

**CORPORATE GOVERNANCE GUIDELINES  
OF COLONY STARWOOD HOMES  
ADOPTED AS OF JANUARY 5, 2016**

The following Corporate Governance Guidelines (these “Guidelines”) have been adopted by the Board of Trustees (the “Board”) of Colony Starwood Homes, a Maryland real estate investment trust (the “Trust”), to assist the Board in the exercise of its responsibilities. These Guidelines are not intended to change or interpret any Federal or state law or regulation, including the laws of the State of Maryland, the Declaration of Trust or the Bylaws of the Trust. These Guidelines are subject to modification from time to time by the Board.

The formal requirements pertaining to the Trust’s corporate governance structure can be found in the Trust’s Declaration of Trust and Bylaws, as amended from time to time. The Trust is committed to responsible and responsive corporate governance.

**THE BOARD**

**Role of Trustees**

The business and affairs of the Trust are managed under the direction of the Board. A trustee is expected to spend the time and effort necessary to properly discharge such trustee’s responsibilities. Accordingly, a trustee is expected to regularly attend meetings of the Board and committees on which such trustee sits and to review, prior to meetings, material distributed in advance for such meetings. A trustee who is unable to attend a meeting (which, it is understood, will occur on occasion) is expected to notify the Chairman of the Board or the chairman of the appropriate committee in advance of such meeting.

**The Board’s Goal**

The Board’s goal is to build long-term value for the Trust’s shareholders and to assure the vitality of the Trust.

To achieve this goal the Board will monitor both the performance of the Trust (in relation to its goals, strategy and competitors) and the performance of the Chief Executive Officer and other executive officers of the Trust, offering each officer constructive advice and feedback. When it is appropriate or necessary, it is the Board’s responsibility to remove the Chief Executive Officer or any other executive officer of the Trust and to select such officer’s successor.

**Selection of the Chairman of the Board**

The Board does not require the separation of the offices of the Chairman of the Board and the Chief Executive Officer. The Board shall be free to choose its Chairman of the Board in any way that it deems best for the Trust at any given point in time.

## **Lead Independent Trustee**

If the Chairman of the Board is not an Independent Trustee (as defined below), the Trust's Independent Trustees may designate one of the Independent Trustees on the Board to serve as a lead Independent Trustee (the "Lead Independent Trustee"). If the Chairman of the Board is an Independent Trustee then the duties of the Lead Independent Trustee described herein shall be a part of the duties of the Chairman of the Board. The Lead Independent Trustee's duties, if a Lead Independent Trustee is so designated, will include:

- presiding at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the Independent Trustees;
- serving as liaison between the Chairman of the Board and the Independent Trustees;
- approving information sent to the Board;
- approving meeting agendas for the Board;
- approving meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- having the authority to call meetings of the Independent Trustees; and
- if requested by major shareholders, ensuring that he or she is available for consultation and direct communication.

In performing the duties described above, the Lead Independent Trustee, if a Lead Independent Trustee is so designated, is expected to consult with the Chairmen of the appropriate Board committees and solicit their participation in order to avoid diluting the authority or responsibilities of such committee Chairmen.

## **Size of the Board**

The Board believes that it should generally have no fewer than three nor more than 15 trustees. The size of the Board could, however, be increased or decreased by a majority of the entire Board, provided that the number of trustees is never less than the minimum required under Maryland law nor, unless the Trust's Bylaws are amended to allow a larger number of trustees, more than 15. The tenure of office of a trustee will not be affected by any decrease in the number of trustees.

## **Selection of New Trustees**

The Board is responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders. The Nominating and Corporate Governance Committee is responsible for seeking, considering and recommending to the Board candidates qualified to be trustees of the Trust.

When formulating its trustee nomination recommendations, the Nominating and Corporate Governance Committee will consider candidates recommended by shareholders and others, as it deems appropriate. In considering candidates submitted by shareholders, the Nominating and Corporate Governance Committee will take into consideration the needs of the Board and the qualifications of the candidate. The Nominating and Corporate Governance

Committee may establish procedures, from time to time, regarding submission of candidates by shareholders and others.

### **Trustee Qualifications**

The Nominating and Corporate Governance Committee is responsible for assessing the appropriate balance of qualifications required of trustees. The Nominating and Corporate Governance Committee may apply several criteria in recommending nominees. At a minimum, the Committee shall consider (i) whether each such nominee has demonstrated, by significant accomplishment in his or her field, an ability to make a meaningful contribution to the Board's oversight of the business and affairs of the Trust and (ii) the nominee's reputation for honesty and ethical conduct in his or her personal and professional activities. Additional factors which the Committee may consider include a candidate's judgment, skill, objectivity, leadership, integrity, diversity, business or other experience, time availability in light of other commitments and conflicts of interest.

### **Care & Avoidance of Conflicts**

Trustees recognize their obligation individually and collectively to pay careful attention and to be properly informed. In discharging their responsibilities, trustees are entitled to rely on the honesty and integrity of the Trust's executive officers and the Trust's outside advisors and auditors.

