2017, and as Senior Vice President of Leasing Administration from November 2007 to October 2013. Jennifer joined the Company in November 1999, previously holding the positions of Vice President of Leasing Administration, Director of Initial Operations, and Regional Manager. From 1994 to 1999, she held various property management positions with JPI. Jennifer holds a B.A. in History from Texas A&M University. Age: 44.
Jorge de Cárdenas EVP & CTO	Jorge de Cárdenas has served as Executive Vice President and Chief Technology Officer since May 2015. He served as Senior Vice President and Chief Technology officer from March 2012 to May 2015 and as Senior Vice President of Information Technology from August 2005 to March 2012, and joined the Company's predecessor entities in January 2004 as Vice President of IT. Prior to joining the Company, Jorge served as Director of Product Management for Emerging Technologies at Visa where he was responsible for defining product strategies and delivering application services to a global market. Jorge began his career developing software for NASA at Lockheed Engineering and Science. From 1991 to 1994, Jorge was a co-founder and principal consultant of Everest Technologies, Inc., an Oil & Gas IT consulting firm which was sold to SAIC, Inc. Between 1994 and 2000, he served in various capacities at technology startup companies including software architect, support manager, professional services manager, product management, and marketing. Jorge received a B.S. in Computer Science with specializations in Mathematics and Management from Texas A&M University. Age: 54.
James C. Hopke Jr. President	James C. Hopke, Jr. has served as President since January 2017. Jim served as Executive Vice President and Chief Operating Officer from October 2014 to January 2017, as Executive Vice President-Asset Management from November 2013 to October 2014, as Executive Vice President-Project Management and Construction from November 2007 to November 2013 and as Executive Vice President and Chief Investment Officer from May 2005 to November 2007. From November 2002 to April 2005, Jim served as Vice President, Asset Management and Advisory Services for Wachovia Securities' Real Estate Capital Markets group. From February 2000 to November 2002, he served as Senior Vice President, Acquisitions of the Company's predecessor entities. Jim was previously a Vice President of JPI Development and Insignia Financial Group, and is a former MAI Member of The Appraisal Institute. Jim received a B.S. in Administrative Management from Clemson University. Age: 56.

Daniel B. Perry EVP & CFO	Daniel B. Perry has served as Executive Vice President, Chief Financial Officer, Secretary and Treasurer since March 2017. Daniel served as Executive Vice President-Capital Markets from May 2011 to March 2017, as Senior Vice President-Capital Markets from November 2007 to May 2011 and as Vice President of Investments from February 2005 to November 2007. From 2002 to 2005, Daniel held positions in the investment banking division of Citigroup Global Markets, where he assisted with the successful completion of the Company's initial public offering in 2004. From 1996 to 2001, he worked in the corporate finance divisions of BNP Paribas and NationsBank. Daniel holds a B.A. in Finance and Accounting from Texas A&M University and a M.B.A. from NYU's Stern School of Business. Age: 44.
William W. Talbot EVP & CIO	William W. Talbot has served as Executive Vice President and Chief Investment Officer since November 2012 and currently oversees the Company's acquisitions, dispositions, off campus development and on campus public-private partnership development functions. William served as Executive Vice President-Investments from May 2011 to November 2012 and Senior Vice President-Investments from August 2005 to May 2011. William joined us in August 2001 as Director of Acquisitions and has served in various capacities, including Director of Asset Management and Vice President of Investments. Prior to joining the Company, William was an Acquisitions Analyst for Lend Lease Real Estate Investments, Inc. from 1997 until 2001, where he was involved in acquisitions on behalf of pension fund clients. William received a B.A. in Economics and Spanish from Vanderbilt University. Age: 43.
Kim K. Voss EVP & CAO	Kim K. Voss has served as Executive Vice President, Chief Accounting Officer and Assistant Secretary since January 2017. Kim served as Executive Vice President and Controller from May 2015 to January 2017 and is responsible for the Company's accounting and financial reporting functions, including SEC reporting, technical accounting, internal controls, and financial systems implementation. She served as Senior Vice President and Controller from November 2007 to May 2015 and joined ACC in 2004 to help lead the Company's accounting department through the initial public offering and transition to a publicly traded company. Kim began her career as an auditor with Arthur Andersen LLP in San Francisco, where her client base consisted primarily of REITs and other real estate entities. Prior to joining ACC, she served as an Assistant Controller with AMB Property Corporation (now Prologis). A Certified Public Accountant, Kim holds Bachelor of Business Administration and Master in Professional Accounting degrees from the University of Texas at Austin. Age: 42.

