

## **CIM COMMERCIAL TRUST CORPORATION GOVERNANCE PRINCIPLES**

The following principles have been approved by the Board of Directors (the “**Board**”) of CIM Commercial Trust Corporation, a Maryland corporation (the “**Company**”), and, along with the Company’s charter (the “**Charter**”), the Company’s Bylaws (the “**Bylaws**”), and the charters of any committees of the Board, provide the framework for the governance of the Company. The Board recognizes that corporate governance continues to evolve, and it will review these principles and other aspects of the Company’s governance from time to time, if deemed necessary or appropriate.

### **1. Role of Board.**

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with applicable state law. In performing their duties, the primary responsibility of each of the directors (each a “**Director**”, and collectively the “**Directors**”) is to perform his or her duties in good faith, in a manner he or she reasonably believes to be in the Company’s best interests and with the care of an ordinarily prudent person in a like position under similar circumstances. Directors shall at all times adhere to the Company’s Code of Business Conduct and Ethics.

### **2. Functions of Board.**

The Board has at least four scheduled meetings a year at which it reviews and discusses reports by management on the performance of the Company, the Company’s plans and prospects, as well as immediate issues facing the Company. Directors should make every effort to attend meetings of the Board and meetings of committees of which they are members. Members may attend by telephone or video conference to mitigate conflicts. In addition to its general oversight of management, the Board as a whole or through any of its committees also performs a number of specific functions, including:

- A. Selecting, evaluating and compensating SEC reporting officers;
- B. Providing counsel and oversight on the selection, evaluation, development and compensation of other members of senior management;
- C. Reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
- D. Assessing major risks facing the Company and reviewing options for their mitigation; and
- E. Providing counsel and oversight on the processes for maintaining the integrity of the Company – the integrity of its financial statements, the integrity of its compliance with law and ethics, the integrity of its relationships with customers and suppliers, and the integrity of its relationships with other stakeholders.

### **3. Qualifications.**

A Director should possess high personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the stockholders. He or she must also have an inquisitive mind, an objective perspective, practical wisdom and mature judgment. The skills and personality of each Director should fit with those of the other Directors in building a Board that is effective, collegial and responsive to the needs of the Company, and which reflects an appropriate diversity of viewpoints, background, experience and other demographics.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively.

### **4. Size of Board and Selection Process.**

The Directors are elected each year by the stockholders at the annual meeting of stockholders during which the Board proposes a slate of nominees to the stockholders for election to the Board. Between annual stockholder meetings, the Board may elect a replacement Director to fill a vacancy, and such Director shall serve for the remainder of the full term of the Director in which such vacancy occurred and such Director's successor is duly elected and qualified. The election of Directors shall be governed by the Charter and the Bylaws. The Board does not believe it should impose term limits or a mandatory retirement age as such policies may result in the loss of experienced Directors who have developed expertise and insights into the Company's business, strategy and industry. The Board recognizes the importance of an appropriate balance of experience and fresh perspectives and considers the overall mix of age and tenure on the Board. The Nominating and Corporate Governance Committee evaluates, at least annually, the Board's composition to ensure that the Board maintains complementary and diverse skill sets, perspectives, backgrounds and experiences for its continued effectiveness.

### **5. Stockholder Nominees.**

The Board will consider properly submitted stockholder nominees for election to the Board and will apply the same evaluation criteria in considering such nominees as it would to persons nominated under any other circumstances. Any stockholder nominations proposed for consideration by the Board should include the nominee's name and sufficient biographical information to demonstrate that the nominee meets the qualifications for board service as set forth above and such other information as is required by our Bylaws. The nominee's written consent to the nomination should also be included with the nomination submission, which should be sent in accordance with the provisions of our Bylaws.

### **6. Standing Committees.**

The Board has a Nominating and Corporate Governance Committee, an Audit Committee and a Compensation Committee. Each of the Nominating and Corporate Governance Committee, Audit Committee and Compensation Committee shall be composed of at least such number of Directors as may be required by, and who the Board has determined meet the definition of "Independent Director" under, the NASDAQ Rules and applicable rules and regulations of the Commission. Each committee must have a written charter satisfying the NASDAQ Rules and the rules and regulations of the Commission, as applicable. The responsibilities of each such committee and any additional qualifications for the membership

thereof shall be set out in the respective committee charter. A Director may serve on more than one committee for which he or she qualifies. Each committee shall operate in accordance with applicable law, its charter and the applicable rules of the Commission and the NASDAQ Stock Market.

**7. Other Committees.**

From time to time, the Board may establish other committees as it deems appropriate. The power, duties, membership and composition of each such committee shall be determined by the Board at the time of its formation.

**8. Setting Board and Committee Agendas.**

The Board shall be responsible for setting the agenda of each Board meeting and each committee's chairperson shall be responsible for setting the agenda of each of its meetings. Prior to each Board or committee meeting, the chairperson of the Board or committee, as applicable, shall determine the nature and extent of the information that shall be provided to the Board or committee members before such meeting. Directors are urged to make suggestions for agenda items, or requests for additional pre-meeting materials, to the chairperson of the Board or the appropriate committee chair at any time.

**9. Ethics.**

The Board expects its Directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising the Company's Code of Business Conduct and Ethics.

**10. Compensation of Board.**

From time to time, the Compensation Committee should conduct a review of the components and amount of the Board compensation in relation to other similarly situated companies. Board compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity, taking into consideration such factors as the Compensation Committee deems appropriate, including, without limitation, time commitment and the level of skill required.

**11. Meetings of Independent Directors.**

The Board will have at least two regularly scheduled meetings or executive sessions per year for the independent Directors without other Directors or management present. Any independent Director can request that an additional executive session be scheduled.

**12. Annual Compensation Review of Senior Management.**

The Compensation Committee shall annually review and approve the goals and objectives for compensating the corporate officers. The Compensation Committee shall evaluate the officers' performance in light of these goals before setting salaries, bonuses and other incentive and equity compensation. The Compensation Committee shall also annually review and approve the compensation structure for the Company's senior management, and shall evaluate the performance of the Company's senior management before determining their salary, bonus and

other incentive and equity compensation.

**13. Access to Senior Management and Independent Advisors.**

Each Director shall have complete access to the Company's management team. The Company's management team will make itself available to answer questions from the Directors and respond promptly with any appropriate follow up. The Board and any of its committees shall have the right at any time to retain independent outside financial, legal or other advisors. The Board and any of its committees shall have the authority to retain and approve the fees and retention terms of its outside advisors.

**14. Evaluating Board Performance.**

The Board should conduct a self-evaluation at least annually to determine whether it is functioning effectively. Each committee of the Board should conduct a self-evaluation at least annually and report the results to the Board. Each committee's evaluation should compare the performance of the committee with the requirements of its written charter, if any.

**Adopted 2019**