

# ColonyCapital

COLONY CAPITAL, INC.

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## Charter of the Risk Committee of the Board of Directors

### A. Purpose

The principle purposes of the Risk Committee (the “**Risk Committee**”) of the Board of Directors (the “**Board**”) of Colony Capital, Inc. (the “**Company**”) shall be to (i) oversee the enterprise risk management program in place at the Company and (ii) evaluate risk in relation to the potential for growth and increase in shareholder value. The Risk Committee’s oversight responsibility includes the following:

- the enterprise-wide risk management policies of the Company’s operations;
- structure, approach and operation of the Company’s risk-management framework; and
- review and approve the Board’s risk appetite parameters to be used by management to operate the Company.

The Risk Committee shall perform duties and responsibilities with appropriate consideration of all risk types including, but not limited to, compliance/regulatory risk, credit risk, valuation risk, market risk, liquidity risk, operational risk, legal risk, reputational risk, and strategic risk.

Risk assessment and risk management are the responsibility of the Company’s senior management. The Committee’s responsibility is one of oversight and review.

### B. Committee Membership

The Risk Committee shall consist of no fewer than three independent directors of the Company. Members of the Risk Committee will be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee of the Board and may be removed by the Board in its discretion. In addition, the Nominating and Corporate Governance Committee shall recommend, and the Board shall appoint, one member of the Risk Committee to serve as the Chairperson of the Risk Committee.

No member of the Risk Committee may accept, either directly or indirectly, consulting, advisory or other compensatory fees from the Company or any of its subsidiaries other than the Company’s or its subsidiaries’ standard director’s fees (including additional amounts, if any, that may be paid for serving on the Risk Committee or other committees of the Board).

### C. Committee Powers, Duties and Responsibilities

1. Oversee Risk Management Function and Policies. The Risk Committee shall review the Company’s risk management infrastructure and the critical risk management policies.

Policies will be reviewed annually and, if considered appropriate, recommend new/updated policies to the Board for approval.

2. Evaluate Company Risk Appetite. The Risk Committee shall review and consider with management the Company's risk profile, risk appetite and approach to determining the acceptability of risks incurred in the course of pursuing business.
3. Monitor Risk Exposures. The Risk Committee shall review and evaluate the Company's significant financial, non-financial and cybersecurity risk exposures, and how the exposures are measured, monitored and managed in compliance with applicable policies.
4. Legal and Regulatory Compliance, Litigation. The Risk Committee shall periodically review with management the Company's compliance program, material litigation affecting the Company and any significant correspondences with, or other actions by, regulators or governmental agencies.
5. Assess Risk Management Competency. At least annually, the Risk Committee shall review with management the quality and competence of management appointed to administer risk management functions.
6. Insurance Coverage and Risk Sharing. The Risk Committee shall review the Company's insurance coverage and various risk sharing protocols.
7. Monitor Fraud and Corruption. The Risk Committee shall review with management the Company's exposure to fraud and corruption, as well as management's processes for identifying and managing the risks of fraud and corruption.
8. Report Risks of Fraud. The Risk Committee shall refer risks of fraud related to financial reporting and other risk related matters as determined by the Committee, to the Audit Committee of the Board.
9. Coordinate With the Board. The Risk Committee shall consider other matters of risk management as directed by the Board.
10. Performance Evaluation. At least annually, the Risk Committee shall undertake a self-evaluation of the performance of the Risk Committee, including an assessment of its performance in light of the duties and responsibilities set forth in this charter and such other matter as the Risk Committee may deem necessary or appropriate in its discretion. In connection with such performance evaluation, the Risk Committee also shall review and assess the adequacy of this charter, and propose to the Board for its review and approval any changes to this charter deemed necessary or appropriate.

