

Investors Real Estate Trust

Governance Guidelines

(Adopted by the Board of Trustees on December 5, 2012; amended June 25, 2013; further amended March 5, 2014)

I. Trustee Qualifications

The Board will have a majority of trustees who meet the criteria for independence required by the New York Stock Exchange. The Nominating and Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members, as well as the composition of the Board as a whole. This assessment will include members' qualification as independent, as well as consideration of other skills and characteristics that the Nominating and Governance Committee deems appropriate, in the context of the needs of the Board. Nominees for trustee will be selected by the Nominating and Governance Committee in accordance with the policies and principles in its charter. The invitation to join the Board should be extended by the Board itself, through the Chairman of the Nominating and Governance Committee and the Chairman of the Board.

The Board believes that a Board size of five to fifteen members is appropriate.

The Board believes that the individual trustees whose responsibilities significantly change while on the Board should volunteer to resign from the Board. The Board does not believe that such persons should necessarily leave the Board. There should, however, be an opportunity for the Board through the Nominating and Governance Committee to review the continued appropriateness of Board membership under the circumstances.

Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as a trustee. Trustees should advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee in advance of accepting an invitation to serve on another public company board.

The Board does not believe it should establish term limits. Such limits may lose the contribution of trustees who have been able to develop, over a period of time, increasing insight into the Company and therefore provide an increasing contribution to the Board. Trustees must be less than 74 years of age upon the date of the annual shareholder meeting at which such individual is elected as a trustee; trustees elected to the Board prior to his or her 74th birthday may continue to serve until the annual shareholders' meeting coincident with or next following his or her 74th birthday.

All non-employee trustees are required to have beneficial ownership of at least ten thousand (10,000) shares of Company common shares and/or limited partnership units of IRET Properties, including shares issued as compensation for Board service, while serving as a trustee of the company. Trustees must retain at least 60% of the number of shares issued to them as compensation for Board service, while serving as a trustee of the company. New trustees will have five years to attain this ownership threshold; current trustees (as of June 2013) will have five years from fiscal year 2014 to achieve this level.

2. Trustee Responsibilities

The basic responsibility of the trustees is to exercise their business judgment to act in what they reasonably believe to be in the interests of the Company and its stockholders. In discharging that obligation, trustees should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The Board selects the senior management team, which is responsible for the day-to-day conduct of the Company's business.

Trustees are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the trustees before the meeting, although the Board recognizes that this will not always be consistent with the timing of transactions and the operations of the business, and that in certain cases it may not be possible. Trustees should review any materials distributed in advance of the meeting. The proceedings and deliberations of the Board and its committees are confidential. Each trustee shall maintain the confidentiality of information about the Company which he or she receives as a trustee.

The Board will annually elect a Chairman of the Board. The Board's general policy is that the positions of Chairman of the Board and Chief Executive Officer should be held by separate persons. The Chairman of the Board shall preside at all meetings of the shareholders and of the Board as a whole. He or she shall perform such other duties, and exercise such powers, as from time to time shall be prescribed in the Company's Bylaws or by the Board of Trustees. No member of the Board of Trustees shall serve as Chairman of the Board for more than seven (7) consecutive years; provided, however, that the Chairman of the Board serving at the time this provision is adopted is exempt from this limitation.

The Chairman and the Chief Executive Officer will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

The Board will review the Company's long-term strategic plans during at least one Board meeting each year.

The independent trustees will meet in executive session as a part of each regularly scheduled Board meeting. The trustee who presides at these meetings shall be the Chairman, if not part of management, otherwise the independent trustees shall elect an independent trustee to chair the executive session.

The Board believes that the management speaks for the Company. Communications about the Company with the press media and other constituencies should be made by management. Individual Board members may, from time to time, at the request of the Chief Executive Officer, meet or otherwise communicate with various constituencies that are involved with the Company.

