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GETTY REALTY CORP /MD/  
Form DEF 14A  
April 05, 2002

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934 (AMENDMENT NO. )

Filed by the registrant [ ]

Filed by a party other than the registrant [ ]

Check the appropriate box:

[ ] Preliminary proxy statement. [ ] Confidential, for use of the  
Commission only (as permitted by  
Rule 14a-6(e)(2)).

[X] Definitive proxy statement.

[ ] Definitive additional materials.

[ ] Soliciting material pursuant to Section 240.14a-12

Getty Realty Corp.

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(Name of Registrant as Specified in Its Charter)

Getty Realty Corp.

-----  
(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of filing fee (check the appropriate box):

[X] No fee required.

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(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed  
pursuant to Exchange Act Rule 0-11 (set forth the amount on which the  
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

[GETTY LOGO]

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD MAY 16, 2002

To the Stockholders of  
GETTY REALTY CORP.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Getty Realty Corp. will be held at 270 Park Avenue, 11th Floor, New York, New York, on May 16, 2002 at 10:30 a.m., for the following purposes:

- (1) To elect a Board of five directors to hold office for the ensuing year or until the election and qualification of their respective successors.
- (2) To ratify the appointment of PricewaterhouseCoopers L.L.P. as our independent auditors for the fiscal year ending December 31, 2002.
- (3) To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

The transfer books will not be closed, but only stockholders of record at the close of business on March 21, 2002 are entitled to notice of and to vote at this meeting or any adjournments thereof.

You are cordially invited to attend the meeting. Whether or not you expect to attend, please promptly vote, sign, date and return the enclosed proxy

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instruction card in the enclosed U.S. postage-paid envelope. This will ensure that your shares are voted in accordance with your wishes and that a quorum will be present. Even though you have returned your proxy card, you may withdraw your proxy at any time prior to its use and vote in person at the meeting should you so desire.

By Order of the Board of Directors,

/s/ Randi Young Filip

RANDI YOUNG FILIP  
Vice President, General Counsel and  
Corporate Secretary

Jericho, New York  
April 5, 2002

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PLEASE NOTE--IF YOU DO NOT PLAN TO ATTEND THE MEETING, IT WOULD BE APPRECIATED IF YOU WOULD PROMPTLY SIGN AND RETURN THE ENCLOSED PROXY IN THE ENCLOSED ENVELOPE WHICH REQUIRES NO POSTAGE.

GETTY REALTY CORP.  
125 JERICHO TURNPIKE, SUITE 103, JERICHO, NEW YORK 11753

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PROXY STATEMENT FOR  
ANNUAL MEETING OF STOCKHOLDERS

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This Proxy Statement is furnished in connection with the solicitation of proxies by and on behalf of the Board of Directors of Getty Realty Corp. (hereinafter called the "Company" or "Getty"), to be voted at the Annual Meeting of Stockholders to be held at 270 Park Avenue, 11th Floor, New York, New York, on May 16, 2002 at 10:30 a.m., and at any adjournments thereof, for the purpose of electing a Board of Directors, ratifying the appointment of independent auditors and transacting such other business as may properly come before the meeting.

On the March 21, 2002 record date for securities entitled to vote at the meeting, 21,429,235 shares of Getty Common Stock and 2,865,768 shares of Getty Preferred Stock (described below) were outstanding. Each outstanding common share is entitled to one vote and each outstanding preferred share is entitled to 1.1312 votes. The common and preferred shares vote together as a single class. In order to constitute a quorum at the meeting, there must be present or voting by proxy, holders of common and preferred shares holding a majority of the outstanding common shares (including common shares issuable upon conversion of the Getty Preferred Stock). In conformity with Maryland law, shares abstaining from voting or not voted on certain matters will not be treated as votes cast with respect to those matters, and, therefore, will not affect the outcome of any such matter.

This Proxy Statement and form of proxy will be sent to stockholders in an initial mailing on or about April 5, 2002. We must receive stockholder proposals that are intended to be presented at the 2003 annual meeting no earlier than February 15, 2003 and no later than March 17, 2003 in accordance with our by-laws. Stockholder proposals to be considered for inclusion in next year's proxy statement must be received by December 6, 2002.

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## GENERAL

The Company was incorporated in Maryland on December 23, 1997 in order to acquire Power Test Investors Limited Partnership ("PTI"), which occurred on January 30, 1998 (the "Merger"). As a result of the Merger, each share of common stock of Getty Realty Corp., a Delaware corporation formerly known as Getty Petroleum Corp. ("Old Getty"), was converted into the right to receive one share of common stock of the Company ("Getty Common Stock") and PTI unitholders received shares of the Company's Series A Participating Convertible Redeemable Preferred Stock ("Getty Preferred Stock"). When we refer to the Company prior to January 30, 1998, we mean Old Getty.

In December 2000, we changed our fiscal year from a January 31 to a December 31 year end. Information for the fiscal year ended December 31, 2000 is for the eleven month period from February 1 to December 31, 2000.

1

## ELECTION OF DIRECTORS

Five directors are to be elected at the meeting for a term of one year or until their respective successors are elected and qualified. Election of the directors requires the plurality vote of the holders of a majority of the shares present in person or represented by proxy at the meeting.

