

SCHEDULE 14A  
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant  [X]

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 under Rule 14a-12

ALEXANDER'S, INC.

-----  
(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
- [ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(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 filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

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ALEXANDER'S, INC.

NOTICE OF  
ANNUAL MEETING  
OF STOCKHOLDERS

AND

PROXY STATEMENT  
----- [DIAMOND GRAPHIC] -----  
2 0 0 4

ALEXANDER'S, INC.  
210 ROUTE 4 EAST  
PARAMUS, NEW JERSEY 07652  
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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD MAY 27, 2004  
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To our Stockholders:

The Annual Meeting of Stockholders of Alexander's, Inc., a Delaware corporation (the "Company"), will be held at the Marriott Hotel, Interstate 80 and the Garden State Parkway, Saddle Brook, New Jersey 07663, on Thursday, May 27, 2004, beginning at 3:30 P.M., local time, for the following purposes:

- (1) The election of three persons to the Board of Directors of the Company, each for a term of three years and until their successors are duly elected and qualified;
- (2) The ratification of the appointment of the accounting firm of Deloitte & Touche LLP as the Company's independent auditors for the current year; and
- (3) The transaction of such other business as may properly come before the meeting or any adjournment or postponement thereof.

Pursuant to the Bylaws of the Company, the Board of Directors of the Company has fixed the close of business on April 16, 2004 as the record date for determination of stockholders entitled to notice of and to vote at the meeting.

Your attention is called to the attached Proxy Statement. Whether or not you plan to attend the meeting, your shares should be represented and voted. You are urged to complete and sign the enclosed proxy and return it in the accompanying envelope to which no postage need be affixed if mailed in the United States. If you attend the meeting in person, you may revoke your proxy at that time and vote your own shares.

By Order of the Board of Directors,

Alan J. Rice  
Acting Corporate Secretary

April 29, 2004

ALEXANDER'S, INC.  
210 ROUTE 4 EAST  
PARAMUS, NEW JERSEY 07652

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PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD MAY 27, 2004  
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The enclosed proxy is being solicited by the Board of Directors (the "Board") of Alexander's, Inc., a Delaware corporation, (the "Company"), for use at the Annual Meeting of Stockholders of the Company to be held on Thursday, May 27, 2004, beginning at 3:30 P.M., local time, at the Marriott Hotel, Interstate 80 and the Garden State Parkway, Saddle Brook, New Jersey 07663 (the "Annual Meeting"). A stockholder may authorize a proxy by executing and returning the enclosed proxy card. A stockholder may revoke a proxy at any time prior to its exercise at the Annual Meeting by executing and delivering to the Company at its principal office a written revocation or later dated proxy or by attending the Annual Meeting and voting in person. Attending the Annual Meeting will not automatically revoke your prior authorization of your proxy. Only the last vote of a stockholder will be counted. The cost of soliciting proxies will be borne by the Company. MacKenzie Partners, Inc. has been engaged by the Company to solicit proxies at a fee not to exceed \$5,000. In addition to solicitation by mail, arrangements may be made with brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy material to their principals and the Company may reimburse them for their expenses in so doing.

Only stockholders of record at the close of business on April 16, 2004 are entitled to notice of and to vote at the Annual Meeting. There were on such date 5,005,850 common shares, par value \$1.00 per share, ("Shares"), of the Company outstanding, each entitled to one vote on each matter properly submitted at the Annual Meeting.

The holders of a majority of the outstanding Shares at the close of business on April 16, 2004, present in person or by proxy and entitled to vote, will constitute a quorum for the transaction of business at the Annual Meeting.

The principal executive office of the Company is located at 210 Route 4 East, Paramus, New Jersey 07652. The accompanying Notice of Annual Meeting of Stockholders, this Proxy Statement and the enclosed proxy will be mailed on or about April 29, 2004 to the Company's stockholders of record as of the close of business on April 16, 2004.

## PROPOSAL 1: ELECTION OF DIRECTORS

The Company's Board has nine members. The Bylaws of the Company provide that the directors of the Company are divided into three classes, as nearly equal in number as reasonably possible, as determined by the Board. One class of directors is elected at each Annual Meeting of Stockholders to hold office for a term of three years and until their successors have been duly elected and qualified.

Unless otherwise directed in the proxy, each of the persons named in the enclosed proxy, or his substitute, will vote such proxy for the election of the three nominees listed below as Class I directors for a three-year term and until their respective successors are duly elected and qualified. If any nominee at the time of election is unavailable to serve, a contingency not presently anticipated, it is intended that each of the persons named in the proxy, or his substitute, will vote for an alternative nominee who will be designated by the Board. Proxies may be voted only for the nominees named or such alternates.

Under the Bylaws, the vote of a plurality of votes present in person or represented by proxy at the Annual Meeting and entitled to vote for the election of directors, assuming a quorum is present, is sufficient to elect a director. Proxies marked "withhold authority" will be counted for the purpose of determining the presence of a quorum but will have no effect on the result of the vote. A broker non-vote will have no effect on the result of the vote.

If you would like to attend the Annual Meeting, you will need to bring an account statement or other acceptable evidence of ownership of your Shares as of the close of business on April 16, 2004, the record date for voting. If you hold Shares in street name (i.e., through a bank, broker or other nominee), you will receive instructions from your nominee which you must follow in order to have your proxy authorized. If you hold Shares in street name and wish to vote at the Annual Meeting, you will need to contact your nominee and obtain a proxy from that person and bring it to the Annual Meeting.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" APPROVAL OF THE ELECTION OF THE NOMINEES LISTED BELOW TO SERVE AS CLASS I DIRECTORS. It is the Company's understanding that Interstate Properties ("Interstate"), a New Jersey general partnership (an owner of shopping centers and an investor in securities and partnerships), Interstate's general partners, and Vornado Realty Trust ("Vornado"), who, as of April 16, 2004, own, in the aggregate, 60.5% of the Shares, will vote for the approval of the election of the nominees listed below as Class I directors and, therefore, it is likely that the election of these directors will be approved.

The following table sets forth the nominees (all of whom are presently members of the Board) and other present members of the Board, together with a brief biography for each such person and the year in which the person became a director of the Company.

YEAR  
PRINCIPAL  
OCCUPATION  
YEAR FIRST  
AND, IF  
APPLICABLE,  
TERM  
APPOINTED  
PRESENT  
POSITION WILL  
AS NAME AGE  
WITH THE  
COMPANY  
EXPIRE  
DIRECTOR ----  
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-- NOMINEES  
FOR ELECTION  
TO SERVE AS  
DIRECTORS  
UNTIL THE  
ANNUAL  
MEETING IN  
2007 (CLASS  
I) - -----  
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--- Michael  
D. Fascitelli  
47 President  
of the  
Company since  
August 2000;  
President  
2004 1996 and  
a trustee of  
Vornado since  
December  
1996;  
President and  
a director of  
Vornado  
Operating  
Company  
("Vornado  
Operating")  
(an investor  
in operating  
businesses)  
since 1998;  
Partner at  
Goldman Sachs  
& Co. (an  
investment  
banking firm)  
in charge of  
its real  
estate  
practice from  
December 1992  
to December  
1996 and a  
vice  
president  
prior  
thereto.

David  
Mandelbaum 68  
A member of  
the law firm  
of Mandelbaum  
& Mandelbaum,  
2004 1995  
P.C. since  
1967; A  
general  
partner of  
Interstate  
since 1968; A  
trustee of  
Vornado since  
1979. Dr.  
Richard R.  
West 66 Dean  
Emeritus,  
Leonard N.  
Stern School  
of Business,  
2004 1984 New  
York  
University;  
Professor  
from  
September  
1984 until  
September  
1995 and Dean  
from  
September  
1984 until  
August 1993;  
prior  
thereto, Dean  
of the Amos  
Tuck School  
of Business  
Administration  
at Dartmouth  
College; A  
trustee of  
Vornado; A  
director of  
Vornado  
Operating,  
Bowne & Co.,  
Inc. (a  
commercial  
printing  
company) and  
20 investment  
companies  
managed by  
Merrill Lynch  
Investment  
Managers.

PRESENT  
DIRECTORS  
ELECTED TO  
SERVE AS  
DIRECTORS  
UNTIL THE  
ANNUAL  
MEETING IN  
2005 (CLASS  
II) - -----  
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---- Thomas  
R.  
DiBenedetto  
54 President  
of Boston



International  
Group, Inc.  
(an 2005 1984  
investment  
management  
firm) since  
1983;

President of  
Junction  
Investors  
Ltd. (an  
investment  
management  
firm) since  
1992; A  
director of  
NWH, Inc. (a  
software  
company);  
Managing  
Director of  
Olympic  
Partners (a  
real estate  
investment  
firm); A  
director of  
Detwiler,  
Mitchell &  
Co. (a  
securities  
firm).

Stephen Mann  
68 Chairman  
of the Board  
of Directors  
of the  
Company 2005  
1980 since  
March 1995;  
Interim  
Chairman of  
the Board of  
Directors of  
the Company  
from August  
1994 to March  
1995; Chief  
Executive  
Officer of  
Prescott  
Funding  
Company (a  
mortgage  
banking firm)  
since January  
2003;

Chairman of  
the Clifford  
Companies (a  
real estate  
investment  
firm) from  
1990 to  
January 2003.

Neil  
Underberg 75  
Counsel to  
the law firm  
of Winston &  
Strawn LLP  
since 2005  
1980  
September  
2000; a  
member of the  
law firm of  
Whitman Breed  
Abbott &  
Morgan from  
December 1987

to September  
2000.