3. Board Committees

The Board will have at all times, an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. All the members of these committees will be independent

trustees under the criteria established by the New York Stock Exchange. The Board may, from time to time, establish additional committees as necessary or appropriate. Committee members will be appointed by the Board upon recommendation of the Chairman of the Board. The Board believes that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy. The Board believes, but does not mandate, that in general no member of the Board of Trustees should serve as Chairman of the Audit Committee of the Board for more than seven (7) consecutive years; no member of the Board of Trustees should serve as Chairman of the Nominating and Governance Committee of the Board for more than five (5) consecutive years; and no member of the Board of Trustees should serve as Chairman of the Compensation Committee of the Board for more than five (5) consecutive years.

Each committee will have its own charter. The charters will set forth the purposes of the committees, as well as qualifications for committee membership.

The Chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. The members of each committee will meet in executive session as a part of each regularly scheduled committee meeting.

The Board and each committee have the power to hire, at the expense of the Company, independent legal, financial or other advisors, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

4. Trustee Access to Officers and Employees

Trustees have full and free access to officers and employees of the Company and its subsidiaries. The trustee will use his or her judgment to ensure that any such contact is not disruptive to the business operations of the Company or its subsidiaries and will, to the extent appropriate, coordinate any such contact with the Chief Executive Officer.

The Board welcomes regular attendance at each Board meeting of senior officers of the Company. If the CEO wishes to have additional Company personnel attendees on a regular basis, this suggestion should be brought to the Board for approval.

5. Trustee Compensation

All trustees of the Company who are not simultaneously employed by the Company will be properly compensated and reimbursed for their services as a trustee. Any employee of the Company who is elected a trustee of the Company will not receive any trustee compensation and will not participate in trustee benefits for his or her services as a trustee of the Company. The Compensation Committee will conduct an annual review of trustee compensation, and will make recommendations to the Board, for the Board's approval, as appropriate. The Board believes that trustee compensation should consist of an appropriate mix of cash and stock.

6. Trustee Orientation and Continuing Education

The Company will conduct an orientation program for new trustees as soon as practical, following the meeting at which the new trustee is elected. This orientation will include presentations by

senior management to familiarize new trustees with the Company's strategic plans, financial reporting, its principal officers, its auditing processes, and such other topics as the Board and/or the Chief Executive Officer feel are appropriate. All other trustees are also invited to attend the orientation program. In addition, newly-elected and current trustees are encouraged to attend continuing education programs to better understand their responsibilities and duties.

7. Trading Window

The Company has a policy that requires senior management confine their trading in the Company's securities to certain periods of time, or "windows". In the event of the opening of a special window, or the irregular closing of a window, the Chief Legal Officer shall as soon as practicable notify the Chairman of the Nominating and Governance Committee, and in his or her absence, the Chairman of the Audit Committee, of the opening or closing of the window.

8. CEO Evaluation and Management Succession

The Compensation Committee shall be responsible for determining the compensation of the Chief Executive Officer. The Chairman of the Board and the Chairman of the Compensation Committee shall communicate the results of the Chief Executive Officer's performance evaluation to the Chief Executive Officer and to the non-management trustees, who are ultimately responsible for evaluation of the performance of the Chief Executive Officer.

The Compensation Committee is responsible for succession planning for the Company's Chief Executive Officer, and the Nominating and Governance Committee shall ensure that the Chief Executive Officer makes an annual report to the Board on the Company's program for succession and management development. As part of this annual report, the Chief Executive Officer should make available his or her recommendations and evaluations of potential successors.

9. Code of Conduct.

Members of the Board of Trustees shall act at all times in accordance with the requirements of the Company's Code of Conduct, which shall be applicable to each trustee in connection with his or her activities related to the Company. This obligation shall at all times include, without limitation, adherence to the Company's policies with respect to conflicts of interest, confidentiality, protection of the Company's assets, ethical conduct in business dealings and respect for and compliance with applicable law. Any waiver of the requirements of the Code of Conduct with respect to any individual trustee shall be reported to, and be subject to the approval of, the Board of Trustees.

10. Annual Performance Evaluation

The Board of Trustees, during the first quarter of each calendar year, will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Chairman of the Nominating and Governance Committee will receive comments from all trustees and report to the Board with an assessment of the Board's performance.