You may use the enclosed proxy to cast your votes for the election of the nominees named in the table below. In the event that any of the nominees should become unable or unwilling to serve as a director, we intend to vote your proxy for the election of the person, if any, that is designated by the Board of Directors. The persons nominated for election as directors are as follows:

NAME--AGE SERVED AS DIRECTOR SINCE	OFFICES HELD IN GETTY AND/OR PRINCIPAL OCCUPATION FOR PAST FIVE YEARS
Milton Cooper--73 May 1971	Chairman of the Board of Kimco Realty Corporation, a real estate investment trust, for more than five years. Director, Secretary and Assistant Treasurer of CLS General Partnership Corp., Director of Blue Ridge Real Estate/Big Boulder Corporation, a real estate management and land development firm, and a Trustee of MassMutual Corporate Investors and MassMutual Participation Investors.
Philip E. Coviello--59 June 1996	Partner of Latham & Watkins, an international law firm, for more than five years. Latham & Watkins has performed legal services for the Company for many years.
Leo Liebowitz--74 May 1971	President and Chief Executive Officer of Getty. Served as Chairman, Chief Executive Officer and Director of Getty Petroleum Marketing Inc. ("Marketing") until December 11, 2000. Director, President and Treasurer of CLS General Partnership Corp. He is also a director of the Regional Banking Advisory Board of J. P. Morgan Chase & Co.
Howard Safenowitz--43 December 1998	Senior Vice President, Business Affairs of Buena Vista Motion Pictures and prior thereto Vice President, Business Affairs of Walt Disney Pictures and Television for more than five years. Served as Director of Marketing from December 1998 until December 11, 2000.
Warren G. Wintrub--68 June 1993	Retired Partner, former member of the Executive Committee and former Chairman of the Retirement Committee of Coopers & Lybrand, an international professional services

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organization, for more than five years prior to his retirement in January 1992. Director of Chromcraft Revington, Inc., Corporate Property Associates 10 Inc., Corporate Property Associates 14 Inc. and Corporate Property Associates 15 Inc.

2

BENEFICIAL OWNERSHIP OF CAPITAL STOCK

The following table sets forth the beneficial ownership of Getty Common Stock and Getty Preferred Stock based on beneficial ownership as of February 15, 2002, of (i) each person who is a beneficial owner of more than 5% of the outstanding shares of Getty Common Stock or Getty Preferred Stock, (ii) each director, (iii) the Named Executive Officers (as defined below), and (iv) all directors and executive officers as a group. The number of shares column includes shares as to which voting power and/or investment power may be acquired within 60 days (such as upon exercise of outstanding stock options) because such shares are deemed to be beneficially owned under the rules of the Securities and Exchange Commission.

	SHARES OF COMMON STOCK BENEFICIALLY OWNED	APPROXIMATE PERCENT OF CLASS (1) COMMON STOCK	SHARES OF PREFERRED STOCK BENEFICIALLY OWNED
Milton Cooper Director c/o Kimco Realty Corporation 3333 New Hyde Park Road New York, NY 11042	1,073,357 (2)	5.0%	219,711 (3)
Philip E. Coviello Director Leo Liebowitz Director, President and Chief Executive Officer c/o Getty Realty Corp. 125 Jericho Turnpike Suite 103 Jericho, NY 11753	54,734 (4)	*	--
Howard Safenowitz Director c/o Getty Realty Corp. 125 Jericho Turnpike Suite 103 Jericho, NY 11753	2,358,676 (5)	11.0%	555,331 (6)
Warren Wintrub Director Randi Young Filip Vice President, General Counsel and Corporate Secretary	2,278,351 (7)	10.6%	369,726 (8)
Kevin C. Shea Vice President Thomas Stirnweis Corporate Controller and Treasurer	66,749 (4)	*	--
Directors and Executive Officers as a group (8 persons)	5,170	*	--
	13,369 (4)	*	--
	1,628	*	--
	5,998,322	28.0%	1,144,768

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Wellington Management Company, LLP 75 State Street Boston, MA 02109	1,146,000 (9)	5.3%	--
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3

	SHARES OF COMMON STOCK BENEFICIALLY OWNED	APPROXIMATE PERCENT OF CLASS (1) COMMON STOCK	SHARES OF PREFERRED STOCK BENEFICIALLY OWNED
Safenowitz Partners, LP c/o Howard Safenowitz President of Safenowitz Family Corp., general partner c/o Getty Realty Corp. 125 Jericho Turnpike Jericho, NY 11753	1,510,801 (10)	7.1%	289,156 (10)
CLS General Partnership Corp. c/o Leo Liebowitz, President 125 Jericho Turnpike Jericho, NY 11753	--	--	665,760 (11)

\* Total shares beneficially owned constitute less than one percent of the outstanding shares.

