

**INTERRENT REAL ESTATE INVESTMENT TRUST**  
(the “Trust”)

**CHARTER THE COMPENSATION COMMITTEE**  
(the “Charter”)

**I. GENERAL**

**1. Mandate and Purpose**

The Compensation Committee (the “Committee”) is a committee of the Board of Trustees (the “Board”/“Board of Trustees”) of the Trust. The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities related to:

- (a) the administration of the Trust’s compensation matters;
- (b) the amount and form of compensation of trustees of the Trust;
- (c) the salary, bonus and other benefits, direct or indirect, and any change of control packages of the chief executive officer (the “CEO”) of the Trust and other members of the senior management team; and
- (d) the performance of additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

**2. Authority of the Committee**

- (a) The Committee has the authority to delegate to individual members or subcommittees of the Committee.
- (b) The Committee, with the prior approval of the Board, has the authority to retain any outside advisor or consulting firm at the expense of the Trust and has the authority to determine any such advisor’s or consultant’s fees and the other terms of engagement.

**II. PROCEDURAL MATTERS**

**1. Composition**

The Committee shall be composed of a minimum of three members.

**2. Member Qualifications**

- (a) Every Committee member must be a trustee of the Trust;
- (b) Every Committee member must be “independent” as that term is defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*; and

- (c) Every Committee member must have, to the satisfaction of the Board of Trustees, sufficient relevant skills and/or experience that permits such member to effectively assist in carrying out the mandate of the Committee.

### **3. Member Appointment and Removal**

Members of the Committee will be appointed by the Board annually, based on the recommendations of the nominations and governance committee of the Trust. The members of the Committee will hold office until their successors are appointed or until they are removed by the Board or cease to be trustees of the Trust.

The Board may, by resolution, remove a member of the Committee at any time in their sole discretion. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board. A vacancy will be filled by the Board if the membership of the Committee falls below three members.

### **4. Committee Structure and Operations**

#### **(a) Chair**

Each year, the Board will appoint one member of the Committee to act as the chairperson of the Committee (the “**Chair**”). The Chair may be removed at any time at the discretion of the Board. If the Chair is absent from any meeting, the Committee will select one of its other members to preside at that meeting.

#### **(b) Meetings**

The Chair will be responsible for developing and setting the agenda of the Committee meetings, and in consultation with management, determining the schedule and frequency of such Committee meetings. The Committee shall meet at least once annually and as many additional times as the Committee deems necessary to carry out its duties.

#### **(c) Notice**

Notice of the time and place of every meeting will be given, in writing, verbally or by means of telephonic or other electronic communication to each member of the Committee, the chairman of the Board, the CEO and the chief financial officer of the Trust, at least 48 hours prior to the time fixed for such meeting. The notice period may be waived by a quorum of the Committee.

#### **(d) Attendees**

The Committee may invite such officers and employees of the Trust and advisors as it sees fit from time to time to attend meetings of the Committee to assist in the discussion and deliberation of matters being considered by the Committee, and to provide information as necessary.

**(e) Quorum**

The quorum for the transaction of business at any meeting of the Committee shall consist of a majority of the number of members of the Committee then holding office or such greater number as the Committee shall by resolution determine. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person, or by means of a telephonic, electronic or other communications facility that permits all participants participating in the meeting to communicate with each other simultaneously and instantaneously.

**(f) Secretary**

The Committee will appoint a Secretary to the Committee who need not be a trustee or officer of the Trust.

**(g) Records**

Minutes of meetings of the Committee will be recorded and maintained by the Secretary to the Committee and will be subsequently presented to the Committee for review and approval.

**(h) Liaison**

The CEO will act as management liaison with the Committee.

**III. RESPONSIBILITIES AND DUTIES****1. General**

In general, the Committee's responsibilities include reviewing and making recommendations to the Board with respect to:

- the Trust's overall compensation philosophy and changes to the Trust's executive compensation policies, if any, including the development of new compensation plans for such persons;
- the compensation structure of the CEO;
- senior management and trustees' compensation, incentive-compensation and other equity-based plans;
- reviewing all public disclosure of information relating to the Trust's executive compensation, including the disclosure included in the Trust's management information circular, before the Trust discloses this information;
- administration of the Trust's unit option plan, long-term incentive plan, deferred unit plan and any other equity based plans; and

- any other matter referred to the Committee by the Board.

