

TREMONT MORTGAGE TRUST

GOVERNANCE GUIDELINES

Adopted April 25, 2018

The following Governance Guidelines (the “Guidelines”) have been adopted by the Board of Trustees (the “Board”) of Tremont Mortgage Trust (the “Company”), with the recommendation of the Nominating and Governance Committee of the Board, to assist the Board in the exercise of its responsibilities. These Guidelines reflect the Board’s commitment to monitor the effectiveness of policy and decision making both by the Board and by Company management. These Guidelines are in addition to and are not intended to change or interpret any provision of the Company’s Declaration of Trust or Bylaws or applicable law. The Guidelines may be modified by the Board from time to time.

I. GENERAL QUALIFICATIONS STANDARDS FOR THE BOARD

Size of the Board

The size and composition of the Board should be appropriate for effective deliberation of issues relevant to the Company’s businesses and related interests, and shall be determined in accordance with the Company’s Declaration of Trust and Bylaws and applicable law.

Nomination and Selection of Trustees

The Board as a whole will be responsible for developing and approving criteria for candidates for Board membership. The Nominating and Governance Committee will be responsible for seeking candidates to become Board members, consistent with criteria approved by the Board, and for recommending candidates to the entire Board for nomination or selection as Board members. The Board as a whole will be responsible for nominating individuals for election to the Board by the shareholders and for filling vacancies on the Board but may not nominate or appoint any individual who has not been recommended by the Nominating and Governance Committee.

The Nominating and Governance Committee will, in its discretion, consider candidates for nominees as Trustees that are recommended by shareholders in accordance with the Charter of the Nominating and Governance Committee.

Nominees for Trustee will be selected on the basis of, among other criteria the Nominating and Governance Committee and the Board may determine, their integrity, experience, achievements, judgment, intelligence, competence, personal character, ability to make independent analytical inquiries, willingness to devote adequate time to Board duties and likelihood that they will be able to serve on the Board for a sustained period. In connection with the selection of nominees for Trustee, due consideration will be given to the Board’s overall balance of diversity of perspectives, backgrounds and experiences.

Independence

The Board will be comprised of a sufficient number of Trustees that meet any applicable independence or other qualification requirements of The Nasdaq Stock Market LLC (the “Nasdaq”), the Securities and Exchange Commission (the “SEC”), the Company’s governing documents or any other applicable law or regulation.

The full Board will make affirmative determinations of the independence of each Trustee. Such determinations shall be made using the standards and processes approved and adopted from time to time by the full Board. Such determinations, as well as the standards and processes applied in making them, may be disclosed to shareholders in accordance with the rules and regulations of the Nasdaq and the SEC.

Time Commitment

Trustees are expected to devote sufficient time to fulfill their responsibilities as Trustees.

Trustee Term Limits

The Board does not favor term limits, due to the valuable expertise and knowledge that experienced Board members can bring to the Company, but the Board believes that it is important to monitor overall Board performance.

II. TRUSTEE RESPONSIBILITIES

The Board is responsible for the strategic direction, oversight and control of the Company. In carrying out its responsibilities, the Board will exercise sound, informed and independent business judgment. The Board recognizes that to do so requires individual preparation by each Trustee and group deliberation by the Board. The Board’s responsibilities include both decision making and oversight.

Among other things, the Board’s decision making responsibilities include:

- review and approval of the Company’s mission, strategies, objectives and policies, as developed by management;
- the selection of nominees for Board membership (upon recommendation of the Nominating and Governance Committee);
- the selection and evaluation of the Chief Executive Officer of the Company (to the extent not overseen by a committee of the Board);
- the approval of material investments or divestitures, strategic transactions, and other significant transactions that are not in the ordinary course of the Company’s business; and
- the evaluation of the performance of the Board and its committees (as overseen by the Nominating and Governance Committee).

Among other things, the Board's oversight responsibilities include monitoring:

- the Company's compliance with legal requirements (including through the Audit Committee of the Board) and ethical standards;
- the performance of the Company;
- the Company's risk management function;
- the development of leaders and sound succession plans;
- the performance and effectiveness of the officers of the Company and of the management services provider to the Company (the "Manager") (to the extent not overseen by a committee of the Board); and
- the Company's financial reporting and disclosure processes and internal controls (including through the Audit Committee).

Among other things, the Board expects each Trustee to:

- understand the Company's business;
- regularly attend meetings of the Board and the applicable committees of the Board and the Company's annual meeting of shareholders;
- review and understand the materials provided in advance of meetings and any other materials provided to the Board from time to time;
- actively, objectively and constructively participate in meetings and the strategic decision making process;
- share his or her perspective, background, experience, knowledge and insights as they relate to the matters before the Board and the applicable committees of the Board; and
- be reasonably available when requested to advise management on specific issues not requiring the attention of the full Board but where an individual Trustee's insights might be helpful to management.