YEAR  
PRINCIPAL  
OCCUPATION  
YEAR FIRST  
AND, IF  
APPLICABLE,  
TERM  
APPOINTED  
PRESENT  
POSITION  
WILL AS  
NAME AGE  
WITH THE  
COMPANY  
EXPIRE  
DIRECTOR --  
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PRESENT  
DIRECTORS  
TO SERVE AS  
DIRECTORS  
UNTIL THE  
ANNUAL  
MEETING IN  
2006 (CLASS  
III) - ----  
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Steven Roth  
62 Chief  
Executive  
Officer of  
the Company  
since March  
2006 1989  
1995;  
Chairman of  
the Board  
and Chief  
Executive  
Officer of  
Vornado  
since 1989  
and a  
trustee of  
Vornado  
since 1979;  
Chairman of  
the Board  
and Chief  
Executive  
Officer of  
Vornado  
Operating  
since 1998;  
Managing  
General  
Partner of  
Interstate;  
A director  
of Capital  
Trust, Inc.  
(a real  
estate  
lender).  
Arthur I.  
Sonnenblick  
72 Senior

Managing  
Director of  
Sonnenblick-  
Goldman  
2006 1984  
Company (a  
real estate  
investment  
banking  
firm),  
since  
January  
1996 and  
Vice  
Chairman  
and Chief  
Executive  
Officer  
prior  
thereto.  
Russell B.  
Wight, Jr.  
64 A  
general  
partner of  
Interstate  
since 1968;  
A trustee  
2006 1995  
of Vornado;  
A director  
of Vornado  
Operating.

The Company is not aware of any family relationships among any directors or executive officers of the Company or persons nominated or chosen by the Company to become directors or executive officers.

#### CORPORATE GOVERNANCE

The Company's Shares are listed for trading with The New York Stock Exchange, Inc. (the "NYSE") and is subject to the NYSE's Corporate Governance Rules, as amended in 2003. However, because more than 51% of the Company's Shares are owned by a "group" consisting of Interstate and Vornado, the Company is a "controlled" company and therefore, is exempt from some of the NYSE Corporate Governance Rules. In the Company's case, this means that the Company is not required to have a nominating committee or a fully independent compensation committee, nor, even though it meets this requirement, is it required to have a majority of directors be independent under the NYSE rules.

In March 2004, the Board of Directors determined that Messrs. DiBenedetto, Mandelbaum, Sonnenblick, Underberg, Dr. West and Mr. Wight are independent for the purposes of the NYSE Corporate Governance Rules. The Board reached this conclusion after considering all applicable relationships between or among such directors and the Company or management of the Company. The Board further determined that such directors meet all the "bright-line" requirements of the NYSE Corporate Governance Rules as well as the categorical standards adopted by the Board in the Company's Corporate Governance Guidelines. Accordingly, six out of nine of the Company's directors are independent.

At its March 2004 meeting, the Board of Directors also adopted the following new or revised committee charters and policies, copies of which are attached to this Proxy Statement as indicated:

- Audit Committee Charter ANNEX A
- Compensation Committee Charter ANNEX B
- Corporate Governance Guidelines ANNEX C
- Code of Business Conduct and Ethics ANNEX D

The Company has made available on its website, [www.alx-inc.com](http://www.alx-inc.com), copies of these charters and policies. We will post any future changes to these charters or policies to the Company's website and may not otherwise publicly file such changes. Our regular filings with the Securities and Exchange Commission ("SEC") and our directors' and executive officers' filings under Section 16(a) of the Securities Exchange Act of 1934 are also available on the website.

#### COMMITTEES OF THE BOARD OF DIRECTORS

The Board has an Executive Committee, an Audit Committee, a Compensation Committee and an Omnibus Stock Plan Committee. The Board does not have a Nominating Committee.

The Board held three meetings during 2003. Each director attended at least 75% of the combined total of the meetings of the Board and all committees on which he served during 2003.

In addition to full meetings of the Board, non-management, independent directors met once in a session without members of management present. During this meeting, the independent directors selected their own presiding member.

Persons interested in contacting the independent members of our Board of Directors will find information on how to do so on our website ([www.alx-inc.com](http://www.alx-inc.com)). This means of contact should not be used for solicitations or communications with the Company of a general nature.

#### Executive Committee

The Executive Committee possesses and may exercise all the authority and powers of the Board in the management of the business and affairs of the Company, except those reserved to the Board by the Delaware General Corporation Law. The Executive Committee consists of four members, Messrs. Roth, Fascitelli, Dr. West and Mr. Wight. Mr. Roth is the Chairman of the Executive Committee. The Executive Committee did not meet in 2003.

#### Audit Committee

The Audit Committee's purposes are to (i) assist the Board in its oversight of (a) the integrity of the Company's financial statements, (b) the Company's compliance with legal and regulatory requirements, (c) the independent auditors' qualifications and independence, and (d) the performance of the independent auditors and the Company's internal audit function; and (ii) prepare an Audit Committee report as required by the SEC for inclusion in the Company's annual Proxy Statement. The function of the Audit Committee is oversight. The management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements and for the effectiveness of internal control over financial reporting. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal

controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for planning and carrying out a proper audit of the Company's annual financial statements, reviews of the Company's quarterly financial statements prior to the filing of each Quarterly Report on Form 10-Q, annually auditing management's assessment of the effectiveness of internal control over financial reporting (commencing the fiscal year ending December 31, 2004) and other procedures. The Board has adopted a written Audit Committee Charter which is attached as Annex A hereto. The Audit Committee, which held four meetings during 2003, currently consists of three members, Messrs. DiBenedetto, Sonnenblick and Dr. West. The Board has determined that these three directors are independent for the purposes of the NYSE Corporate Governance Rules, that they meet the additional requirements of independence for serving on the Audit Committee in accordance with the rules and regulations promulgated by the SEC and that they meet the financial literacy standards of the NYSE. Dr. West is the Chairman of the Audit Committee. Mr. Sonnenblick joined the Audit Committee in November 2003. Mr. Underberg, who served as a member of the Audit Committee during 2003 and who resigned from the Committee in March 2004, is of counsel to Winston & Strawn LLP, a law firm which performed legal services, for which it was paid \$100,000, for the Company during the year ended December 31, 2003.

The Board has determined that Dr. West is qualified to serve as an "audit committee financial expert," as defined by SEC Regulation S-K, and thus, has at least one such individual serving on its Audit Committee. The Board reached this conclusion based on his relevant experience, as described above under "Proposal 1: Election of Directors."

Persons interested in contacting our Audit Committee members will find information on how to do so on our website ([www.alx-inc.com](http://www.alx-inc.com)). This means of contact should not be used for solicitations or communications with the Company of a general nature.

One member of the Audit Committee, Dr. West, serves on the audit committees of more than three public companies. The Board considered the nature of the work Dr. West performs for each of these committees, the relevant time commitments and Dr. West's other time commitments in reaching the conclusion that Dr. West's simultaneous service on these audit committees does not impair his ability to serve on the Company's Audit Committee.

#### Compensation Committee

The Compensation Committee is responsible for establishing the terms of the compensation of executive officers except for awards granted under the Company's Omnibus Stock Plan. The Committee consists of two members, Mr. Mann and Mr. DiBenedetto. Mr. Mann is the Chairman of the Compensation Committee, which did not meet during 2003.

#### Omnibus Stock Plan Committee

The Omnibus Stock Plan Committee is responsible for administering the Company's Omnibus Stock Plan. The Committee consists of two members, Dr. West and Mr. DiBenedetto. Dr. West is the Chairman of the Omnibus Stock Plan Committee, which did not meet during 2003.

## SELECTION OF DIRECTORS

The Board is responsible for selecting the nominees for election to the Company's Board of Directors. The members of the Board may, in their discretion, work or otherwise consult with members of management of the Company in selecting nominees. The Board evaluates nominees, including stockholder nominees (see "Advance Notice for Stockholder Nominations and Stockholder Proposals"), by considering the following criteria:

- Personal qualities and characteristics, accomplishments and reputation in the business community;
- Current knowledge and contacts in the communities in which the Company does business and in the Company's industry or other industries relevant to the Company's business;
- Ability and willingness to commit adequate time to Board and committee matters;
- The fit of the individual's skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of the Company; and
- Diversity of viewpoints, experience and other demographics.

There is no written charter in place regarding the director nomination process.

## ATTENDANCE AT ANNUAL MEETINGS OF STOCKHOLDERS

All of the Company's directors were present at the 2003 Annual Meeting of Stockholders. The Company does not have a policy with regard to directors' attendance at Annual Meetings of Stockholders.





PRINCIPAL SECURITY HOLDERS

The following table sets forth the number of Shares as of April 16, 2004, beneficially owned by (i) each person who holds more than a 5% interest in the Company, (ii) directors of the Company, (iii) named executive officers of the Company and (iv) the directors and executive officers of the Company as a group.

PERCENT OF NUMBER OF SHARES ALL SHARES NAME OF BENEFICIAL OWNER ADDRESS OF BENEFICIAL OWNER BENEFICIALLY OWNED (1)(2) - --- ----- -----	NAMED EXECUTIVE OFFICERS AND DIRECTORS
Roth(3).....	Steven
(4) 1,364,268 27.3%	
Wight, Jr.(3)(5)(6)..... (4)	
1,375,568 27.4%	
Mandelbaum(3)(6).....	
(4) 1,364,568 27.2%	
Fascitelli..... (4)	
-- * Neil	
Underberg(6).....	
(4) 10,500 * Dr. Richard R.	
West(6)..... (4)	
10,200 * Thomas R.	
DiBenedetto(6)..... (4)	
10,000 * Arthur I.	
Sonnenblick(6)..... (4)	
10,000 * Stephen Mann(6)	
(7)..... (4)	
5,100 * Joseph	
Macnow(6).....	
(4) 35,000 * All executive officers and directors as a group (10 persons)(6).....	
(4) 1,476,068 28.9% OTHER BENEFICIAL OWNERS Vornado Realty Trust(8).....	
(4) 1,654,068 33.0% Interstate Properties(3)(8)..... (4)	
1,354,568 27.1% Franklin Mutual Advisers, LLC(9)..... 51 John F. Kennedy Parkway 481,865 9.6% Short Hills, NJ 07078 Ronald Baron, Baron Capital Group, Inc., BAMCO, Inc., Baron Capital Management, Inc. (10)..... 767 Fifth Avenue 450,040 9.0% New York, NY 10153	

\* Less than 1%.

