

One Liberty Properties, Inc.
Corporate Governance Guidelines

Effective March 19, 2012

The Board of Directors (the “**Board**”) of One Liberty Properties, Inc. (the “**Company**”) has adopted the following Corporate Governance Guidelines (the “**Guidelines**”) to assist the Board in the exercise of its responsibilities and to serve the best interests of the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws and the Company’s Restated Articles of Incorporation, By-laws, as amended, and other corporate governance documents. The Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate in the best interests of the Company and its stockholders or as required by applicable laws and regulations.

These Guidelines shall be made available on the Company’s website at www.1liberty.com and to any stockholder who requests a copy.

The Board

Size of the Board

Pursuant to the Company’s Restated Articles of Incorporation, the Board will consist of between 3 and 11 directors, as determined by the Board. The Board has decided that the number of directors should be eleven. The Board believes that eleven directors is an appropriate size based on the Company’s present circumstances. The Board will periodically review the size of the Board, and determine the size that is most effective in relation to the Company’s operations.

Independence of the Board

The Board will be comprised of a majority of directors who qualify as independent directors (the “**independent directors**”) under the listing standards of the New York Stock Exchange (the “**NYSE**”) and the requirements of any other applicable regulatory authority.

Separate Sessions of Non-Management Directors

The directors that are not members of the Company’s management (“**Non-Management directors**”) will meet in executive session on a regularly scheduled basis without management or the management members of the Board present. Executive sessions will be led by the Lead Director (as defined) and in the event the Lead Director is unavailable, will be led by such other Non-Management director as may be selected by a majority of the Non-Management directors participating in such session. The Non-Management directors will review the Company’s implementation of, and compliance with, these Guidelines and consider such matters as they may deem appropriate at such sessions.

Company Qualification Standards

The Nominating and Corporate Governance Committee will review with the Board, on an annual basis, the appropriate characteristics, skills and experience required for the Board as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current Board members), the Nominating and

Corporate Governance Committee, in recommending candidates for election, and the Board, in approving (and, in the case of vacancies, appointing) such candidates, will take into account many factors, including such candidate's ability to make independent analytical inquiries, general understanding of finance and accounting, understanding of the Company's business, and educational and professional background. Each candidate must also possess fundamental qualities of intelligence, honesty, good judgment and high standards of ethics, integrity, fairness and responsibility. The Board evaluates each individual in the context of the Board as a whole, with the objective of assembling a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment. In determining whether to recommend a director for re-election, the Nominating and Corporate Governance Committee also considers the director's past attendance at meetings and participation in, and contributions to, the activities of the Board.

Selection of New Directors

Subject to the Articles of Incorporation, as amended, directors serve three year staggered terms. There is currently no limitation on the number of terms a director may serve. Each year, at the annual meeting, the Board will recommend a slate of directors for election by the stockholders. The Board will also be responsible for filling vacancies and/or newly-created seats on the Board that may occur between annual meetings of stockholders. The Nominating and Corporate Governance Committee, with input from the Company's Chairman and Chief Executive Officer, if and to the extent such committee deems such input to be appropriate, is responsible for identifying, screening and recommending candidates to the entire Board for Board approval.

Selection of Chairman and Vice Chairman of the Board

The Board will select the Chairman and the Vice Chairman of the Board by a majority of the directors then in office.

Selection and Responsibilities of Lead Director

On an annual basis, a majority of the Non-Management directors shall select from such group a lead independent director (the "**Lead Director**"). The Lead Director shall, among any other responsibilities which may be established by the Board:

- recommend to the Chairman of the Board matters for consideration by the Board;
- recommend to the Chairman of the Board appropriate materials to be provided to the directors;
- prepare the agenda for executive sessions of the Non-Management directors and independent directors;
- serve as an independent point of contact for stockholders wishing to communicate with the Board other than through the Chairman or Chief Executive Officer; and
- perform such other duties and responsibilities as may be assigned to him or her from time-to-time by a majority of the Non-Management directors.

No Specific Limitation on Other Board Service

The Board does not believe that its members should be prohibited from serving on boards of other organizations and has not adopted any guidelines limiting such activities.

