

# **CODE OF CONDUCT**

Adopted by the Board of Trustees of  
Investors Real Estate Trust  
on January 14, 2004

## **Introduction**

This Code of Conduct applies to all officers, employees and trustees of Investors Real Estate Trust (the "Company"). This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees and trustees of the Company. All of our employees and trustees must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. The Code should also be provided to and followed by the Company's agents and representatives.

The Code may be revised or supplemented from time to time to reflect changing laws and ethical standards. Each employee and trustee is responsible for maintaining a working knowledge and understanding of this Code of Conduct as modified from time to time.

Those who violate the standards in this Code will be subject to disciplinary action, up to and including termination of employment, in the case of a Company officer or employee, and up to and including, in the case of a trustee, removal from the Board of Trustees.

## **Compliance with Laws, Rules and Regulations**

All Company employees and trustees must comply with applicable local, state and federal laws. Violation of governing laws and regulations subjects the Company and its employees to significant risk in the form of fines, penalties and damaged reputation. Obeying the law, both in letter and spirit, is a fundamental principle of the Company and is the foundation on which the Company's ethical standards are built.

## **Conflicts of Interest**

Each employee and trustee owes a duty of loyalty to the Company and must, in the performance of his or her duties, put the interests of the Company ahead of personal interests. Employees and trustees are expected to make or participate in business decisions and actions in the course of their association with the Company based on the best interests of the Company as a whole, and not based on personal relationships or benefits. A conflict of interest exists when a person's private interest interferes in any way with the interests of the Company. A conflict situation can arise when an employee, officer or trustee takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee, officer or trustee, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company.

Employees and trustees should avoid any relationship that would cause a conflict of interest with their duties and responsibilities at the Company. Employees are expected to disclose to the Company any situations that may involve conflicts of interest affecting them personally or affecting other employees or those with whom we do business. Waivers of conflicts of interest involving executive officers require the approval of the Board of Trustees or an appropriate

committee of the Board. Trustees are expected to disclose to their fellow trustees any personal interest they may have in a transaction upon which the Board passes and to recuse themselves from participation in any decision in which there is a conflict between their personal interests and the interest of the Company.

### **Insider Trading**

Employees and trustees who have access to confidential information are not permitted to use or share that information for stock-trading purposes or for any other purpose except the conduct of Company business. All non-public information about the Company should be considered confidential information. To use non-public information for personal financial benefit or to “tip” others who might make an investment decision on the basis of this information is not only unethical but also illegal. In order to assist with compliance with laws against insider trading, the Company has adopted a specific policy governing employees’ and trustees’ trading in securities of the Company (the Company’s “Policy Statement on Confidential Information and Securities Trading”). This policy has been distributed to every employee and trustee.

### **Corporate Opportunities**

Employees, officers and trustees are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Trustees. No employee or trustee may use corporate property, information or position for improper personal gain, and no employee or trustee may compete with the Company directly or indirectly. Employees, officers and trustees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

### **Competition and Fair Dealing**

Each employee and trustee should endeavor to respect the rights of and deal fairly with the Company’s tenants, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Company employee, trustee, family member of an employee, trustee or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations and would not embarrass the Company.

### **Discrimination and Harassment**

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples include derogatory comments based on ethnic characteristics and unwelcome sexual advances.

### **Record-Keeping**

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions. All of the Company’s books, records, accounts and

financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. The Company does not condone and will not tolerate any act or omission by any employee that results in materially misleading financial statements.

As a public company, it is of critical importance that the Company's filings with the Securities and Exchange Commission be accurate and timely. Employees may be called upon to provide information to assure that the Company's public reports are complete, fair and understandable. The Company expects all of its personnel to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements.

The Company's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Controller and other senior financial officers (the "Senior Financial Officers") have a special responsibility for ensuring the fair and timely reporting of the Company's financial results and condition. Because of this special role, the Company's Senior Financial Officers are bound by the "Code of Ethics for Senior Financial Officers" attached as Appendix A to this Code of Conduct. Violations of this Code of Ethics for Senior Financial Officers by those subject to it will be viewed as a disciplinary matter that may result in personnel action, up to and including termination of employment. If an employee, officer or trustee believes that a violation of the Code of Ethics for Senior Financial Officers has occurred, the Company's General Counsel should be contacted. The Audit Committee of the Board of Trustees may also be contacted. If an employee or officer is concerned about maintaining anonymity, they may contact the Company's Audit Committee by following the procedures established for the anonymous submission of complaints outlined in the Company's "Whistleblower" Policy.

### **Confidentiality**

Employees and trustees have an obligation to safeguard the Company's confidential information in accordance with the Company's "Policy Statement on Confidential Information and Securities Trading." Employees must maintain the confidentiality of confidential information entrusted to them by the Company or its shareholders, tenants, customers, suppliers and agents, except when disclosure is authorized by the Company or required by laws and regulations. Confidential information includes all non-public information that may be of use to competitors, or harmful to the Company or its shareholders, tenants, customers, suppliers and agents if disclosed. Confidential information includes, without limitation, financial data, plans for acquisitions, plans for sales of Company assets, personal information about employees, material contracts, financing transactions, major management changes and other corporate developments. The obligation to preserve confidential information continues even after employment ends. Each employee will be required to sign a confidentiality agreement at the time he or she begins employment with the Company.

### **Protection and Proper Use of Company Assets**

Every employee is responsible for protecting the Company's assets and ensuring their efficient use. Employees are personally responsible for safeguarding and accounting for all Company property that is entrusted to their personal control, including, without limitation, cash, checks, company credit cards and similar cash equivalents; tangible and intangible property such as equipment, supplies, records and reports, computer software and data; and each employee's time at work. Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation.

Company equipment should not be used for non-Company business, though incidental personal use may be permitted.

### **Waivers of the Code of Conduct**

Any waiver of this Code of Conduct for executive officers or trustees may be made only by the Board or a Board committee and will be promptly disclosed as required by law or regulation.

### **Reporting any Illegal or Unethical Behavior**

Employees are encouraged to talk to supervisors, the General Counsel, other Company officers or other appropriate personnel about observed illegal or unethical behavior and, when in doubt, about the best course of action in a particular situation. If a report of a violation which relates to financial statement disclosures or accounting, internal controls or auditing matters is made to the General Counsel or other Company officer, the General Counsel or other officer shall promptly forward such complaint to the chairman of the Company's Audit Committee. It is the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

Employees must read the Company's "Whistleblower" Policy, which describes the Company's procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. Any employee may submit a good faith concern regarding questionable accounting or auditing matters without fear of dismissal or retaliation of any kind.