

Nominating and Corporate Governance Committee Charter

Committee Membership

The Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Sunstone Hotel Investors, Inc. (the “Company”) shall consist solely of two or more members of the Board, each of whom the Board has determined has no material relationship with the Company and each of whom is otherwise “independent” under the rules of the New York Stock Exchange, subject to any available exception.

The members of the Committee shall be appointed by the Board. Members shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

Committee Purpose and Responsibilities

The Committee shall have the purpose and responsibilities to:

1. Make recommendations to the Board from time to time as to changes that the Committee believes to be desirable to the size of the Board or any committee thereof.
2. Identify individuals believed to be qualified to become Board members, consistent with criteria approved by the Board, and recommend to the Board, the nominees to stand for election as directors at the annual meeting of stockholders or, if applicable, at a special meeting of stockholders. In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board an individual to fill such vacancy either through appointment by the Board or through election by stockholders. In selecting or recommending candidates, the Committee shall take into consideration the criteria approved by the Board, which are set forth in the Company’s Corporate Governance Guidelines and such other factors as it deems appropriate, including any agreements relating to the nomination of directors to which the Company is a party. The Committee shall consider all candidates recommended by the Company’s shareholders in accordance with the procedures set forth in the Company’s annual proxy statement, including the Articles of Amendment and Restatement, Amended and Restated Bylaws and Corporate Governance Guidelines. The Committee may consider candidates proposed by management, but is not required to do so.
3. Develop and recommend to the Board standards to be applied in making determinations as to the absence of material relationships between the Company and a director.
4. Identify Board members qualified to fill vacancies on any committee of the Board (other than the Committee) and to recommend that the Board appoint the identified member or members to the respective committee. In nominating a candidate for committee membership, the Committee shall take into consideration the factors set forth in the charter of that committee, if any, as well as any other factors it deems appropriate, including without limitation the consistency of the candidate’s experience with the goals of the committee and the interplay of the candidate’s experience with the experience of other committee members.

5. In appropriate circumstances, the Committee shall evaluate and may recommend the removal of individual directors (in accordance with the Company's certificate of incorporation, bylaws, Corporate Governance Guidelines, this charter and the charters of the Company's other committees), for cause or other appropriate reasons.
6. Establish procedures for the Committee to exercise oversight of the evaluation of the Board and management.
7. Develop and recommend to the Board a set of corporate governance principles applicable to the Company, and to review those principles at least once a year.
8. Conduct or authorize inquiries into any matters within the scope of its responsibilities as it shall deem appropriate.
9. Review conflicts or potential conflicts between the Company on the one hand, and any of the Company's directors, officers or employees, on the other hand.
10. Conduct and issue the evaluation required under "Performance Evaluation" below.
11. Oversee the Company's Corporate Responsibility including environmental sustainability, social responsibility, and corporate governance ("ESG").
 - (i) Oversee the Company's policies, programs and strategies related to environmental stewardship, responsible investment, corporate citizenship, human rights, human capital management and other social and public matters of significance to the Company.
 - (ii) Review and monitor the development and implementation of the goals and metrics the Company may establish from time to time with respect to its sustainability and corporate responsibility framework and initiatives. The committee shall also monitor the Company's progress and performance against those goals and metrics.
12. Assist management in the preparation of the disclosure in the Company's annual proxy statement regarding the operations of the Committee.
13. Review stockholder proposals relating to corporate governance and corporate and social responsibility matters and recommend a response.
14. Periodically review the Board leadership structure to assess whether it is appropriate given the specific characteristics and circumstances of the Company and recommend any proposed changes to the Board.
15. Report to the Board on a regular basis, and not less than once per year.
16. Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the nomination of Board and committee members.

Committee Structure and Operations

The Committee shall designate one member of the Committee as its chairperson. The chairperson (or in his or her absence, a member designated by the chairperson) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall meet at least once a year at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. Members of the Committee may participate in a meeting of the Committee by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present.

Delegation to Subcommittee

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee (including a subcommittee consisting of a single member).

Performance Evaluation

The Committee shall conduct and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this charter. The performance evaluation shall also recommend to the Board any improvements to the Committee's charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management. With respect to consultants or search firms used to identify director candidates, this authority shall be vested solely in the Committee. The Committee shall have the authority to invite any officer, employee, or advisor of the Company to meet with the Committee or any consultants retained by the Committee.