

**STARWOOD EUROPEAN REAL ESTATE FINANCE LIMITED
(THE “COMPANY”)**

SCHEDULE OF MATTERS RESERVED FOR THE BOARD

Note: Matters which the Board considers suitable for delegation are contained in the Terms of Reference of its Committees.

1. Strategy and management
1.1 Responsibility for the overall management of the Company.
1.2 Approval of the Company and the Investment Partnership’s long-term objectives and strategy.
1.3 Approval of the annual operating and capital expenditure budgets of the Company and any material changes to them.
1.4 Oversight of the group’s operations ensuring: <ul style="list-style-type: none"> ▪ Competent and prudent management; ▪ Sound planning; ▪ An adequate system of internal control; ▪ Adequate accounting and other records; ▪ Review of contracted of engagement with Administrator and other Service Providers to ensure safe, accurate management and competitiveness for Shareholders; and ▪ Compliance with statutory and regulatory obligations.
1.5 Review of performance in the light of the Company’s strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
1.6 Extension of the Company’s activities into new business or geographic areas.
1.7 Any decision to cease to operate all or any material part of the Company’s business.
2. Structure and capital
2.1 Major changes to the Company’s corporate structure or share capital.
2.2 Changes to the Company’s management and control structure.
2.3 Any changes to the Company’s listing or its status as a Limited firm.
3. Financial reporting and controls
3.1 Approval of the half-yearly report and final results. [Final decision may be delegated to a committee post Board consideration]
3.2 Approval of the annual report and accounts including the Chairman’s statement, corporate governance statement, Directors’ report, statement of Directors’

	Responsibilities and Directors' remuneration report. [Final decision may be delegated to a committee post Board consideration]
3.3	Approval of the dividend policy.
3.4	Declaration of dividends. [Final decision may be delegated to a committee post Board consideration]
3.5	Approval of any significant changes in accounting policies or practices.
3.6	Approval of treasury policies (including management of foreign currency exposure, interest rate exposure and the use of financial derivatives).
3.7	To decide upon short term or long term borrowing up to 20% of the company's gross assets measured at the time that such borrowings are incurred.
3.8	Subject to market conditions, Company's financial position and investment outlook, quarterly dividends may be paid to Investors .

4.	Risk and Controls
4.1	Ensuring maintenance of a sound system of internal control and risk management including: <ul style="list-style-type: none"> ▪ Receiving reports on, and reviewing the effectiveness of, the risk and control processes to support its strategy and objectives; ▪ Undertaking an annual assessment of both the risk profile of the Company and the processes in place to manage such risks; and ▪ Approving appropriate statements for inclusion in the annual report.
4.2	Approval of any matter of a compliance nature which, in the view of the Chairman of the Audit Committee, is a matter requiring such approval or authorisation by the Board.

5.	Contracts and investments
5.1	Oversight of the approval and authorisation of all new and follow-on investments, including amendment of investment acquisition prices.
5.2	Oversight of the approval of any expenditure.
5.3	Authorisation of any borrowings by the Company, subject to the Company's Memorandum and Articles of Association.
5.4	Contracts not referred to above, which are material strategically or by reason of size, entered into by the Company in the ordinary course of business, including: <ul style="list-style-type: none"> ▪ Partnership agreements, co-investment agreements and associated documentation committing the Company to invest in or co-invest alongside third party funds; ▪ Partnership arrangements in any group business venture; ▪ Bank or other borrowings; and ▪ Acquisitions or disposals of fixed assets.

5.5	Contracts of the Company not referred to above and not in the ordinary course of business, including loans and repayments and foreign currency transactions.
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6. Communication

6.1	Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
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6.2	Approval of circulars to shareholders, prospectuses and listing particulars.
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6.3	Approval of press releases concerning matters decided by the Board of Directors of the Company.
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6.4	Approval of quarterly factsheet.
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7. Board membership and other appointments

7.1	Changes to the structure, size and composition of the Board.
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7.2	Ensuring adequate succession planning for the Board.
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7.3	Appointments to the Board.
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7.4	Selection of the Chairman of the Board.
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7.5	Membership and Chairmanship of Board Committees.
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7.6	Continuation in office of any Director at the end of his/her term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
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7.7	Continuation in office of any Director at any time, subject to the law and their service contract.
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8. Remuneration

8.1	Annual review of Board remuneration.
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9. Third Party Service Providers

9.1	Reasonably satisfy itself that the Service Provider contracts are fair and that the terms remain competitive and are in the interests of shareholders.
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9.2	Reasonably satisfy itself that systems have been put in place by Service Providers in respect of the Company are adequate to meet relevant legal and regulatory requirements.
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9.3	Review the performance of the Investment Manager, the level of management fees payable and consider any material issues arising from their role.
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9.4	Appointment or removal of the Company Secretary.
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9.5	Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit Committee.
9.6	Appointment, reappointment or removal of Advisers and other Service Providers, following the recommendation of the Audit and Management Engagement Committee

10.	Delegation of authority
10.1	Approval of Terms of Reference of Board committees.
10.2	Receiving reports from Board committees on their activities.

11.	Corporate Governance matters
11.1	Undertaking a formal rigorous review annually of its own performance, that of its committees and individual Directors.
11.2	Determining the independence of Directors.
11.3	Considering the balance of interests between shareholders, customers and the community.
11.4	Review of the overall corporate governance arrangements.
11.5	Receiving reports on the views of the Company's shareholders.

12.	Policies
12.1	Approval of the Company's and Investment Partnership's relevant legislative policies.

13.	Other
13.1	Approval of the appointment of the Company's principal professional advisers.
13.2	Prosecution, defence or settlement of any litigation involving the Company and of any litigation involving any other related company.
13.3	Approval of the overall levels of directors' & officers' liability insurance for the Company.
13.4	Any other matter that may arise for which a decision of the Board is required by the Companies (Guernsey) Law 2008 or any other legislation in force from time to time.
13.5	This schedule of matters reserved for Board decision.

In addition to the matters set out above, the Board is entitled:

- To request specific information to be provided to it by any executive or employee of the Company's service providers or any of its subsidiary companies;

- To receive reports and recommendations from time to time on any matters which it considers significant to the group; and
- To call for further advice from professional advisors.

Updated: comments arising from the meeting on 11 May 2017

Reviewed: 11 May 2017

Next Review due: September 2017