- (1) Unless otherwise indicated, each person is the direct owner of, and has sole voting power and sole investment power with respect to, such Shares. Numbers and percentages in the table are based on 5,005,850 Shares outstanding as of April 16, 2004.
- (2) The total number of Shares outstanding used in calculating this percentage assumes that all Shares that each person has the right to acquire within 60 days, pursuant to the exercise of options, are deemed to be outstanding, but are not deemed to be outstanding for the purpose of computing the ownership percentage of any other person.
- (3) Interstate, a partnership of which Messrs. Roth, Wight and Mandelbaum are the general partners, owns 1,354,568 Shares. These Shares are included in the number of Shares and the percentage of all Shares of Interstate, Messrs. Roth, Wight and Mandelbaum. These gentlemen share investment power and voting power with respect to these Shares.

- (4) The address of such person(s) is c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652.
- (5) Includes 11,000 Shares owned by the Wight Foundation, over which Mr. Wight holds sole voting power and sole investment power. Does not include 1,500 Shares owned by Mr. Wight's children. Mr. Wight disclaims any beneficial interest in these Shares.
- (6) The number of Shares beneficially owned by the following persons includes the number of Shares indicated due to vesting of options: Russell B. Wight, Jr., David Mandelbaum, Neil Underberg, Dr. Richard R. West, Thomas R. DiBenedetto and Arthur I. Sonnenblick -- 10,000 each; Stephen Mann -- 5,000; Joseph Macnow -- 35,000; and all directors and executive officers as a group -- 100,000.
- (7) Does not include 10 Shares owned by Mr. Mann's son. Mr. Mann disclaims any beneficial interest in these Shares.
- (8) Interstate owns 6.3% of the common shares of beneficial interest of Vornado. Interstate and its three general partners (Messrs. Roth, Mandelbaum and Wight, who are all directors of the Company and trustees of Vornado) own, in the aggregate, 11.1% of the common shares of beneficial interest of Vornado. Interstate, its three general partners and Vornado own, in the aggregate, 60.5% of the outstanding Shares of the Company. See "Certain Relationships and Related Transactions."
- (9) Based on Amendment No. 4 to a Schedule 13G filed on February 9, 2004, Franklin Mutual Advisers, LLC has the sole power to vote or to direct the vote of, and the sole power to dispose or to direct the disposition of, 481,865 Shares.
- (10) Based on Amendment No. 2 to a Schedule 13G filed on February 13, 2004, Ronald Baron owns 437,920 Shares in his capacity as a controlling person of Baron Capital Group, Inc., BAMCO, Inc. and Baron Capital Management, Inc. Mr. Baron disclaims beneficial ownership of these Shares to the extent such Shares are held by persons other than Baron Capital Group, Inc. (432,920 Shares). He also owns 7,120 Shares personally. Mr. Baron has the sole power to vote or direct the vote of, and to dispose or direct the disposition of, 17,120 Shares and shared power to vote or direct the vote of 425,420 Shares, and to dispose or direct the disposition of, 432,920 Shares, including 396,000 and 404,000 Shares, respectively, purchased by BAMCO, Inc. for its investment advisory clients and 28,920 Shares purchased by Baron Capital Management, Inc. for its investment advisory clients. Mr. Baron is the Chairman and Chief Executive Officer of Baron Capital Group, Inc., BAMCO, Inc. and Baron Capital Management, Inc.

#### SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and persons who own more than 10% of a registered class of our equity securities, to file with the SEC reports of ownership of, and transactions in, our equity securities. Such directors, executive officers and 10% stockholders are also required to furnish us with copies of all Section 16(a) reports they file.

Based solely on a review of the Forms 3, 4 and 5, and any amendments thereto, furnished to us, and on written representations from certain reporting persons, we believe that there are no filing deficiencies under Section 16(a) by our directors, executive officers and 10% stockholders.

## COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee of the Board is responsible for establishing the terms of compensation of executive officers except for awards granted under the Company's Omnibus Stock Plan. The Omnibus Stock Plan Committee is responsible for the granting of awards under the Company's Omnibus Stock Plan.

The only executive officer of the Company that received cash compensation from the Company in 2003 is Stephen Mann, the Company's Chairman of the Board of Directors. Mr. Mann's total cash compensation was \$250,000. None of the Company's other executive officers received compensation from or on behalf of the Company in 2003.

The factors and criteria which the Compensation Committee utilizes in establishing the compensation of the Company's executive officers include an evaluation of the Company's overall financial and business performance and the officer's overall leadership, management, and contributions to the Company's acquisitions or investments. The Compensation Committee also considers the compensation provided in the prior year and estimates of compensation to be provided by similar companies in the current year.

Section 162(m) of the Internal Revenue Code, which was adopted in 1993, provides that, in general, publicly traded companies may not deduct, in any taxable year, compensation in excess of \$1,000,000 paid to the company's chief executive officer and four other most highly compensated executive officers as of the end of any fiscal year which is not "performance based," as defined in Section 162(m). Options granted under the Omnibus Stock Plan to date satisfy the performance-based requirements under the final regulations issued with respect to Section 162(m).

STEPHEN MANN  
THOMAS R. DIBENEDETTO

EXECUTIVE COMPENSATION

The Company's Chief Executive Officer and each of its three other executive officers who were executive officers in 2003 (the "Covered Executives") have not received compensation from or on behalf of the Company in each of the past three fiscal years except for Stephen Mann, the Company's Chairman of the Board of Directors, who received \$250,000 of total compensation in each of the past three fiscal years for services rendered in all capacities to the Company. The Company's Chief Executive Officer is Steven Roth, its President is Michael D. Fascitelli, and its Executive Vice President and Chief Financial Officer is Joseph Macnow.

The following table summarizes all exercises of options during 2003 and the number and value of options and stock appreciation rights ("SARs") held at December 31, 2003 by the Covered Executives.

AGGREGATED OPTION/SAR EXERCISES IN 2003 AND FISCAL YEAR END OPTION/SAR VALUES

NUMBER OF SECURITIES VALUE OF UNEXERCISED SHARES UNDERLYING UNEXERCISED IN-THE-MONEY ACQUIRED ON VALUE OPTIONS/SARS AT OPTIONS/SARS AT EXERCISE REALIZED 12/31/03 (#) 12/31/03 (\$) NAME (#) (\$)
EXERCISABLE/UNEXERCISABLE
EXERCISABLE/UNEXERCISABLE
- - - - -
- - - - -
- - - - -
----- Steven
Roth..... -- 350,000/0
18,999,750/0 Michael D.
Fascitelli..... --
-- 500,000/0
25,917,500/0 Joseph
Macnow.....
-- -- 35,000/0
1,899,975/0 Stephen
Mann(1).....
-- -- 10,000/0 542,850/0

(1) In March 2004, Mr. Mann exercised 5,000 options.

COMPENSATION OF DIRECTORS

Effective March 1995, Mr. Mann became Chairman of the Board of Directors. In consideration for his services rendered to the Company, Mr. Mann receives \$250,000 per annum.

The other directors of the Company during 2003 received annual retainers and an additional \$500 for each Board or committee meeting attended. Prior to the Board of Directors meeting on May 28, 2003, the annual retainer was \$13,500. Effective with the date of this Board meeting, the annual retainers were increased to the following amounts: Messrs. DiBenedetto, Underberg and Dr. West -- \$50,000 each and Messrs. Roth, Fascitelli, Mandelbaum, Sonnenblick and Wight -- \$30,000 each. Messrs. DiBenedetto, Underberg and Dr. West's annual retainers are reflective of their membership on the Audit Committee during 2003. Effective November 2003, Mr. Sonnenblick's retainer increased to \$50,000, reflecting his appointment to the Audit Committee. In March 2004, Mr. Underberg's retainer was reduced to \$30,000, reflecting his resignation from the Audit Committee.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Company has a Compensation Committee, consisting of Mr. Mann and Mr. DiBenedetto. There are no interlocking relationships involving the Company's Board which require disclosure under the executive compensation rules of the SEC. Mr. Mann also serves as Chairman of the Board of Directors.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Vornado owns 33.0% of the Company's Shares at April 16, 2004. Steven Roth is Chief Executive Officer and a director of the Company, the Managing General Partner of Interstate and the Chairman of the Board and Chief Executive Officer of Vornado. At April 16, 2004, Mr. Roth, Interstate and the other two general partners of Interstate, David Mandelbaum and Russell B. Wight, Jr. (who are also directors of the Company and trustees of Vornado) own, in the aggregate, 27.5% of the outstanding Shares of the Company, and 11.1% of the outstanding common shares of beneficial interest of Vornado.

The Company is managed, and its properties are leased, by Vornado pursuant to management, leasing and development agreements with one-year terms, expiring in March of each year, which are automatically renewable. In conjunction with the original closing of the Lexington Avenue project construction loan (the "Construction Loan"), on July 3, 2002, these agreements were modified to cover the Company's Lexington Avenue property separately. Further, the management and development agreements with Vornado for the Lexington Avenue project were amended to provide for a term lasting until substantial completion of the property with automatic renewals and for the payment of the Lexington Avenue project development fee upon the earlier of January 3, 2006 or the repayment fully of the Construction Loan encumbering the property.

Vornado has agreed to guarantee to the construction lender, the lien free, timely completion of the construction of the Lexington Avenue project and funding of project costs in excess of a stated loan budget, if not funded by the Company (the "Completion Guarantee"). The \$6,300,000 estimated fee payable by the Company to Vornado for the Completion Guarantee is 1% of construction costs, as defined, and is due at the same time that the development fee is due. This development fee is estimated to be \$26,300,000. In addition, if Vornado should advance any funds under the Completion Guarantee in excess of the \$21,000,000 currently available under the line of credit with Vornado, as discussed below, interest on those advances would be at 15% per annum.

