



CRREM Foundation Board Terms of Reference

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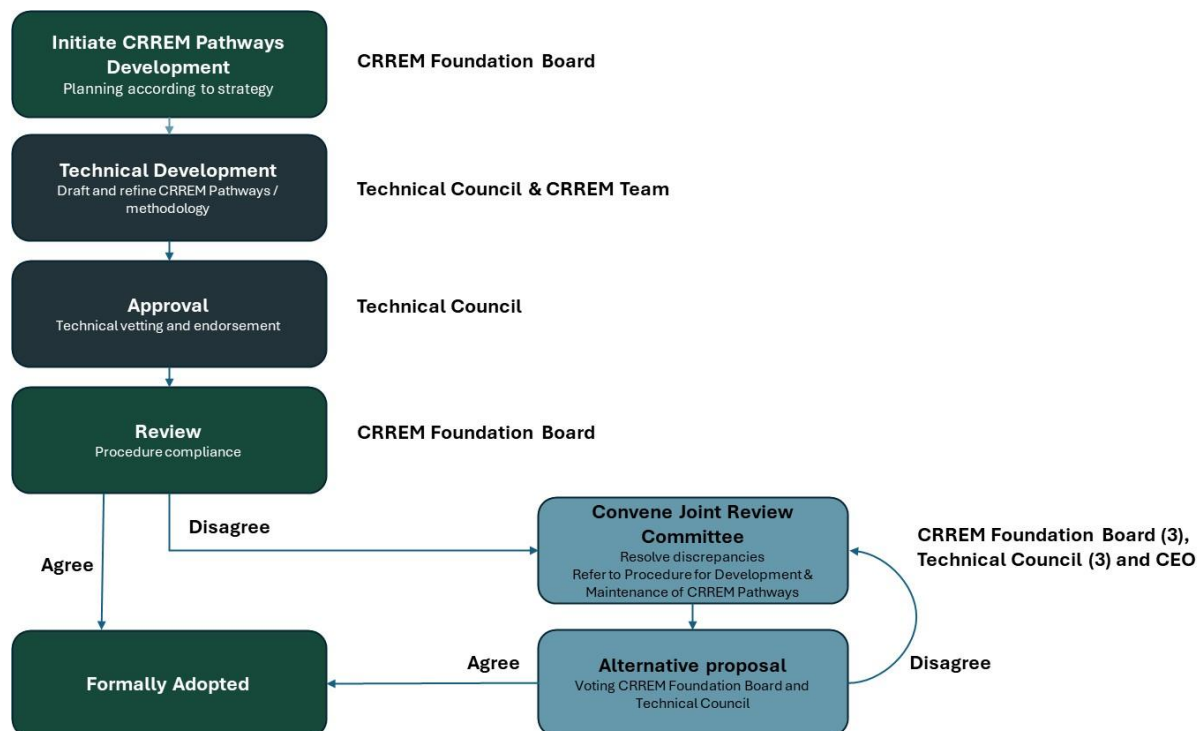
Introduction

This document aims to provide transparency regarding the governance structure of the CRREM Foundation and offers guidance to industry stakeholders on how they can engage with the Foundation to support its mission. The CRREM Foundation is committed to analyzing, calculating, and publishing decarbonization pathways that address energy efficiency and carbon intensity across the global real estate sector, segmented by market and asset type.

The procedures for developing and maintaining the CRREM Pathways and CRREM Pathway methodology are outlined in the *Procedure for Development & Maintenance of CRREM Pathways (will follow soon)*. The CRREM Technical Council is responsible for the technical development and approval of these pathways and methodology. **Final adoption rests with the CRREM Foundation Board, which ensures that the CRREM Pathway and/or CRREM Pathway Methodology development & maintenance adheres to the established principles procedures.**

In the event of a disagreement between the Foundation Board and the Technical Council regarding the CRREM Pathways and/or the CRREM Pathway Methodology, a joint Review Committee shall be convened to resolve the matter. Further details are described in this document as well as in the *Procedure for Development & Maintenance of CRREM Pathways*.

Figure: Workflow CRREM Pathways development



More specifically this document outlines the role of the **CRREM Foundation Board**, it's scope, composition, appointment process and working principles. These terms also reflect the decision-making procedures of the CRREM Foundation Board.



Purpose

The CRREM Foundation Board defines the organization's strategic direction, sets key goals and priorities aligned with its mission, and provides overall governance and oversight.

