

## **AUDIT COMMITTEE CHARTER**

This charter sets forth the purpose, authority and responsibilities of the Audit Committee of the Board of Trustees ("Board") of the Funds.

### **Purposes**

The Audit Committee of the Board ("Committee") has, as its primary purpose, oversight responsibility with respect to: (a) the adequacy of each Fund's accounting and financial reporting processes, policies and practices; (b) the integrity of each Fund's financial statements and the independent audit thereof; (c) the adequacy of each Fund's overall system of internal controls and, as appropriate, the internal controls of certain service providers; (d) each Fund's compliance with certain legal and regulatory requirements; (e) determining the qualification and independence of each Fund's independent auditors; and (f) each Fund's internal audit function, if any.

The function of the Committee is oversight; it is the responsibility of the Funds' investment adviser (the "Adviser") to maintain appropriate systems for accounting and internal control, and the independent auditors' responsibility to plan and carry out a proper audit.

### **Authority**

The Committee has been duly established by the Board and shall have the resources and authority appropriate to discharge its responsibilities, including the authority to retain counsel and other experts or consultants at the expense of the Funds and approve the fees payable to such advisors and any other terms of their retention. The Committee has the authority and responsibility to retain and terminate the Funds' independent auditors. In connection therewith, the Committee must evaluate the independence of the Funds' independent auditors and receive the auditors' specific representations as to their independence.

### **Composition and Term of Committee Members**

The Committee shall be comprised of members who are "Independent," which term shall mean a trustee: (i) who is not an "interested person," as defined in Section 2(a)(19) under the Investment Company Act of 1940, as amended, of a Fund; and (ii) who has not accepted, directly or indirectly, any consulting, advisory, or other compensatory fee from a Fund (other than fees for serving as a Trustee or member of the Committee or any other committee of the Board). The members of the Board shall designate one member to serve as Chairman of the Committee (the "Chairman").

Each member of the Committee shall serve until a successor is appointed.

The Board shall determine whether: the Committee has at least one member who is an “audit committee financial expert” (“ACFE”), as such term is defined in the rules adopted under Section 407 of the Sarbanes-Oxley Act of 2002 from time to time.<sup>4</sup> The designation of a person as an ACFE is not intended to impose any greater responsibility or liability on that person than the responsibility and liability imposed on such person as a member of the Committee. In accordance with the Securities and Exchange Commission’s (“SEC”) safe harbors for “audit committee financial experts,” no Audit Committee member designated as an “audit committee financial expert” shall (i) be deemed an “expert” for any purpose, including without limitation for purposes of Section 11 of the Securities Act of 1933, as amended, or (ii) have any duty, obligation or liability that is greater than the duties, obligations and liability imposed beyond those imposed on such person as a member of the Board or the Audit Committee if he or she was not so designated. Additionally, designation of a Committee member as an ACFE shall in no way affect the duties, obligations or liability of any other member of the Committee, or the Board, not so designated.

## Quorum

A quorum for all meetings of the Committee shall be one-third, but not less than two, of the members thereof.

## Meetings

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<sup>4</sup> An “audit committee financial expert” is an individual who, in the determination of the Board, has acquired the following attributes:

- (i) an understanding of generally accepted accounting principles and financial statements;
- (ii) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves;
- (iii) experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant’s financial statements, or experience actively supervising one or more persons engaged in such activities;
- (iv) an understanding of internal control procedures for financial reporting; and
- (v) an understanding of audit committee functions.

An individual may have acquired these attributes through any of the following:

- (i) education and experience as a principal financial officer, principal accounting officer, controller, public accountant, or auditor or experience in one or more positions that involve the performance of similar functions;
- (ii) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor, or person performing similar functions;
- (iii) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing, or evaluation of financial statements; or
- (iv) other relevant experience.