The annual fees payable by the Company to Vornado consist of (i) an annual management fee of \$3,000,000 plus 3% of the gross income from the Kings Plaza Mall, (ii) a development fee equal to 6% of development costs, as defined, with a minimum guaranteed fee of \$750,000 per annum, and (iii) a leasing fee. The leasing fee to Vornado is equal to (a) 3% of gross proceeds, as defined, from the sale of an asset and (b) in the event of a lease or sublease of an asset, 3% of lease rent for the first ten years of a lease term, 2% of lease rent for the 11th through the 20th year of a lease term, and 1% of lease rent for the 21st through 30th year of a lease term, subject to the payment of rents by tenants. Such amounts are payable annually in an amount not to exceed \$2,500,000, until the present value of such installments, calculated at a discount rate of 9% per annum, equals the amount that would have been paid had they been paid at the time the transactions which gave rise to the commissions occurred. Pursuant to the leasing agreement, in the event third party real estate brokers are used, the fees to Vornado increase by 1% and Vornado is responsible for the fees to the third party real estate brokers, except in connection with the Company's lease with Bloomberg L.P., where the tenant paid the third party broker directly.

At March 31, 2004, the Company owed Vornado (i) \$15,890,000 in development fees, (ii) \$18,215,000 in leasing fees, (iii) \$4,223,000 for the guarantee fee, (iv) \$741,000 in interest, and (v) \$392,000 in management fees and other costs. The largest amount outstanding during the year ended December 31, 2003 for these fees and other costs was \$34,427,000. During the year ended

December 31, 2003, the Company incurred \$3,635,000 of management fees, \$10,292,000 of development and guarantee fees and rent for a development office, and \$3,722,000 for leasing and other fees under its agreements with Vornado.

As of April 16, 2004, the Company was indebted to Vornado in the amount of \$124,000,000 (the largest amount outstanding during 2003), comprised of (i) a \$95,000,000 note and (ii) \$29,000,000 under a \$50,000,000 line of credit (which carries a 1% unused commitment fee). The current interest rate on the loan and line of credit is 12.48% and resets quarterly using a 9.48% spread to one-year treasuries with a 3.00% floor for treasuries. On July 3, 2002, in conjunction with the original closing of the Construction Loan, the maturity of the Vornado debt was extended to the earlier of January 3, 2006 or the date the Construction Loan is finally repaid. The Company incurred interest (including the 1% unused commitment fee) on this debt of \$15,633,000 for the year ended December 31, 2003.

In the year ended December 31, 2003, Winston & Strawn LLP, a law firm in which Mr. Underberg is of counsel, performed legal services for the Company for which it was paid \$100,000.

## REPORT OF THE AUDIT COMMITTEE

The Audit Committee's purposes are to (i) assist the Board in its oversight of (a) the integrity of the Company's financial statements, (b) the Company's compliance with legal and regulatory requirements, (c) the independent auditors' qualifications and independence, and (d) the performance of the independent auditors and the Company's internal audit function; and (ii) prepare an Audit Committee report as required by the SEC for inclusion in the Company's annual Proxy Statement. The function of the Audit Committee is oversight. The Board of Directors, in its business judgment, has determined that all members of the Audit Committee are "independent" as required by the applicable listing standards of the NYSE, as currently in effect, and in accordance with the rules and regulations promulgated by the SEC. The Audit Committee operates pursuant to an Audit Committee Charter that was adopted by the Board in March 2004 in replacement of the Committee's prior charter. A copy of the current Audit Committee Charter is attached to this Proxy Statement.

Management is responsible for the preparation, presentation and integrity of the Company's financial statements and the effectiveness of internal control over financial reporting, and for maintaining appropriate accounting and financial reporting principles and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The independent auditors, Deloitte & Touche LLP, are responsible for planning and carrying out a proper audit of the Company's annual financial statements in accordance with auditing standards generally accepted in the United States of America.

In performing its oversight role, the Audit Committee has reviewed and discussed the audited consolidated financial statements with management and the independent auditors. The Audit Committee has also discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as currently in effect. The Audit Committee has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as currently in effect. The Audit Committee has also discussed with the independent auditors their independence. The independent auditors have free access to the Audit Committee to discuss any matters they deem appropriate.

Based on the reports and discussions described in the preceding paragraph, and subject to the limitations on the role and responsibilities of the Audit Committee referred to below and in the Audit Committee Charter in effect during 2003, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2003.

Members of the Audit Committee rely without independent verification on the information provided to them and on the representations made by management and the independent auditors. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not assure that the audit of the Company's consolidated financial statements has been carried out in accordance with auditing standards generally accepted in the United States of America, that the consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America or that Deloitte & Touche LLP is in fact "independent."

DR. RICHARD R. WEST  
THOMAS R. DIBENEDETTO  
ARTHUR I. SONNENBLICK

## PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

The Audit Committee has selected Deloitte & Touche LLP as the Company's independent auditors for the fiscal year ending December 31, 2004. As a matter of good corporate governance, the Audit Committee has chosen to submit its selection to stockholders for ratification. In the event that this selection of auditors is not ratified by a majority of the Shares present or represented by proxy at the Annual Meeting, the Audit Committee will review its future selection of auditors but will retain all rights of selection.

We expect that representatives of Deloitte & Touche LLP will be present at the Annual Meeting. They will have an opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions.

### Audit Fees

The aggregate fees billed by Deloitte & Touche LLP for the years ended December 31, 2003 and 2002 for professional services rendered for the audits of the Company's annual consolidated financial statements included in the Company's Annual Reports on Form 10-K, for the reviews of the consolidated interim financial statements included in the Company's Quarterly Reports on Form 10-Q and reviews of other filings or registration statements under the Securities Act of 1933 and Securities Exchange Act of 1934 during those fiscal years were \$488,000 and \$221,000, respectively.

### Audit-Related Fees

The aggregate fees billed by Deloitte & Touche LLP for the years ended December 31, 2003 and 2002 for professional services rendered that are related to the performance of the audits or reviews of the Company's consolidated financial statements which are not reported above under "Audit Fees" were \$89,000 and \$61,000, respectively. "Audit-Related Fees" include fees for stand-alone audits of certain subsidiaries.

### Tax Fees

The aggregate fees billed by Deloitte & Touche LLP for the years ended December 31, 2003 and 2002 for professional services rendered for tax compliance, advice and planning were \$15,000 and \$10,000, respectively. "Tax Fees" include fees for tax consultations regarding return preparation and REIT tax law compliance.

### All Other Fees

There were no fees billed by Deloitte & Touche LLP for the years ended December 31, 2003 and 2002 for professional services rendered other than those described above under "Audit Fees," "Audit-Related Fees" and "Tax Fees."

### Pre-approval Policies and Procedures

In May 2003, the Audit Committee established the following policies and procedures for approving all professional services rendered by Deloitte & Touche LLP. The Audit Committee generally reviews and approves engagement letters for the services described above under "Audit



Fees" before the provision of those services commences. For all other services, the Audit Committee has detailed policies and procedures pursuant to which it has pre-approved the use of Deloitte & Touche LLP for specific services for which the Audit Committee has set an aggregate quarterly limit of \$50,000 on the amount of services that Deloitte & Touche LLP can provide to the Company. Any services that exceed the quarterly limit, or would cause the amount of total services provided by Deloitte & Touche LLP to exceed the quarterly limit, must be approved by the Audit Committee Chairman before the provision of such services commences. The Audit Committee also requires management to provide it with regular quarterly reports of the amount of services provided by Deloitte & Touche LLP. Since the adoption of such policies and procedures, all such fees were approved by the Audit Committee in accordance therewith.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE RATIFICATION OF THE SELECTION OF DELOITTE & TOUCHE LLP AS THE COMPANY'S INDEPENDENT AUDITORS FOR 2004. It is the Company's understanding that Interstate, Interstate's general partners and Vornado, who, as of April 16, 2004, own, in the aggregate, 60.5% of the Shares, will vote for the ratification of the selection of Deloitte & Touche LLP as the Company's independent auditors and, therefore, it is likely that such selection will be ratified.

## INCORPORATION BY REFERENCE

To the extent this Proxy Statement is incorporated by reference into any other filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, the sections entitled "Compensation Committee Report on Executive Compensation," "Report of the Audit Committee" (to the extent permitted by the rules of the SEC), the charters and policies attached as Annexes A through D (in each case, to the extent permitted by the rules of the SEC), and "Performance Graph" will not be incorporated unless provided otherwise in such filing.

## ADDITIONAL MATTERS TO COME BEFORE THE MEETING

The Board does not intend to present any other matter, nor does it have any information that any other matter will be brought before the Annual Meeting. However, if any other matter properly comes before the Annual Meeting, it is the intention of the individuals named in the enclosed proxy to vote said proxy in accordance with their discretion on such matters.

## ADVANCE NOTICE FOR STOCKHOLDER NOMINATIONS AND STOCKHOLDER PROPOSALS

The Bylaws of the Company provide that in order for a stockholder to nominate a candidate for election as a director at an Annual Meeting of Stockholders or propose business for consideration at such meeting, notice must be given to the Secretary of the Company no more than 150 days nor less than 120 days prior to the first anniversary of the preceding year's Annual Meeting. As a result, any notice given by or on behalf of a stockholder pursuant to the provisions of our Bylaws must be delivered to the Secretary of the Company at the principal executive office of the Company, 210 Route 4 East, Paramus, New Jersey 07652 between December 28, 2004 and January 27, 2005.

Stockholders interested in presenting a proposal for inclusion in the Proxy Statement for the Company's Annual Meeting of Stockholders in 2005 may do so by following the procedures in Rule 14a-8 under the Securities Exchange Act of 1934. To be eligible for inclusion, stockholder proposals must be received at the principal executive office of the Company, 210 Route 4 East, Paramus, New Jersey 07652, Attention: Secretary, not later than December 30, 2004.

## STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Persons wishing to contact members of the Audit Committee, or otherwise contact independent members of the Board, may do so by calling (866) 233-4238 or e-mailing [alx@openboard.info](mailto:alx@openboard.info). Messages will be forwarded to a member of the Audit Committee and to members of the Company's senior management. Such messages will be forwarded on a confidential basis unless the contacting person provides a return address in his or her message. This means of contact should not be used for solicitations or communications with the Company of a general nature.