Trustees recognize that the avoidance of conflicts is owed to the Trust and its shareholders. Trustees must disclose personal or business interests that involve an actual or potential conflict of interest to the Chairman of the Board. With respect to business opportunities, the provisions of the Trust's Code of Business Conduct and Ethics shall govern the trustees' responsibilities.

### **Confidentiality**

Trustees shall maintain the confidences of materials, presentations and discussions received in connection with his or her service as a Trustee or committee member. Confidential information includes, but is not limited to, proceedings and deliberations of the Board and its committees, information regarding the strategy, business, finances and operations of the Trust (or any of the Trust's partners, vendors, suppliers, customers or other constituents), minutes, reports and materials of the Board and its committees, and other documents identified as confidential by the Trust (other than information that is already in the public domain).

### **Other Trusteeships/Directorships**

The Trust does not have a policy limiting the number of other company boards of trustees/directors upon which a trustee may sit, in general. However, the Nominating and Corporate Governance Committee will consider the number of other company boards, both for profit and not-for-profit, and such other boards (or comparable governing bodies) of which a prospective nominee or a trustee is a member.

The Trust recognizes the substantial time commitments attendant to trusteeship/directorship and expects that the members of its Board be fully committed to devoting such time as is necessary to fulfill their Board responsibilities, both in terms of preparation for, and attendance and participation at, meetings.

No member of the Audit Committee of the Trust may serve on more than two (2) other public company audit committees unless the Board shall determine that such simultaneous service would not impair the trustee's ability to serve effectively on the Audit Committee.

### **Independence of the Board**

The Board shall be comprised of a majority of trustees ("Independent Trustees") who meet the independence requirements of the New York Stock Exchange (the "NYSE").

The Board shall review annually the relationships that each trustee has with the Trust (either directly or as a member, partner, shareholder or officer of an organization that has a relationship with the Trust). Following such annual review, only those trustees whom the Board affirmatively determines have no material relationship with the Trust (either directly or as a member, partner, shareholder or officer of an organization that has a relationship with the Trust) will be considered Independent Trustees, subject to additional qualifications prescribed under the listing standards of the NYSE or under applicable law. The Board will follow the standards set forth in NYSE Rule 303A.02, applied to both the Trust and its affiliates. The Board may adopt categorical standards, from time to time, to assist in its assessment of the independence of trustees. In the event that a trustee becomes aware of any change in circumstances that may result in such trustee no longer being considered independent under the listing standards of the NYSE or under applicable law, the trustees shall promptly inform the Chairman of the Nominating and Corporate Governance Committee.

### **Trustees Who Change Their Present Job Responsibility**

The Board does not believe that trustees who retire or significantly change the position they held when they became a member of the Board should necessarily leave the Board. Promptly following any such event, the trustee must notify the Nominating and Corporate Governance Committee, which shall review the continued appropriateness of the affected trustee remaining on the Board under the circumstances. The affected trustee is expected to act in accordance with the Nominating and Corporate Governance Committee's recommendation following such review.

### **Retirement Policy**

It is the general policy of the Trust that no trustee having attained the age of 77 years shall be nominated for re-election or re-appointment to the Board. However, the Board may determine to waive this policy in individual cases.

### **Trustee Tenure**

In connection with each trustee nomination recommendation, the Nominating and Corporate Governance Committee shall consider the issue of continuing trustee tenure and take

steps as may be appropriate to ensure that the Board maintains an openness to new ideas and a willingness to critically re-examine the status quo. An individual trustee's renomination is dependent upon such trustee's performance evaluation, as well as a suitability review, each to be conducted by the Nominating and Corporate Governance Committee in connection with every trustee nomination recommendation.

### **Board Compensation**

A trustee who is also an officer of the Trust or its affiliates shall not receive additional compensation for such service as a trustee.

The Trust believes that compensation for non-employee Trustees should be competitive and should encourage increased ownership of the Trust's common shares through the payment of a portion of trustee compensation in Trust common shares, options to purchase Trust common shares or similar compensation. The Compensation Committee will periodically review the level and form of the Company's trustee compensation, including how such compensation relates to trustee compensation of companies of comparable size, industry and complexity. Such review will also include a review of both direct and indirect forms of compensation to the Trust's trustees, including any charitable contributions by the Trust to organizations in which a trustee is affiliated and consulting or other similar arrangements between the Trust and a trustee. Changes to trustee compensation will be proposed to the entire Board for consideration.

Trustee's fees (including any additional amounts paid to chairs of committees of the Board and per meeting attendance fees) are the only compensation a member of the Audit Committee may receive from the Trust.

### **Separate Sessions of Independent Trustees**

The Independent Trustees of the Trust shall meet in executive session without management on a regularly scheduled basis. In the event that an Independent Trustee is designated by the Independent Trustees as the Lead Independent Trustee, such trustee shall preside at such executive sessions, or in such trustee's absence, another Independent Trustee designated by the Lead Independent Trustee shall preside at such executive sessions. If no Lead Independent Trustee is designated, the Independent Trustee presiding at such executive sessions will rotate from meeting to meeting among the chairperson of each of the Nominating and Corporate Governance Committee, the Audit Committee and the Compensation Committee, to the extent the trustee is present at the session.

