

## NOTICE OF SEVENTH ANNUAL GENERAL MEETING

# STARWOOD EUROPEAN REAL ESTATE FINANCE LIMITED

*(a company incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, with registered no. 55836)*

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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser (who in the United Kingdom should be authorised pursuant to the Financial Services and Markets Act 2000).**

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If you have sold or otherwise transferred all of your Ordinary Shares in Starwood European Real Estate Finance Limited (the “**Company**”) please send this document and the accompanying documents (if sent to you in hard copy) at once to the purchaser or transferee or to the stockbroker, bank or other person through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, such documents should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia, South Africa or Japan or into any other jurisdiction if to do so would constitute a violation of applicable laws and regulations in such other jurisdiction.

This document gives notice of the Seventh Annual General Meeting (“**AGM**”) of the Company to be held at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL (or such other location in Guernsey as may be determined by the directors and notified to shareholders) on 8 June 2020 at 9.30 a.m., and provides an explanation of the special business being proposed.

All capitalised terms not otherwise defined herein shall have the meanings given to such terms in the articles of incorporation of the Company (“**Articles**”).

Resolutions relating to the following items of ordinary business will be proposed at the AGM:

**To receive and consider the Annual Report and Audited Consolidated Financial Statements for the year ended 31 December 2019, together with the reports of the Directors and Auditors therein (resolution 1).**

**To approve the Directors’ Remuneration Report for the year ended 31 December 2019, contained within the Annual Report and Audited Consolidated Financial Statements (resolution 2).**

**To re-elect as a Director of the Company, Stephen Smith (resolution 3).**

**To re-elect as a Director of the Company, John Whittle (resolution 4).**

**To re-elect as a Director of the Company, Jonathan Bridel (resolution 5).**

At this year’s AGM, as a matter of good and current corporate governance, each of the three Directors is seeking re-election. Biographical details of each of Stephen Smith, John Whittle and Jon Bridel are contained in the Company’s Annual Report.

**To re-appoint PricewaterhouseCoopers LLP as Auditors of the Company to hold office until the conclusion of the next general meeting at which the accounts are laid before the Company (resolution 6).**

**To authorise the Directors to agree the remuneration of the Auditors (resolution 7).**

**To approve the Company’s dividend policy (resolution 8).**

For the financial year ended 31 December 2019, the Company has paid or declared aggregate interim dividends of 6.5 pence per Ordinary Share. In accordance with the principles of good corporate governance,

as there is no resolution to approve a dividend at the AGM, Resolution 8 seeks Shareholder approval for the Company's current dividend policy.

The above dividend payment is a target only and not a profit forecast. There is no assurance that the above dividend payment will be paid in the future and this should not be seen as an indication of the Company's expected or actual results or returns.

Resolutions relating to the following items of special business will be proposed at the AGM:

#### **Authority to allot new Shares and to disapply pre-emption rights (Resolutions 9 and 10)**

The Directors are seeking authority at the AGM to (i) allot and issue shares in the Company ("**Shares**" or "**Ordinary Shares**") and grant rights to subscribe for, or convert any security into, Shares up to an aggregate number of Shares equal to 10 per cent. of the issued share capital of the Company as at the date of the resolution (ii) disapply pre-emption rights in respect of such allotments and issues.

The full text of Resolutions 9 and 10 are set out in the Notice of Meeting on pages 4 and 5. These authorities will expire on the date falling 15 months after the passing of the resolutions or at the conclusion of the AGM of the Company in 2021, whichever is earlier, unless renewed at such general meeting.

The above authorities will allow the Company to carry out one or more tap issues, in aggregate, up to 10 per cent. of the number of Shares in issue at the AGM and thus to pursue specific investment opportunities in a timely and efficient manner in the future while at the same time ensuring that the Company does not unnecessarily incur cash drag by raising equity funding in advance of deployment opportunities (which could negatively impact the Company's dividend target). This will also allow the Company to proceed with an equity raise without the requirement to publish a prospectus and incur the associated costs.