III. BOARD MEETINGS AND COMMUNICATIONS

Meetings

The Board generally meets at least four times per year, on dates selected and upon notice as provided by the Company's Bylaws.

Agenda

The Managing Trustees (as defined in the Company's Declaration of Trust), in consultation with the Company's management and the Director of Internal Audit, shall set the agenda for Board meetings. Other Trustees may suggest agenda items. The Director of Internal Audit, with the assistance of Company management, shall propose the agenda for committee meetings under the oversight and direction of the Committee Chairs. Whenever reasonably possible, agenda and other information and materials that are important to the Trustees' understanding of the business to be conducted at a meeting of the Board or a committee of the Board should be distributed to the applicable Trustees prior to the meeting, in order to provide sufficient time for review beforehand, although it is recognized that this timing may not be possible in circumstances where the Board or a committee of the Board needs to meet on short notice or in order to preserve the confidential or sensitive nature of certain information.

Executive Sessions

The Independent Trustees (as defined in the Company's Declaration of Trust) will have regularly scheduled meetings at which only Independent Trustees are present; it is expected that such executive sessions may occur at least twice per year. The presiding Trustee for purposes of leading Independent Trustees sessions will be the Chair of the Audit Committee unless the Independent Trustees determine otherwise.

Board and Board Member Communications with Institutional Investors and Other Stakeholders

The Board believes that it is the responsibility of designated senior management and the Managing Trustees to speak for the Company and to establish effective communication with the Company's various stakeholder groups, *i.e.*, institutional investors and other shareholders, analysts, customers, labor representatives, suppliers, media, government and business partners.

Absent unusual circumstances and without the prior approval of the Board, Independent Trustees should not meet or otherwise communicate with the Company's stakeholders. If held, any such meeting shall be held on such conditions as the Board determines may be appropriate.

The Company will disclose in its annual proxy statement a method for security holders of the Company or other interested parties to send communications to the Trustees, individually or as a group.

Trustees are subject to the confidentiality provisions of the Company's Code of Business Conduct and Ethics and should maintain the confidentiality of all non-public Company matters and materials.

IV. BOARD COMMITTEES

Audit, Compensation and Nominating and Governance Committees

The Board has three standing committees: (i) the Audit Committee; (ii) the Compensation Committee; and (iii) the Nominating and Governance Committee. The composition, responsibilities and authority of the standing committees shall be as provided in the applicable

committee charter, which charters shall be approved by the Board. Each standing committee shall report periodically to the Board on its meetings and activities.

Other Committees

The Board may also establish such other committees as it deems appropriate and delegate to those committees any authority permitted to be delegated pursuant to the Company's Declaration of Trust or Bylaws or applicable law as the Board sees fit, other than the responsibilities delegated to the existing committees in their charters or reserved to the full Board. All standing Board committees shall be chaired by an Independent Trustee. Pricing committees of the Board established in connection with offerings of securities will ordinarily consist of the Managing Trustees.

Assignment and Rotation of Committee Members

The Board shall be responsible for the assignment of Board members to various standing committees. The Board shall be responsible for appointing the members to the standing committees on an annual basis. The Board may designate the chair for each committee or may delegate the power to make such designation to the committee. The Board shall annually review the responsibilities and membership for each standing committee. Standing committee chairs should be rotated if rotation is likely to increase committee performance or facilitate committee work. In appointing Board members to, designating the chair of or delegating the power to designate the chair of or annually reviewing the responsibilities and membership of, the standing committees, the Board shall consider the recommendations of the Nominating and Governance Committee, if any.

V. TRUSTEE ACCESS TO MANAGEMENT AND INDEPENDENT ADVISERS

Access to the Company's Management

Each Trustee shall have complete access to the Company's management and to the management of the Manager. Each of the Company's management and the management of the Manager will make himself/herself available to answer the Trustees' questions about the Company between meetings at reasonable times.

Independent Advisers

The Board and any committee of the Board may engage and consult with financial, legal, or other independent advisers as they may deem necessary, at the Company's expense, without consulting or obtaining the approval of any of the officers of the Company in advance.

VI. TRUSTEE COMPENSATION AND SHARE OWNERSHIP GUIDELINES

Trustee Compensation

The Board shall review annually the compensation paid to Trustees, and shall determine the amount of cash compensation payable to Trustees for Board and Committee membership. The Compensation Committee shall determine the amount of equity based compensation payable to

Trustees. Trustees who are employees of the Company or any of its subsidiaries or the Manager or any of its affiliates shall not receive any cash compensation for their service as Trustees, but shall be eligible to receive equity based compensation as determined by the Compensation Committee.