Any interested parties desiring to communicate with the Lead Independent Trustee, if a Lead Independent Trustee is so designated, and the other Independent Trustees regarding the Trust may directly contact such trustees by delivering such correspondence in care of the Trust's Secretary at 8665 East Hartford Drive, Scottsdale, Arizona 85255.

### **Self-Evaluation by the Board**

The Nominating and Corporate Governance Committee will sponsor an annual self-assessment of the Board's performance as well as the performance of each committee of the Board, the results of which will be discussed with the full Board and each committee. The

assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the Trust. The Nominating and Corporate Governance Committee will utilize the results of this self-evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board and making recommendations to the Board with respect to assignments of Board members to various committees.

### **Board Access to Officers, Employees and Independent Advisors**

Board members shall have full and free access to officers and employees of the Trust and, as appropriate, outside advisors of the Trust for purposes of discharging their responsibilities as trustees. Board members will use judgment to assure that this access is not distracting to the business operation of the Trust. Any meetings or contacts that a trustee wishes to initiate should be arranged through the Chief Executive Officer. The Board welcomes regular attendance at each Board meeting of senior officers of the Trust.

In addition, the Board and its committees shall have access to, and authority to engage, at the Trust's expense, independent financial, legal, accounting and other advisors.

### **Board Interaction with Institutional Investors, Analysts, Press and Customers**

It is the policy of the Board that senior management speaks for the Trust and the Chairman of the Board speaks for the Board. Inquiries about the Trust by shareholders, analysts, members of the press or any other person are to be referred to senior management of the Trust. Individual trustees may from time to time meet with or communicate with various constituents with which the Trust is involved. It is expected that Board members would do this with the prior knowledge of senior management and, absent unusual circumstances or as otherwise contemplated by these Guidelines, only at the request of senior management.

### **Board Orientation and Continuing Education**

The Trust shall provide trustees elected to the Board after the adoption of these Guidelines with a trustee orientation program to familiarize such trustees with, among other things, the Trust's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, allocation policies, code of business conduct and ethics, corporate governance guidelines and statement of policy against insider trading. Each trustee is encouraged to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a trustee.

### **Trustee Attendance at Annual Meeting of Shareholders**

Trustees are invited and generally expected to attend the Trust's annual meeting of shareholders.

## **BOARD MEETINGS**

### **Frequency of Meetings**

There shall be at least four regularly scheduled meetings of the Board each year. At least one regularly scheduled meeting of the Board shall normally be held each quarter.

### **Selection of Agenda Items for Board Meetings**

The Chairman of the Board and the Lead Independent Trustee, if any, in consultation with the Chief Executive Officer, will set the agenda for Board meetings, and distribute it to all trustees in advance. Each Board member shall be free to suggest inclusion of items on the agenda as well as free to raise at any Board meeting subjects that are not specifically on the agenda for that meeting.

### **Board Materials Distributed in Advance**

Information and materials that are important to the Board's understanding of the agenda items and other topics to be considered at a Board meeting should, to the extent practicable, be distributed sufficiently in advance of the meeting to permit prior review by the trustees. In the event of a pressing need for the Board to meet on short notice, or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting.

## **COMMITTEE MATTERS**

### **Number and Names of Board Committees**

The Trust shall have three standing committees: the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee. The purpose and responsibilities for the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee shall be outlined in committee charters adopted by the Board. The Board may want, from time to time, to form a new committee or disband a current committee depending on circumstances. In addition, the Board may determine to form ad hoc committees from time to time and determine the composition and areas of competence of such committees.

### **Independence of Board Committees**

Each of the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee shall be composed entirely of Independent Trustees satisfying applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such committee.

### **Assignment and Rotation of Committee Members**

The Nominating and Corporate Governance Committee shall be responsible for recommending to the Board nominees for each committee thereof on an annual basis. After

reviewing the Nominating and Corporate Governance Committee's recommendations, the Board shall be responsible for appointing the Chairman of each committee and members to the committees on an annual basis.

The Nominating and Corporate Governance Committee shall annually review the Committee assignments and shall consider the rotation of the Chairman and members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various trustees.

### **Evaluation of Chief Executive Officer**

The Board, acting through the Compensation Committee, will evaluate annually the performance of the Chief Executive Officer. The Compensation Committee shall establish policies, principles and procedures for the evaluation of the Chief Executive Officer. Such evaluation shall be based on objective criteria, including performance of the Trust, accomplishment of long term strategic objectives and development of management. The evaluation shall solicit the views of the Independent Trustees regarding the Chief Executive Officer's performance. The Chairman of the Compensation Committee and the Lead Independent Trustee, if a Lead Independent Trustee is so designated, shall communicate the evaluation to the Chief Executive Officer.

### **Succession Planning**

The Board shall plan for the succession to the position of the Chief Executive Officer. To assist the Board, the Chief Executive Officer shall prepare and distribute to the Board any materials, including recommendations and evaluations of potential successors, that the Chief Executive Officer deems necessary or that the Board shall request from time to time.

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