

ADDENDUM A

AGREE REALTY CORPORATION AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee is appointed by the Board of Directors (the “Board”) in monitoring (1) the integrity of the financial statements of the Company, (2) the independence and qualifications of the Company’s independent auditors, (3) the performance of the Company’s internal and external auditors and (4) the compliance by the Company with legal and regulatory requirements.

Membership

The Audit Committee shall consist of at least three members. The members of the Audit Committee shall be appointed by the Board and shall possess the independence and other qualifications required by the New York Stock Exchange and applicable laws and regulations.

Outside Advisors

The Audit Committee shall have the authority, without seeking Board approval, to retain independent legal, accounting or other advisors to the extent that the Audit Committee deems necessary or appropriate in fulfilling its duties, and the Company shall provide funding, as determined by the Audit Committee, for the payment of compensation to such advisors.

Meetings

The Audit Committee, or the designated Audit Committee chairman, shall meet at least quarterly with the independent auditors, management or personnel responsible for the Company’s internal audit function.

The Audit Committee may request any officer or employee of the Company, the Company’s outside counsel or the independent auditors to meet with the Audit Committee or any of its members or advisors.

Duties and Authority

General

- The Audit Committee shall have sole authority and responsibility to appoint, approve the terms of engagement (including fees), oversee, evaluate and replace the Company’s independent auditors, including resolving disagreements between management and the auditors regarding financial

reporting. The independent auditors shall report directly to the Audit Committee.

- The Audit Committee shall pre-approve all audit services and all permissible non-audit services, except if in the case of permissible non-audit services, such services qualify as de minimus under applicable law.
- The Audit Committee shall report regularly to the Board.

Matters Relating to Financial Statements and Disclosure

The Audit Committee shall:

- Meet with the independent auditors before the annual audit to review the planning and staffing of the audit;
- Discuss periodically with management and the independent auditors significant financial reporting issues and judgments made in connection with preparing the Company's financial statements, including any significant changes in the selection or application of critical accounting policies and the effect of such changes, and any significant issues regarding the adequacy of the Company's internal controls and any special audit steps adopted in light of any material control deficiencies.
- Discuss the annual audited financial statements and quarterly financial statements with management and the independent auditors, together with the disclosures in "management's discussion and analysis of financial condition and results of operations" in the Company's Form 10-K, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K;
- Generally discuss with management the types of information and the types of presentations to be made in (i) earnings releases and (ii) earnings guidance and financial information provided to analysts and rating agencies, including the use of pro forma or adjusted non-GAAP information, but the Audit Committee shall not be required to discuss specific releases, guidance or financial information in advance.
- Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.

The Audit Committee's meetings with the independent auditors shall include, the appropriate times:

- reports by the auditors required by law, and

- the matters required to be discussed by SAS 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with management.

The Audit Committee shall discuss periodically with management the Company's major financial risk exposures and review generally the guidelines and policies governing the process by which management assesses and manages such risk exposures.

Oversight of Independent Auditors

At least annually, the audit committee shall evaluate the independent auditors' qualifications, performance and independence and report its conclusions to the Board. As part of the evaluation process, in addition to taking into account the opinions of management, the Audit Committee shall obtain and review a report by the independent auditors describing:

- The auditing firm's internal quality control procedures;
- All relationships between the independent auditors and the Company, including the provision of non-audit services (which the audit committee should discuss with the auditors in order to enable the Audit Committee to assess the auditor's independence).
- The Audit Committee shall also review and evaluate the lead partner of the independent auditors and confirm the regular rotation required by law of the lead or reviewing partners.

The Audit Committee should consider, at such intervals as it deems appropriate, whether regular rotation of the auditing firm itself would assure continuing independence of the auditors.

The Audit Committee shall establish hiring policies for the Company regarding employees or former employees of the independent auditors who participated in any audit of the Company.

Oversight of Internal Audit Function

The Audit Committee shall:

- Review the appointment or replacement of any internal auditing firms.

- Discuss with the independent auditors and management the responsibilities, budget and staffing of the internal audit function and any recommended changes in the planned scope of the internal audit.
- Review the significant reports to management prepared by the internal audit function and management's responses.
- Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for Form 10-K and Form 10-Qs about any (i) significant deficiencies in the design or operation in internal controls, (ii) material weaknesses in internal controls and (iii) fraud involving management or other employees who have a significant role in the Company's internal controls.

Compliance Oversight

The Audit Committee shall:

- To the extent it deems appropriate, review reports of related part transactions.
- Obtain from the independent auditors assurance that they will inform management concerning any information indicating that an illegal act has or may have occurred, and assure that such information has been conveyed to the Audit Committee.
- Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's (i) Code of Conduct and (ii) Code of Professional Ethics for the Chief Executive Officer and Chief Financial Officer
- Review with the Company's Counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies, and any material reports or inquiries received from regulators or governmental agencies.

Annual Review

The Audit Committee shall:

- Review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval and;
- Conduct an evaluation of the Audit Committee's own performance

Limitations

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the external auditor.