James E. Wilhelm III EVP Public-Private Transactions	James E. Wilhelm III has served as Executive Vice President, Public-Private Transactions since January 2009 and spearheads the American Campus Equity (ACE™) program. From July 2007 to January 2009, he was Senior Vice President, Public-Private Transactions. From June 2003 to July 2007, Jamie worked for RBC Capital Markets' public finance department where he served as the managing director of the higher education sector. Prior to that time, he was a managing director with Banc One Capital Markets (currently JPMorgan Capital Markets) and held positions at McDonald & Company Securities (currently KeyBanc Capital Markets) and The Ohio Company (currently Fifth Third Capital Markets). Jamie is a graduate of Miami University with a B.S. in Finance. Age: 54.

SECURITY OWNERSHIP

The following table sets forth the number of all shares of common stock beneficially owned by each director, by each named executive officer, by each person known to beneficially own 5% or more of the Company's outstanding common stock, and by all directors and executive officers as a group on March 12, 2018, unless otherwise indicated in the footnotes. Each of the following persons and members of the group had sole voting power and sole dispositive power with respect to the shares shown unless otherwise indicated in the footnotes. Unless otherwise indicated, the address of each named person is c/o American Campus Communities, Inc., 12700 Hill Country Blvd., Suite T-200, Austin, Texas 78738.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership Number of Shares Beneficially Owned		Percent of Class
The Vanguard Group	21,598,135	(1)	15.7%
BlackRock, Inc.	16,160,081	(2)	11.7%
Capital Research Global Investors	9,572,479	(3)	7.0%
Vanguard Specialized Funds - Vanguard REIT Index Fund	9,185,630	(4)	6.7%
Cohen & Steers, Inc./Cohen & Steers Capital Management, Inc.	8,380,556	(5)	6.1%
William C. Bayless, Jr.	376,057	(6)	*
Jonathan A. Graf	142,476	(7)	*
William W. Talbot	93,589	(8)	*
James C. Hopke, Jr.	77,794	(9)	*
Daniel B. Perry	67,165	(10)	*
Jennifer Beese	45,547	(11)	*
Edward Lowenthal	29,932	(12)	*
Cydney C. Donnell	16,062		*
G. Steven Dawson	17,368	(13)	*
Oliver Luck	11,447		*
C. Patrick Oles, Jr.	8,454	(14)	*
William Blakeley Chandlee III	4,614		*
John T. Rippel	13,040		*
All directors and executive officers as a group (15 persons)	874,601	(15)	*

*Less than one percent.

(1) This information is based upon information contained in filings made by the stockholder with the SEC reporting beneficial ownership as of December 31, 2017. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355. The Vanguard Group possessed sole voting power over 228,961 shares, shared voting power over 187,769 shares, sole dispositive power over 21,348,640 shares and shared dispositive power over 249,495 shares.

(2) This information is based upon information contained in filings made by the stockholder with the SEC reporting beneficial ownership as of December 31, 2017. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055. BlackRock, Inc. possessed sole voting power over 15,552,798 shares and sole dispositive power over 16,160,081 shares.

(3) This information is based upon information contained in filings made by the stockholder with the SEC reporting beneficial ownership as of December 31, 2017. Capital Research Global Investors is a division of Capital Research and Management Company. The address of Capital Research Global Investors is 333 South Hope Street, Los

Angeles, CA 90071. Capital Research Global Investors possessed sole voting power and sole dispositive power over 9,572,479 shares.

(4) This information is based upon information contained in filings made by the stockholder with the SEC reporting beneficial ownership as of December 31, 2017. The address of Vanguard Specialized Funds - Vanguard REIT Index Fund is 100 Vanguard Blvd., Malvern, Pennsylvania 19355. Vanguard Specialized Funds - Vanguard REIT Index Fund possessed sole voting power over 9,185,630 shares.

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(5) This information is based upon information contained in filings made by the stockholder with the SEC reporting beneficial ownership as of December 31, 2017. The address of each of Cohen & Steers, Inc. and Cohen & Steers Capital Management, Inc. is 280 Park Avenue, 10th Floor, New York, New York 10017. Cohen & Steers, Inc. possessed sole voting power over 4,844,063 shares and sole dispositive power over 8,380,556 shares and Cohen & Steers Capital Management, Inc. possessed sole voting power over 4,808,088 shares and sole dispositive power over 8,269,458 shares.

(6) Includes 182,224 unvested restricted stock awards ("RSAs") and 52,500 common units of limited partnership interest in the Company's Operating Partnership ("Common Units"). Such Common Units are immediately redeemable for cash or, at the Company's election, an equal number of shares of the Company's common stock.

(7) Reflects direct holdings as of March 31, 2017, the last day on which Mr. Graf served as an executive officer, of 60,451 unvested RSAs and 7,500 Common Units. Such Common Units are immediately redeemable for cash or, at the Company's election, an equal number of shares of the Company's common stock.

(8) Includes 55,939 unvested RSAs and 3,800 Common Units. Such Common Units are immediately redeemable for cash or, at the Company's election, an equal number of shares of the Company's common stock.

