



Governance

Corporate Governance Guidelines

Role of the Board and Management

The business and affairs of Safety, Income and Growth, Inc. (the "Company") are conducted under the oversight of the Board. The Board of Directors is elected by the Company's shareholders to oversee management (conducted by the Company's external manager (the "Manager")) and to act in a manner that helps assure that the long-term interests of the shareholders are being served.

Functions and Responsibilities of Directors

The Board of Directors has four regularly scheduled meetings a year, held each quarter, at which the Board meets in person to review and discuss reports furnished by management on the performance of the Company, its plans and prospects, as well as other issues facing the Company. The Board also meets at other times, as needed, by telephone. Committees of the Board also meet regularly, in person and by telephone, to carry out their functions and responsibilities. Each director is expected to attend substantially all the meetings of the Board and substantially all the meetings of each committee on which the director serves. Each director is expected to review, before attending meetings of the Board or committees, all materials provided by the Company relating to matters to be considered at the meetings. Directors who are not employees of the Company or the Manager meet in executive session at the conclusion of each of the Board's regularly scheduled meetings, and additionally as needed, without the presence of any directors or other persons who are part of the Company's management.

Director Qualification Standards

A majority of the directors should be "independent" as determined by the Board in accordance with the rules and standards established by the New York Stock Exchange, Inc. from time to time. The Board of Directors, and the Nominating and Governance Committee of the Board, review periodically the mix of skills, experience and background of current and potential directors in light of the Company's anticipated needs. Qualifications that are considered relevant include the following:



Education and experience that provides knowledge of business, financial, governmental or Nepal matters that are relevant to the Company's business or to its status as a publicly owned company;

Reputation for integrity;

Reputation for exercising good business judgement

Sufficient available time to be able to fulfill his or her responsibilities as a member of the Board and of any committees to which he or she may be appointed

Board Committees

The Board of Directors has established the following standing committees to assist the Board in discharging its responsibilities: Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. The charters of these committees are published on the Company's website. The committees meet regularly, typically in conjunction with regular Board meetings and otherwise as necessary. The committee chairs report the highlights of committee meetings to the full Board.

Access to Management and Independent Advisors

Directors are encouraged to contact the Company's senior management in order to keep themselves adequately informed of the Company's affairs so as to enable them to make sound business judgements. In addition, the Board and its committees have the right at any time to consult with and retain independent legal, financial or other advisors.

Director Compensation

In fixing the compensation to be paid to directors who are not employees of the Company for serving on the Board and on committees, the Board may consider the following:

The compensation that is paid to directors of other companies that are comparable to the Company.

The amount of time it is likely directors will be required to devote to preparing for and attending meetings of the Board and the committees on which they serve.

The success of the company (which may be reflected in stock options or other compensation related to the price of the Company's shares).



If a committee on which a director serves undertakes a special assignment, the importance of that special assignment to the Company and its shareholders.

The risks involved in serving as a director and a member of Board committees.

Management Agreement

As part of their role in overseeing the management of the business and affairs of the Company, the directors are responsible for selecting, evaluating and compensating the Manager. The Board may delegate elements of this responsibility to one or more committees. In carrying out this function, the Board endeavors to ensure that the Manager has the capabilities and resources to cause the Company to operate in a manner that will enable the Company to achieve its goals and objectives.

Director Orientation

Each new director is given an opportunity to discuss the Company and its business with management and be informed of Company policies that affect directors, including these Corporate Governance Guidelines. Management of the Company will also make available to directors materials or briefing sessions regarding director responsibilities and other matters related to service on the Board of Directors.

Annual Performance Assessments

The performance of the Board and its Audit, Compensation and Nominating and Corporate Governance Committees is assessed on an annual basis by a Board committee, in accordance with policies approved by the Board, and the results are reported to the full Board. The purpose of these assessments is to increase the effectiveness of the Board as a whole and its committees.