

AGREE REALTY CORPORATION CORPORATE GOVERNANCE GUIDELINES

Purpose

These corporate governance guidelines, which are guidelines rather than rules, describe the core principles for the governance of Agree Realty Corporation. Detailed statements governing the legal relationship of the board to our shareholders and management and the functions of the board and its committees are set forth in the company's articles of incorporation and bylaws, charters of the committees established by the board, and more detailed guidelines, policies or procedures adopted by the board from time to time.

Core Principles

These guidelines are based on the following core principles:

- Agree Realty Corporation is owned by its shareholders
- The purpose of the board of directors is to oversee the business and affairs of the company as the ultimate decision-making body, except for matters reserved for shareholders by (1) law, (2) rule of the New York Stock Exchange, or (3) Agree Realty's articles of incorporation
- The board is responsible for:
 - overseeing management's handling of Agree Realty's business and affairs, with a view to enhancing shareholder value over the long term;
 - approving appropriate incentives to align management's interests with those of shareholders;
 - holding management accountable for its management of the business and affairs of the company;
 - maintaining the independence of the board through the director nomination process;
 - furthering an orderly succession plan for the CEO and other management positions; and
 - in general, exercising business judgment in a manner it reasonably believes to be in the best interest of the company.

The board of directors believes that good governance depends, above all, on the board and management setting the right tone from the top rather than adopting bright-line rules such as director term limits or mandatory rotation of board committee members. The board encourages directors and management to at all times observe the highest standards of integrity and personal conduct as an example for the entire organization.

Qualification of Directors

The nominating & corporate governance committee makes recommendations to the board for director nominees and the criteria by which they should be selected. The committee does not have set minimum criteria for directors. Rather, the committee looks for skills and experience that will complement the board's existing make-up. The committee considers the following types of criteria in evaluating candidates, including any candidates suggested by shareholders:

- independence;
- personal integrity;
- leadership skills;
- strategic thinking;
- willingness to make a time commitment; and
- breadth of knowledge about matters affecting Agree Realty and its industry.

There is no mandatory age for director retirement. The nominating and governance committee believes that there is no one-to-one correlation between age and ability and that the committee can better assure a quality board of directors through the nominating process generally.

Independence of Directors

A majority of directors must be independent. In evaluating independence, the nominating and governance committee and the board consider the New York Stock Exchange definition of independence and also evaluate the director's or nominee's ability to exercise independent judgment.

In determining independence the following commercial relationships will not be considered to be material relationships that would impair a director's independence:

- If an Agree Realty director or his or her immediate family member is an executive officer of another company that does business with Agree Realty and the annual payments by Agree Realty to the other company are less than 1% of the annual consolidated revenues of the other company;
- If an Agree Realty director or his or her immediate family member is an executive officer of another company which is indebted to Agree Realty, or to which Agree Realty is indebted, and the total amount of either company's indebtedness to the other is less than 1% of the total consolidated assets of the other company.

The nominating & governance committee and the board of directors will annually review all commercial relationships of directors and determine whether directors meet these categorical independence tests.

The board may determine that directors or nominees for director who do not meet these categorical independence tests may nevertheless be independent where they are independent-minded and are not disqualified under New York Stock Exchange rules from being deemed independent.

Director Responsibilities and Authority

Primary director responsibilities are outlined above under “Core Principles.” The following are guidelines rather than rules regarding director responsibilities and authority.

Meetings

Regular meetings of the board of directors are held at least four times each year. Special meetings are held on an as-needed basis.

Background materials are furnished to directors before each regularly scheduled meeting, and each director is responsible for reviewing these materials before the meeting. Background materials for special meetings are provided in advance to the extent feasible under the circumstances.

Directors are encouraged to attend all meetings, in person or by telephone, of the board and each board committee of which they are members, absent unavoidable scheduling conflicts.

Directors are encouraged to attend annual meetings of shareholders, especially when the annual meeting is scheduled on the same day as a board meeting.

The non-management directors meet separately as a group at least two times a year. The non-management directors select a director to chair the meetings and the chairman acts as a liaison between the board and management.

Director Education

New directors will be encouraged to participate in orientation or education programs developed by the nominating & governance committee.

Director Access to Management and Independent Advisors

Directors have access to management at all times to discuss such matters and obtain such information as may be necessary or desirable to assist them in the performance of their

duties as directors. Members of management attend board meetings, other than non-management sessions of the non-management directors, to provide directors with information about Agree Realty's business and performance.

Directors also have access to company counsel and Agree Realty's independent auditors. Upon board approval, the directors as a group, or groups of directors, such as the independent directors, may retain their own independent advisors, including counsel or financial advisors, to provide advice to them as necessary or appropriate, at the Company's expense.

Committees of the Board of Directors

The board of directors establishes committees from time to time to assist in the performance of its duties. The board has established the following committees, each of which has its own charter describing its membership and functions:

Audit Committee - The audit committee oversees the financial reporting process, internal controls, and appointment and compensation of independent auditors.

Compensation Committee – The compensation committee oversees the compensation of management, including compensation plans and makes recommendations concerning leadership development and succession planning.

Nominating & Governance Committee – The nominating & governance committee oversees the director nomination process, recommends appointments to board committees, oversees annual self-performance evaluation of the board and makes corporate governance recommendations to the board.

Executive Committee – The executive committee has the authority to acquire and dispose of real property and the power to authorize the execution of certain contracts and agreements, including those relating to the borrowing of money by the Company and also handles ministerial matters requiring board approval, excluding (1) approval of dividends and (2) matters reserved to the full board by law or rules of the New York Stock Exchange.

Director Compensation

Director compensation is established with a view to:

- attracting highly qualified non-management directors;
- fairly compensating non-management directors for their time and effort on behalf of shareholders; and
- aligning the interests of non-management directors with those of shareholders.

Management Succession

The compensation committee evaluates the performance of and approves compensation arrangements for the chief executive officer and is responsible for making recommendations to the board for succession planning for the chief executive officer position. Succession planning includes plans designed to ensure continuity of policies and leadership in the event of an emergency.