However, the Nominating and Corporate Governance Committee and the Board will take into account the nature of and time involved in a director's service on other boards and/or committees in evaluating the suitability of individual candidates and current directors and making its recommendations to the Company's stockholders.

Due to the demanding nature of service on the Audit Committee, the members of the Audit Committee may not serve on the audit committees of the boards of directors of more than two other public companies at the same time as they are serving on the Company's Audit Committee, unless approved by the Nominating and Corporate Governance Committee.

Service on other boards and/or committees should be consistent with the Company's conflict of interest policies.

Directors Affiliated with Direct Competitors

When a director becomes an employee, officer, director, representative or agent of, consultant to, or otherwise affiliated with, a direct competitor of the Company, such director shall submit his or her resignation from the Board. The Nominating and Corporate Governance Committee shall recommend to the Board and the Board shall determine (which determination may be at variance with such recommendation) whether to accept such resignation.

Director Responsibilities

The management of the business and affairs of the Company will be overseen under the direction of the Board, including through one or more of its committees, as set forth in the applicable committee charter or as provided by the Board. Each director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. These include:

(1) overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;

(2) reviewing and, where appropriate, approving the Company's major financial objectives, plans and actions;

(3) keep informed of major changes in, and determinations of, major issues with respect to the appropriate accounting principles and practices to be used in the preparation of the Company's financial statements;

(4) reviewing and, where appropriate, approving major changes in, and determinations under the Company's Guidelines, Code of Business Conduct and Ethics and other company policies;

(5) reviewing the Chairman of the Board's evaluation of the performance of the Chief Executive Officer, the Chief Executive Officer's evaluation of the performance of the Chief Operating Officer and approving the compensation of the Chief Executive Officer;

(6) planning for succession with respect to the position of the Chairman of the Board and Chief Executive Officer; and

(7) ensuring that the Company's business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations.

Compensation

The Company's executive officers shall not receive additional compensation for their service as directors. Director fees (including any equity incentive compensation granted or awarded to all directors) and fees for serving as a Lead Director, as Chairman of any committee of the Board or as a member thereof, are the sole form of compensation that members of the Board, the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee may receive from the Company. The Compensation Committee shall have the responsibility for recommending to the Board compensation for Non-Management directors. The Board believes that the amount of director compensation should be fair and competitive in relation to director compensation at other companies with businesses similar in size and scope to the Company; the type and amount of compensation should align directors' interest with the long-term interests of stockholders; and the structure of the compensation program should be simple, transparent and easy for stockholders to understand. The Compensation Committee shall review the annual retainer fee as well as other compensation for non-employee directors with the full Board every other year, or more frequently if necessary.

Interaction with Institutional Investors, the Press and Customers

The Board believes that management speaks for the Company. Except as provided under "Selection and Responsibilities of Lead Director" herein, each director should refer all inquiries from institutional investors, the press and customers to management. Individual Board members may, from time to time at the request of the management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board or the Chief Executive Officer.

Board Access to Senior Management

The Board will have complete access to the Company's management in order to ensure that directors can ask any questions and receive all information necessary to perform their duties. Such contact, if in writing, should be copied to the Chief Executive Officer of the Company.

Board Access to Independent Advisors

The Board committees may hire independent advisors as set forth in their applicable charters. The Board as a whole shall have access to such advisors and such other independent advisors that the Company retains or that the Board considers necessary to discharge its responsibilities.

Annual Self-Evaluation

The Nominating and Corporate Governance Committee will oversee an annual assessment by the Board of the Board's and each Committee's performance. The Nominating and Corporate Governance Committee will be responsible for establishing the criteria and implementing the process for such evaluation, as well as considering other corporate governance principles that may, from time to time, merit consideration by the Board.

Board Meetings

Frequency of Meetings

The Board will meet at least four times annually. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of directors to attend meetings.

Director Attendance

A director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. Accordingly, a director is expected to regularly prepare for and attend meetings of the Board and all committees on which the director sits (including separate meetings of non-management directors), with the understanding that, on occasion, a director may be unable to attend a meeting. A director who is unable to attend a meeting in person is expected to notify the Chairman of the Board or the Chairman of the appropriate committee in advance of such meeting, and, whenever possible, participate in such meeting via teleconference.

