

# **INVESTORS REAL ESTATE TRUST**

## **Charter of the Compensation Committee of the Board of Trustees (adopted by the Board of Trustees on December 5, 2012, as amended on March 15, 2017)**

### **Purpose**

The purpose of the Compensation Committee is to carry out the responsibilities of the Board of Trustees (“Board”) of Investors Real Estate Trust (the “Company”) relating to executive compensation, the evaluation process for the Chief Executive Officer and other executive officers, management succession, executive benefit plans, and compensation disclosure with respect to the Company, and preparing the Compensation Committee report to shareholders for inclusion in the Company’s annual proxy statement.

### **Members**

The Compensation Committee shall be comprised of at least three members of the Board who satisfy the independence requirements of the New York Stock Exchange. All Committee members shall also be “non-employee directors” as defined by Rule 16b-3 under the Securities Exchange Act of 1934. The members of the Compensation Committee shall be appointed by the Board at its annual organizational meeting and shall serve until their successors are duly appointed and qualified. The Board shall designate one member as Chair, or delegate authority to designate a Chair to the Compensation Committee. The members of the Committee may be removed by the Board in its complete discretion.

### **Meetings**

The Compensation Committee shall meet at least three times per year, or more frequently as its members deem necessary to carry out the Committee’s duties and responsibilities, either in person or telephonically, and at such times and places as the Compensation Committee shall determine. The Compensation Committee shall meet periodically in executive session, and shall report its activities to the Board regularly.

In discharging its responsibilities, the Compensation Committee may ask members of management to attend meetings and participate in compensation-related discussions. The Committee has the authority to delegate any of its responsibilities to subcommittees.

### **Duties and Responsibilities**

On behalf of the Board, the Compensation Committee shall, among its duties and responsibilities:

1. Review, set and approve on an annual basis Company goals and objectives relevant to the compensation of the Chief Executive Officer.

2. Evaluate the Chief Executive Officer's performance in light of the established goals and objectives. Evaluate the performance of the Company's other executive officers (i.e., executive officers at the Senior Vice President level and above), including through a review of the Chief Executive Officer's evaluations of such executive officers and recommendations with regarding to compensation.
3. Together with the other independent trustees (as directed by the Board), determine and approve the Chief Executive Officer's compensation. Determine, or make recommendations to the Board with respect to, the compensation for the Company's other executive officers (i.e., executive officers at the Senior Vice President level and above).
4. Review and approve on an annual basis the evaluation process for the Chief Executive Officer and the Company's executive officers (i.e., executive officers at the Senior Vice President level and above).
5. Make recommendations to the Board with respect to incentive-compensation plans and equity-based plans that are subject to Board approval.
6. Periodically and as and when appropriate, review and approve any employment agreements, severance arrangements or change in control agreements and provisions for executive officers of the Company (such review may include factors such as competitive practices and the potential financial implications of the agreement).
7. Receive periodic reports on the Company's compensation programs as they affect all employees, including reports on the Company's 401(k) savings plan investment options and performance, audit, and Company matching contributions; and reports on the Company's health care benefits for employees.
8. Assist and advise the Chief Executive Officer in developing appropriate succession plans and emergency succession plans for the executive officers. The Compensation Committee shall develop a succession plan and an emergency succession plan for the Chief Executive Officer. The Chief Executive Officer's succession plan must be approved by the Board.
9. Review and discuss with management the Compensation Discussion and Analysis required by the rules of the Securities and Exchange Commission, and recommend to the Board the inclusion of the Compensation Discussion and Analysis in the Company's annual proxy statement.
10. Prepare the disclosure required by Item 407(e)(5) of Regulation S-K (Compensation Committee Report) and other such information as required by the rules of the Securities and Exchange Commission for inclusion in the Company's annual proxy statement.
11. Review trustee compensation levels and practices, and recommend, from time to time, changes in such compensation levels and practices to the Board.
12. Assess compensation philosophy and policies to monitor risk management and risk-taking incentives, and whether programs are reasonably likely to have a material adverse effect on the Company.
13. Determine any responses required as a result of a say-on-pay vote or remuneration-related shareholder proposals.
14. Review any peer group(s) and criteria for benchmarking used to assess performance and compensation levels for Company executive officers.

15. As and when determined to be appropriate, in the Compensation Committee's sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser. The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such compensation consultant, independent legal counsel or other adviser retained by the Compensation Committee; provided, however, that, the Compensation Committee may select a compensation consultant, outside legal counsel or other adviser to the Compensation Committee only after taking into consideration all factors relevant to that person's independence from management, including the following:
- a. the provision of other services to the Company by the person that employs the compensation consultant, outside legal counsel or other adviser;
  - b. the amount of fees received from the Company by the person that employs the compensation consultant, outside legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, outside legal counsel or other adviser;
  - c. the policies and procedures of the person that employs the compensation consultant, outside legal counsel or other adviser that are designed to prevent conflicts of interest;
  - d. any business or personal relationship of the compensation consultant, outside legal counsel or other adviser with a member of the Compensation Committee;
  - e. any stock of the Company owned by the compensation consultant, outside legal counsel or other adviser; and
  - f. any business or personal relationship of the compensation consultant, outside legal counsel other adviser or the person employing the adviser with an executive officer of the Company.
16. Review annually the Compensation Committee's own performance and report the results to the Board.
17. Review this Charter annually and recommend any changes to the Board for approval. The Compensation Committee's Charter shall be published on the Company's website.

### **Outside Advisors**

The Company shall provide to the Compensation Committee the appropriate funding, as determined by the Compensation Committee, for payment of reasonable compensation to any compensation consultant, independent legal counsel or any other adviser retained by the Compensation Committee. The Compensation Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including, as provided above, the authority to retain and terminate external advisors, outside counsel or other consultants to the Compensation Committee, as it deems appropriate to assist it in the performance of its functions, or to advise or inform the Compensation Committee.