- (1) The percentage is determined by dividing the number of shares shown by the aggregate number of shares outstanding and the shares which may be acquired within 60 days.
- (2) Includes 10,311 shares held in a partnership of which Mr. Cooper is a partner, 2,013 shares held by his wife as to which he disclaims beneficial ownership, 2,421 shares held in a qualified pension plan for the benefit of Mr. Cooper, 169,000 shares held by a charitable foundation and 18,781 shares held in Getty's Retirement (401(k)) and Profit Sharing Plan.
- (3) Includes 4,321 shares held by a retirement fund of which Mr. Cooper is a beneficiary, 17,820 shares held by a charitable foundation of which he is the president and 118,505 shares held by CLS General Partnership Corp. Excludes 56,157 shares held by Mr. Cooper's wife and 14,720 shares held by his children and grandchildren, as to which he disclaims beneficial ownership.
- (4) Includes with respect to Messrs. Coviello, Wintrub and Shea, options covering 35,078, 41,365 and 9,402 shares, respectively, that are presently exercisable or will become exercisable within 60 days.
- (5) Includes 218,437 shares held by Mr. Liebowitz' wife as to which he disclaims beneficial ownership, 40,724 shares held by a charitable foundation and 44,205 shares held in Getty's Retirement (401(k)) and Profit Sharing Plan.
- (6) Includes 75,306 shares held by Mr. Liebowitz' wife and 274,892 shares held by CLS General Partnership Corp. Excludes 225,515 shares held by his children, as to which he disclaims beneficial ownership.
- (7) Includes 23,479 shares held as custodian for three minor children, 98,238 shares held by The Marilyn Safenowitz Irrevocable Trust u/a/d 12/13/94 (of which Mr. Safenowitz is a co-trustee and as to which he has no beneficial interest), 515,000 shares held by The Safenowitz Family Partnership, LP and 1,510,801 shares held by Safenowitz Partners, LP (as to which in each case he is the president of the general partner and as to which he disclaims

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- beneficial ownership except to the extent of his pecuniary interest therein), and 11,523 shares held by Mr. Safenowitz' wife as to which he disclaims beneficial ownership. Also includes options covering 3,750 shares that are presently exercisable or will become exercisable within 60 days.
- (8) Includes 289,156 shares held by Safenowitz Partners, LP, of which Mr. Safenowitz is the president of the general partner and as to which he disclaims beneficial ownership except to the extent of his pecuniary interest therein, 26,136 shares held by The Marilyn Safenowitz Irrevocable Trust u/a/d 12/13/94, of which he is a co-trustee and as to which he has no beneficial interest, and 11,000 shares held by The Marilyn Safenowitz Irrevocable Trust u/a/d 4/13/00, of which he is trustee and as to which he has no beneficial interest.
- (9) On February 19, 2002, we received a Schedule 13G dated February 14, 2002, that was filed with the SEC in respect of ownership of an aggregate of 1,146,000 shares of Getty Common Stock by Wellington Management Company, LLP. We have not attempted to verify independently any of the information contained in the Schedule 13G.

4

- (10) Safenowitz Partners, LP is separate and distinct from The Safenowitz Family Partnership, LP referred to in Note 7 above. These shares are also included in the total number of shares attributable to Howard Safenowitz as set forth in the table above and further described in Notes 7 and 8.
- (11) The shareholders of CLS General Partnership Corp. are Leo Liebowitz (41.29%), Milton Cooper (17.80%) and Marilyn Safenowitz, Trustee of the Non-Exempt Marital Trust created under the Milton Safenowitz Revocable Trust u/a/d 2/6/97 (40.91%).

### DIRECTORS' MEETINGS, COMMITTEES AND EXECUTIVE OFFICERS

During the fiscal year ended December 31, 2001, the Board of Directors held four regular meetings and two telephonic special meetings. Each director attended all of the meetings of the Board of Directors and of the Committees of the Board on which the director served.

The Board of Directors has an Audit Committee, a Nominating Committee and a Compensation and Stock Option Committee, the membership and functions of which are described below.

The Audit Committee, consisting of Messrs. Coviello (Chairman), Cooper and Wintrub, met once last year. The Committee selects the firm of independent public accountants which audits the consolidated financial statements of Getty and its subsidiaries, discusses the scope and the results of the audit with the accountants and discusses Getty's financial accounting and reporting principles. The Committee also examines the summary reports of Getty's internal auditors and discusses the adequacy of Getty's financial controls with the accountants and with management.

The Nominating Committee, consisting of Messrs. Liebowitz (Chairman), Cooper, Coviello and Safenowitz, met one time last year. The Committee recommends candidates to the Board for election as officers. The Committee recommends nominees for election to the Board and reviews the role, composition and structure of the Board and its committees. The Committee will consider nominees recommended by shareholders upon submission in writing to the Secretary, in accordance with the provisions of our Bylaws, together with the nominee's qualifications for service as a director.

The Compensation and Stock Option Committee (the "Compensation Committee"), which met three times last year, consists of Messrs. Wintrub (Chairman), Cooper, Liebowitz and Safenowitz. Mr. Cooper had served as Chairman until March 2001, at

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which time Mr. Wintrub became Chairman. The Compensation Committee administers Getty's bonus plan, Supplemental Retirement Plan and 1998 Stock Option Plan, and reviews the compensation of the directors and officers of Getty.

### DIRECTORS' COMPENSATION

Directors receive annual retainer fees of \$12,000, and committee and board meeting fees of \$1,000 for each meeting attended, except for telephonic meetings for which the fee is \$500. The Chairman of the Audit Committee receives \$1,500 for each committee meeting, except that he receives \$750 for each telephonic meeting. Directors who are employees of Getty do not receive retainers or board meeting fees. Messrs. Coviello, Safenowitz and Wintrub have received options under Getty's stock option plan.

### OTHER EXECUTIVE OFFICERS

Other than Mr. Liebowitz, the executive officers during fiscal 2001 were Randi Young Filip, age 41, Vice President and General Counsel of Getty since 2001 and Corporate Secretary of Getty since 1997, Kevin C. Shea, age 42, Vice President of Getty since 2001 and Thomas Stirnweis, age 43, Corporate Controller and Treasurer of Getty since 2001. Management is not aware of any family relationships between any of its directors or executive officers.

5

## COMPENSATION

### EXECUTIVE COMPENSATION

The following tables provide information about executive compensation.