Any new Ordinary Shares will be issued at a minimum issue price equal to the prevailing NAV per Ordinary Share at the time of allotment together with a premium intended at least to cover the costs and expenses of the relevant placing or issue of new Shares (including, without limitation, any placing commissions). The issue price in respect of each relevant placing or issue of new Ordinary Shares will be determined on the basis described above to cover the costs and expenses of each placing or issue and thereby avoid any dilution of the NAV of the then existing Ordinary Shares held by shareholders.

#### **Authority to repurchase the Company's Shares for cancellation (Resolution 11)**

The authority to repurchase up to 14.99 per cent. of the Company's issued share capital, granted by shareholders at the annual general meeting in 2019 will expire at the conclusion of the AGM unless renewed by shareholders. The Directors consider that the renewal of the authority is in the best interests of shareholders as a whole, as one of the three elements of the Company's discount control mechanism.

The Directors will give consideration to repurchasing Shares under this authority, but are not bound to do so, where the market price of the Shares trades at more than 7.5 per cent. below the Net Asset Value per Share for more than 3 months, subject to available cash not otherwise required for working capital purposes or the payment of dividends or distributions in accordance with the Company's dividend and distribution policy.

The Board would consider holding as treasury shares any Shares which the Company acquires pursuant to the authority provided by this resolution. It is currently envisaged that any Shares acquired and held in treasury following any buy back would be used to support liquidity in the Company's Shares. Any sales out of treasury will only be made at a price per Share equal to or greater than the price per Share paid by the Company and in any event not less than the prevailing NAV per Share and will be carried out in accordance with the UK Listing Rules and subject to the Company's dis-application authority.

The full text of Resolution 11 is set out in the Notice of Meeting on page 5.

**Recommendation**

The Board considers that Resolutions 9 to 11 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 102,661 Ordinary Shares representing approximately 0.03 per cent. of the voting rights in the Company.

The Board notes that due to the impact of COVID-19, it may be extremely challenging to hold the Annual General Meeting in the format typically expected by shareholders. The location of the Annual General Meeting may need to be reconsidered closer to the time and the Company will update shareholders of any changes via a regulatory news service announcement.

Yours faithfully

**Stephen Smith**

*Chairman*

## NOTICE OF SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Seventh Annual General Meeting of Starwood European Real Estate Finance Limited (the "**Company**") will be held at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL on 8 June 2020 at 9.30 a.m. to consider and, if thought fit, approve the following resolutions, Resolutions 1 to 8 will be proposed as ordinary resolutions and Resolutions 9 to 11 will be proposed as special resolutions:

### Ordinary Business

As ordinary business, to consider and, if thought fit, pass Resolutions 1 to 8 as Ordinary Resolutions of the Company:

1. To receive and consider the Annual Report and Audited Consolidated Financial Statements for the period ended 31 December 2019, together with the reports of the Directors and Auditors therein.
2. To approve the Directors' Remuneration Report for the period ended 31 December 2019, contained within the Annual Report and Audited Consolidated Financial Statements.
3. To re-elect as a Director of the Company, Stephen Smith.
4. To re-elect as a Director of the Company, John Whittle.
5. To re-elect as a Director of the Company, Jonathan Bridel.
6. To re-appoint PricewaterhouseCoopers LLP as Auditors of the Company to hold office until the conclusion of the next general meeting at which the accounts are laid before the Company.
7. To authorise the Directors to agree the remuneration of the Auditors.
8. To approve the Company's dividend policy for the year ending 31 December 2020– the Company's current dividend policy is to target a dividend at an annualised amount of 6.5 pence per Ordinary Share.

### Special Business

As Special Business, to consider and, if thought fit, pass resolutions 9 to 11 as Special Resolutions of the Company:

#### 9. **Authority to allot:**

THAT the Directors be generally and unconditionally authorised to exercise all the powers of the Company to issue and allot (or sell out of treasury) shares in the Company ("**Shares**") and grant rights to subscribe for, or convert any security into, Shares up to an aggregate number of Shares equal to 10 per cent. of the Shares in issue as at the date of this resolution.