By Order of the Board of Directors,

Alan J. Rice  
Acting Corporate Secretary

April 29, 2004

IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. THEREFORE, STOCKHOLDERS ARE URGED TO FILL IN, SIGN AND RETURN THE ACCOMPANYING PROXY IN THE ENCLOSED ENVELOPE.

ALEXANDER'S, INC.  
AUDIT COMMITTEE CHARTER

I. Committee Membership: The Audit Committee of Alexander's, Inc. (the "Company") shall be comprised of at least three directors, each of whom the Board has determined qualified as "independent" under the Corporate Governance Rules of The New York Stock Exchange, Inc. and Rule 10A-3 under the Securities Exchange Act of 1934, as amended. In addition, the Board shall determine that each member of the Audit Committee is "financially literate," and that one member of the Audit Committee has "accounting or related financial management expertise," as such qualifications are interpreted by the Board of Directors in its business judgment, and whether any member of the Audit Committee is an "audit committee financial expert," as defined by the rules of the Securities and Exchange Commission (the "SEC"). If the Board has determined that a member of the Audit Committee is an audit committee financial expert, it may presume that such member has accounting or related financial management expertise.

No director may serve as a member of the Audit Committee if such director serves on the audit committees of more than two other public companies unless the Board of Directors determines that such simultaneous service would not impair the ability of such director to effectively serve on the Audit Committee, and discloses this determination in the Company's annual proxy statement.

Members shall be appointed by the Board and shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

II. Committee Purposes: The purposes of the Audit Committee are to:

A. assist Board oversight of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditors' qualifications and independence, and (iv) the performance of the independent auditors and the Company's internal audit function; and

B. prepare an audit committee report as required by the SEC for inclusion in the Company's annual proxy statement.

The function of the Audit Committee is oversight. The management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements and for the effectiveness of internal control over financial reporting. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for planning and carrying out a proper audit of the Company's annual financial statements, reviews of the Company's quarterly financial statements prior to the filing of each quarterly report on Form 10-Q, annually auditing management's assessment of the effectiveness of internal control over financial reporting (commencing the fiscal year ending December 31, 2004) and other procedures. In fulfilling their responsibilities hereunder, it is recognized that members of the Audit Committee are not full-time employees of the Company and are not, and do not represent themselves to be, performing the functions of auditors or accountants. As such, it is not the duty or responsibility of the Audit Committee or its members to

conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards.

The independent auditors shall submit to the Audit Committee annually a formal written statement (the "Auditors' Statement") describing: the auditors' internal quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with any such issues; and (to assess the auditors' independence) all relationships between the independent auditors and the Company, including each non-audit service provided to the Company and at least the matters set forth in Independence Standards Board No. 1.

The independent auditors shall submit to the Audit Committee annually a formal written statement of the fees billed in each of the last two fiscal years for each of the following categories of services rendered by the independent auditors: (i) the audit of the Company's annual financial statements and the reviews of the financial statements included in the Company's quarterly reports on Form 10-Q or services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements; (ii) assurance and related services not included in clause (i) that are reasonably related to the performance of the audit or review of the Company's financial statements, in the aggregate and by each service; (iii) tax compliance, tax advice and tax planning services, in the aggregate and by each service; and (iv) all other products and services rendered by the independent auditors, in the aggregate and by each service.

III. Committee Duties and Responsibilities: To carry out its purposes, the Audit Committee shall have the following duties and responsibilities:

A. with respect to the independent auditors,

(i) to be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors (including the resolution of disagreements between management and the independent auditors regarding financial reporting), who shall report directly to the Audit Committee;

(ii) to be directly responsible for the appointment, compensation, retention and oversight of the work of any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or to perform audit, review or attestation services, which firm shall also report directly to the Audit Committee;

(iii) to pre-approve, or to adopt appropriate procedures to pre-approve, all audit and non-audit services to be provided by the independent auditors;

(iv) to ensure that the independent auditors prepare and deliver annually an Auditors' Statement (it being understood that the independent auditors are responsible for the accuracy and completeness of this Statement), and to discuss with the independent auditors any relationships or services disclosed in this Statement that may impact the quality of audit services or the objectivity and independence of the Company's independent auditors;

(v) to obtain from the independent auditors in connection with any audit a timely report relating to the Company's annual audited financial statements describing all critical

accounting policies and practices used, all alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors, and any material written communications between the independent auditors and management, such as any "management" letter or schedule of unadjusted differences;

(vi) to review and evaluate the qualifications, performance and independence of the lead partner of the independent auditors;

(vii) to discuss with management the timing and process for implementing the rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner and consider whether there should be a regular rotation of the audit firm itself; and

(viii) to take into account the opinions of management and the Company's internal auditing function in assessing the independent auditors' qualifications, performance and independence.

B. with respect to the internal auditing process,

(i) to review the appointment and replacement of the director of the internal auditing function; and

(ii) to advise the director of the internal auditing function that he or she is expected to provide to the Audit Committee summaries of and, as appropriate, the significant reports to management prepared by the internal auditing department and management's responses thereto;

C. with respect to accounting principles and policies, financial reporting and internal control over financial reporting,

(i) to advise management, the internal auditing function and the independent auditors that they are expected to provide to the Audit Committee a timely analysis of significant issues and practices relating to accounting principles and policies, financial reporting and internal control over financial reporting;

(ii) to consider any reports or communications (and management's and/or the internal audit function's responses thereto) submitted to the Audit Committee by the independent auditors required by or referred to in SAS 61 (as codified by AU Section 380), as it may be modified or supplemented, or other professional standards including reports and communications related to:

- deficiencies, including significant deficiencies or material weaknesses, in internal control identified during the audit or other matters relating to internal control over financial reporting;
- consideration of fraud in a financial statement audit;
- detection of illegal acts;
- the independent auditors' responsibility under generally accepted auditing standards;

- any restriction on audit scope;
- significant accounting policies;
- significant issues discussed with the national office respecting auditing or accounting issues presented by the engagement;
- management judgments and accounting estimates;
- any accounting adjustments arising from the audit that were noted or proposed by the auditors but were passed (as immaterial or otherwise);
- the responsibility of the independent auditors for other information in documents containing audited financial statements;
- disagreements with management;
- consultation by management with other accountants;
- major issues discussed with management prior to retention of the independent auditors;
- difficulties encountered with management in performing the audit;
- the independent auditors' judgments about the quality of the entity's accounting principles;
- reviews of interim financial information conducted by the independent auditors; and
- the responsibilities, budget and staffing of the Company's internal audit function;

(iii) to meet with management, the independent auditors and, if appropriate, the director of the internal auditing function:

- to discuss the scope of the annual audit;
- to discuss the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations";
- to discuss any significant matters arising from any audit, including any audit problems or difficulties, whether raised by management, the internal auditing function or the independent auditors, relating to the Company's financial statements;
- to discuss any difficulties the independent auditors encountered in the course of the audit, including any restrictions on their activities or access to requested information and any significant disagreements with management;
- to discuss any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors to the Company;
- to review the form of opinion the independent auditors propose to render to the Board of Directors and shareholders; and
- to discuss, as appropriate: (a) any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of

the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;

(iv) to inquire of the Company's chief executive officer and chief financial officer as to the existence of any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and as to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting;

(v) to discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk, and to discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;

(vi) to obtain from the independent auditors assurance that the audit was conducted in a manner consistent with Section 10A of the Securities Exchange Act of 1934, as amended, which sets forth certain procedures to be followed in any audit of financial statements required under the Securities Exchange Act of 1934;

(vii) to discuss with the Company's internal corporation counsel any significant legal, compliance or regulatory matters that may have a material effect on the financial statements or the Company's business, financial statements or compliance policies, including material notices to or inquiries received from governmental agencies;

(viii) to discuss and review the type and presentation of information to be included in earnings press releases;

(ix) to discuss the types of financial information and earnings guidance provided, and the types of presentations made, to analysts and rating agencies;

(x) to establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters;

(xi) to review and discuss any reports concerning material violations submitted to it by the Company's internal counsel or outside counsel pursuant to the SEC attorney professional responsibility rules (17 C.F.R. Part 205), or otherwise; and

(xii) to establish hiring policies for employees or former employees of the independent auditors;

D. with respect to reporting and recommendations,

(i) to prepare any report or other disclosures, including any recommendation of the Audit Committee, required by the rules of the SEC to be included in the Company's annual proxy statement;

(ii) to prepare and issue the evaluation required under "Performance Evaluation" below; and

(iii) to report its activities to the full Board of Directors on a regular basis and to make such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate.

E. To discharge any other duties or responsibilities delegated to the Audit Committee by the Board of Directors from time to time.

IV. Committee Structure and Operations: The Board shall designate one member of the Committee as its chairperson. In the event of a tie vote on any issue, the chairperson's vote shall decide the issue. The Audit Committee shall meet once every fiscal quarter, or more frequently if circumstances dictate, to discuss with management the annual audited financial statements and quarterly financial statements, as applicable. The Audit Committee should meet separately at least quarterly with management, the director of the internal auditing function and the independent auditors to discuss any matters that the Audit Committee or any of these persons or firms believe should be discussed privately. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. Members of the Audit Committee may participate in a meeting of the Audit Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.

V. Delegation to Subcommittee: The Audit Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Audit Committee. The Audit Committee may, in its discretion, delegate to one or more of its members the authority to pre-approve any audit or non-audit services to be performed by the independent auditors, provided that any such approvals are presented to the Audit Committee at its next scheduled meeting.

VI. Performance Evaluation: The Audit Committee shall prepare and review with the Board an annual performance evaluation of the Audit Committee, which evaluation shall compare the performance of the Audit Committee with the requirements of this charter. The performance evaluation shall also recommend to the Board any improvements to the Audit Committee's charter deemed necessary or desirable by the Audit Committee. The performance evaluation by the Audit Committee shall be conducted in such manner as the Audit Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Audit Committee or any other member of the Audit Committee designated by the Audit Committee to make the report.