#### SUMMARY COMPENSATION TABLE

The following table sets forth information about the compensation of the Chief Executive Officer and each of the other Executive Officers of Getty (the "Named Executive Officers") for services in all capacities to Getty and its subsidiaries during the periods indicated.

NAME AND PRINCIPAL POSITION	FISCAL YEAR ENDED	ANNUAL COMPENSATION			RESTRICTED	LONG TERM C
		SALARY (\$)	BONUS (\$)	OTHER ANNUAL COMPENSATION (\$)(1)	STOCK AWARDS (\$)	SECURI UNDERL OPTIO (#)
Leo Liebowitz	December 31, 2001	331,100	75,000			
Director, President and Chief Executive Officer	December 31, 2000(3)	305,631	--			
	January 31, 2000	322,755	--			
Randi Young Filip	December 31, 2001	124,273	45,000			10,0
Vice President, General Counsel and Corporate Secretary	December 31, 2000(3)	95,377	40,000			10,0
	January 31, 2000	100,400	20,000			5,0
Kevin C. Shea	December 31, 2001	113,149	60,000			10,0
Vice President	December 31, 2000(3)	95,204	40,000			10,0
	January 31, 2000	100,461	37,000			4,0
Thomas Stirnweis	December 31, 2001(4)	120,673	50,000			10,0
Corporate Controller and Treasurer						



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- (1) None of the Named Executive Officers received perquisites or other personal benefits that exceeded the lesser of \$50,000 or 10% of the officer's salary and bonus.
- (2) All other compensation includes Company contributions to the defined contribution retirement profit sharing plan, matching contributions under Getty's 401(k) savings plan, Getty contributions to the Supplemental Retirement Plan for executives and life insurance premiums as set forth in the following table.

	FISCAL YEAR ENDED	DEFINED CONTRIBUTION RETIREMENT PLAN	COMPANY MATCH 401(K) PLAN	SUPPLEMENTAL RETIREMENT PLAN	LIFE INSURANCE
Leo Liebowitz	December 31, 2001	\$2,596	\$ --	\$30,514	\$77,200
	December 31, 2000 (3)	2,638	--	31,500	2,200
	January 31, 2000	2,474	--	40,721	2,400
Randi Young Filip	December 31, 2001	2,544	3,728	10,154	1,800
	December 31, 2000 (3)	1,703	3,094	7,528	1,500
	January 31, 2000	1,600	3,005	--	1,600
Kevin C. Shea	December 31, 2001	2,286	3,420	9,655	1,800
	December 31, 2000 (3)	2,038	3,087	8,875	1,500
	January 31, 2000	1,744	2,991	--	1,600
Thomas Stirnweis	December 31, 2001 (4)	1,752	3,620	9,176	2,000

- (3) Due to a change in our fiscal year end, the Fiscal Year Ended December 31, 2000 is an eleven month period. The prior fiscal year is a twelve month period ending January 31, 2000.
- (4) Mr. Stirnweis became an employee of the Company on January 1, 2001.
- (5) All life insurance policy premiums relate to term life insurance policies unless otherwise noted.
- (6) Includes a \$75,626 fixed annual premium for a 10-year universal life insurance policy owned by Mr. Liebowitz.

6

OTHER EXECUTIVE COMPENSATION

In December 1994, we entered into agreements (collectively, the "Change of Control Agreements") with non-director officers and certain key employees, in which Getty agreed to make payments under certain circumstances upon a "change of control" of Getty, and also agreed that all Getty stock options granted to such officer or key employee would immediately vest. In March 1996, we amended the Change of Control Agreements to treat a spinoff or similar transaction involving a substantial portion of Getty's marketing or real estate business or assets as a "change of control". Accordingly, a "change of control" for purposes of the Change of Control Agreements occurred on March 21, 1997, when Marketing was spun off to Getty shareholders. On April 8, 1997, we formally confirmed to each covered employee our obligations under the Change of Control Agreements including a minimum guaranteed annual compensation (the "Guaranteed Salary"). On March 9, 1998, we further amended the Change of Control Agreements to provide that in the event of the termination of an officer or covered employee by Getty for other than cause, or by either party following the assignment to such officer or covered employee of materially less favorable job responsibilities or duties, for the 24-month period after the date of termination for officers and a

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12-month period after the date of termination for the covered employees, Getty will make payments to each such individual over the applicable period at an annual rate of not less than the Guaranteed Salary, reduced by the amount of compensation, if any, the officer or key employee receives from any other employer during the covered period. In addition, Getty will continue to pay at least the Guaranteed Salary to each covered employee as long as he or she remains a Getty employee. Ms. Young Filip and Mr. Stirnweis are currently covered by these arrangements with a 12-month benefit period.

In connection with John Fitteron's retirement as Senior Vice President, Treasurer and Chief Financial Officer in January 2001, Getty agreed to pay Mr. Fitteron a lump sum payment and bonus for fiscal 2000 and the sum of \$30,500 per year for two years commencing February 1, 2001, in lieu of what was owed to him under his Change of Control Agreement. Mr. Fitteron also will receive certain related benefits through October 31, 2003.

STOCK OPTIONS

The following table sets forth as to the Named Executive Officers additional information with respect to the stock options granted during the fiscal year ended December 31, 2001, including the potential realizable value from the stock options assuming they are exercised at the end of the option term and assuming 5% and 10% annual rates of stock price appreciation during the option term.