The authority hereby conferred on the Directors shall expire on the date falling 15 months after the passing of this resolution or at the conclusion of the annual general meeting of the Company in 2021, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require Shares to be issued and allotted or rights to be granted, after such expiry and the Directors may issue and allot Shares, or grant rights to subscribe for or to convert any security into Shares, in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

#### 10. **Authority to disapply Pre-emption Rights**

THAT subject to the passing of Resolution 9 above and in substitution for all subsisting authorities to the extent unused, the Directors be empowered pursuant to article 7.7 of the Articles to issue and allot (or sell out of treasury) equity securities of the Company for cash pursuant to the authority conferred by Resolution 9 as if article 7.2 of the Articles did not apply to any such issue and allotment or sale, provided that the power conferred by this resolution shall be limited to the issue and allotment of equity securities up to a maximum of 10 per cent. of the Shares in issue as at the date of this resolution and provided further that the power conferred shall expire on the date falling 15 months after the passing of this resolution or at the conclusion of the Annual General Meeting of the Company in 2021, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be issued and allotted after such expiry

and the Directors may issue and allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

**11. Purchase of own shares by the Company**

THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 315 of The Company (Guernsey) Law, 2008 ( the **Law**) to make market purchases (as defined in Section 316 of the Law) of Ordinary Shares (which may be cancelled or held as treasury shares), provided that:

- (i) the maximum number of Ordinary Shares hereby authorised to be purchased is equal or lesser than 14.99 per cent. of the total number of Ordinary Shares in issue as at the date of the passing of this resolution (excluding any treasury shares);
- (ii) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share shall be 1 pence;
- (iii) the maximum price (exclusive of expenses) that the Company may pay for each Ordinary Share is the higher of (i) an amount equal to 105 per cent. of the average of the mid-market quotations for the Ordinary Shares of the Company as derived from the Daily Official List of the London Stock Exchange for the five business days immediately before the day on which such Ordinary Share is contracted to be purchased and (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out; and
- (iv) unless renewed, the authority hereby conferred shall expire on the date falling 15 months after the passing of this resolution or at the conclusion of the Annual General Meeting of the Company in 2021, whichever is the earlier, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry.

BY ORDER OF THE DIRECTORS

**Apex Fund and Corporate Services (Guernsey) Limited**

Date: 6 April 2020

*Registered Office:*

1 Royal Plaza  
Royal Avenue  
St Peter Port  
Guernsey  
Channel Islands  
GY1 2HL

Notes:

- (a) A shareholder entitled to attend and vote at the meeting may appoint a proxy to attend, speak and vote instead of him/her. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the meeting provided that such proxy is appointed to exercise the rights attached to a different share or shares held by the shareholder.
- (b) Form(s) of proxy is (are) included for use by shareholders to complete, sign and return. Completion and return of the form(s) of proxy will not prevent a shareholder from subsequently attending the meeting (or any adjournments) and voting in person if he/she so wishes.
- (c) To appoint more than one proxy to vote in relation to different shares within your holding you may photocopy the form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed.
- (d) Form(s) of proxy, duly completed together with any power of attorney or other authority (if any) under which it is signed, or a notarial certified copy of such power or authority, must be lodged with Computershare Investor Services (Guernsey) Limited, C/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, not less than 48 hours before the time fixed for the meeting or any adjournment thereof, or in the case of a poll taken more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of the poll.
- (e) No shareholder will be entitled to be present or vote at the meeting (or any adjournment) either personally or by proxy unless their name appears on the register of members of the Company as at 6 June 2020. Changes to the entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting (or any adjournments). This record time is being set for voting at the meeting (and any adjournments) because the procedures for updating the register of members in respect of shares held in un-certificated form require a record time to be set for the purpose of determining entitlements to attend and vote at the meeting.
- (f) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (g) A copy of the notice of this meeting, including these explanatory notes, is available on the Company's website: [www.starwoodeuropeanfinance.com](http://www.starwoodeuropeanfinance.com).
- (h) As at close of business on 6 April 2020 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 413,219,398 Ordinary Shares of no par value. Each Ordinary Share carries the right to one vote at a general meeting of the Company.