(9) Includes 56,633 unvested RSAs. Also includes 5,836 shares held in the Company's deferred compensation plan with respect to which the trustee has voting rights.

(10) Includes 39,720 unvested RSAs.

(11) Includes 38,126 unvested RSAs.

(12) Includes 8,656 shares held in the Company's deferred compensation plan with respect to which the trustee has voting rights.

(13) Includes 3,000 shares held in an individual retirement account for the benefit of Mr. Dawson's spouse. Mr. Dawson, however, disclaims beneficial ownership of all of the foregoing shares. Also includes 7,368 shares held in the Company's deferred compensation plan with respect to which the trustee has voting rights.

(14) Includes 7,156 shares held in the Company's deferred compensation plan with respect to which the trustee has voting rights.

(15) Includes 433,805 unvested RSAs, 59,600 Common Units that are immediately redeemable for cash or, at the Company's election, an equal number of shares of the Company's common stock and 30,934 shares held in its deferred compensation plan with respect to which the trustee has voting rights. Excludes shares beneficially owned by Mr. Graf, who no longer serves as an executive officer.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely on a review of Forms 3, 4 and 5 and amendments thereto furnished to us during or with respect to 2017, the Company believes that all SEC filing requirements applicable to directors, officers and beneficial owners of more than 10% of the Company's common stock were complied with in 2017.

EXECUTIVE COMPENSATION

Compensation Committee Report

The Compensation Committee of American Campus Communities, Inc. has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board the Compensation Discussion and Analysis be included in this Proxy Statement.

THE COMPENSATION COMMITTEE

Cydney Donnell, Chair
G. Steven Dawson
Edward Lowenthal

Compensation Discussion and Analysis

This Compensation Discussion and Analysis ("CD&A") provides a detailed description of the executive compensation philosophy, objectives and programs, the compensation decisions made under those programs and the factors considered by the Compensation Committee. The CD&A focuses on the compensation of the Named Executive Officers for 2017, who were:

Name	Title
William C. Bayless, Jr.	Chief Executive Officer
James C. Hopke	President
William W. Talbot	Executive Vice President, Chief Investment Officer
Daniel B. Perry	Executive Vice President, Chief Financial Officer
Jennifer Beese	Executive Vice President, Chief Operating Officer

On March 31, 2017, Daniel B. Perry was appointed as Executive Vice President, Chief Financial Officer following the retirement of Jonathan A. Graf as Executive Vice President, Chief Financial Officer. Mr. Graf received consideration in accordance with a Separation Agreement and General Release between the Company and Mr. Graf.

As in previous years, Named Executive Officers for 2017 were awarded compensation based on policies that closely link compensation to performance. These policies, in planned combination, generate rewards for achievement of high-level Company and individual performance and discourage excessive short-term risk taking. This balance is essential to align management with the long-term interests of stockholders.

Executive Summary

The Company's executive compensation programs are designed to attract, retain and motivate talented executives, to reward executives for the achievement of pre-established Company and tailored individual goals consistent with the Company's strategic plan and to link compensation to Company performance. Executives are primarily compensated through base salary, annual cash incentive compensation and long-term equity incentive compensation. The executive compensation philosophy emphasizes performance-based incentive compensation over fixed cash compensation so that the vast majority of total direct compensation is variable and not guaranteed. In addition, a significant percentage of incentive compensation is in the form of equity awards granted to reward past performance. Although these performance-based equity awards are fully earned at the time of grant, a substantial portion of the awards vests over time, furnishing additional retention benefits and achieving enhanced alignment with stockholders. This structure appropriately focuses the executive officers on the creation of long-term value and encourages prudent evaluation of risks.

Compensation Policies and Practices—Good Governance

Consistent with the Company's commitment to strong corporate governance and responsiveness to stockholders, in 2017 the Board maintained the following compensation policies and practices to drive performance and serve the stockholders' long-term interests:

- The structure of the executive compensation program includes a balanced mix of cash and equity compensation with a strong emphasis on performance-based incentive awards that contain a blend of metrics promoting responsible growth and risk management.
- Named Executive Officers' incentive award opportunities are capped, and the value of awards is determined based on the Compensation Committee's assessment of performance and contribution to stockholder value with respect to multiple quantitative performance measures, including absolute and relative TSR, FFOM and NOI.
- The long-term equity incentive awards earned by the Company's Named Executive Officers for prior-year performance have time-based vesting schedules to enhance retention and alignment with long-term stockholder value.
- The competitiveness of the executive compensation program is assessed by comparison to a group of comparable peer companies.
- The Compensation Committee is comprised solely of independent directors and engages an independent compensation consultant to advise on matters related to the executive compensation program.
- Single-trigger change of control benefits and new tax gross-up arrangements are prohibited.
- The Company maintains meaningful stock ownership guidelines for executive officers and non-employee directors that promote a long-term stockholder perspective and prohibits senior officers from selling vested restricted stock awards until the applicable stock ownership guideline has been met.
- The Compensation Committee annually reviews and assesses the potential risks of the compensation policies and practices for all employees.
- The recoupment policy enables the Compensation Committee to "claw back" incentive compensation in the event of an accounting restatement due to material non-compliance with financial reporting requirements as a result of misconduct by Named Executive Officers.
- Executive officers receive limited perquisites and other personal benefits that are not otherwise generally available to all employees.
- The securities trading policy prohibits senior officers and directors from engaging in derivative and other hedging transactions in American Campus securities and restricts the executive officers and directors from holding said securities in margin accounts or otherwise pledging the securities to secure loans.

