

SUNRISE SENIOR LIVING, INC.

GOVERNANCE AND COMPLIANCE COMMITTEE CHARTER

Effective March 16, 2008

Purpose

The Governance and Compliance Committee is appointed by the Board to (1) assist the Board in fulfilling its oversight responsibilities relating to the Company's compliance with applicable laws, regulations and standards, sound ethical standards and ethics programs and policies as established by management and the Board; (2) direct and monitor management implementation of a corporate-wide compliance program; (3) provide continued oversight of the corporate-wide compliance program; (4) review related party transactions; (5) oversee the evaluation of the Board's governance process and the evaluation of the Board and management; and (6) assist the Board in respect of such other matters as are set forth in this Charter and as may be delegated by the Board to the Governance and Compliance Committee from time to time.

Committee Membership

The Governance and Compliance Committee shall consist of no fewer than three members of the Board. The members of the Governance and Compliance Committee shall meet the independence requirements of the New York Stock Exchange applicable to nominating/corporate governance committees thereunder.

The members of the Governance and Compliance Committee shall be appointed by the Board on the recommendation of the Nominating Committee. The members of the Governance and Compliance Committee may be replaced by the Board. Membership on the Governance and Compliance Committee shall be subject to the committee member rotation policy set forth in the Company's Corporate Governance Guidelines.

Committee Powers, Authority, Duties and Responsibilities

1. *Compliance Program.* The Governance and Compliance Committee shall direct and monitor management's implementation of a corporate-wide compliance program for the Company, which program shall address compliance with applicable laws, regulations, standards, and ethics programs and policies, and such other matters that the Governance and Compliance Committee considers appropriate (the "Compliance Program"). As part of its monitoring and oversight function, the Governance and Compliance Committee shall:
 - (i) periodically review and assess the effectiveness of the Compliance Program and recommend improvements where appropriate,
 - (ii) review, approve and recommend to the Board a revised Code of Conduct,

- (iii) review and approve the appointment and/or replacement of the Chief Compliance Officer, who shall have a direct reporting line to the Governance and Compliance Committee, and assist the Chief Compliance Officer in establishing the Compliance Office,
- (iv) regularly meet with the Chief Compliance Officer regarding the implementation and effectiveness of the Compliance Program, including ensuring that the Compliance Program is well communicated, that all annual employee certifications of the revised Code of Conduct are obtained, and that the Company's policies, procedures and other internal systems are reviewed to ensure that they are in compliance with the revised Code of Conduct and relevant laws, and are in alignment with the overall Compliance Program,
- (v) review quarterly reports from the Chief Compliance Officer on on-going compliance training programs,
- (vi) receive quarterly reports from the Chief Compliance Officer on calls to the Company's anonymous Hotline and other sources to verify that each complaint is properly reviewed, investigated and resolved,
- (vii) direct management to bring all reports of possible fraud or potential unethical or improper activities to the attention of the Governance and Compliance Committee and to the attention of the Audit Committee and to monitor investigations, as appropriate,
- (viii) receive reports, as the Governance and Compliance Committee determines appropriate, on discipline imposed by the Company to ensure that discipline is fair and consistent across the Company,
- (ix) oversee the implementation of, including approval of, a written policy regarding business usage of corporate aircraft, receive regular reports from the Compliance Officer on use of corporate aircraft and adherence to the written policy and evaluate the continuing need for corporate aircraft on an annual basis, based on, among other things, the Governance and Compliance Committee's independent assessment of cost and business need;
- (x) review with counsel legal matters that are brought to the Governance and Compliance Committee's attention and that may have a material impact on the Company's Compliance Program or inquiries received from regulatory bodies;
- (xi) Obtain and review reports from management, the General Counsel, the Chief Compliance Officer and the independent auditor (through coordination with the Chair of the Audit Committee) regarding the Company's Compliance Program; and
- (xii) periodically report to the Board regarding the implementation and efficacy of the Compliance Program, including its adequacy in preventing misconduct.