OPTION GRANTS IN LAST FISCAL YEAR

NAME	NUMBER OF SHARES OF COMMON STOCK UNDERLYING OPTIONS GRANTED (#)	INDIVIDUAL GRANTS			EXPIRATION DATE	POTENTIAL REALIZABLE VALUE AT ASSUMED 5% (\$)
		% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR ENDED 12-31-01	EXERCISE OR BASE PRICE (\$/SHARE)			
Leo Liebowitz	--	--	--	--	--	--
Randi Young Filip	10,000	14.4%	16.15	09/20/11	145,500	
Kevin C. Shea	10,000	14.4%	16.15	09/20/11	145,500	
Thomas Stirnweis	10,000	14.4%	16.15	09/20/11	145,500	

(1) The dollar amounts under the potential realizable value column are the result of calculations of assumed annual compound rates of appreciation over the ten-year life of the options in accordance with the rules of the SEC and are not intended to forecast possible future appreciation, if any, of the Company's Common Stock. The actual value, if any, an executive may realize will depend on the excess of the market price of the shares over the exercise price on the date the option is exercised. The Company did not use an alternative formula for a grant date valuation, as the Company is not aware of any formula which will determine with reasonable accuracy a present value based on unknown or volatile factors. If the price of

Getty Common Stock appreciates, the value of Getty Common Stock held by the Company's stockholders will also increase. For example, the aggregate market value of Getty Common Stock on December 31, 2001 was approximately \$403,811,000, based upon the market price on that date. If the share price

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of Getty's Common Stock increases by 5% per year, the aggregate market value on December 31, 2011 of the same number of shares would be approximately \$657,765,000. If the price of Getty's Common Stock increases by 10% per year, the aggregate market value on December 31, 2011 would be approximately \$1,047,381,000.

The following table provides information as to options exercised by each of the Named Executive Officers of Getty during the fiscal year ended December 31, 2001 and the value of options held by such officers at year end measured in terms of the closing price of Getty Common Stock on December 31, 2001.

### AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR END OPTION VALUES

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (\$)	NUMBER OF UNEXERCISED OPTIONS AT FISCAL YEAR END (#) EXERCISABLE/ UNEXERCISABLE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FISCAL YEAR EXERCISABLE/ UNEXERCISABLE
Leo Liebowitz	--	--	--	--
Randi Young Filip	4,713	153,777	--/10,000	--/27,000
Kevin C. Shea	2,000	16,010	9,402/19,500	2,396/75,000
Thomas Stirnweis	1,618	69,500	--/10,000	--/27,000

#### STOCK OPTION PLAN

Our 1998 Stock Option Plan, as amended (the "Stock Option Plan"), which has been approved by our stockholders, authorizes the grant to directors, officers and other key employees of Getty and its subsidiaries of long-term incentive share awards in the form of options ("Options") to purchase shares of Getty Common Stock. The Stock Option Plan is administered by a committee of four members of the Board of Directors (the "Compensation Committee"). The maximum number of shares which may be the subject of outstanding Options under the 1998 Stock Option Plan is 1,100,000, subject to adjustments for stock dividends and stock splits. As of December 31, 2001, 318,349 shares of Getty Common Stock were issuable upon the exercise of options outstanding under the Stock Option Plan. No grants may be made under the Stock Option Plan after January 30, 2008. The number of remaining shares available for grant under the Stock Option Plan was 715,084 at March 15, 2002.

The recipients, terms (including price and exercise period) and type of Option to be granted under the Stock Option Plan are determined by the Compensation Committee; however, the Option price per share under the Stock Option Plan generally must be at least equal to the fair market value of a share of Getty Common Stock (110% of the amount in the case of Incentive Stock Options granted to any individual who owns stock representing more than 10% of the voting power of Getty Common Stock) on the date the Option is granted. Subject to certain limitations, Options granted under the Stock Option Plan may be either Incentive Stock Options (within the meaning of Section 422(b) of the Internal Revenue Code) or Non-Qualified Stock Options. With certain limited exceptions, Options may not be exercised for a period of twelve months following the grant of the Option and are exercisable in installments as are specified in the Stock Option Plan or the terms of each Option. The exercise period of an Option may not extend more than 10 years following its grant.

#### RETIREMENT PLANS

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Getty has a retirement profit-sharing plan with Deferred 401(k) Savings Plan Provisions (the "Retirement Plan") for employees meeting certain service requirements. Under the terms of the Retirement Plan, the

8

annual discretionary contribution portion of the Retirement Plan is determined by the Board of Directors. For the 401(k) portion of the Retirement Plan, the Board of Directors has elected to contribute to the Retirement Plan for each participating employee an amount equal to 50% of the employee's contribution to the Retirement Plan but in no event more than 3% of the employee's compensation.

Getty also has a Supplemental Retirement Plan for Executives (the "Supplemental Plan"). Under the Supplemental Plan, which is not qualified for purposes of Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), a participating executive may receive in his trust account an amount equal to 10% of his compensation, reduced by the amount of any contributions allocated to the executive under the Retirement Plan. The amounts paid to the trustee under the Supplemental Plan may be used to satisfy claims of general creditors in the event of Getty's or any of its subsidiaries' bankruptcy. The trustee may not cause the Supplemental Plan to be other than "unfunded" for purposes of the Employee Retirement Income Security Act of 1974, as amended. An executive's account vests in the same manner as under the Retirement Plan and is paid upon termination of employment. Under the Supplemental Plan, the Board of Directors may during any fiscal year elect not to make any payment to the account of any or all executives.