Scope

Key accountabilities

- The strategy of the CRREM Foundation and the supervision of its execution
- Formally adoption of the CRREM Pathways and/or CRREM Pathway Methodology
- Expansion of the CRREM Foundation's s network and stakeholders
- On-going expansion of the CRREM Foundation's work
- Protection and growth of the CRREM Foundation's brand

Core activities

- Develop the strategic vision and direction of the CRREM Foundation
- Supervise and approve the CRREM Foundation's annual business plan, targets and budgets
- Approve major deviations from the approved goals or material overruns on budgeted expenditure
- Supervise and approve the CRREM Foundation's funding
- Discuss matters that influence the positioning, image and structure of the CRREM Foundation
- Ensuring that the CRREM Pathway and/or CRREM Pathway Methodology development & maintenance adheres to the established procedures.
- Review & discuss input from the Technical Council and Regional Advisory Committees
- Oversee and be responsible for all activities and affairs of the CRREM Foundation
- Select and appoint the CEO of the CRREM Foundation and review the CEO's performance
- Establishment of Technical Council, Regional Advisory Committees and any future committee it sees necessary
- Appoint and remove members for the Technical Council, the Regional Advisory Committees and any potential other committees
- Promote the use of the CRREM Pathways and tool(s)



Composition

Appointment

The CRREM Foundation Board will appoint members to the board for a three (3) year's period with the possibility of a one (1) year extension¹.

The composition of the board will be made up of a simple majority of individual representatives of institutional investors / asset owners, with the remaining being representatives of non-investors organizations including, but not limited to real estate equity and/or debt managers, banks, advisors and industry bodies such as GBCs or real estate associations.

All members of the CRREM Foundation Board are appointed on individual capacity, based on individual skills rather than just representing a certain group or region. Members act independent from any other employment or association and agree to act in the public interest, keeping the CRREM Foundation key values and objectives in mind.

All members of the CRREM Foundation Board are voluntary and receive no remuneration with the exception of Chair of the Technical Council, who could be entitle to a minimum remuneration.

Size

The Foundation Board consist of an uneven number of members, with a minimum of three (3) members and a maximum of thirteen (13) members, well balanced by expertise and global regions.

In case a board member changes their organization, they may continue their board membership after the CRREM Foundation Board's approval, subject that the ratio of institutional investors / asset owners to other member types remains allowable.

Membership of the CRREM Foundation Board will be publicly disclosed on the CRREM Foundation website.

Roles

The CRREM Foundation Board will elect a Chair for a two (2) year period with the option of a one (1) year extension. The Chair should be an institutional investor / asset owner representative.

A team member of CRREM Foundation will be appointed as Board Administrator, and will join the board meetings but will not have a vote.

To safeguard communications between the CRREM Foundation Board and the Technical Council, the Chair of the Technical Council has a permanent seat in the CRREM Foundation Board.

¹ Some members of the founding board could be asked to stay on for one (1) extra year to establish an effective rotation schedule



The Chairs of the Regional Advisory Committees will join the CRREM Foundation Board during its annual strategy meeting and provide input to the board via regular reporting.

Rotation Schedule

A rotation schedule will support stable representation by different representation groups and regions. Vacancies that may arise either as a consequence of the rotation schedule or resignation of members will be publicly advertised.

Nomination Committee

The board will elect two of its members to join the CEO in the Nomination Committee.

The Nomination Committee is responsible for the selection of CRREM Foundation Board candidates. This committee is responsible for identifying, recruiting, and interviewing candidates with appropriate expertise to support the board's strategic objectives and to guarantee a well balance board as set out in these Terms of Reference.

The Nomination Committee will present proposed candidates to the full Foundation Board for final approval.

Appointment process

An open call for candidates will be issued by the CRREM Foundation through different channels such as the CRREM Foundation website, and different online and off-line media channels, clearly stating the application process and time frame.

Candidates for the CRREM Foundation Board should meet the following key criteria:

- Experience in directing organizational strategy
- Significant demonstrated expertise in ESG, sustainability, and/or real asset industry/investing
- Understanding of, and alignment with, the CRREM Foundation vision, mission and purpose, and a demonstrated reputation of transparency, trust, collaboration, and leadership
- Commitment in terms of resources
- Previously active on a governance group
- Industry leadership / demonstrated track record

Interested experts can apply via an application process outlined on the CRREM Foundation website (CRREM.org).



The Nomination Committee is responsible for the selection of CRREM Foundation Board candidates. The selected candidates will be presented to the CRREM Foundation Board for final approval.

The formal process of inviting successful candidates to take up their appointment is managed by the CRREM Team, including an introduction to the CRREM Foundation governance, and the key current work/ projects and discussion points.

Leave of absence

A board member may take a prolonged leave of absence from the CRREM Foundation Board after approval of the board for;

- Parental leave of up to 12 months, or
- Others at the discretion of the CRREM Foundation Board.

The individual taking the prolonged leave may nominate a substitute, who needs approval of the Nomination Committee.

In case the Nomination Committee does not approve the substitute, then a vacancy would be advertised and recruited following the normal appointment procedure, as described above (appointment process) with the exception that the board seat would be temporary.

The board member taking the leave of absence would automatically resume their position on the CRREM Foundation Board at the end of their leave of absence.

The term of the board member would include the time for which they were temporary replaced.

If the CRREM Foundation Board does not approve the leave request, the prolonged leave of absence will be considered as a voluntary resignation.

Termination

A board member's position can be terminated;

- By voluntary resignation
- By a two-thirds majority vote (excluding the member of concern) when there are risks to the CRREM Foundation's ambition and reputation
- When he/she changes organization and with their new position, the allowable ratio (see above) is not met



Working principles and decision making process

Frequency

The CRREM Foundation Board meets at least 4 times per year via on-line meetings with the aim to have the annual strategy meeting face-to-face.