2017 Advisory Vote on Executive Compensation

An advisory vote is submitted to stockholders on an annual basis to approve executive compensation. At the 2017 Annual Meeting of Stockholders, holders of approximately 95% of the shares represented at the meeting voted to approve, on an advisory basis, executive compensation. The continued support for the compensation program in 2017 reflects:

- Strong alignment between executive pay and performance over long time periods; and
- Quantitative alignment between executive pay and performance, as measured by stockholder advisory groups.

The Compensation Committee has also continued to evaluate the overall executive compensation program and believes that it is well designed to achieve the objectives of attracting, retaining and motivating talented executives and rewarding superior performance in the context of the business risk environment.

Objectives of the Compensation Program

The Company recognizes that effective compensation strategies are critical to recruiting, incenting and retaining key employees who contribute to long-term success and thereby create value for stockholders. Accordingly, the compensation program is designed to achieve the following primary objectives:

- Attract, retain and motivate talented executives;
- Reward performance that meets or exceeds pre-established Company and tailored individual goals consistent with the Company's strategic plan, while maintaining alignment with stockholders;
- Provide balanced incentives that discourage excessive risk-taking;
- Retain sufficient flexibility to permit executive officers to manage risk and adjust appropriately to meet rapidly changing market and business conditions;
- Evaluate performance by balancing consideration of those measures management can directly influence with market forces that management cannot control (such as monetary policy and interest rate expectations), but that impact stockholder value;
- Encourage executives to become and remain long-term stockholders of the Company; and
- Maintain compensation and corporate governance practices that support the Company's goal to deliver sustained, superior returns to stockholders.

Interests of the executive officers and stockholders are aligned by maintaining a performance- and achievement-oriented environment that provides executives with the opportunity to earn market-competitive levels of cash and equity compensation for strong performance measured against key financial and strategic goals that create long-term stockholder value.

Compensation Consultant and Benchmarking

The Compensation Committee retained FPL Associates L.P. ("FPL") as its independent compensation consultant to advise on matters related to compensation levels and program design. At the time of engagement, the Compensation Committee reviewed independence, and determined that FPL met the independence criteria under the Compensation Committee charter and that FPL's engagement raised no conflict of interest.

For 2017, the Compensation Committee compared the total compensation of specific executive officers with that of the respective executive officers of a peer group comprised of 13 public real estate companies that are either focused on multifamily and/or student housing or are of comparable size. The peer group is as follows (Post Properties, Inc. and Monogram Residential Trust, Inc. were removed from the prior year group as the companies were purchased):

Apartment Investment and Management Company	Essex Property Trust, Inc.
Ashford Hospitality Trust, Inc.	Federal Realty Investment Trust
AvalonBay Communities, Inc.	Mid-America Apartment Communities, Inc.
Camden Property Trust	Tanger Factory Outlet Centers, Inc.
Corporate Office Properties Trust	UDR, Inc.
Education Realty Trust, Inc.	Weingarten Realty Investors
Equity Residential	

In determining 2017 compensation targets for Named Executive Officers, the Compensation Committee considered the competitive positioning of executive compensation levels relative to compensation data for the peer companies with respect to the following components of pay: base salary, total annual compensation (base salary plus annual incentive awards), long-term equity incentives (annualized expected value of long-term equity incentive awards), and total direct compensation (base salary plus annual incentive awards and annualized expected value of long-term equity incentive awards). Consistent with the Company's compensation philosophy, the Compensation Committee generally targeted the median of the peer companies for each of these components and for total direct compensation. The 2017 executive compensation program was designed to deliver compensation levels above or below these targets if performance exceeded or failed to achieve the goals established for the annual cash and long-term equity incentive awards. This methodology is appropriate for the Company's operating style and reflects the need to attract and retain top executive talent.