Pursuant to a long-standing arrangement, in the event of the death of Mr. Liebowitz, benefits in an amount equal to twelve months' salary will be paid to his estate. In the event of termination of Mr. Liebowitz' employment due to illness or incapacity for a period of one year or longer, benefits equal to twenty-four months salary will be payable to Mr. Liebowitz.

Mr. Liebowitz receives an annual pension of \$3,500 from a subsidiary's defined benefit retirement plan which was terminated effective October 1, 1985.

### COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Compensation Committee are Messrs. Cooper, Liebowitz, Safenowitz and Wintrub. Mr. Liebowitz is President and Chief Executive Officer. Mr. Cooper was a vice president of Getty until June 1992.

9

### REPORT OF THE COMPENSATION AND STOCK OPTION COMMITTEE

To Our Stockholders:

This report addresses our compensation policies with respect to the compensation of the Chief Executive Officer and the other executive officers during fiscal 2001. The Compensation and Stock Option Committee of the Board of Directors (the "Compensation Committee") is responsible for setting the policies which govern base salary compensation, bonuses, the Retirement Plan, the Supplemental Retirement Plan, and the Stock Option Plan, and for determining amounts payable under these plans.

Compensation of Getty's executive officers (with the exception of the Chief Executive Officer) is recommended by the Chief Executive Officer to the Compensation Committee and is discussed, reviewed and approved by the full Board of Directors. The compensation of the Chief Executive Officer is also discussed,

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reviewed and approved by the full Board of Directors.

### EXECUTIVE OFFICER COMPENSATION

Getty's compensation program for executive officers is designed to provide each officer with a total compensation package competitive with amounts paid for similar positions in similar companies. With its objective being to attract and retain capable people, Getty endeavors to ensure that each officer's compensation is based on his or her ability, effort and achievement. In addition to the base salary program, Getty has a discretionary bonus plan that is administered by the Compensation Committee in light of Getty's focus on managing its portfolio of gasoline service stations, terminals and related properties while minimizing expenses. Executive Officers' base salaries increased modestly at the end of the fiscal year.

Mr. Liebowitz' bonus for fiscal 2001 was based on the Committee's evaluation of his overall performance during the year, including his efforts in connection with Getty's common stock public offering, substantial distributions to shareholders (including the one-time special "earnings and profits" distribution in August 2001) and the Company's election to be treated as a real estate investment trust, as well as the significant increase in the Company's stock price during fiscal 2001.

### STOCK OPTIONS

Stock options are granted to encourage and facilitate personal stock ownership by the directors, executives and certain other key employees and thus strengthen their personal commitment to Getty and provide a longer term perspective to their managerial responsibilities. The stock option portion of the compensation program directly links the executive's interests with those of the stockholders. The Compensation Committee's policy is to grant stock option awards based on individual performance and the potential to contribute to the future success of Getty. In September 2001, stock options were awarded to certain key employees and directors. No options were granted to Mr. Liebowitz, who has not, to date, participated in the Stock Option Plan.

The Compensation Committee believes that the three components described above provide compensation that is competitive with that offered by other corporations, and effectively links executive and stockholder interests through varied plans that are structured to coincide with the long term vision of Getty.

Section 162(m) of the Code denies the federal income tax deduction by publicly held corporations of compensation in excess of \$1 million paid to certain executives and highly compensated officers during a fiscal year. It is our policy to take this rule into account in setting the compensation of its affected executives. In addition to salaries and bonuses, compensation income recognized upon the exercise of stock options may represent compensation subject to the Section 162(m) limitation. Although it is possible that in any given year, some portion of the compensation paid to an executive will not be tax deductible under Section 162(m), the Compensation Committee believes that portions of the affected executive's total compensation that are performance based are excepted from application of Section 162(m). Deductibility will also depend upon the amount of any bonus paid, upon the market price of the shares on the date stock options are exercised, and the number of options exercised by an executive in any fiscal year.

The report of the Compensation Committee should not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act or under the Exchange Act,

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except to the extent that Getty specifically incorporates this information by reference, and should not otherwise be deemed filed under such Acts.

Compensation and Stock Option  
Committee:

Warren Wintrub (Chairman)  
Milton Cooper  
Leo Liebowitz  
Howard Safenowitz

11

### REPORT OF THE AUDIT COMMITTEE

To Our Stockholders:

This report addresses Getty's compliance with SEC and the New York Stock Exchange rules designed to enhance audit committee effectiveness, to improve public disclosure about the functioning of corporate audit committees and to enhance the reliability and credibility of financial statements of public companies.

#### INDEPENDENCE

The Board of Directors has determined that each of the Audit Committee members are "independent" as such term is defined in the NYSE Rules.

#### AUDIT COMMITTEE CHARTER

At the Audit Committee Meeting held on March 23, 2000, the Audit Committee adopted a written Charter, which was approved by Getty's Board of Directors and attached to the Company's proxy statement dated May 1, 2000.

#### FINANCIAL STATEMENTS

With regard to our audited financial statements, the Audit Committee has:

(1) reviewed and discussed the audited financial statements with management and with PricewaterhouseCoopers L.L.P.;

(2) discussed with PricewaterhouseCoopers L.L.P., our independent auditors, the matters required by SAS 61, as may be modified or supplemented;

(3) (a) received the written disclosures and the letter from PricewaterhouseCoopers L.L.P. required by Independence Standards Board Standard No. 1 (Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees), as modified or supplemented, (b) discussed with PricewaterhouseCoopers L.L.P. their independence, and (c) concluded that the provision of those services other than audit services by PricewaterhouseCoopers L.L.P. is compatible with maintaining their independence; and

(4) based upon the review and discussions set forth in paragraphs (1) through (3) above, recommended to Getty's Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001.