An annual calendar of meetings will be established, making sure that the planning is aligned with the calendar of meetings of the Technical Council.

The CRREM Foundation Board will hold at least one annual (strategy) meeting with the Chair of the Technical Council (who is also a member of the board) and the Chairs of the Regional Advisory Committees to discuss strategic matters including but not limited to expansion to new markets, adoption of the pathways, and other matters of mutual interest. This meeting is intended to be in-person. In case the Chair is not available, they may be replaced by another member of respectively the Technical Council or Regional Advisory Committee.

In case of any urgent decisions are required, these can take place via email communication.

Roles and responsibilities

The CRREM Foundation Board will elect a Chair, Vice-Chair, Secretary and Treasurer (or combined roles) for a two (2) year period with the option of a one (1) year extension. The Chair should be an institutional investor / asset owner representative.

A team member of CRREM Foundation, will be appointed as Board Administrator. For the CRREM Foundation Board, this will, in principle, be the foundation's CEO.

The Chair, supported by the Board Administrator will prepare the agenda and circulate the agenda and papers at least one (1) week prior to the meeting to all board members.

The Board Administrator is responsible for the minutes and will circulate these within two (2) weeks after the meeting for approval, Approval requires responses within five(5) working days.

The final minutes, clearly listing all decisions, will be shared with the Technical Council and Regional Advisory Committees.

Decision making

Each board member is entitled to cast one (1) vote.

In the event of absence, board members may not appoint a substitute to attend or vote on their behalf.

Voting shall take place during the meeting. Proxy voting is not permitted, except for specific agenda items clearly identified in advance. For such items, board members may submit a written vote to the Chair no later than one (1) hour before the meeting commences.

The board strives to reach decisions by consensus. However, most decisions shall be made by a simple majority of the board members present at the meeting, including any validly submitted proxy votes where applicable.



Any decision relating to changes in the governance principles of the CRREM Foundation requires unanimous approval of all board members.

If the required majority is not achieved during a vote, the CEO shall consult with the relevant parties and propose a way forward. This proposal must document both the advantages and disadvantages of the original proposal and the suggested alternative.

A quorum of at least 50% plus one (1) of the board members is required for meetings where decisions are to be made.

Principles

All matters discussed during board meetings shall remain confidential, unless otherwise agreed upon by the board or explicitly recorded in the official minutes.

Board members commit to attending meetings well-prepared, respecting the agenda, allocated time, and established deadlines, and fostering a culture that values diverse perspectives.

The Chair (or their alternate) shall refrain from expressing their views until other board members have had the opportunity to share theirs.

All board members—particularly the Chair—are expected to actively facilitate, guide, and encourage open and balanced discussions within the CRREM Foundation Board, ensuring inclusive participation in the decision-making process.

Board members shall uphold and support the decisions made by the CRREM Foundation Board, regardless of their personal views, and ensure those decisions are implemented effectively.

Joint Review Committee

In the event of a disagreement between the Foundation Board and the Technical Council regarding the CRREM Pathways and/or the CRREM Pathway methodology development & maintenance, a Review Committee shall be convened to resolve the matter.

Each of the CRREM Foundation Board and the Technical Council shall appoint three (3) of its members to serve on this committee, along with the CEO.

The Review Committee shall consult with the relevant parties and formulate a proposed resolution, documenting the advantages and disadvantages of both the original proposal and the alternative presented.

The proposed resolution shall then be submitted for a vote by both the CRREM Foundation Board and the Technical Council. If consensus is not reached, the Review Committee shall reconvene and continue its deliberations until a proposal is approved by both bodies.

Conflict of Interest Policy



Board members must disclose any actual, potential, or perceived conflicts of interest as soon as they arise. Disclosures should be made in writing to the Chair of the Board and CEO.

After disclosure, the remaining disinterested board members shall determine whether a conflict of interest exists and whether it is material. They may request further information or independent review.

If a conflict is determined to exist, the board must ensure that:

- The decision is in the best interest of the organization;
- Reasonable efforts are made to obtain alternatives that do not involve the conflict;
- The conflict is documented in meeting minutes, including the nature of the conflict, steps taken, and the board's final decision.

Any board member with a conflict must not participate in discussions or decisions related to the matter and should temporarily leave the meeting during deliberation and voting.

The Board Administrator will manage a Conflict of Interest register, clearly stating the nature of the conflict, steps taken, and the board's final decision.

Performance evaluation

The Board Administrator will support the CRREM Foundation Board in a bi-annual (every other year) self-evaluation including, but exclusive a review of:

- Function of the board
- Decision process and decisions made
- Functioning of the its members and specific roles
- Communication and interaction with the CRREM team, the Technical Council and Regional Advisory committees

Amendments

The Term of Reference will be reviewed at least every three years. The CRREM Foundation Board may amend this Terms of Reference by majority agreement.

