

NorthStar Realty Europe Corp.
Audit Committee Charter

The Audit Committee of the Board of Directors (the “Committee”) of NorthStar Realty Europe Corp. (the “Company”) monitors the integrity of the financial statements of the Company and the qualifications, independence and performance of the independent auditors. Additionally, the Committee has oversight responsibility for the performance of the Company’s internal audit function and compliance with legal and regulatory requirements.

PURPOSE

The Committee is appointed by the Company’s Board of Directors (the “Board”) to assist the Board in its oversight of: (1) the integrity of the Company’s financial statements and its financial reporting and disclosure practices; (2) the soundness of the Company’s systems of internal controls regarding finance and accounting compliance; (3) the independence and qualifications of the Company’s independent auditors; (4) the performance of the Company’s internal audit function and its independent auditors; and (5) the Company’s compliance with legal and regulatory requirements.

COMMITTEE MEMBERSHIP

The Committee shall consist of at least three directors. The members of the Committee shall meet the independence and experience requirements of the New York Stock Exchange (“NYSE”), Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”) and the rules and regulations of the Securities and Exchange Commission (the “Commission”). At least one member of the Committee must be an “audit committee financial expert,” as defined by the Commission pursuant to the Sarbanes-Oxley Act of 2002 (the “Act”), and all members of the Committee must be “financially literate” in accordance with the listing standards of the NYSE. If the Board has determined that a member of the Audit Committee is an “audit committee financial expert,” it may presume that such member has “accounting or related financial management expertise” in accordance with the listing standards of the NYSE. Determinations of independence, audit committee financial expertise, financial literacy and accounting or related financial management experience shall be made by the Board. A member’s simultaneous service on the audit committees of more than two other public companies requires a Board determination that such simultaneous service does not impair the ability of such member to effectively serve on the Company’s Committee. Any such determination must be disclosed in the Company’s annual proxy statement.

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee, with one of the members appointed as Committee Chairperson. Any vacancy on the Committee shall be filled by majority vote of the Board. No member of the Committee shall be removed except by majority vote of the Board.

MEETINGS

The Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall meet periodically in separate executive sessions with each of management, the Company's independent auditors and the persons responsible for the Company's internal audit function. The Committee may request any officer or employee (if any) of the Company, any independent contractor, any officer or employee (if any) of CNI NRE Advisors, LLC (the "Manager") who provide services to the Company, any officer or employee of Colony Capital, Inc. or its affiliates (collectively, "CLNY") who provides services to the Manager or the Company or any officer or employee of the Company's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Minutes of each meeting shall be taken and recorded and shall be reported regularly to the Board, as appropriate. Actions may be taken by unanimous written consent when deemed necessary or desirable by the Committee. Members of the Committee may participate in a meeting by conference call or similar means.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum. The Committee may act by a majority of the members present at a meeting of the Committee. In the event of a tie vote on an issue, the Committee Chairperson's vote shall decide the issue.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Committee shall perform the duties assigned to it by this Charter and the Company's Bylaws and by the Board of Directors.

The Committee shall have the sole authority to appoint or replace the independent auditors (subject to stockholder ratification). The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditors are ultimately accountable to the Committee and the Board of Directors and shall report directly to the Committee.

The Committee shall preapprove all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditors, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act, which should be approved by the Committee prior to the completion of the audit. Non-audit services need not be approved in advance only if: (a) the aggregate amount of all such non-audit services are not more than 5% of all amounts paid to the independent auditors during the fiscal year; (b) they were not recognized to be non-audit services at the time of the engagement; and (c) they are promptly brought to the attention of the Committee and approved prior to the completion of the audit.

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit and permitted

non-audit services, provided that decisions of such subcommittee to grant preapprovals shall be presented to the full Committee at its next scheduled meeting.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of: (a) compensation to the independent auditors for the purpose of rendering or issuing an audit report or performing other audit, review, or attest services for the Company; (b) compensation to any advisers employed by the Committee who are determined by the Committee to be necessary to carrying out its duties; and (c) ordinary administrative expenses of the Committee.

The Committee shall report regularly to the Board, including with respect to any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the internal audit function.