Compensation Mix

The executive compensation philosophy promotes a compensation mix that emphasizes variable pay and long-term stockholder value. An emphasis on incentive compensation creates greater alignment with the interests of stockholders, ensures that the business strategy is executed by decision-makers in a manner that focuses on the creation of long-term value rather than only short-term results, and encourages prudent evaluation of risks. Accordingly, the compensation structure is designed such that a significant portion of Named Executive Officers' total direct compensation is in the form of equity awards granted based on past performance that vest over time. Although these performance-based equity awards are fully earned at the time of grant, a substantial portion of the awards vests over time, furnishing additional retention benefits and achieving enhanced alignment with stockholders. The current 5-year RSA vesting that the Company utilizes creates significant future long-term alignment with stockholders. On the date that RSAs are granted to the Named Executive Officers, the dollar value of the award granted is divided by the closing share price on the date of grant to determine the number of shares awarded. On each future vesting date the share price on such date determines the taxable value of the award actually received by the Named Executive Officer. Thus, future decreases or increases in the value of the Company's stock price upon vesting diminishes or increases, respectively, the initial grant value of the RSAs received.

Pay at Risk

The following diagram illustrates the total direct compensation targets of the CEO and each other active Named Executive Officer for 2017. The charts outline the size, in percentage terms, of the targeted direct compensation elements (at the date of grant) pre-established by the Compensation Committee for performance year 2017. CEO target compensation reflects additional weight on long-term equity incentive compensation because the Compensation Committee believes that, due to his leadership role as Chief Executive Officer, his compensation structure should reflect even greater alignment with stockholders. The dark outer band of the charts reflects the incentive or at-risk performance-based components of compensation (e.g., 80 percent of the CEO's 2017 target direct compensation was at-risk performance based).

Elements of the Compensation Program

For 2017, the compensation provided to executive officers consisted of the same elements generally available to non-executive officers: base salary; annual cash incentive compensation; long-term equity incentive compensation; and other perquisites and benefits.

Base Salary. The base salary payable to each Named Executive Officer provides a fixed component of compensation that reflects the executive's position and responsibilities. Base salary is generally targeted to approximate the competitive market median of the peer companies, but may deviate from this target based on an individual's sustained performance, contributions, leadership, experience, expertise and specific roles within the Company as compared to the benchmark data. The Compensation Committee reviews base salaries annually and may make adjustments to better match competitive market levels or to recognize an executive's professional growth and development or increased responsibilities. The Compensation Committee also considers the success of each executive officer in developing and executing on strategic plans, exercising leadership and creating stockholder value.

In determining base salaries for the Named Executive Officers, the Compensation Committee analyzes base salary information of the peer companies. Although the Compensation Committee periodically considers information from REIT industry and other compensation surveys, it places primary emphasis on publicly available data from the peer companies' proxy statements and other SEC filings, which is more detailed by individual executive officer position than the data typically provided in compensation surveys.

Annual Cash Incentive Compensation. Named Executive Officers are provided with an annual opportunity to earn cash incentive awards. For each Named Executive Officer, annual cash incentive compensation is subject to each executive's individual performance, departmental performance, the overall performance of the Company and the advancement of the Company's long-term strategic initiatives. The determination reflects the achievement of pre-established measures related to transactional, operational, financial and strategic objectives that serve as the underlying assumptions in the Company's stated earnings guidance such as NOI growth, operating margin improvement, the achievement of development yields, quality external growth, targeted dispositions and rental revenue growth. The determination also considers achievement of pre-established strategic initiatives and the Company's short-term and long-term total stockholder returns relative to appropriate market indexes.

Long-Term Equity Incentive Compensation. Prior to the 2016 performance period, the long-term incentive award performance metrics approved by the Compensation Committee related entirely to specific focus areas that aligned with the Company's business strategy and then current market conditions. While performance with respect to some of the metrics could be measured objectively, the absence of rigid goals and formulaic determinations of performance allowed management to adjust to meet rapidly changing market and business conditions and to act in the best interests of the Company to create, and preserve, long-term value for the Company's stakeholders. This flexibility has been uniquely important due to the nature of the student housing real estate industry, the Company's historically high volume of development and acquisition activity, and the value to the business of timely and effective capital markets execution in a rapidly changing and volatile environment. The Compensation Committee believes that rigid goals and formulaic determinations of performance may increase compensation risk by encouraging a narrow focus that may be inappropriate in light of these industry and strategic considerations and, for that reason, retained discretion within a pre-approved framework of financial, operational and strategic performance metrics under the long-term incentive plan to evaluate performance qualitatively in the event that actual performance and its effect on stockholder value were higher or lower than a strict quantitative approach might suggest. The Compensation Committee believes that this approach was instrumental in driving consistent, superior total returns to stockholders and limiting risk in the executive compensation program.

