

NHI Corporate Governance Guidelines

National Health Investors, Inc. has a duly formed Board of Directors, which in turn has chartered three separate Board committees, namely an Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. The three committee charters are included on this website.

The Nominating and Corporate Governance Committee of the Board of Directors (“the Committee”) has established these Corporate Governance Guidelines to provide guidance with respect to the Board’s responsibilities as well as to comply with the rules of NYSE and good corporate governance principles.

1. Director Qualification Standards. In determining whether to recommend a candidate for the Board of Directors’ consideration, the Committee looks at diversity of experience and capabilities, with greater weight given to qualifications like an understanding of the healthcare industry, real estate, finance and accounting. The minimum and principal qualification of a director is the ability to act successfully on the shareholders’ behalf. The Committee then evaluates each nominee and does an internal rank ordering. Existing Board members are automatically considered for a term renewal.

The Board of Directors shall be comprised of individuals, the majority of whom shall satisfy the independence, financial literacy and experience requirements of Section 10A of the Securities and Exchange Act of 1934, the New York Stock Exchange and any other regulatory requirements. Each member of the Audit Committee shall satisfy the independence, financial literacy and experience requirements of Section 10A of the Securities and Exchange Act of 1934, the New York Stock Exchange and any other regulatory requirements. Each member of the Compensation Committee and Nominating and Corporate Governance Committee shall satisfy the independence requirements of Section 10A of the Securities and Exchange Act of 1934, the New York Stock Exchange and any other regulatory requirements.

2. Director Responsibilities. Director’s responsibilities include attendance of at least 75% of scheduled or specially called Board meetings, and a best efforts attendance at the Annual Shareholders Meeting. Directors are expected to review in advance of scheduled or specially called meetings the meeting materials as supplied to the directors. By resolution of the Audit Committee, all financial documents required to be reviewed by the Audit Committee shall be submitted to it at least 24 hours in advance.
3. Majority Voting on Directors. In an uncontested election of directors, any incumbent nominee for director who receives a greater number of votes “against” his or her election than votes “for” his or her election will promptly tender his or her resignation to the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee as provided in the Company’s bylaws. The Committee will promptly consider the resignation submitted by a director receiving a greater number of votes “against” his or her election than votes “for” his or her election, and the Committee will recommend to the Board whether to accept the tendered resignation or reject it. The Board of Directors shall act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee’s recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means

of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results.

The Nominating and Corporate Governance Committee in making its recommendation, and the Board of Directors in making its decision, may each consider any factors or other information that it considers appropriate and relevant. Any Director who tenders his or her resignation shall not participate in either the Nominating and Corporate Governance Committee's or Board of Directors' consideration or other action regarding whether to accept the resignation. However, if each member of the Nominating and Corporate Governance Committee failed to receive a majority of the votes cast at the same election, then the Independent Directors who did not fail to receive a majority of the votes cast shall appoint a committee amongst themselves to consider the resignations and recommend to the Board of Directors whether to accept them.

4. Director Access to Management and Independent Advisors. The directors have unfettered access to management of NHI and the three director's committees, namely the Audit Committee, Compensation Committee and the Nominating and Corporate Governance Committee, are specifically authorized to engage, compensate, and/or retain third party consultants or other advisors, including legal, as used by the committee in performing its duties.
5. Executive Sessions. The Board at least annually, and generally quarterly, meets in Executive Session, from which all employees of the Company are excluded. Matters relating to compensation, succession planning and other more sensitive areas are discussed at these sessions. The presiding director solicits topics for discussion from the other directors and provides feedback from the Executive Session to the President.
6. Shareholder Access to Directors. The Board of Directors has adopted a third party "Valuesline" program in order to enable employees and shareholders to communicate (on a nonidentifiable basis if so desired) with the NHI executive officers and directors. The Valuesline toll free number is 877-880-2974 and is answered by an independent contractor who will transmit the communication to the Corporate Secretary and establish a date by which the caller can obtain a response to the communication, if so requested. The Corporate Secretary will coordinate any necessary communication and response.
7. Shareholder Proposals and Nominations. The date by which proposals of shareholders intended to be presented in the next Annual Meeting of Shareholders (currently held in early May) must be received by us for inclusion in our Proxy Statement and form of proxy is provided in the prior year's Proxy Statement and is generally mid-November. Any shareholder proposals submitted will be reviewed in accordance with the procedures found in SEC Regulation 14a-8, which will be supplied by the Company upon request. Nominations of directors by shareholders should be sent to National Health Investors, Inc., Attn: Nominating and Corporate Governance Committee. Any such nominations by shareholders should include the candidate's name, together with appropriate biographical information of the candidate and a statement as to whether the shareholder or group of shareholders making the recommendation has beneficially owned more than 5% of the Company's common stock for at least one year as of the date the recommendation is made. If the appropriate biographical information is provided on a timely basis, we will evaluate shareholder recommended candidates by following substantially the same process, and applying the same criteria, as we follow for candidates submitted by others.

8. Director Compensation. Cash compensation is set by the directors and is currently paid to the non-management directors in the amount of \$7,500 per meeting attended. In addition, the Chairman of the Audit Committee is paid \$2,500 for each meeting of the Audit Committee. NHI's shareholders have additionally approved – as recently as 2018 – an annual grant of a five year option to purchase 25,000 shares of common stock of the Company at the closing price on the third business day following the Company's annual earnings release date.
9. Director Orientation and Continuing Education. The Board of Directors has not adopted any specific requirement for director orientation and continuing education, but approves participation by directors in such programs on an ad hoc basis.
10. Annual Performance Evaluation of the Board. The Board of Directors has required each of its three committees, namely the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, to conduct an annual self-evaluation, reporting the results to the Board of Directors as a whole. The Board as a whole then reviews the self-evaluations and determines whether it and its committees are functioning effectively.
11. Management Succession. At least annually, the CEO addresses succession planning with the Compensation Committee and reviews with the Board a succession plan addressing the policies and principles for selecting a successor to the CEO.
12. Periodic Review of Guidelines. These Corporate Governance Guidelines will be reviewed periodically by the Board or the Nominating and Corporate Governance Committee.

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