

**STERLING** | REAL ESTATE TRUST

**NOMINATION AND GOVERNANCE COMMITTEE CHARTER**

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**ARTICLE I**  
**PURPOSE**

The Nomination and Governance Committee of the Board of Trustees assists the Board in fulfilling its oversight responsibilities relating to the Trust's corporate governance matters, including the development of corporate governance guidelines, periodic evaluation of the Board, its committees and individual trustees, identification and selection of trustee nominees, oversight of the Trust's policies and practices relating to ethical and compliance issues, and such other duties as directed by the Board.

**ARTICLE II**  
**COMPOSITION**

A majority of the members of the Nomination and Governance Committee shall meet the independence requirements for members of public companies under the Securities Exchange Act of 1934, as amended, and the rules and regulations of any applicable exchange. However, only members who meet the above independence requirements shall perform the "nominations" responsibilities as set forth in Article IV, Section 2 below. The Committee shall consist of at least three (3) members of the Board of Trustees, who shall serve at the Board's pleasure. The Committee Chair shall be designated by the Board. Committee members and the Committee Chair shall be designated annually by the Board.

**ARTICLE III**  
**MEETINGS**

The Committee shall meet at any time and from time to time, when and as determined in its discretion, but not less than twice a year. The Committee may ask members of management or others to attend all or a portion of any meeting and provide pertinent information as necessary. The Committee shall prepare and render to the Board reports of its meetings, actions and recommendations as the Committee determines to be appropriate or as requested by the Board. The Committee shall keep minutes of its meetings.

**ARTICLE IV**  
**AUTHORITY**

**Section 1. Governance.** The Committee shall have the following responsibilities with respect to its oversight of corporate governance:

- 1.1.** Regularly review issues and developments relating to corporate governance.
- 1.2.** Develop and recommend to the Board a set of corporate governance principles for the Trust or, as appropriate, changes to existing corporate governance principles of the Trust.
- 1.3.** Develop and conduct a performance appraisal system in order to review the performance of the Board and its committees.
- 1.4.** Review compensation recommendations to the Board regarding matters concerning the trustees' compensation.

1.5. When directed by the Board, review the outside activities of a senior executive, when such activities may affect the Trust or the ability of the executive to perform his job.

**Section 2. Nominations.** The Committee shall perform the following with respect to trustee nominations:

2.1. Establish, articulate and recommend to the Board qualifications, skills, and other desired background and selection criteria for members of the Board. Such criteria should include, among other things, integrity, independence, diversity and extent of experience, length of service, number of other board and committee memberships, leadership qualities and the ability to exercise sound judgment.

2.2. Identify individuals qualified to become Board members, consistent with criteria established or approved by the Board. This shall include the responsibility for reviewing Board candidates proposed by a shareholder of the Trust.

2.3. In conjunction with Trust's management, retain and terminate search firms to be used to identify trustee nominees.

2.4. Conduct appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates.

2.5. Select and recommend to the Board trustee nominees each year for election at the annual meeting of shareholders and select and recommend to the Board candidates to fill trustee vacancies on an interim basis until the next annual meeting of shareholders. At the time of recommending trustee nominees or candidates to fill trustee vacancies on an interim basis to the Board, the Committee shall inform the Board of the criteria used in making its recommendations.

2.6. As part of the process of recommending nominees to the Board, the Committee shall (1) carefully consider any individual recommended by the holders of a majority of the outstanding limited partnership units in Sterling Properties, LLLP, the Trust's operating partnership; and (2) take into account the requirement that the Audit Committee be composed of a majority of independent trustees with financial literacy and at least one member who has accounting or related financial management expertise and who meets the definition of an "audit committee financial expert" under the rules of the SEC.

2.7. The Committee shall have the power to conduct or authorize investigations into any matters within the scope of this Charter.

## **ARTICLE V ACTIONS OF THE COMMITTEE**

A majority of the Committee shall constitute a quorum, and the action of a majority of the members of the Committee present at any meeting at which a quorum is present, or acts unanimously adopted in writing without the holding of a meeting, shall be the acts of the Committee. The Committee shall have the authority to delegate any of its responsibilities to subcommittees, management or third parties, as the Committee may deem appropriate in its sole discretion.

## **ARTICLE VI COMMITTEE RESOURCES**

To the extent required to effectuate its purpose, the Committee shall have the authority to obtain advice and seek assistance from internal and external legal, accounting and other advisors. The Committee shall have unrestricted access to Trust personnel and documents and will be given the resources necessary to operate under this Charter. The Committee shall determine the extent of funding necessary for the payment of compensation to any consultant retained to advise the Committee.

**ARTICLE VII  
REVIEW**

This Charter shall be reviewed by the Committee at least annually.