In late 2015 and early 2016, the Compensation Committee and the independent members of the Board reviewed a market study prepared by FPL focused on long-term incentive plan design and, in that context, assessed the level of discretion permitted in evaluating long term performance achieved by the Named Executive Officers. Based on this assessment, feedback from stockholders and the recommendations of FPL, beginning in 2016, the Compensation Committee modified the Company's long-term incentive plan such that 50% of the value of a Named Executive Officers' long-term equity incentive awards was determined based on achievement of pre-established quantitative performance metrics that are not subject to Compensation Committee discretion. However, due to the importance of maintaining flexibility in the evaluation of long-term performance, as discussed above, the Compensation Committee retained discretion with respect to specific financial, operational and strategic performance factors to determine the other 50% of the long-term equity incentive awards. Although the Compensation Committee retained discretion to determine overall performance under this portion of the long-term incentive plan, many of the specific performance factors are based on objective, quantifiable measures, including absolute and relative TSR, corporate metrics such as NOI, revenue growth and operating margins, strategic initiatives and individual/business unit performance.

The Compensation Committee believes that this 50/50 split between a formulaic evaluation of performance and a more qualitative evaluation provided the appropriate incentive structure and balance to drive long-term stockholder value and discourage excessive risk-taking. For future performance periods, the Compensation Committee will continue to evaluate the long-term incentive plan in the context of the overall executive compensation program, the Company's business needs and feedback from stockholders.

Unlike companies that grant equity awards on a prospective basis prior to performance, the Company's long-term equity incentive plan is retrospective in nature, such that equity awards are granted following the satisfaction of specified performance goals. Similar to annual cash incentive awards, the grant and value of long-term equity incentive awards are approved at the beginning of each fiscal year and determined solely by performance achieved in the preceding fiscal year. If threshold performance has not been achieved with respect to a performance goal for a particular performance period, the portion of the long-term equity incentive awards based on that performance goal is not granted for that period. Therefore, at the time of their grant, long-term equity incentive awards have been fully earned and are not subject to additional performance-based vesting requirements. These awards currently vest 20% per-year, over a five-year period commencing on February 28 of the year following the award, creating significant future long-term alignment with stockholders. The number of RSAs granted is based on the share price on the date of grant and the taxable value of the vested shares is based on the share price on the vesting dates. Thus, future decreases or increases in share value diminish or increase, respectively, the grant value of the RSAs on future vesting dates.

Because of the retrospective nature of the long-term equity incentive plan and the SEC's disclosure rules, the 2018 long-term equity incentive awards granted to Named Executive Officers do not appear in the 2017 Summary Compensation Table, but will be reflected in next year's Summary Compensation Table as RSAs granted in 2018.

2017 Performance

The Compensation Committee views performance for compensatory purposes in two primary ways: (1) financial and operating performance including individual goals and objectives and results against the Company's growth targets, and (2) returns to stockholders over time, both on an absolute basis and relative to other companies, including the compensation peer group (see "Compensation Consultant and Benchmarking").

The 2017 compensation decisions made by the Compensation Committee reflect strong alignment between pay and performance with respect to the pre-established measures and goals under the annual cash and long-term equity incentive plans and the performance and contributions of the Named Executive Officers to the Company's financial and operating performance during the year. In determining the incentive compensation paid to the Named Executive Officers for 2017, the Compensation Committee rigorously evaluated Company and individual performance relative to the pre-established measures and goals under the annual cash and long-term equity incentive plans.

In 2017, the Company accomplished significant financial objectives and milestones, including:

- Achieving record levels in total revenue and FFOM;
- Leading the sector in leasing for the 13th consecutive year (setting the stage for the 14th consecutive year of same store rental revenue growth in 2018);
- Producing same store NOI growth for the 13th consecutive year (every year since becoming a public company in 2004);
- Improving same store NOI margin and achieving total NOI margin of 55.3% (achieving the Company's 55% margin goal in three years, in relation to the three-to-five year timeline laid out in 2014);
- Producing FFOM per share growth over the prior year;
- Delivering 10 new owned development projects into service on-schedule, totaling $609.2 million in development cost, the largest development delivery year in the Company's history;
- Awarded nine new on-campus development projects including three American Campus Equity (ACE®) on-campus developments and six third-party projects;
- Awarded the nation's largest on-campus third-party student housing development project in history for a multi-phase project on the campus of the University of California, Riverside, which is anticipated to include as many as 6,000 beds and over $1 billion in development cost, and
- Increased the common dividend to $1.76 per share on an annualized basis, the fifth consecutive increase, representing dividend growth of over 30% since 2012.

A reconciliation of net income to FFOM and NOI for the year ended December 31, 2017, is contained in the 2017 Annual Report on Form 10-K and in the earnings release furnished on a Current Report on Form 8-K filed on February 21, 2018.

This CD&A discusses the Company, its business and individual measures used in assessing performance. These measures are discussed in the limited context of the executive compensation program. You should not interpret them as statements of the Company's expectations or as any form of guidance. We caution you not to apply the statements or disclosures made in this CD&A in any other context.

The year also included unanticipated challenges, including a more difficult than expected lease-up, primarily due to the impact of new student housing supply in three markets, and significant expenses associated with Hurricanes Harvey and Irma. With these challenges, the Company did not meet pre-established targets for rental revenue growth, same store NOI growth or FFOM per share, and the Company's 14.4% decrease in total stockholder return did not meet the pre-established TSR threshold. As discussed in "Long-Term Equity Incentive Awards" on page 39, these quantitative performance measurements were the determining metrics for 50% of the long-term incentive opportunity the Named Executive Officers were eligible to receive. Due to not achieving the threshold for any of these metrics in 2017, the Compensation Committee did not award the Named Executive Officers any RSAs with respect to this portion of the long-term incentive plan. As a result, and as displayed graphically below, CEO total

incentive compensation decreased over 27% for the 2017 performance year versus a 14.4% decrease in the Company's TSR. Compared to the 2015 performance year, CEO incentive compensation decreased 7.9% for 2017 while the Company's TSR since 2015 increased 6.8%, demonstrating strong alignment between pay and performance.

3-Year CEO Incentive Compensation

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2017 Executive Compensation

The Compensation Committee considered all of the factors established under the executive compensation program for 2017 and has discretion to consider other relevant factors, although it places the greatest emphasis on the factors noted in the "2017 Base Salary," "2017 Annual Cash Incentive Awards" and "2017 Long-Term Equity Incentive Awards" sections below.

The table below sets forth total direct compensation (base salary + annual cash incentive award + long-term equity incentive award) of each active Named Executive Officer for 2017, 2016 and 2015, consistent with the manner in which the Compensation Committee evaluates executive compensation and pay-for-performance alignment.

SUPPLEMENTAL COMPENSATION TABLE REFLECTING THE RETROSPECTIVE LONG-TERM INCENTIVE PLAN

Name	Performance Year	Salary	Annual Cash Incentive Award	Value of Long-Term Equity Incentive Award	Total Direct Compensation(1)
William C. Bayless, Jr.	2017	$775,000	$875,000	$2,325,000	$ 3,975,000
	2016	760,000	1,100,000	3,300,000	5,160,000
	2015	750,000	975,000	2,500,000	4,225,000
James C. Hopke, Jr.	2017	$450,000	$450,000	$850,000	$ 1,750,000
	2016	400,000	500,000	1,000,000	1,900,000
	2015	350,000	450,000	800,000	1,600,000
William W. Talbot	2017	$382,500	$450,000	$765,000	$ 1,597,500
	2016	370,000	500,000	1,000,000	1,870,000
	2015	350,000	450,000	800,000	1,600,000
Daniel B. Perry	2017	$350,000	$450,000	$700,000	$ 1,500,000
	2016	282,500	350,000	525,000	1,157,500
	2015	275,000	325,000	500,000	1,100,000
Jennifer Beese	2017	$350,000	$450,000	$700,000	$ 1,500,000
	2016	285,000	350,000	525,000	1,160,000
	2015	275,000	325,000	450,000	1,050,000

(1) Total direct compensation consists of base salary, annual cash incentive awards and long-term equity incentive awards for the respective performance year. It does not include amounts shown in the "All Other Compensation" column of the 2017 Summary Compensation Table on page 45 of this Proxy Statement.

As discussed more fully below, increases in total direct compensation above reflect a combination of promotions and elevated responsibilities including the 2017 promotions of Mr. Hopke to President, Mr. Perry to Chief Financial Officer and Ms. Beese to Chief Operating Officer. The value of the annual cash incentive award and long-term equity incentive award took into account performance with consideration of the peer group in place during such performance year.

This table differs from compensation reported in the 2017 Summary Compensation Table in that it reflects the value of active Named Executive Officers' long-term equity incentive awards in the performance year for which they were earned, rather than the year in which they were granted (e.g., long-term equity incentive awards granted in January 2018 for 2017 performance are shown in the table above as 2017 compensation). While compensation reported in the 2017 Summary Compensation Table is useful, the SEC's disclosure rules do not take into account the retrospective nature of the Company's executive compensation program and therefore create a one-year lag between the value of Named Executive Officers' long-term equity incentive awards and the performance year for which they were earned (e.g., long-term equity incentive awards granted in January 2018 for 2017 performance will not be shown in the Summary Compensation Table until the 2019 Proxy Statement as 2018 compensation). This table supplements, and does not replace, the 2017 Summary Compensation Table.

2017 Base Salary. Following a review of compensation data for peers with substantially similar roles and responsibilities (as described below under “Compensation Consultant and Benchmarking”), Messrs. Bayless and Talbot received an increase in base salary for 2017 to generally remain at the market average. The base salary for Messrs. Hopke, Perry and Ms. Beese reflect their promotions in 2017 to President, Chief Financial Officer and Chief Operating Officer, respectively, and generally represent the market average, following a review of compensation data for peers with substantially similar roles and responsibilities.