#### **D. Committee Structure and Operations**

1. Meetings. The Risk Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities, but in any case no less than twice annually. A quorum at any Risk Committee meeting shall be at least a majority of the members. The Risk Committee shall establish a schedule of meetings to

be held each year and may schedule additional meetings as it determines to be necessary or appropriate. In planning the annual schedule of meetings, the Risk Committee shall ensure that sufficient opportunities exist for its members: (i) to meet separately, periodically, with risk management (and internal audit as needed), (ii) to meet separately with management or the Company's Chief Legal Officer, without risk management present; and (iii) to meet with only the Risk Committee members present. The Risk Committee may meet by telephone or videoconference and may act by a majority of the members present at a meeting of the Risk Committee at which a quorum is present. The Risk Committee may also take action by unanimous written consent. The Risk Committee may invite to meetings such officers of the Company or other persons, as the Risk Committee deems necessary or appropriate in its discretion. Minutes of each meeting shall be kept, and distributed to each member of the Risk Committee

2. Chairperson. The Board shall appoint a Chairperson of the Risk Committee. The Chairperson of the Risk Committee shall be responsible for leadership of the Risk Committee, including presiding, when present, at all meetings of the Risk Committee, preparing the agenda, making committee assignments and reporting for the Risk Committee to the Board at its next regularly scheduled meeting following the meeting of the Risk Committee. If the Chairperson is not present at a meeting of the Risk Committee, the members present at the meeting shall designate one such member as acting Chairperson for the meeting. In the event of a tie vote on any issue, the Chairperson's vote shall decide the issue.
3. Procedures. The Risk Committee may adopt such procedures relating to the conduct of its proceedings, as it deems appropriate.
4. Open Communication. The Risk Committee shall maintain regular and open communication among the constituent directors, the Audit Committee of the Board, and the Chief Risk Officer.
5. Delegation of Authority to Subcommittees. The Risk Committee may delegate its authority to members as the Risk Committee deems appropriate; provided that (i) the Risk Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Risk Committee as a whole; (ii) no such subcommittee shall consist of fewer than two members; and (iii) any delegate shall report any actions taken by the delegate to the full Risk Committee at its next regularly scheduled meeting.
6. Retention of Outside Advisors. The Risk Committee shall have the authority to retain and terminate outside advisors including legal, risk or other advisors to the Risk Committee, as it deems necessary or appropriate in its sole discretion. In selecting any such advisors or consultants, the Risk Committee shall consider the independence of such advisor or consultant, as determined by it in its business judgement. The Risk Committee shall have the sole authority to approve the fees and other retention terms for such outside advisors. The Company shall provide appropriate funding for payment of the compensation (as determined by the Risk Committee in its sole reasonable opinion) of such outside advisers retained by the Risk Committee, as well as reasonable ordinary

administrative expenses of the Risk Committee that are necessary or appropriate in carrying out its duties.

7. Reporting to Full Board. The Risk Committee shall review with the Board any issues that arise within the scope of the oversight responsibility of the Risk Committee as described above and shall report regularly to the Board (but in any event at the next Board meeting) regarding the matters reviewed and the actions taken at each meeting of the Risk Committee and make appropriate recommendations for action by the Board. This will include: (i) the Company's compliance with legal and regulatory requirements; and (ii) all other significant matters it has addressed and with respect to such other matters that are within its responsibilities.

#### **E. Limitation of Risk Committee's Role**

The Risk Committee's role is one of oversight. Management is responsible for developing, maintaining and monitoring systems of risk management throughout the organization. The risk management function of the Company will assist the Risk Committee in fulfilling its responsibilities for review and oversight of the Company's risk management program. The Risk Committee expects the Company's risk management function and executive management to report on any matters that warrant the Risk Committee's consideration. The Risk Committee recognizes that management has more direct interaction, knowledge and information regarding the Company's material risks than does the Risk Committee. Accordingly, in carrying out its oversight responsibilities, the Risk Committee does not provide any expert or special assurance as to the Company's risk management activities.

#### **F. Disclosure**

This charter, as may be amended from time to time, shall be posted on the Company's website. The Company shall state in its annual proxy statement that this charter is available on the Company's website and provide the website address.

Approved: August 2, 2018