FINANCIAL STATEMENT AND DISCLOSURE MATTERS

The Committee, to the extent it deems necessary or appropriate, shall:

1. Review and discuss the Company's quarterly financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," with management and the independent auditors prior to the filing of the Company's Quarterly Reports on Form 10-Q, including a discussion with the independent auditors of the matters required to be discussed by Statement on Auditing Standards Standard No. 100, as it may be amended.
2. Review and discuss the Company's annual financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," with management and the independent auditors prior to the filing of the Company's Annual Reports on Form 10-K, including a discussion with the independent auditors of the matters required to be discussed by Auditing Standard No. 16, as it may be amended.
3. Discuss with management and the independent auditors significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
4. Review and discuss with management and the Company's independent auditors quarterly reports from the independent auditors on:
 - (a) all critical accounting policies and practices to be used;
 - (b) significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of the

alternative disclosures and treatments, and the treatment preferred by the independent auditors;

- (c) any other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences and management's subsequent response;
 - (d) any accounting adjustments that were noted or proposed by the independent auditor but were "passed" (as immaterial or otherwise);
 - (e) any significant written communication between the audit team and the independent auditor's national office respecting auditing or accounting issues presented by the engagement; and
 - (f) any material financial arrangements of the Company which do not appear on the financial statements of the Company.
5. Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made) rather than specifically as to individual press releases, analysts and rating agencies.
 6. Discuss with the independent auditors the matters required to be discussed by Auditing Standard No. 16 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
 7. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees (if any) of the Company, independent contractors, management or other employees (if any) of the Manager and management or other employees of CLNY who provide services to the Manager or the Company and who have a significant role in the Company's internal controls.
 8. Discuss with management and the relevant persons or departments of the Company, including the persons responsible for the Company's internal audit function, the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
 9. Resolve any disagreements between management and the independent auditors regarding financial reporting.

10. Discuss with management and the independent auditors the effect of applicable regulations and accounting profession initiatives as well as off-balance sheet structures on the Company's financial statements.
11. Prepare the report required by the rules of the Commission to be included in the Company's annual proxy statement.

OVERSIGHT OF THE COMPANY'S RELATIONSHIP WITH THE INDEPENDENT AUDITORS

The Committee, to the extent it deems necessary or appropriate, shall:

1. Review the performance of the Company's independent auditors, including the lead partner of the independent auditors, and, in its sole discretion (subject, if applicable, to stockholder ratification), make decisions regarding the replacement or termination of the independent auditors when circumstances warrant.
2. Obtain from the independent auditors annually a formal written statement of the fees billed in each of the last two fiscal years for each of the following categories of services rendered by the independent auditors: (a) the audit of the Company's annual financial statements and the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q or services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements; (b) assurance and related services not included in clause (a) that are reasonably related to the performance of the audit or review of the Company's financial statements, in the aggregate and by each service; (c) tax compliance, tax advice and tax planning services, in the aggregate and by each service; and (d) all other products and services rendered by the independent auditors, in the aggregate and by each service.
3. Obtain and review a report from the independent auditors at least annually regarding:
 - (a) the independent auditors' internal quality control procedures;
 - (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the independent auditors;
 - (c) any steps taken to deal with any such issues;
 - (d) all relationships between the independent auditors and the Company; and
 - (e) any matters set forth in a letter from the independent auditors required by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB").
4. Evaluate the qualifications, performance and independence of the independent auditors, including considering whether the auditors' quality controls are adequate and the provision

of permitted non-audit services is compatible with maintaining the auditors' independence and taking into account the opinions of management and the persons responsible for the Company's internal audit function. The Committee shall present its conclusions with respect to the independent auditors to the Board.

5. Approve in advance any hiring of employees or former employees of the independent auditors.
6. Evaluate the independence of the Company's independent auditors.
7. Meet with the independent auditors prior to the audit to discuss the planning and staffing of the audit.
8. Discuss with the independent auditors any significant issues arising from the most recent PCAOB inspection of the independent auditors, to the extent relevant to the Company, including the independent auditors' response to any identified accounting deficiencies, along with any other communications from the independent auditors to the Committee required by or referred to in PCAOB or other applicable standards.