The Committee shall meet on a regular basis, no less frequently than semi-annually, and is empowered to hold special meetings as circumstances require. Periodically, the Committee shall meet with personnel responsible for management of the Funds to discuss each Fund's annual audited financial statements and semi-annual financial statements. Periodically, the Committee should meet separately with personnel responsible for management of the Funds, the Funds' administrator or custodian and independent auditors to discuss any matters that the Committee or any of these persons or firms believe should be discussed privately. The Committee may request any officer or employee of the Adviser or the Funds' legal counsel (or counsel to the independent trustees) 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 will be taken and circulated to all members of the Committee in a timely manner.

Any action of the Committee may be taken by (i) the vote of a majority of the Committee members present, whether in person or otherwise, at the meeting at which such action is considered or (ii) by written consents or consents submitted electronically by a majority of the Committee members then in office (or such greater number as may be required by each Fund's Declaration of Trust (as amended), its Bylaws (as amended) or applicable law).

#### **Duties and Powers and of the Committee**

The duties and powers of the Committee include, but are not limited to, the following:

- bear direct responsibility for recommendations for appointment (with ratification required by a majority of the Independent Trustees), compensation and oversight of the work of the Funds' independent auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for each Fund, and the independent auditors must report directly to the Committee;
- if and when a Fund prepares a proxy statement that relates to the election of Trustees of the Fund, prepare any audit committee report to be included in such proxy statement as required by Item 407(d)(3)(i) of Regulation S-K;
- set the compensation of the independent auditors, such amount to be paid by each Fund;
- evaluate the independence of the Funds' independent auditors, including whether the auditors provide any consulting services to the Adviser or its affiliated companies, and receive the auditors' specific representations as to their independence;
- to the extent required by applicable law, pre-approve: (i) all audit and non-audit services that the Funds' independent auditors provide to each Fund, and (ii) all non-audit services that the Funds' independent auditors provide to the Adviser and any entity controlling, controlled by, or under common control with the Adviser that

provides ongoing services to each Fund, if the engagement relates directly to the operations and financial reporting of each Fund; provided that the Committee may implement policies and procedures by which such services are approved other than by the full Committee prior to their ratification by the Committee;

- meet with the Funds' independent auditors, including private meetings, as necessary to (i) review the arrangements for and scope of the annual audit, including the audit procedures to be utilized in the review of each Fund's financial statements, and any special audits; (ii) discuss any matters of concern relating to each Fund's financial statements, including any adjustments to such statements recommended by the auditors, or other results of the audit(s); (iii) consider the auditors' comments with respect to each Fund's financial policies, procedures and internal accounting controls and responses of personnel responsible for management of the Fund thereto; and (iv) review the form of opinion the auditors propose to render to the Trustees and the members of the Funds;
- review reports prepared by the Funds' independent auditors detailing the fees paid to the Funds' independent auditors for: (i) audit services (includes all services necessary to perform an audit, services provided in connection with statutory and regulatory filings or engagements and other services generally provided by independent auditors, such as comfort letters, statutory audits, attest services, consents and assistance with, and review of, documents filed with the SEC); (ii) audit-related services (covers assurance and due diligence services, including, employee benefit plan audits, due diligence related to mergers and acquisitions, consultations and audits in connection with acquisitions, internal control reviews and consultations concerning financial accounting and reporting standards); (iii) tax services (services performed by a professional staff in the accounting firm's tax division, except those services related to the audit, including tax compliance, tax planning and tax advice) and (iv) other services (includes financial information systems implementation and design);
- ensure that the Funds' independent auditors prepare and deliver annually to the Committee a written statement (the "Auditors' Statement") describing: (i) the auditors' internal quality control procedures; (ii) any material issues raised by the most recent internal quality control review or peer review of the 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 auditors, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditors and each Fund, including each non-audit service provided to each Fund and the matters set forth in PCAOB Rule 3526;
- receive and review a written report (or update, with respect to a semi-annual filing), as of a date 90 days or less prior to the filing of a Fund's annual (or semi-annual) report with the SEC, to the Committee from the Fund's independent auditors regarding any: (i) critical accounting policies to be used; (ii) alternative accounting treatments that have

been discussed with personnel responsible for management of the Fund along with a description of the ramifications of the use of such alternative treatments and the treatment preferred by the independent auditors; (iii) material written communications between the auditor and personnel responsible for management of the Fund; and (iv) all non-audit services provided to any entity in the Fund's investment company complex (excluding non-audit services provided to The Blackstone Group, L.P. and its affiliates) that were not pre-approved by the Committee;

- review matters relating to each Fund's internal controls and annual and semi-annual financial reporting process, including results of the annual audit. Review internal accounting controls relating to the activities of the Funds' custodian and administrator and the Adviser through the periodic review of reports, discussions with appropriate officers and consideration of reviews provided by internal audit staff;
- meet with each Fund's internal auditors (or other personnel responsible for the internal audit function), if any, following an internal audit of such Fund to discuss significant risks and exposures, if any, to such Fund's risk management processes and system of internal controls, and the steps taken to monitor and minimize such risks;
- review of any issues brought to the Committee's attention by independent auditors or personnel responsible for management of the Funds, including those relating to any deficiencies in the design or operation of internal controls which could adversely affect a Fund's ability to record, process, summarize and report financial data, any material weaknesses in internal controls and any fraud, whether or not material, that involves personnel responsible for management of the Funds or other employees who have a significant role in a Fund's internal controls;
- review and evaluate the qualifications, performance and independence of the lead partner of the Funds' independent auditors;
- require the Funds' independent auditors to report any instance of an audit partner of those auditors earning or receiving compensation based on that partner procuring engagements with a Fund to provide any services other than audit, review or attest services;
- resolve any disagreements between the personnel responsible for management of a Fund and independent auditors concerning the Fund's financial reporting;
- to the extent there are Trustees who are not members of the Committee, report its activities to the full Board on a regular basis and make such recommendations with respect to the above and other matters as the Committee may deem necessary or appropriate;
- discuss with management and the independent auditors, prior to the distribution/filing of each Fund's annual or semi-annual report, the Fund's audited annual financial

statements or semi-annual financial statements, as applicable, including any narrative discussion concerning the Fund's financial condition and investment performance and, if appropriate, recommend the publication of the Fund's financial statements in the Fund's annual or semi-annual report, as applicable;

- discuss each Fund's earnings press releases, financial information and earnings guidance provided to analysts and ratings agencies, if any;
- if and to the extent that a Fund intends to have employees, review policies with respect to risk assessment and risk management;
- review hiring policies for employees or former employees of the Funds' independent accountants;
- establish and maintain the procedures set forth in Exhibit A regarding: (i) the receipt, retention and treatment of complaints received by the Funds or the Adviser regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Funds, the Adviser, any sub-adviser, administrator, principal underwriter or provider of accounting-related services of concerns regarding questionable accounting or auditing matters; and
- review such other matters as may be appropriately delegated to the Committee by the Board.

### **Annual Performance and Charter Evaluation**

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including reviewing the compliance of the Committee with this charter. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate in its judgment.

## **EXHIBIT A to Audit Committee Charter**

### **WHISTLEBLOWER POLICY**

The Audit Committee (the “Audit Committee”) of the Board of Trustees of the Funds has established the following procedures for the receipt, retention, investigation and treatment of complaints and concerns regarding accounting, internal accounting controls, auditing and other legal and regulatory matters. The Funds are externally advised by Blackstone Real Estate Income Advisors L.L.C. (the “Advisor”).

#### **A. Scope of Matters Covered by the Policy**

1. The procedures set forth in this policy relate to complaints and concerns of Covered Persons<sup>1</sup> regarding:

(a) accounting, internal accounting controls or auditing matters (an “Accounting Allegation”), including, without limitation:

1. fraud or deliberate error in the preparation, review or audit of financial statements of the Fund;
2. fraud or deliberate error in the recording and maintaining of the Fund’s financial records;
3. deficiencies in, or non-compliance with, the Fund’s internal control over financial reporting;
4. misrepresentation or false statements regarding a matter contained in the Fund’s financial records, financial statements, audit reports or any filings made with the Securities and Exchange Commission (including periodic or current reports);
5. deviation from full and fair reporting of the Fund’s financial condition and results;
6. substantial variation in the Fund’s financial reporting methodology from prior practice or from generally accepted accounting principles;
7. issues affecting the independence of the Fund’s independent registered public accounting firm; and
8. falsification, concealment or inappropriate destruction of Fund or financial records;

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<sup>1</sup> For purposes of this policy, “Covered Person” means officers of a Fund, employees of a Fund’s investment adviser that provide services on behalf of that entity to a Fund and employees of a Fund’s custodian, administrator, transfer agent and other third-party agents that, pursuant to agreements with a Fund, provide services to or on behalf of a Fund.

(b) non-compliance with applicable legal and regulatory requirements or the Fund's Code of Ethics (a "Legal Allegation"); and

(c) retaliation against Covered Persons and other persons who make, in good faith, Accounting Allegations or Legal Allegations (a "Retaliatory Act").

2. In the discretion of the Audit Committee, responsibilities of the Audit Committee created by these procedures may be delegated to the chairperson of the Audit Committee or to any subcommittee of the Audit Committee.

## **B. Procedures for Making Complaints**

1. In addition to any other avenue available to a Covered Person, any Covered Person may report to the Audit Committee, the Chief Compliance Officer, the Chief Legal Officer, or to the Fund's toll-free reporting number openly, confidentially or anonymously any Accounting Allegation, Legal Allegation or Retaliatory Act in the following manner:

(a) in writing to the Blackstone Real Estate Income Funds, Attention: Audit Committee, Chief Legal Officer or Chief Compliance Officer, c/o Blackstone Real Estate Income Advisors L.L.C., 345 Park Avenue, New York, New York 10154; or

(b) by calling (855) 657-8027 at any time.

2. Any shareholder or any other interested party may report to the Audit Committee, the Chief Legal Officer, the Chief Compliance Officer or to the Fund's reporting number any Accounting Allegation, Legal Allegation or Retaliatory Act, as set forth above.

3. The Reports should be factual rather than speculative or conclusory, and should contain as much specific information as possible to allow for proper assessment. In addition, all Reports should contain sufficient corroborating information to support the commencement of an investigation, including, for example, the names of individuals suspected of violations, the relevant facts of the violations, how the Covered Person became aware of the violations, any steps previously taken by the Covered Person, who may be harmed or affected by the violations, and, to the extent possible, an estimate of the misreporting or losses to the Fund as a result of the violations.

4. The reporting number is managed by an outside, independent service provider and allows any employee or other interested party of the Fund and its subsidiaries to make a Report.

5. Employees are able to submit a Report on an anonymous and confidential basis and are not required to divulge their names. Reports submitted by a stockholder or any interested party other than an employee must be accompanied by the name of the person submitting the Report.



### **C. Treatment of Reports Received by the Chief Legal Officer**

1. All Reports sent to the Chief Legal Officer or Chief Compliance Officer must promptly undergo an initial review by the Chief Legal Officer or the Chief Compliance Officer, as the case may be, who must:

- a. promptly forward to the Audit Committee any Report involving the Fund's senior officials of the Funds or the Adviser or having an actual or potential misreporting or loss to a Fund that could have a material impact on a Fund's reputation or financial statements; and
- b. promptly determine whether to commence an investigation of all other Reports:
  - i. The Chief Legal Officer or the Chief Compliance Officer may, in his or her reasonable discretion, determine not to commence an investigation if the Report contains only unspecified or broad allegations of wrongdoing without appropriate informational support or if the Report is not credible. This decision shall be reported to the Audit Committee at its next ordinary meeting and shall, to the extent appropriate, be made known to the Covered Person who submitted the Report. The Audit Committee may, however, not accept this decision, in which case it will determine whether the Audit Committee, the Chief Legal Officer or the Chief Compliance Officer will investigate the Report, taking into account the factors described in paragraph D.1.b. below; and
  - ii. If the Chief Legal Officer or the Chief Compliance Officer determines that an investigation must be conducted, he or she will promptly commence the investigation. The Chief Legal Officer or the Chief Compliance Officer shall also promptly investigate other Reports as requested in writing by the Audit Committee. The Chief Legal Officer or the Chief Compliance Officer shall report the findings of the investigations conducted pursuant to this Section to the Audit Committee in accordance with Section C.3.

2. The Chief Legal Officer or the Chief Compliance Officer may consult with any member of management (including, for the avoidance of doubt, management of the Adviser) who is not the subject of the Accounting Allegation, Legal Allegation or Retaliatory Act included in the Report and who may have appropriate expertise to provide assistance in connection with the investigation of the Report. The Chief Legal Officer or the Chief Compliance Officer may also engage independent accountants, counsel or other experts to assist in the investigation of Reports and analysis of results, if necessary or appropriate.

3. The Chief Legal Officer or the Chief Compliance Officer shall, at every Audit Committee's ordinary meeting, present a summary of all the Reports received by, or forwarded

to, them (including those Reports that they decided not to investigate) and all the material developments, findings and conclusions of investigations since the previous meeting. The Audit Committee may or may not accept such findings and conclusions. The Chief Legal Officer or the Chief Compliance Officer shall provide such additional information regarding any Report or investigation as may be requested by the Audit Committee. The Audit Committee may determine at any time that any investigation being conducted by the Chief Legal Officer or the Chief Compliance Officer shall instead be conducted by the Audit Committee or another member of management, provided that the investigation is coordinated with the Chief Legal Officer or the Chief Compliance Officer.

**D. Treatment of Reports Received by, or Forwarded to, the Audit Committee**

1. All Reports received directly by the Audit Committee or pursuant to Section C.1.a. above must promptly undergo a review by the Audit Committee:

- a. The Audit Committee may, in its reasonable discretion, determine not to commence an investigation if a Report contains only unspecified or broad allegations of wrongdoing without appropriate informational support or the Report is not credible. This decision shall, to the extent appropriate, be made known to the Covered Person who submitted the Report.
- b. If the Audit Committee determines that an investigation should be conducted, the Audit Committee shall determine whether the Audit Committee, the Chief Legal Officer, the Chief Compliance Officer or another member of the Fund's or the Adviser's management should investigate the Report, taking into account, among other factors that are appropriate under the circumstances, the following:
  - i. Who is the alleged wrongdoer? If an executive officer, senior financial officer, portfolio manager, or other high management official of the Fund or the Adviser is alleged to have engaged in wrongdoing, that factor alone may weigh in favor of the Audit Committee conducting the investigation.
  - ii. How material is the misreporting or loss? The more material the misreporting or loss to the Fund, the more appropriate it may be that the Audit Committee should conduct the investigation.
  - iii. How serious is the alleged wrongdoing? The more serious the alleged wrongdoing, the more appropriate that the Audit Committee should undertake the investigation. If the alleged wrongdoing would constitute a crime involving the integrity of the financial statements of the Fund or would have a material adverse effect on the Fund's reputation, performance or financial statements, that factor may weigh in favor of the Audit Committee conducting the investigation.

- iv. How credible is the allegation of wrongdoing? The more credible the allegation, the more appropriate that the Audit Committee should undertake the investigation. In assessing credibility, the Audit Committee should consider all facts surrounding the allegation.

2. If the Audit Committee determines that the Chief Legal Officer, the Chief Compliance Officer or another member of the Fund's or the Adviser's management should investigate the Report, the Audit Committee will notify the Chief Legal Officer, the Chief Compliance Officer or such member of management, as the case may be, in writing of that conclusion. The Chief Legal Officer, the Chief Compliance Officer or such member of management, as the case may be, shall thereafter promptly investigate the Report and shall report the results of the investigation to the Audit Committee in accordance with Section C.3. In the other cases, the Audit Committee shall promptly investigate the Report. In any event, the Chief Legal Officer or the Chief Compliance Officer shall participate in each such investigation.

3. The Audit Committee may consult with any member of the Fund's or the Adviser's management who is not the subject of the Accounting Allegation, Legal Allegation or Retaliatory Act included in the Report and who may have appropriate expertise to provide assistance. The Audit Committee may also engage independent accountants, counsel or other experts to assist in the investigation of Reports and analysis of results.

#### **E. Results of Investigation**

1. Upon completion of the investigation of a Report:

- a. the Audit Committee, the Chief Legal Officer, the Chief Compliance Officer or such other member of management, as the case may be, will take such prompt and appropriate corrective action, if any, as is deemed warranted; and
- b. the Audit Committee, the Chief Legal Officer or the Chief Compliance Officer, as the case may be, will contact, to the extent appropriate, each Covered Person who files a Report to inform such Covered Person of the results of the investigation and what, if any, corrective action was taken.

2. Where alleged facts disclosed pursuant to this policy are not substantiated, the conclusions of the investigation shall, to the extent appropriate, be made known to the Covered Person who made the Report.

3. No action will be taken against any Covered Person who makes a Report in good faith, even if the facts alleged are not confirmed by subsequent investigation. However, if, after investigation, a Report is found to be without substance and to have been made for malicious or frivolous reasons, the employees (including employees of the Adviser in its capacity as such) who made the Report could be subject to disciplinary action, up to, and including, termination of employment.

## **F. Communication to Employees and Other Interested Parties**

The Fund must disclose to employees in the Fund's Compliance and Operating Manual that employees may, in their discretion, report to the Audit Committee, the Chief Legal Officer or the Chief Compliance Officer, openly, confidentially or anonymously, an Accounting Allegation, Legal Allegation or Retaliatory Act in the manner set forth in Sections B.1. and B.3. The Fund must disclose on the Fund's website that interested parties may report to the Audit Committee, the Chief Legal Officer or the Chief Compliance Officer an Accounting Allegation, Legal Allegation or Retaliatory Act in the manner set forth in Section B.

## **G. Protection of Whistleblowers**

1. The Fund, the Adviser and their respective directors, managers, officers and employees are prohibited from, directly or indirectly, discharging, demoting, suspending, threatening, harassing, or in any other manner discriminating or retaliating against any person (including employees of the Adviser in its capacity as such) because the employee, in good faith, reported information under this policy or under applicable law or assisted in investigating such a report.

2. Unless necessary to conduct an adequate investigation or compelled by judicial or other legal process, none of the Fund, the Adviser, the Audit Committee or any trustee, officer or employee shall (i) reveal the identity of any person who makes a report and asks that his or her identity remain confidential, or (ii) make any effort, or tolerate any effort made by any other person, to ascertain the identity of any person who makes a report anonymously.

3. This policy is intended to create an environment where employees can act without fear of reprisal or retaliation. Any employee who is found to have engaged in retaliation against any employee who has exercised his/her rights under this policy or under applicable laws will be subject to appropriate remedial action, including possible termination. In addition, those individuals who violate applicable law may also be subject to civil and criminal penalties.

## **H. Records**

The Chief Legal Officer or the Chief Compliance Officer shall maintain a log of all records relating to any Reports of Accounting Allegation, Legal Allegation or Retaliatory Act, tracking their receipt, investigation and resolution and the response to the person making the Report. The Fund shall retain copies of the reports and such log for a period of seven years.