



**CHARTER OF THE COMPENSATION COMMITTEE  
OF INLAND REAL ESTATE CORPORATION  
Adopted as of March 11, 2004**

**Purpose**

The purpose of the Compensation Committee (the “Committee”) of the board of directors of Inland Real Estate Corporation (the “Company”) shall be to oversee the Company’s compensation programs and practices, including its executive compensation plans and its incentive-compensation plans including equity-based plans. The Committee shall also prepare an annual report on executive compensation to be included in the Company’s annual proxy statement as required by the rules of the Securities and Exchange Commission.

**Membership**

The Committee shall be composed of at least three directors all of whom must be: (1) a “non-employee director” within the meaning of Rule 16(b)-3 under the Securities Exchange Act of 1934; (2) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended; and (3) “independent” under the listing standards promulgated by the New York Stock Exchange as well as any other applicable laws, rules and regulations governing independence, as determined from time to time by the board of directors of the Company. The committee members and the Committee Chairperson shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee. Members shall serve at the pleasure of the board and for such terms or terms as the board may determine.

**Meetings**

The Committee will meet in person or telephonically as often as it determines is necessary or appropriate, but not less frequently than annually. Actions by the Committee may also be taken by unanimous written consent when deemed necessary or desirable by the Committee or its Chairperson. The Committee may request that any directors or members of management of the Company as it deems necessary or appropriate, consistent with maintaining the confidentiality of compensation discussions, attend any meeting of the Committee to provide any pertinent information requested by the Committee. The Committee shall keep written minutes of its meetings and maintain the minutes in the books and records of the Company.

**Purpose and Responsibilities**

The Committee shall have the following purposes and responsibilities:

- (1) review and approve corporate goals and objectives relevant to the compensation of the chief executive officer, evaluate the chief executive officer’s performance in light of those goals and objectives and either as a committee or together with

other independent directors, determine and approve the chief executive officer's compensation level based on this evaluation;

- (2) make recommendations to the board with reference to non-chief executive officer compensation, incentive compensation plans and equity-based plans; and
- (3) annually review the performance of the Committee.

### **Committee Reports**

The Committee shall produce, on an annual basis, a report on executive compensation to be included in the Company's annual proxy statement or annual report on Form 10-K in accordance with applicable rules of the Securities and Exchange Commission.

### **Delegation to Subcommittee**

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, provided that the decision of each subcommittee shall be presented to the full Committee at its next meeting.

### **Resources and Authority of the Committee**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, any independent counsel or other advisors as it deems necessary. The Committee shall have the sole authority to retain or terminate a compensation consultant to assist the Committee in carrying out its responsibilities, including sole authority to approve the consultant's fees and other terms of the engagement.

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