The Audit Committee Chairman and one or more of the other Audit Committee members, prior to filing with the SEC each of the Company's quarterly reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2001, reviewed with the Company's management and PricewaterhouseCoopers L.L.P. the Company's interim financial results to be included in such report, and the

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matters required to be discussed by SAS 61.

The report of the Audit Committee should not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act or under the Exchange Act, except to the extent that Getty specifically incorporates this information by reference, and should not otherwise be deemed filed under such Acts.

Audit Committee:

Philip Coviello (Chairman)  
Milton Cooper  
Warren Wintrub

12

STOCK PERFORMANCE GRAPH  
COMPARATIVE FIVE-YEAR TOTAL RETURNS\*  
GETTY (GTY), S&P 500, AND PEER GROUP  
(Performance results through 12/31/01)

Set forth below is a line graph comparing the yearly percentage change in the cumulative total shareholder return on Getty Common Stock against the cumulative total return of the Standard & Poor's 500 Stock Index and the Peer Group for the period of five years ended December 31, 2001.

[PERFORMANCE GRAPH]

	1996	1997	1998	1999	2000
Getty Realty Corp.	\$100.00	176.36	119.40	94.25	132.14
Standard & Poor's 500	\$100.00	133.24	171.07	205.77	184.90
Peer Group	\$100.00	120.08	116.23	95.66	110.54

Assumes \$100 invested at the close of trading on 12/31/96 in Getty Common Stock, Standard & Poor's 500, and Peer Group.

\*Cumulative total return assumes reinvestment of dividends, and in the case of Getty includes (i) a special dividend relating to the Marketing spin-off and (ii) the special one-time earnings and profits distribution made in August 2001.

Getty has chosen as its Peer Group the following companies: Commercial Net Lease Realty, Inc., U.S. Restaurant Properties, Inc., Realty Income Corp. and FFP Partners, LP. We have chosen these companies as our Peer Group because a substantial segment of each of their businesses is as a real estate company that owns and leases commercial properties. For 2001, we have included Commercial Net Lease Realty, Inc. in lieu of Franchise Finance Corp. of America, in our Peer Group since FFCA was acquired by General Electric Capital Corporation during 2001.

The Stock Performance Graph should not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act or under the Exchange Act, except to the extent that Getty specifically incorporates this graph by reference, and should not otherwise be deemed filed under such Acts.

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We cannot assure you that Getty stock performance will continue in the future with the same or similar trends depicted in the graph above. We do not make or endorse any predictions as to future stock performance.

13

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

Pursuant to the direction of the Board of Directors, on February 28, 2002, the Audit Committee recommended the appointment of the firm of PricewaterhouseCoopers L.L.P., subject to ratification by the stockholders at the Annual Meeting, to audit the accounts of Getty with respect to our operations for the fiscal year ending December 31, 2002 and to perform other services as may be required. Should this firm of auditors be unable to perform these services for any reason, the Board of Directors will appoint other independent auditors to perform these services. A majority of votes cast at the meeting is necessary in order to ratify the appointment of the independent auditors.

The fees paid to PricewaterhouseCoopers L.L.P., our principal auditors, during fiscal 2001 were as follows:

Audit Fees(1)	\$ 94,000
Financial Information Systems Design and Implementation Fees	None
All Other Fees(2)	\$208,500

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- (1) Includes the aggregate fees billed for professional services rendered by PricewaterhouseCoopers L.L.P. for the audit of the Company's annual financial statements for fiscal 2001 and the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q for fiscal 2001.
  - (2) Includes the aggregate fees billed for all services rendered by PricewaterhouseCoopers L.L.P., other than fees for the services which must be reported under "Audit Fees" and "Financial Information Systems Design and Implementation Fees", during fiscal 2001, including fees for a common stock offering prospectus supplement and the audit of the Company's Profit Sharing Plan.

Representatives of the firm of PricewaterhouseCoopers L.L.P. are expected to be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions from stockholders.

The Board of Directors recommends a vote "FOR" the proposal to ratify the selection of PricewaterhouseCoopers L.L.P. as Getty's independent public auditors for the fiscal year ending December 31, 2002.

COMPLIANCE WITH SECTION 16(A) OF THE SECURITIES EXCHANGE ACT OF 1934

Pursuant to Section 16(a) of the Exchange Act and the rules issued thereunder, Getty's executive officers and directors are required to file with the SEC and the New York Stock Exchange reports of ownership and changes in ownership of Getty equity securities. Copies of these reports are required to be furnished to us. Based on our review of Forms 3 and 4 we received during fiscal 2001 and of Forms 5 we received with respect to fiscal 2001, Getty believes that



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during fiscal 2001 all of our executive officers and directors complied with the Section 16(a) requirements.

OTHER MATTERS

Management does not know of any matters, other than those referred to above, to be presented at the meeting for action by the stockholders. However, if any other matters are properly brought before the meeting, or any adjournment or adjournments thereof, we intend to cast votes pursuant to the proxies with respect to such matters in accordance with the best judgment of the persons acting under the proxies.

The proxy may be revoked at any time prior to its exercise. Brokerage houses and other custodians will be requested to forward solicitation material to beneficial owners of stock that they hold of record. We will reimburse brokerage houses, banks and custodians for their out-of-pocket expenses in forwarding proxy material to the beneficial owners. The cost of this solicitation, which will be effected by mail, will be borne by us.