2. *Corporate Governance Principles and Policies.* The Governance and Compliance Committee shall annually review and reassess the adequacy of the corporate governance principles and policies of the Company, including the Company's Corporate Governance Guidelines and revised Code of Conduct, and recommend any proposed changes to the Board for approval.
3. *Related Party Transactions.* The Governance and Compliance Committee shall review and oversee the implementation of a written related party transaction policy for the Company and review and approve all related party transactions of the Company occurring after the effective date of this Charter. The Governance and Compliance Committee shall also review all existing related party transactions annually, preferably at the same time each year, and direct the legal department to calendar such review annually. Prior to any such review, the Governance and Compliance Committee shall direct management to provide a written detailed summary explaining the rationale for each related party transaction that includes detailed information of the costs to the Company of each transaction in the prior year.
4. *Evaluation of the Board.* The Governance and Compliance Committee shall evaluate the Board's governance processes and shall receive comments from all directors and report annually to the Board on the Board's assessment of its performance, including satisfaction of annual education requirements, the performance of Board committees and the self-assessment by each director of his or her performance. As part of this process, the Governance and Compliance Committee will also seek input from management regarding management's assessment of the Board's role and effectiveness. This annual assessment is intended to examine the Board's contribution as a whole and review areas in which the Board and management believe more effective contributions should be made. The results of this assessment should be discussed annually by the Board with the Chief Executive Officer and in executive session with independent directors only.
5. *Evaluation of Management.* The Governance and Compliance Committee shall also oversee the annual evaluation of management, including the evaluation of the Chief Executive Officer, which should be communicated to the Chief Executive Officer by the Chair of the Governance and Compliance Committee. The Governance and Compliance Committee shall report the results of the evaluation of management to the Board of Directors and shall report to the Compensation Committee on any matters resulting therefrom that the Governance and Compliance Committee believes should be brought to the attention of the Compensation Committee.
6. *Non-Employee Director Compensation.* Annually, or more frequently as may be deemed appropriate, the Governance and Compliance Committee shall recommend to the Board compensation for those directors who are not also

salaried officers of the Company, for the non-executive Chair of the Board and for members and chairs of Board committees.

7. *Director Orientation and Education.* The Governance and Compliance Committee shall oversee the Company's orientation program and continuing director education requirements. In addition, the Governance and Compliance Committee shall oversee the establishment of appropriate policies and procedures to implement director education requirements (e.g., procedures for community site visits).
8. *Document Retention and Destruction Policy.* The Governance and Compliance Committee shall review and oversee the implementation of a records retention and document destruction policy for the Company.
9. *Coordination with Audit Committee Chair.* The Chair of the Governance and Compliance Committee shall coordinate with the Chair of the Audit Committee on matters for which aspects of oversight are provided to both committees.
10. *General Powers.* The Governance and Compliance Committee is empowered to investigate any matter brought to its attention and shall have full access to all books, records, facilities and personnel of the Company and to the Company's external auditors and its legal counsel. The Governance and Compliance Committee shall have the sole authority to retain (including the sole authority to approve fees and other retention terms) and terminate such consultants, advisors, legal counsel and others as it determines to be appropriate to assist the Governance and Compliance Committee in the performance of its functions. The Governance and Compliance Committee shall receive appropriate funding from the Company, as determined by the Governance and Compliance Committee, for the payment of fees to any such consultants, advisors and others.
11. *Additional Matters.*
 - (i) The Governance and Compliance Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
 - (ii) The Governance and Compliance Committee may form and delegate authority to subcommittees if determined to be necessary or advisable.
 - (iii) The Governance and Compliance Committee shall make reports to the Board at its next regularly scheduled meeting following the meeting of the Governance and Compliance Committee accompanied by any recommendation to the Board.
 - (iv) The Governance and Compliance Committee shall annually review its own performance.

- (v) The Governance and Compliance Committee shall have such other authority and responsibilities as may be assigned to it from time to time by the Board.

Adopted by the Board of Directors on March 16, 2008.