Share Ownership Guidelines

The Board believes it is important to align the interests of Trustees with those of the Company's shareholders, and for Trustees to hold equity ownership positions in the Company. Accordingly, each Trustee is expected to retain, whether vested or not, at least 20,000 common shares of the Company by the later of: (a) the date of the 2023 annual meeting of shareholders of the Company and (b) five years from the annual meeting of shareholders of the Company at which the Trustee was initially elected or, if earlier, the first annual meeting of shareholders of the Company following the initial appointment of the Trustee to the Board. Compliance with these ownership guidelines will be measured as of the end of each fiscal year. Any Trustee who is prohibited by law or by applicable regulation of his or her employer from owning equity in the Company shall be exempt from this requirement. The Nominating and Governance Committee may consider whether exceptions should be made for any Trustee on whom this requirement could impose a financial hardship.

To facilitate this objective, a portion of each Trustee's compensation should be paid in common shares or other forms of compensation that correlate with the market value of the Company. In determining the amount and composition of the compensation of the Trustees, the compensation of Trustees of other comparable enterprises, both with respect to size and industry, may be considered.

VII. TRUSTEE ORIENTATION AND CONTINUING EDUCATION

Trustee Orientation

Materials and briefings are provided to new Trustees, on an individual basis, to permit them to become familiar with the Company's business, industry and governance practices.

Continuing Education

Each Trustee is expected to maintain the necessary level of expertise to perform his or her responsibilities as a Trustee. The manner by which each Trustee maintains the necessary level of expertise is left to his or her discretion. To the extent a Trustee wishes to attend continuing education programs, it is the Company's policy to reimburse the Trustee for his or her expenses incurred in connection with attendance at that program, which would be limited to the Trustee's out of pocket costs of attendance, including program enrollment fees, travel and lodging, as appropriate. All such expenditures must be approved in the manner provided in the Charter of the Nominating and Governance Committee.

VIII. EXECUTIVE DEVELOPMENT AND SUCCESSION PLANNING

Evaluation of Management

The Compensation Committee shall develop and implement an annual process for evaluating the performance of the Chief Executive Officer, any President, Chief Financial Officer and Treasurer of the Company and the management of the Manager.

Management Succession Planning

The Nominating and Governance Committee should make an annual report to the Board on succession planning in the event of an emergency or the retirement, resignation or removal of the Chief Executive Officer, any President, Chief Financial Officer and Treasurer or the Managing Trustees of the Company or the management of the Manager. In the event of a succession, the entire Board may work with the Nominating and Governance Committee, or the Independent Trustees, as applicable, to nominate and evaluate potential successors.

IX. RELATED PERSON TRANSACTIONS

Neither the Company nor any of its subsidiaries shall enter into any transaction in which any Trustee or executive officer of the Company, any member of the immediate family of any Trustee or executive officer of the Company or any other related person, has or will have a direct or indirect material interest, unless that transaction has been disclosed or made known to the Board and the Board reviews, authorizes and approves or ratifies the transaction by the affirmative vote of a majority of disinterested Trustees, even if the disinterested Trustees constitute less than a quorum. If there are no disinterested Trustees, the transaction shall be reviewed, authorized and approved or ratified by both (1) the affirmative vote of a majority of the entire Board and (2) the affirmative vote of a majority of the Independent Trustees. In determining whether to approve or ratify a transaction, the Board or disinterested Trustees or Independent Trustees, as the case may be, shall act in accordance with the Company's Declaration of Trust and Bylaws and applicable law, and shall consider all of the relevant facts and circumstances, and shall approve only those transactions that are fair and reasonable to the Company.

The compensation of Trustees and the executive officers of the Company shall be determined in accordance with the procedures outlined in the Charter of the Compensation Committee.

The review, amendment or termination of the Company's management agreement with the Manager, or compensation or expense reimbursement payable by the Company thereunder or requiring Independent Trustee approval as provided thereunder, shall be performed by the Compensation Committee or such other committee of the Board consisting solely of Independent Trustees as may be designated by the Board and in compliance with such agreement.

X. ANNUAL PERFORMANCE EVALUATION OF THE BOARD

Self-Evaluation by the Board

Each year, the Board will conduct a self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Governance Committee shall be responsible for overseeing the process for such evaluation and shall report the results of the evaluation to the Board. The Board will discuss the evaluation report to determine what, if any, action could improve Board and committee performance.

Evaluation of the Governance Guidelines

The Board recognizes that these Guidelines must continue to evolve to meet the changing needs of the Company and its shareholders and changing requirements. The Board, upon the recommendations of the Nominating and Governance Committee, after reviewing and reassessing the adequacy of these Guidelines, will determine whether any changes are appropriate.

XI. MISCELLANEOUS

These Guidelines amend in their entirety and replace the governance guidelines as heretofore in effect.

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