



INLAND REAL ESTATE CORPORATION
GUIDELINES ON CORPORATE GOVERNANCE
Adopted as of April 16, 2015

Overview

The board of directors of Inland Real Estate Corporation (the “Company”) recognizes the importance of good corporate governance. These Guidelines, along with the charters and practices of the board’s various committees, reflect the board’s commitment to monitor the effectiveness of policy and decision-making both at the board and management level, with a view to enhancing stockholder value over the long term. The board recognizes that corporate governance is a developing and dynamic area warranting periodic review. Accordingly, the Nominating and Corporate Governance Committee will periodically review, at least annually, and reassess the adequacies of these Guidelines and recommend changes to the board for approval. The board reserves the right to amend these Guidelines from time to time as it determines to be desirable or appropriate.

Board of Directors

The board’s primary responsibility is to provide effective governance over the Company’s affairs for the benefit of its stockholders, and to balance the interests of its diverse constituencies, including its customers, employees, suppliers and local communities. In all actions taken by the board, the directors are expected to exercise their business judgment in what they reasonably believe to be in the best interests of the Company. In discharging that obligation, directors may rely on the honesty and integrity of the Company’s senior executives and its outside advisors and auditors.

Board Composition

The board has the authority under the Company’s Bylaws to set the number of directors, which may never be less than three nor more than nine. A majority of the directors must be “independent” in accordance with criteria established by the New York Stock Exchange (“NYSE”) listing standards and any other applicable laws, rules and regulations regarding independence in effect from time to time.

Candidates for nomination to the board will be selected by the Nominating and Corporate Governance Committee, and recommended to the board for approval. The Nominating and Corporate Governance Committee considers all qualified candidates identified by members of the Nominating and Corporate Governance Committee, by other members of the board, by senior management and by stockholders. In recommending candidates for director positions, the

Nominating and Corporate Governance Committee takes into account many factors and evaluates each director candidate in light of, among other things, the candidate's experience, independence, skills and expertise based on a variety of factors, including the person's experience or background in real estate management, development or finance, regulatory matters or corporate governance. The Nominating and Corporate Governance Committee evaluates each individual candidate by considering all appropriate factors as a whole, favoring active deliberation rather than the use of rigid formulas to assign relative weights to these factors. The Nominating and Corporate Governance Committee also considers diversity in its broadest sense, including persons diverse in geography, gender and ethnicity as well as representing diverse experiences, skills and backgrounds. The Nominating and Corporate Governance Committee also takes into consideration the overall composition of the board and areas of expertise that new board members might be able to offer. Based on its overall assessment of each candidate, the Nominating and Corporate Governance Committee recommends nominees to the board.

Directors are elected by the stockholders at each annual meeting to serve for a one-year term or until their successors are elected and qualified.

The number of other public company boards on which a director may serve is subject to a case-by-case review by the Nominating and Corporate Governance Committee to ensure that each director is able to devote sufficient time to perform his or her duties as a director.

Chair of the Board

From among its members, the board annually will elect the chair of the board.

Board Age and Term Limits

The Company has not adopted a mandatory retirement age or term limits for directors.

Evaluation of Board Performance

The Nominating and Corporate Governance Committee will conduct an annual review of board performance, in accordance with guidelines recommended by the Nominating and Corporate Governance Committee and approved by the board. This review will include an individual assessment of each director's skills, areas of expertise, qualification as independent under the NYSE listing standards and any other applicable laws, rules and regulation regarding independence, consideration of any changes in a director's responsibilities that may have occurred since the director was first elected to the board, and any other factors deemed appropriate by the Committee. The results of the Nominating and Corporate Governance Committee's review of board performance will be summarized and presented to the board.

Board and Committee Meetings

Directors are expected to attend board meetings and meetings of committees and subcommittees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and materials that are important to the board's understanding of the business to be conducted at a board or committee meeting should be distributed to the directors prior to the meeting to provide ample time for

review beforehand. The chairman will establish the agenda for each board meeting. Each board member is free to suggest items to be included on the agenda or to raise subjects that are not on the agenda for that meeting. The non-management directors may meet, from time to time, in regularly scheduled executive sessions, with and without the chief executive office present. The independent directors have not selected one director to preside over these executive sessions. Instead, the presiding independent director will be selected by consensus at the commencement of the executive session based on the nature of the items to be addressed and the prior experience of each independent director.

Board Committees

The standing committees of the board are the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee. All members of these committees must satisfy the independence criteria, as determined by the board, set forth in the NYSE listing standards, and any other applicable laws, rules or regulations regarding independence. Committee members will be appointed by the board upon recommendation of the Nominating and Corporate Governance Committee, after consulting with the individual directors.

Each of the committees described above must have a written charter, which complies with the applicable NYSE listing standards, and other applicable laws, rules and regulations. The charters must set forth the mission and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, procedures for appointment and removal of the committee chair, committee structure and operations and reporting to the board.