Attendance of Non-Directors

The Board encourages members of the Board and any committee of the Board to bring management, key employees, key shared services employees and outside advisors or consultants from time to time into Board and/or committee meetings (i) to provide insight into items being discussed by the Board or such committee which involve such persons and (ii) to make presentations to the Board or such committee on matters involving such persons. Attendance of non-directors at Board meetings is at the discretion of the Board.

Agendas

The Chairman establishes the agenda for each Board meeting with input from the Lead Director, management and, as necessary or desired, from the other directors.

Advance Receipt of Meeting Materials

Information regarding the topics to be considered at a meeting is essential to the Board's understanding of the business and the preparation of the directors for a productive meeting. To the extent feasible, the meeting agenda and any written materials relating to each Board meeting will be distributed to the directors in advance of each meeting to allow for meaningful review of such agenda and materials by the directors.

Committee Matters

Number, Name, and Responsibilities of Committees

The Board currently has three committees. From time to time, the Board may form a new committee or disband a current committee, depending upon the circumstances. Each committee will perform its duties as assigned by the Board in compliance with the committee's charter. The current committees are:

- **Audit Committee.** This committee consists of at least three independent directors and reviews the work of the Company's internal accounting and audit processes and independent auditors. The committee has sole authority to appoint and fire the Company's independent auditors, to approve any significant non-audit relationship with the independent auditors and to approve fees to be paid for services to the independent auditors. The committee also reviews and authorizes the inclusion of the audit committee report in the proxy statement, in accordance with applicable rules and regulations.
- **Compensation Committee.** This committee consists of at least three independent directors and stays informed as to market levels of compensation and, recommends to the Board compensation levels and programs for the Chief Executive Officer that correspond to the Company's goals and objectives. The committee also (i) reviews and authorizes the inclusion of the compensation committee report in the proxy statement, in accordance with applicable rules and regulations and (ii) reviews and recommends, on a bi-ennial basis, the compensation of the Board and its committees.
- **Nominating and Corporate Governance Committee.** This committee consists of at least three independent directors and is responsible for recommending to the Board individuals to be nominated as directors and committee members (including the evaluation of new candidates and current directors) and determining whether directors and director candidates are independent as required by NYSE listing standards and applicable laws and regulations.

Assignment and Rotation of Committee Members

Based on the review and consideration of the recommendations of the Nominating and Corporate Governance Committee, the Board appoints committee members and committee chairs according to criteria set forth in the applicable committee charter and

such other criteria that the Board determines to be appropriate in light of the responsibilities of each committee. Committee membership and the position of committee chair will not be rotated on a mandatory basis unless the Board determines that rotation is in the best interests of the Company.

The Board affirmatively states that in accordance with applicable rules (including those of the New York Stock Exchange), each member of the Audit Committee must be financially literate, and that at least one member of the Audit Committee must qualify as a financial expert.

Frequency of Committee Meetings

Except for the Audit Committee, each committee will meet at least once annually. The Audit Committee will meet at least four times annually. In addition, special meetings may be called by the Chairman of any committee from time to time as determined by the needs of the business. It is the responsibility of the directors to attend the meetings of the committees on which they serve.

Committee Agendas

The Chairman of each committee, in consultation with the appropriate members of the committee, will develop his or her committee's agenda.

Committee Self-Evaluations and Charter Review

Each committee will review its performance and charter annually and recommend to the Board any changes it deems necessary.

Leadership Development

Annual Review of Chief Executive Officer

On an annual basis, the Chairman of the Board will provide the Compensation Committee with an evaluation of the Chief Executive Officer and the Compensation Committee will provide the independent directors with an evaluation of the Chief Executive Officer. After discussion and agreement by the independent directors, the evaluation should be communicated to the Chief Executive Officer by the independent directors. The evaluation should be based on criteria the Committee deems appropriate.

Succession Planning

The Chairman of the Board shall report periodically to the Board on succession planning.

Orientation and Continuing Education

The Board shall provide directors with access to internal and external orientation programs and continuing education programs to ensure that they have sufficient information about the Company and their duties.

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