	Base Salary		Year-Over-Year % Change
	2017	2016	
William C. Bayless, Jr.	$775,000	$760,000	2.0%
James C. Hopke, Jr.	$450,000	$400,000	12.5%
William W. Talbot	$382,500	$370,000	3.4%
Daniel B. Perry	$350,000	$282,500	23.9%
Jennifer Beese	$350,000	$285,000	22.8%

2017 Annual Cash Incentive Awards. As set forth below, the Named Executive Officers’ annual cash incentive award opportunity for 2017 performance considered the achievement of the transactional, operational, financial and strategic objectives that served as the underlying assumptions in the Company’s stated earnings guidance, with the award opportunity being 50% of base salary for achieving the threshold goal, between 75%-125% of base salary for achieving the target goal and up to 200% of base salary for achieving the maximum goal.

	Award Opportunity (% of base salary)			
	50%	75%-125%	up to 200%	
	Goals			Actual
	Threshold	Target	Maximum	Performance
Performance Measures				
NOI $	$405.0 million	$408.7 million	$412.3 million	$409.5 million
FFOM $	$313.8 million	$320.6 million	$327.3 million	$316.4 million
FFOM per share - diluted	$2.32	$2.37	$2.42	$2.31
Underlying Assumptions to Earnings Guidance				
Same store NOI growth for full year 2017 compared to 2016	3.6%	n/a	5.3%	2.5%*
Same store operating margin	55.3%	n/a	55.8%	55.1%*
Year 1 yields on 2017 developments	n/a	6.00%	n/a	4.6%
Year 2 yields on 2016 developments	n/a	6.25%	n/a	6.7%
External growth during 2017 through the commencement of construction on owned and presale developments and acquisitions closed	$400 million	n/a	$700 million	$1,263 million
Dispositions during 2017	$25 million	n/a	$50 million	$25 million
Academic year 2017/2018 opening rental revenue growth provided by 2018 same store properties	2.6%	n/a	4.3%	2.3%

* Excluding $2.0 million of expenses associated with Hurricanes Harvey and Irma, same store NOI growth would have been 3.0% and same store operating margin would have been 55.4%.

Award Amounts. As a result of achieving, or in some cases exceeding, the majority of these goals and in considering the individual and departmental performance of each executive in advancing the Company’s long-term strategic initiatives, the Compensation Committee made the following cash incentive awards for 2017:

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	Award	% of Base Salary
William C. Bayless, Jr.	$875,000	113%
James C. Hopke, Jr.	$450,000	100%
William W. Talbot	$450,000	118%
Daniel B. Perry	$450,000	129%
Jennifer Beese	$450,000	129%

2017 Long-Term Equity Incentive Awards. As set forth below, 50% of the Named Executive Officers annual long-term equity incentive award for 2017 performance was based on three pre-established quantitative goals where achievement was not subject to the Compensation Committee's discretion and the other 50% was based on the Compensation Committee's subjective consideration of performance related to pre-established management objectives as well as other accomplishments during the year. The long-term equity incentive award opportunity for Mr. Bayless was 150% of base salary for achieving the threshold goal, 300% of base salary for achieving the target goal and 600% of base salary for achieving the maximum goal. The award opportunity for Messrs. Hopke, Talbot, Perry and Ms. Beese was 100% of base salary for achieving the threshold goal, 200% of base salary for achieving the target goal and 400% of base salary for achieving the maximum goal. To the extent that performance falls between two levels with respect to any metric, linear interpolation was applied. If actual performance did not meet the threshold requirement, no awards were earned for the applicable metric. If actual performance is above the maximum for a metric, the award will be the maximum number for the participant's opportunity.

Awards are expressed as a fixed dollar amount at threshold, target and high levels and are based on pre-established quantitative and discretionary measures set forth below. Awards are granted in the form of RSAs based on the dollar value of the earned award, which is converted into the number of RSAs based on the closing price of the Company's common stock on the date of grant.

	Long-Term Incentive Opportunity					
	Percentage of 2017 Base Salary			Dollar Value		
Executive	Threshold	Target	High	Threshold	Target	High
William C. Bayless, Jr.	150%	300%	600%	$1,162,500	$2,325,000	$4,650,000
James C. Hopke, Jr.	100%	200%	400%	$450,000	$900,000	$1,800,000
William W. Talbot	100%	200%	400%	$382,500	$765,000	$1,530,000
Daniel B. Perry	100%	200%	400%	$350,000	$700,000	$1,400,000
Jennifer Beese	100%	200%	400%	$350,000	$700,000	$1,400,000

		Targets		Actual Performance
Metric	Weighting	Threshold	Target	