The chair of each committee, in consultation with the committee members, has the power to determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chair of each committee, in consultation with the appropriate members of the committee and senior management, is responsible for developing the committee's agenda. The agenda for each committee meeting will be furnished to all directors in advance of the meeting, and each independent director may attend any meeting of any committee, whether or not he or she is a member of that committee.

The board believes in the value of routine refreshment of the membership of committees and that consideration should be given to rotating committee members and committee chairs periodically, but the board does not believe that such rotation should be mandated as a fixed policy without affording flexibility to take into account, as a principally important factor, the relevance of the skills, experience and attributes of each committee member and committee chair to the work of the committee.

The board and each committee will have the power to hire and fire independent legal, financial or other advisors, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company.

The board may, from time to time, establish or maintain additional committees as necessary or appropriate.

Related Party Transactions

Related party transactions must be approved by a majority of the directors (including a majority of the independent directors) not otherwise interested in the transaction. In determining whether to approve or authorize a particular transaction with a director or a director's affiliate, the disinterested directors are required to consider the terms and conditions of the transaction relative to the terms and conditions available from unaffiliated third parties and whether the transaction involving the director is fair and reasonable to the Company.

Director Access to Senior Management and Independent Advisors

Directors will have full and free access to senior management and other employees of the Company. Any meeting or contacts that a director wishes to initiate may be arranged through the chief executive officer or the secretary or directly by the director. The board welcomes regular attendance at each board meeting by senior management of the Company. Directors will also have access to independent advisors as necessary and appropriate.

Director Compensation

The form and amount of director compensation is determined by the board based upon the recommendation of the Nominating and Corporate Governance Committee.

Directors who are employees of the Company or any of its subsidiaries or affiliates may not receive any compensation for their services as directors.

Minimum Stock Ownership for Non-Employee Directors

It shall be the policy of the Company that a non-employee director (a director that is not an executive officer or employee of the Company) of the Company, shall within four (4) years of becoming and continuing as a member of the board, and thereafter for the duration of his/her membership on the board, accumulate and hold at least an amount of shares of the Company's common stock that is equal in value to and not less in value than \$240,000. For purposes of this policy statement, unvested shares of restricted stock awarded as compensation for service as a director, ownership of interests that are exchangeable for shares of Company common stock, ownership of vested stock options (the value of such stock options and the number of shares that may be acquired on exercise thereof), ownership of shares by a non-employee director's immediate family members and/or trusts, foundations or other entities wherein the non-employee director has the ability to control the voting and/or disposition of the shares shall be deemed ownership by such non-employee director.

Compliance with this policy shall be tested no more frequently than annually on the date of, or not more than sixty (60) days prior to, the regularly scheduled meeting of the board held immediately following the Company's annual meeting of shareholders and compliance shall be reviewed by the board in that board meeting. For purposes of testing such compliance, the value of the Company's common stock held by a non-employee director shall be determined by using the greater of (i) the actual cost basis for such shares of the Company's common stock that were purchased by a non-employee director; (ii) the tax basis for such shares of the Company's common stock that were awarded to a non-employee director by the Company; or (iii) the

average value of the Company's common stock for the calendar year preceding the year in which such testing occurs determined by using the average of the closing prices of the Company's common stock on the New York Stock Exchange on each trading day in the preceding calendar year.

A non-employee director who is prohibited by law or by a written policy of his or her employer from having an ownership interest in the Company's securities shall be exempt from the requirements of stock ownership set forth in this policy statement.

Director Orientation and Continuing Education

The Company will provide an orientation program for all new directors and a continuing education program for all members of the board. These programs will include presentations by senior management on, among other things, the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Ethics and these Guidelines.

CEO Performance

The Compensation Committee will conduct an annual review of the chief executive officer's performance. The board will review the report in order to ensure that the chief executive officer is providing the best leadership for the Company in the long and short term.

Succession Planning

The Compensation Committee, or a subcommittee thereof, will make an annual report to the board on succession planning. The entire board will work with the Compensation Committee, or a subcommittee thereof, to nominate and evaluate potential successors to the chief executive officer to meet periodically with the Compensation Committee in order to make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for these individuals. Succession planning should include policies and principles for chief executive selection and performance review, as well as policies regarding succession in the event of an emergency or the retirement of the chief executive officer.

Insider Transactions

The Company prohibits purchases of Company stock from employees (except in connection with the routine administration of employee stock option and other equity compensation programs). Directors and executive officers may not trade shares of Company common stock they receive under any of the Company's equity programs during an administrative "blackout" period affecting the Company's 401(k) plan or pension plan pursuant to which a majority of the Company's employees are restricted from trading shares of Company common stock or transferring funds into or out of the Company common stock fund, subject to any legal or regulatory restrictions and the terms of the Company's Insider Trading Policy.