VII. Resources and Authority of the Audit Committee: The Audit Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, accountants or other experts and advisors, as it deems necessary or appropriate, without seeking approval of the Board or management.



The Company shall provide for appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board, for payment of:

A. Compensation to the independent auditors and any other public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;

B. Compensation of any advisers employed by the Audit Committee; and

C. Ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

ALEXANDER'S, INC.  
COMPENSATION COMMITTEE CHARTER

## COMMITTEE MEMBERSHIP

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Alexander's, Inc. (the "Company") shall consist solely of two or more members of the Board, each of whom the Board has determined is "independent" under the Corporate Governance Rules of The New York Stock Exchange, Inc. At least two members of the Committee should qualify as "Non-Employee Directors" for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, as in effect from time to time ("Rule 16b-3"), and as "outside directors" for the purposes of Section 162(m) of the Internal Revenue Code, as in effect from time to time ("Section 162(m)").

Members shall be appointed by the Board based on nominations recommended by the full Board, and shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

## COMMITTEE DUTIES AND RESPONSIBILITIES

The Committee shall have the purpose and direct responsibility to:

1. Review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer (the "CEO"), evaluate the CEO's performance in light of those goals and objectives, and either as a committee or together with the other independent directors (as directed by the Board), determine and approve the CEO's compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee shall consider, among other factors, the Company's performance and relative stockholder return, any applicable employment agreement, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.

2. Review and approve the total compensation package for the Company's officers at the level of executive vice president and above, and to review and approve any employment agreement to which the Company is a party where the total compensation under the agreement is \$1 million or more.

3. Make recommendations to the Board with respect to other non-CEO compensation, incentive compensation plans and equity-based plans, oversee the activities of the individuals and committees responsible for administering these plans, and discharge any responsibilities imposed on the Committee by any of these plans. To the extent required by applicable law, rule or regulation, the Committee will recommend to the Board that any applicable plan or material change to a plan be submitted for approval by the vote of the stockholder of the Company.

4. Approve any new equity compensation plan or any material change to an existing plan where stockholder approval has not been obtained.

5. In consultation with management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance

goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.

6. When, and if, the Committee deems it desirable, make recommendations to the Board with respect to any severance or similar termination payments proposed to be made to any current or former executive officer of the Company.

7. Prepare an annual Report of the Compensation Committee on Executive Compensation for inclusion in the Company's annual proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission.

8. Prepare and issue the evaluation required under "Performance Evaluation" below.

9. Report to the Board on a regular basis, and not less than once per year.

10. Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's compensation programs.

#### COMMITTEE STRUCTURE AND OPERATIONS

The Board shall designate one member of the Committee as the Committee's chairperson. In the event of a tie vote on any matter, the chairperson's vote shall decide the outcome of such vote. The Committee shall meet at least once a year at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating can hear each other.

The Committee may invite such members of management to its meetings or otherwise consult with members of management, in each case as the Committee deems appropriate, consistent with the maintenance of the confidentiality of compensation discussions. The Company's CEO should not attend any meeting where the CEO's performance or compensation is discussed, unless specifically invited by the Committee.

#### DELEGATION TO SUBCOMMITTEE

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the Committee who are (i) "Non-Employee Directors" for the purposes of Rule 16b-3; and (ii) "outside directors" for the purposes of Section 162(m).

#### PERFORMANCE EVALUATION

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this charter. The performance evaluation shall also recommend to the Board any improvements to the Committee's charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson

of the Committee or any other member of the Committee designated by the Committee to make this report.

#### RESOURCES AND AUTHORITY OF THE COMMITTEE

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management. With respect to compensation consultants retained to assist in the evaluation of director, CEO or senior executive compensation, this authority shall be vested solely in the Committee.

ALEXANDER'S, INC.  
CORPORATE GOVERNANCE GUIDELINES

## I. INTRODUCTION

The Board of Directors of Alexander's, Inc. (the "Company"), has developed and adopted a set of corporate governance principles (the "Guidelines") to promote the functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions. These Guidelines are in addition to the Company's Certificate of Incorporation and Bylaws, in each case as amended.

## II. BOARD COMPOSITION

The composition of the Board should balance the following goals:

- The size of the Board should facilitate substantive discussions of the whole Board in which each Director can participate meaningfully; and
- The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the Company's business.

## III. SELECTION OF CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

The Board is free to select its Chairman and the Company's Chief Executive Officer in the manner it considers in the best interests of the Company at any given point in time. These positions may be filled by one individual or by two different individuals.

## IV. SELECTION OF DIRECTORS

**Nominations.** The Board is responsible for selecting the nominees for election to the Company's Board of Directors. The members of the Board may, in their discretion, work or otherwise consult with members of management of the Company in selecting nominees.

**Criteria.** The Board should select new nominees for the position of independent Director considering the following criteria:

- Personal qualities and characteristics, accomplishments and reputation in the business community;
- Current knowledge and contacts in the communities in which the Company does business and in the Company's industry or other industries relevant to the Company's business;
- Ability and willingness to commit adequate time to Board and committee matters;
- The fit of the individual's skills and personality with those of other Directors and potential Directors in building a Board that is effective, collegial and responsive to the needs of the Company; and
- Diversity of viewpoints, experience and other demographics.

Independence Standards. With regard to Directors who are to be "independent" under the Corporate Governance Rules (the "NYSE Rules") of the New York Stock Exchange, Inc. (the "NYSE"), to qualify as independent under the NYSE Rules, the Board must affirmatively determine that a Director has no material relationship with the Company and/or its consolidated subsidiaries. The Board has adopted the following categorical standards to assist it in making determinations of independence. For purposes of these standards, references to the "Company" will mean Alexander's, Inc. and its consolidated subsidiaries.

The following relationships have been determined not to be material relationships that would categorically impair a Director's ability to qualify as independent:

1. Payments to and from other organizations. A Director's or his immediate family member's status as executive officer or employee of an organization that has made payments to the Company, or that has received payments from the Company, not in excess of the greater of:

(i) \$1 million; or

(ii) 2% of the other organization's consolidated gross revenues for the fiscal year in which the payments were made.

In the case where an organization has received payments that ultimately represent amounts due to the Company and such amounts are not due in respect of property or services from the Company, these payments will not be considered amounts paid to the Company for purposes of determining (i) and (ii) above so long as the organization does not retain any remuneration based upon such payments.

2. Beneficial ownership of the Company's equity securities. Beneficial ownership by a Director or his immediate family member of not more than 10% of the Company's equity securities. A Director or his immediate family member's position as an equity owner, director, executive officer or similar position with an organization that beneficially owns not more than 10% of the Company's equity securities.

3. Common ownership with the Company. Beneficial ownership by, directly or indirectly, a Director, either individually or with other Directors, of equity interests in an organization in which the Company also has an equity interest.

4. Directorships with, or beneficial ownership of, other organizations. A Director's or his immediate family member's interest in a relationship or transaction where the interest arises from either or both of:

(i) his or his family member's position as a director with an organization doing business with the Company; or

(ii) his or his family member's beneficial ownership in an organization doing business with the Company so long as the level of beneficial ownership in the organization is 25% or less, or less than the Company's beneficial ownership in such organization, whichever is greater.

5. Affiliations with charitable organizations. The affiliation of a Director or his immediate family member with a charitable organization that receives contributions from the Company, or an affiliate

of the Company, so long as such contributions do not exceed for a particular fiscal year the greater of:

(i) \$1 million; or

(ii) 2% of the organization's consolidated gross revenues for that fiscal year.

6. Relationships with organizations to which the Company owes money. A Director's or his immediate family member's status as an executive officer or employee of an organization to which the Company was indebted at the end of the Company's most recent fiscal year so long as that total amount of indebtedness is not in excess of 5% of the Company's total consolidated assets.

7. Relationships with organizations that owe money to the Company. A Director's or his immediate family member's status as an executive officer or employee of an organization which is indebted to the Company at the end of the Company's most recent fiscal year so long as that total amount of indebtedness is not in excess of 15% of the organization's total consolidated assets.

8. Personal indebtedness to the Company. A Director's or his immediate family member's being indebted to the Company at any time since the beginning of the Company's most recently completed fiscal year so long as such amount does not exceed the greater of:

(i) \$1 million; or

(ii) 2% of the individual's net worth.

9. Leasing or retaining space from the Company. The leasing or retaining of space from the Company by:

(i) a Director;

(ii) a Director's immediate family member;

(iii) an affiliate of a Director or an affiliate of a Director's immediate family member;

so long as in each case the rental rate and other lease terms are at market rates and terms in the aggregate at the time the lease is entered into or, in the case of a non-contractual renewal, at the time of the renewal.

10. Other relationships that do not involve more than \$100,000. Any other relationship or transaction that is not covered by any of the categorical standards listed above and that do not involve payments of more than \$100,000 in the most recently completed fiscal year of the Company.

11. Personal relationships with management. A personal relationship between a Director or a Director's immediate family member with a member of the Company's management.

12. Partnership and co-investment relationships between or among Directors. A partnership or co-investment relationship between or among a Director or a Director's immediate family member and other members of the Company's Board of Directors, including management Directors, so long as the existence of the relationship has been previously disclosed in the Company's reports and/or proxy statements filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

The fact that a particular transaction or relationship falls within one or more of the above categorical standards does not eliminate a Director's obligation to disclose the transaction or

relationship to the Company, the Board of Directors or management as and when requested for public disclosure and other relevant purposes. For relationships that are either not covered by or do not satisfy the categorical standards above, the determination of whether the relationship is material and therefore whether the Director qualified as independent or not, may be made by the Board. The Company shall explain in the annual meeting proxy statement immediately following any such determination the basis for any determination that a relationship was immaterial despite the fact that it did not meet the foregoing categorical standards.

Invitation. The invitation to join the Board should be extended by the Board itself via the Chief Executive Officer of the Company.

Orientation and Continuing Education. Management, working with the Board, will provide an orientation process for new Directors, including background material on the Company, its business plan and its risk profile, and meetings with senior management. Members of the Board are required to undergo continuing education as recommended by the NYSE. In connection therewith, the Company will reimburse Directors for all reasonable costs associated with the attendance at or the completion of any continuing education program supported, offered or approved by the NYSE or approved by the Company.

#### V. ELECTION TERM

The Board does not believe it should establish term limits.

#### VI. RETIREMENT OF DIRECTORS

The Board believes it should not establish a mandatory retirement age.

#### VII. BOARD MEETINGS

The Board currently plans at least four meetings each year, with further meetings to occur (or action to be taken by unanimous written consent) at the discretion of the Board. The meetings will usually consist of committee meetings and the Board meeting. The agenda for each Board meeting will be established by the Chief Executive Officer, with assistance of the Company's Secretary and internal corporation counsel. For the purposes hereof, the terms Secretary and internal corporate counsel will include anyone who acts in such capacity. Any Board member may suggest the inclusion of additional subjects on the agenda. Management will seek to provide to all Directors an agenda and appropriate materials in advance of meetings, although the Board recognizes that this will not always be consistent with the timing of transactions and the operations of the business and that in certain cases it may not be possible.

Materials presented to the Board or its committees should be as concise as possible, while still providing the desired information needed for the Directors to make an informed judgment.

#### VIII. EXECUTIVE SESSIONS

To ensure free and open discussion and communication among the nonmanagement Directors, the non-management Directors will meet in executive sessions periodically, with no members of management present. Non-management Directors who are not independent under the NYSE Rules



may participate in these executive sessions, but independent Directors should meet separately in executive session at least once per year.

The participants in any executive sessions will select by majority vote of those attending a presiding Director for such sessions or any such session. In order that interested parties may be able to make their concerns known to the non-management Directors, the Company shall disclose a method for such parties to communicate directly with the presiding Director or the non-management Directors as a group. For the purposes hereof, communication through a third-party such as an external lawyer or a third-party vendor who relays information to non-management members of the Board will be considered direct.

#### IX. THE COMMITTEES OF THE BOARD

The Company shall have at least the committees required by the NYSE Rules. Currently, these are the Audit Committee and the Compensation Committee. Each of these three committees must have a written charter satisfying the rules of the NYSE. All Directors, whether members of a committee or not, are invited to make suggestions to a committee chair for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board. Each committee chair will give a periodic report of his or her committee's activities to the Board.

Each of the Audit Committee and the Compensation Committee shall be composed of at least such number of Directors as may be required by the NYSE Rules who the Board has determined are "independent" under the NYSE Rules. Any additional qualifications for the members of each committee shall be set out in the respective committees' charters. A Director may serve on more than one committee for which he or she qualifies.

Each committee may take any action in a meeting of the full Board, and actions of the Board, including the approval of such actions by a majority of the members of the Committee, will be deemed to be actions of that committee. In such circumstance only the votes cast by members of the committee shall be counted in determining the outcome of the vote on matters upon which the committee acts.

#### X. MANAGEMENT SUCCESSION

At least annually, the Board shall review and concur in a succession plan, developed by management, addressing the policies and principles for selecting a successor to the CEO, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the CEO.

#### XI. EXECUTIVE COMPENSATION

Evaluating and Approving Salary for the CEO. The Board, acting through the Compensation Committee, evaluates the performance of the CEO and the Company against the Company's goals and objectives and approves the compensation level of the CEO.

Evaluating and Approving the Compensation of Management. The Board, acting through the Compensation Committee, evaluates and approves the proposals for overall compensation policies applicable to executive officers.

#### XII. BOARD COMPENSATION

The Board should conduct a review at least once every three years of the components and amount of Board compensation in relation to other similarly situated companies. Board compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity.

#### XIII. EXPECTATIONS OF DIRECTORS

The business and affairs of the Company shall be managed under the direction of the Board in accordance with Delaware law. In performing his or her duties, the primary responsibility of the Directors is to exercise his or her business judgment in the best interests of the Company. The Board has developed a number of specific expectations of Directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

**Commitment and Attendance.** All independent and other Directors should make every effort to attend meetings of the Board and meetings of committees of which they are members. Members may attend by telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. The Board may act by unanimous written consent in lieu of a meeting.

**Participation in Meetings.** Each Director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management will make appropriate personnel available to answer any questions a Director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

**Loyalty and Ethics.** In their roles as Directors, all Directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any interests possessed by a Director.

The Company has adopted a Code of Business Conduct and Ethics, including a compliance program to enforce the Code. Certain portions of the Code deal with activities of Directors, particularly with respect to transactions in the securities of the Company, potential conflicts of interest, the taking of corporate opportunities for personal use, and competing with the Company. Directors should be familiar with the Code's provisions in these areas and should consult with any independent member of the Board or the Company's internal corporation counsel in the event of any concerns. The Board is ultimately responsible for applying the Code to specific situations and has the authority to interpret the Code in any particular situation.

**Other Directorships.** The Company values the experience Directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a Director's time

and availability and may present conflicts or legal issues. Directors should advise the Chairman of the Board before accepting membership on other boards of directors or other significant commitments involving affiliation with other businesses or governmental units.

**Contact with Management.** All Directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. Directors will also have complete access to other members of management. The Board expects that there will be frequent opportunities for Directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.

Further, the Board encourages management to, from time to time, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement and substantial knowledge in those areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.

**Contact with Other Constituencies.** It is important that the Company speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson.

**Confidentiality.** The proceedings and deliberations of the Board and its committees are confidential. Each Director shall maintain the confidentiality of information received in connection with his or her service as a Director.

#### XIV. EVALUATING BOARD PERFORMANCE

The Board, acting either as a group or through one or more designated members, should conduct a self-evaluation at least annually to determine whether it is functioning effectively. The Board, acting either as a group or through one or more designated members, should periodically consider the mix of skills and experience that Directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively.

Each committee of the Board should conduct a self-evaluation at least annually and report the results to the Board. Each committee's evaluation must compare the performance of the committee with the requirements of its written charter, if any.

#### XV. RELIANCE ON MANAGEMENT AND OUTSIDE ADVICE

In performing its functions, the Board is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. The Board shall have the authority to retain and approve the fees and retention terms of its outside advisors.

ALEXANDER'S, INC.  
CODE OF BUSINESS CONDUCT AND ETHICS

## I. INTRODUCTION

Alexander's, Inc. and its subsidiaries (the "Company") are committed to conducting all aspects of their business in accordance with the highest ethical and legal standards. This commitment begins with the Company's Chief Executive Officer and is expected to be adhered to by all directors, executive officers and employees. In order to memorialize some of the core values and spirit with which the Company's business is expected to be conducted, the Board of Directors has adopted this Code of Business Conduct and Ethics (the "Code"). More specifically, this Code is being adopted to:

- promote honest and ethical conduct, including fair dealing and the ethical handling of conflicts of interest;
- promote full, fair, accurate, timely and understandable disclosure;
- promote compliance with applicable laws and governmental rules and regulations;
- ensure the protection of the Company's legitimate business interests, including corporate opportunities, assets and confidential information; and
- deter wrongdoing.

This Code is intended to serve as a guide for general decision making in a variety of circumstances that might be encountered in conducting the Company's business. All directors, officers and employees of the Company are expected to be familiar with the Code and to adhere to those principles and procedures set forth in the Code that apply to them. The Company may set forth more detailed policies and procedures in an employee manual that are separate from and are not part of this Code. In the event of any conflict between the provisions of this Code and the Company's employee manual, the provisions of this Code will govern. Recognizing that no code can describe every circumstance in which directors, officers and employees might be confronted with ethical and legal challenges, in addition to compliance with the Code and applicable laws, rules and regulations, all employees, officers and directors are expected to observe the highest standards of business and personal ethics in the discharge of their assigned duties and responsibilities.

For purposes of this Code, the "Code of Ethics Contact Person" will be different for various employees. For directors and executive officers, the Code of Ethics Contact Person will be the Chairman of the Audit Committee. For non-executive officers and employees, the Code of Ethics Contact Person will be the Company's chief internal counsel or (for the purposes of this code) any person serving in that capacity.

From time to time, the Company may waive some provisions of this Code. Any waiver of the Code for executive officers or directors of the Company may be made only by the Board of Directors or the Chairman of the Audit Committee and must be promptly disclosed as required by the rules and regulations of the Securities and Exchange Commission (the "SEC") and The New York Stock Exchange, Inc. (the "NYSE") or other exchange upon which the Company's common equity

is listed. Any waiver for other employees may be made only by the Company's chief internal corporation counsel.

## II. FAIR DEALING

We have a history of succeeding and growing through honest business competition. We do not seek competitive advantages through illegal or unethical business practices. Each director, officer and employee should endeavor to deal fairly with the Company's tenants, service providers, suppliers, competitors and employees. No director, officer or employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

## III. HONEST AND CANDID CONDUCT

Each director, officer and employee owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest and candid. Deceit and subordination of the principles of this Code are inconsistent with integrity. Each director, officer and employee must:

- Act with integrity, including being honest and candid, while still maintaining the confidentiality of information where required or consistent with the Company's policies.
- Observe both the form and spirit of laws and governmental rules and regulations, accounting standards and Company policies.
- Adhere to a high standard of business ethics.

## IV. CONFLICTS OF INTEREST

A "conflict of interest" occurs when an individual's private interest interferes or appears to interfere with the interests of the Company. A conflict of interest can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. For example, a conflict of interest would arise if a director, officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.