## **2. CEO Compensation**

With respect to compensation of the CEO, the Committee is responsible for:

- reviewing and making recommendations to the Board regarding the corporate goals and objectives relevant to CEO compensation;
- conducting an evaluation of, and reporting to the Board regarding, the CEO's performance in light of those corporate goals and objectives; and
- making recommendations to the Board with respect to the CEO's compensation level based on this evaluation.

In making recommendations to the Board in respect of the setting of corporate goals and objectives relevant to CEO compensation, the Committee should consider both short-term and long-term compensation goals, including analysis of the short and long-term tax, accounting, cash flow and dilution implications of the compensation package. The Committee is also responsible for reviewing and making recommendations to the Board regarding the position description for the CEO.

## **3. Annual Review of CEO Compensation**

The Committee will annually review and assess the competitiveness and appropriateness of the compensation package of the CEO. In conducting such review, the Committee will consider:

- the compensation package of the CEO for the prior year;
- the Committee's evaluation of the performance of the CEO;
- the Trust's performance and relative unitholder return, as well as other key measures of performance;
- the competitiveness of the compensation package, including the value of similar incentive awards and benefits paid to equivalent officers and positions at comparable companies;
- the impact of the level and form of awards on the Trust and its unitholders from a tax, accounting, cash flow and dilution perspective; and
- the awards given to the CEO.

## **4. Compensation of Senior Officers**

With respect to compensation of senior officers of the Trust, the CEO is responsible for:

- recommending the process and criteria to be used to evaluate the performance of senior officers; and
- reviewing and approving the performance evaluations of the Trust's senior officers.

The Committee will oversee the evaluation of the Trust's senior officers and, in consultation with the CEO, will make recommendations to the Board with respect to the total compensation package for the Trust's senior officers.

The Committee should consider all forms of remuneration when determining the level of compensation paid to senior officers, including long-term incentives and benefits. The Committee should also consider information regarding other companies, the nature of the Trust's business, the need to obtain qualified individuals, short-term and long-term performance goals, actual performance, unitholder returns, evaluations and compensation in previous years.

## **5. Compensation of Trustees**

The Committee will, on an annual basis:

- review the adequacy, amount and form of the compensation to be paid to the chair and each trustee, committee member and committee chair of the Trust;
- consider whether that compensation realistically reflects the time commitment, responsibilities and risks of the chair and trustees, committee members and committee chairs of the Trust; and
- make recommendations to the Board based on this review and analysis.

In making its recommendations, the Committee will also consider comparative data derived from a survey of board compensation at other companies.

The Committee also will make recommendations to the Board on minimum unit ownership requirements for the Trustees of the Trust.

## **6. Incentive-Compensation and Equity-Based Plans**

With respect to incentive-compensation and equity-based plans (the "**Plans**"), the Committee is responsible for:

- periodically reviewing and making recommendations to the Board regarding the Plans that the Trust establishes, including the designation of those who may participate in such Plans, the unit and unit option availability under such Plans and the administration of unit purchases thereunder;

- making recommendations to the Board regarding the number of securities, and the terms thereof, that may be issued under any such Plan during any particular period;
- periodically reviewing the extent to which these forms of compensation are meeting their intended objectives, and will make recommendations to the Board regarding modifications to more accurately relate such compensation to achieve the intended performance; and
- periodically reviewing the status of any Plans, and submit recommendations for Board consideration and approval with respect to any proposed material amendments to, and any proposed grants (or changes to previous grants) under such Plans.

## **7. Disclosure**

With respect to disclosure, the Committee is responsible for:

- reviewing executive compensation disclosure information before the Trust publicly discloses this information; and
- in particular, reviewing the “Executive Compensation” section and the “Compensation Discussion and Analysis” section of the management information circular (or similarly captioned disclosure).

## **8. Reporting to the Board**

The Committee will report to the Board in a timely manner on all significant matters it has considered and addressed and with respect to such other matters that are within its responsibilities. This report may take the form of circulating copies of the minutes of each meeting held.

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