OVERSIGHT OF THE COMPANY'S INTERNAL AUDIT FUNCTION

The Committee, to the extent it deems necessary or appropriate, shall:

1. Review the appointment and replacement of the persons responsible for the Company's internal audit function.
2. Review the significant issues raised in reports to management prepared by the persons responsible for the Company's internal audit function and management's responses.
3. Review at least annually the internal audit personnel with management and the independent auditors and the mission, responsibilities, independence, budget and staffing and any recommended changes in the planned scope of the internal audit.
4. Review the Committee's level of involvement and interaction with the Company's internal audit function, including the Committee's line of authority and role in appointing and compensating the persons responsible for the Company's internal audit function.
5. Approve any recommendation to outsource the internal audit function to an external firm prior to management's implementation of that recommendation.

COMPLIANCE OVERSIGHT RESPONSIBILITIES

The Committee, to the extent it deems necessary or appropriate, shall:

1. Review the Company's policies relating to the ethical handling of conflicts of interest. The Committee shall also review reports and disclosures of related party transactions and consider any potential conflicts of interest involving the Company's executive officers or any member of the Board. The Committee shall review and approve any related party

transaction between the Company and any of the Company's executive officers and/or any member of the Board. In the event any such related party transaction involves a member of the Committee, the transaction must be approved by a majority of the disinterested members of the Committee. The Committee shall consider the results of any review of these policies and procedures by the Company's independent auditors.

2. Meet periodically with the Company's general counsel, and outside counsel when appropriate, to review legal and regulatory matters, including: (a) any matters that may have a material impact on the financial statements of the Company; and (b) any matters involving potential material violations of law or breaches of fiduciary duty by the Company or any of its directors, officers, employees (if any), independent contractors, officers or employees (if any) of the Manager, employees of CLNY who provide services to the Manager or the Company or agents.
3. Obtain from the independent auditors assurance that Section 10A(b) of the Exchange Act has not been implicated. Section 10A(b) relates to illegal acts that have come to the attention of the independent auditors during the course of the audit.
4. Review reports and disclosures of insider and affiliated party transactions.
5. Review with management the progress and results of all internal audit projects, and, when deemed necessary or appropriate by the Committee, direct the Company's chief executive officer to assign additional internal audit projects to the persons responsible for the Company's internal audit function.
6. Review with management the Company's administrative, operational and accounting internal controls, including any special audit steps adopted in light of the discovery of material control deficiencies.
7. Receive periodic reports from the Company's independent auditors, management and the persons responsible for the Company's internal audit function to assess the impact on the Company of significant accounting or financial reporting developments that may have a bearing on the Company.
8. Review and discuss with the independent auditors the results of the year-end audit of the Company, including any comments or recommendations of the Company's independent auditors and, based on such review and discussions and on such other considerations as it determines appropriate, recommend to the Board whether the Company's financial statements should be included in the Annual Report on Form 10-K.
9. Establish and maintain free and open means of communication between and among the Committee, the Company's independent auditors, management and the persons responsible for the Company's internal audit function, including providing such parties with appropriate opportunities to meet separately and privately with the Committee on a periodic basis.
10. Establish and implement procedures for: (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or

auditing matters; and (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

11. Review the reports that result from the examinations of the Company conducted by federal or state regulatory agencies or rating agencies.
12. Discuss with management and the independent auditors any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
13. Report regularly to the Board on its activities, as appropriate. In connection therewith, the Committee should review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the internal audit function.
14. Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

OUTSIDE COUNSEL OR OTHER CONSULTANTS

In connection with its duties and responsibilities, the Committee shall have the authority to retain outside legal, accounting or other advisors, including the authority to approve the fees payable by the Company to such advisors and other retention terms.

LIMITATION OF AUDIT COMMITTEE'S ROLE

The Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and the independent auditors are responsible for auditing those financial statements. Management is responsible for the fair presentation of the information set forth in the financial statements in conformity with GAAP. The independent auditors' responsibility is to provide their opinion, based on their audits, that the financial statements fairly present, in all material respects, the financial position, results of operations and cash flows of the Company in conformity with GAAP. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in conformity with GAAP. Further, it is not the duty of the Committee to assure compliance with applicable laws and regulations or the Company's Code of Business Conduct and Ethics.

ANNUAL REVIEW OF THE CHARTER AND PERFORMANCE

The Committee shall annually review its performance. In addition, the Committee shall review and reassess the adequacy of this Charter annually and recommend to the Board any changes it considers necessary or advisable. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and

length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter.