

CIM COMMERCIAL TRUST CORPORATION GOVERNANCE PRINCIPLES

The following principles have been approved by the Board of Trust Managers of CIM Commercial Trust Corporation (the “**Company**”) and, along with the charters of any committees of the Board (as defined herein), provide the framework for the governance of the Company. The board of directors (including any board of trust managers, as applicable, collectively the “**Board**”) recognizes that there is an ongoing and energetic debate about corporate governance, 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 (or trust managers as applicable, collectively “**Directors**”) is to perform his duties in good faith, in a manner he 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.

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 shareholders. 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 shareholders at the annual meeting of shareholders during which the Board proposes a slate of nominees to the shareholders for election to the Board. Between annual shareholder 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 Articles of Incorporation and the Bylaws of the Company. The Board does not believe it should establish term limits. The Board does not believe it should establish a mandatory retirement age.

5. Shareholder Nominees.

The Board will consider properly submitted shareholder 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 shareholder 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 may be 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. Audit Committee.

The Board has established the Audit Committee, which may occasionally hold meetings in conjunction with the full Board. The Audit Committee assists the Board in its oversight of the integrity of the financial statements of the Company, as well as compliance with legal and regulatory requirements, and the performance of the Company's internal audit function, if any. The Audit Committee must have a written charter satisfying Nasdaq rules. The Audit Committee must also satisfy the requirements of SEC Rule 10A-3.

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 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 Board 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 Board deems appropriate, including, without limitation, time commitment and the level of skill required.

11. Meetings of Independent Directors.

The Board will have at least one regularly scheduled meeting or executive session 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 Board shall annually review and approve the goals and objectives for compensating the corporate officers. The Board shall evaluate the officers' performance in light of these goals before setting salaries, bonuses and other incentive and equity compensation. The Board 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 Independent Advisors.

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.