April 5, 2002

By Order of the Board of Directors,

/s/ Randi Young Filip  
 Randi Young Filip  
 Vice President, General Counsel and  
 Corporate Secretary

14

[X] PLEASE MARK VOTES  
 AS IN THIS EXAMPLE

REVOCABLE PROXY  
 GETTY REALTY CORP.

ANNUAL MEETING OF STOCKHOLDERS  
 MAY 16, 2002

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned stockholder of Getty Realty Corp. hereby constitutes and appoints LEO LIEBOWITZ and THOMAS STIRNWEIS, and each of them, the true and lawful attorneys, agents and proxies of the undersigned, each with full power of substitution, to vote at the meeting, (or if only one shall be present and acting at the meeting then that one,) all of the common shares of stock of the corporation that the undersigned would be entitled, if personally present, to vote at the annual meeting of stockholders of the corporation to be held at 270 Park Avenue, 11th Floor, New York, New York, on May 16, 2002, and at any adjournments thereof.

- C 1. ELECTION OF DIRECTORS
- O FOR all nominees listed
- M as marked to the contrary
- M NOMINEES: M. COOPER
- O L. LIEBOWITZ
- N W. WINTRUB

INSTRUCTION: TO WITHHOLD VOTES FROM AN INDIVIDUAL NOMINEE, MARK AN "X" IN THE SPACE NEXT TO THAT NOMINEE'S NAME IN THE FOLLOWING LIST.

- 2. The ratification of the appointment of PricewaterhouseCoopers LLP as independent auditor of the Company for the fiscal year ending December 31, 2002.
- 3. In their discretion to vote upon such other matters that may come before the meeting.

Receipt is acknowledged for the foregoing meeting.

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stockholders for the f

Please be sure to sign and date Date  
this Proxy in the box below.

THIS PROXY WHEN PRO  
MANNER DIRECTED HEREIN  
NO DIRECTION IS MADE,  
ITEMS 1 AND 2.

----Stockholder sign above-----Co-holder (if any) sign above----

\* DETACH ABOVE CARD, SIGN, DATE AND MAIL IN POSTAGE PAID ENVELOPE PROVIDED

GETTY REALTY CORP.  
125 JERICHO TPKE., SUITE 103, JERICHO, NY 11753

Please sign exactly as your name appears hereon. When shares are held by joint tenants, b  
attorney, executor, administrator, trustee, or guardian, please give full title as such. If a  
corporate name by President or other duly authorized officer. If a partnership, please sign in  
officer.

PLEASE DATE, SIGN AND MAIL YOUR PROXY CARD BACK AS SOON AS POSSIBLE!

IF YOUR ADDRESS HAS CHANGED, PLEASE CORRECT THE ADDRESS IN THE SPACE PROVIDED BELOW AND RETURN TH  
ENVELOPE PROVIDED.

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[X] PLEASE MARK VOTES  
AS IN THIS EXAMPLE

REVOCABLE PROXY  
GETTY REALTY CORP.

ANNUAL MEETING OF STOCKHOLDERS  
MAY 16, 2002

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS  
The undersigned stockholder of Getty Realty Corp. hereby  
constitutes and appoints LEO LIEBOWITZ and THOMAS STIRNWEIS, and  
each of them, the true and lawful attorneys, agents and proxies  
of the undersigned, each with full power of substitution, to vote  
at the meeting, (or if only one shall be present and acting at the  
meeting then that one,) all of the preferred shares of stock of  
the corporation that the undersigned would be entitled, if  
personally present, to vote at the annual meeting of stockholders  
of the corporation to be held at 270 Park Avenue, 11th Floor,  
New York, New York, on May 16, 2002, and at any adjournments  
thereof.

1. ELECTION OF DIRECTO  
FOR all nominees li  
as marked to the co  
NOMINEES: M. COOPER  
L. LIEBOW  
W. WINTRU  
INSTRUCTION: TO WITHHO  
INDIVIDUAL NOMINEE, MA  
THAT NOMINEE'S NAME IN

2. The ratification of  
appointment of  
PricewaterhouseCoop  
as independent audi  
Company for the fis  
December 31, 2002.

3. In their discretion  
vote upon such other  
come before the mee

Receipt is acknowle  
for the foregoing meet  
stockholders for the f

THIS PROXY WHEN PRO  
MANNER DIRECTED HEREIN  
NO DIRECTION IS MADE,  
ITEMS 1 AND 2.

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Please be sure to sign and date      Date  
this Proxy in the box below.  
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----Stockholder sign above-----Co-holder (if any) sign above----

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\* DETACH ABOVE CARD, SIGN, DATE AND MAIL IN POSTAGE PAID ENVELOPE PROVIDED

GETTY REALTY CORP.  
125 JERICO TPKE., SUITE 103, JERICO, NY 11753  
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Please sign exactly as your name appears hereon. When shares are held by joint tenants, b  
attorney, executor, administrator, trustee, or guardian, please give full title as such. If a  
corporate name by President or other duly authorized officer. If a partnership, please sign in  
officer.

PLEASE DATE, SIGN AND MAIL YOUR PROXY CARD BACK AS SOON AS POSSIBLE!

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IF YOUR ADDRESS HAS CHANGED, PLEASE CORRECT THE ADDRESS IN THE SPACE PROVIDED BELOW AND RETURN TH  
ENVELOPE PROVIDED.  
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