Service to the Company should never be subordinated to personal gain and advantage. Conflicts of interest should, wherever possible, be avoided. However, the Company recognizes that its corporate structure and business investments do not make it practicable or desirable to avoid all relationships that could give rise to conflicts of interest. Accordingly, conflicts of interest, potential conflicts of interest or relationships which are identified as giving rise to potential conflicts of interest that are approved by, or at the direction of, the Board of Directors or the applicable Code of Ethics Contact Person or that have been previously disclosed in the Company's Annual Report on Form 10-K are permitted. Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should be discussed with the appropriate Code of Ethics Contact Person if not previously approved by, or at the direction of, the Board of Directors or the Corporate Governance and Nominating Committee or previously disclosed in the Company's Annual Report on Form 10-K.

Some conflict of interest situations involving directors, executive officers and other employees who occupy supervisory positions or who have discretionary authority in dealing with any third party specified below may include the following:

- any significant ownership interest in any tenant or service provider;
- any consulting or employment relationship with any tenant, service provider, supplier or competitor;
- any outside business activity that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company;
- the receipt of non-nominal gifts or excessive entertainment from any company with which the Company has current or prospective business dealings;
- being in the position of supervising, reviewing or having any influence on the job evaluation, pay or benefit of any immediate family member; and
- selling anything to the Company or buying anything from the Company.

Such situations, if material, should be discussed with the appropriate Code of Ethics Contact Person.

Anything that would present a conflict for a director, officer or employee would likely also present a conflict if it were related to a member of his or her family.

#### V. DISCLOSURE

Each director, officer or employee involved in the Company's disclosure process, including the Chief Executive Officer, and the Chief Financial Officer and Executive Vice President--Finance and Administration (or those persons serving in comparable positions or those persons that may be so designated from time-to-time by the Company's Chief Financial Officer), is required to be familiar with and comply with the Company's disclosure controls and procedures and internal control over financial reporting, to the extent relevant to his or her area of responsibility, so that the Company's public reports and documents filed with the SEC comply in all material respects with the applicable federal securities laws and SEC rules. In addition, each such person having direct or supervisory authority regarding these SEC filings or the Company's other public communications concerning its general business, results, financial condition and prospects should, to the extent appropriate within his or her area of responsibility, consult with other Company officers and employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.

#### VI. COMPLIANCE

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each employee, officer and Director to seek to adhere to the standards and restrictions imposed by those laws, rules and regulations.

It is against Company policy and in many circumstances illegal for a director, officer or employee to profit from undisclosed information relating to the Company or any other company. Any director, officer or employee may not purchase or sell any of the Company's securities while in

possession of material nonpublic information relating to the Company in violation of Federal securities laws.

In addition, the directors, executive officers and financial reporting personnel of the Company must also consider the Company's pre-clearance and other policies and procedures for transactions in the Company's equity securities. Any director, officer or employee who is uncertain about the legal rules involving a purchase or sale of any Company securities should consult with the Company's chief internal corporation counsel before making any such purchase or sale.

#### VII. REPORTING AND ACCOUNTABILITY

The Board of Directors is ultimately responsible for applying this Code to specific situations in which questions are presented to it and has the authority to interpret this Code in any particular situation and has also designated such authority to the Chairman of the Audit Committee.

ANY DIRECTOR OR OFFICER OR EMPLOYEE WHO BECOMES AWARE OF ANY EXISTING OR POTENTIAL VIOLATION OF THIS CODE IS REQUIRED TO NOTIFY THEIR CODE OF ETHICS CONTACT PERSON PROMPTLY. Failure to do so is itself a violation of this Code. Violations may be reported anonymously. The applicable Code of Ethics Contact Person shall promptly inform the Board of Directors of any existing or potential violation of this Code reported to such Code of Ethics Contact Person that such Code of Ethics Contact Person deems not to be immaterial and, with respect to potential violations, of reasonable probability of occurrence.

Each director, officer or employee must:

- Notify their Code of Ethics Contact Person promptly of any existing or potential violation of this Code.
- Not retaliate against any other director, officer or employee for reports of potential violations that are made in good faith.

Any employee may communicate with their Code of Ethics Contact Person in writing, addressed to the Code of Ethics Contact Person, either by fax or by mail at his or her Company address or fax number; or by phone at his or her Company phone number. All communications will be kept confidential. The reporting procedures should be used for purposes of furthering the purpose of this Code and not to report matters unrelated to this purpose.

The Board of Directors and/or the Chairman of the Audit Committee shall take all action they consider appropriate to investigate any violations reported to them. If a violation has occurred, the Company will take such disciplinary or preventive action as it deems appropriate, after consultation with the Board of Directors and/or the Chairman of the Audit Committee, in the case of a director or executive officer, or the Company's internal corporation counsel, in the case of any other employee.

From time to time, the Company may waive some provisions of this Code. Any waiver of the Code for executive officers or directors of the Company may be made only by the Board of Directors or the Chairman of the Audit Committee and must be promptly disclosed as required by SEC or NYSE rules. Any waiver for other employees may be made only by the Company's internal corporation counsel. Approvals of conflicts of interest or other determinations made by the Board or the applicable Code of Ethics Contact Person made in accordance with the provisions of this Code will not be deemed a waiver of the provisions of this Code.

## VIII. CORPORATE OPPORTUNITIES

Directors, officers and employees owe a duty to the Company to advance the Company's business interests when the opportunity to do so arises. Directors, officers and employees are prohibited from taking (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down. The term "third party" for this purpose does not include companies or other entities under common control with the Company.

Generally, directors, officers and employees are prohibited from using corporate property, information or position for personal gain and from competing with the Company. However, as indicated above and disclosed in the Company's Annual Report on Form 10-K, the Company is under common control with other companies. Additionally, a significant portion of the Company's outstanding common stock is owned by entities and individuals who engage in the same or similar activities or lines of business as the Company. Certain of the directors and executive officers are partners, directors or executive officers of such companies. These overlapping ownership interests and the unique management and corporate structure of the Company may result in potential competition between the business activities conducted, or sought to be conducted, by the Company and its affiliates. The Company believes that these and similar arrangements that might arise in the future are important to the success of the Company. The Company recognizes that it would not be practicable or desirable in all circumstances to prohibit competition with the Company. From time to time business opportunities may arise which might be suitable for the Company and one or more entities with which the Company has such a relationship. In such circumstances the opportunity may be directed by management of the Company in accordance with the agreements and historical relationship between the Company and the other entity. However, business opportunities which are presented to directors, officers or employees of the Company either in their capacity as such or specifically for the use and benefit of the Company must be first presented to the Company before being directed elsewhere.

## IX. CONFIDENTIALITY

In carrying out the Company's business, directors, officers and employees often learn confidential or proprietary information about the Company, its tenants, suppliers, or joint venture parties. Directors, officers and employees must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information of the Company, and of other companies, includes any non-public information that would be harmful to the relevant company or useful or helpful to competitors if disclosed.

## X. PROTECTION AND PROPER USE OF COMPANY ASSETS

All directors, officers and employees should protect the Company's assets and ensure their efficient use. All Company assets should be used only for legitimate business purposes.

## XI. GENERAL

The Board of Directors believes it to be in the best interest of the Company that the directors, officers and employees of the Company act in a manner consistent with this Code and that such persons should not suffer harm for doing so. Accordingly, the Company will not take action against



any director, officer or employee of the Company for any action taken or not taken in good faith compliance with the provisions of this Code or otherwise with the approval of the Board, or, as contemplated hereby, the applicable Code of Ethics Contact Person. Each director, officer or employee of the Company will be entitled to rely upon the provisions of this Section.

ALEXANDER'S, INC.

PROXY

The undersigned stockholder, revoking all prior proxies, hereby appoints Steven Roth and Michael D. Fascitelli, or either of them, as proxies, each with full power of substitution, to attend the Annual Meeting of Stockholders of Alexander's, Inc., a Delaware corporation (the "Company"), to be held at the Marriott Hotel, Interstate 80 and the Garden State Parkway, Saddle Brook, New Jersey 07663 on Thursday, May 27, 2004, at 3:30 P.M., local time, and any postponements and adjournments thereof, to cast on behalf of the undersigned all votes that the undersigned is entitled to cast at such meeting and otherwise represent the undersigned at the meeting with all powers possessed by the undersigned if personally present at the meeting. Each proxy is authorized to vote as directed on the reverse side hereof upon the proposals which are more fully set forth in the Proxy Statement and otherwise in his discretion upon such other business as may properly come before the meeting, and any postponements and adjournments thereof, all as more fully set forth in the Notice of Annual Meeting of Stockholders and Proxy Statement, receipt of which is hereby acknowledged.

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS OF THE COMPANY. WHEN PROPERLY EXECUTED, THIS PROXY WILL BE VOTED IN THE MANNER DIRECTED BY THE UNDERSIGNED STOCKHOLDER. IF THIS PROXY IS EXECUTED BUT NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED "FOR" THE ELECTION OF DIRECTORS, "FOR" THE RATIFICATION OF THE SELECTION OF INDEPENDENT AUDITORS AND OTHERWISE IN THE DISCRETION OF THE PROXIES.

(Continued and to be executed, on reverse side)

(Continued from other side)

1. ELECTION OF DIRECTORS:

The Board of Directors recommends a vote "FOR" election of the nominees for directors listed below.

- FOR all nominees listed below
- WITHHOLD AUTHORITY to vote for all nominees
- FOR all nominees except the following:

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Nominees: Michael D. Fascitelli  
          David Mandelbaum  
          Dr. Richard R. West

(each for a term ending at the Annual Meeting of Stockholders in 2007 and until their successors are duly elected and qualified)  
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2. RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS:

The Board of Directors recommends a vote "FOR" the ratification of the selection of independent auditors.

- FOR ratification of auditors
- AGAINST ratification of auditors
- ABSTAIN

Address Change and/or Comments [ ]

Please date and sign exactly as your name or names appear hereon. Each joint owner must sign (Officers, Executors, Administrators, Trustees, etc. will kindly so indicate when signing).

Dated -----, 2004

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Signature of Stockholder

-----  
Signature, if held jointly

INDICATE YOUR AUTHORIZATION IN BLACK OR BLUE INK. [X]

PLEASE AUTHORIZE YOUR PROXY, DATE AND SIGN AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.