

NATIONWIDE HEALTH PROPERTIES, INC.
CORPORATE GOVERNANCE PRINCIPLES
As Amended and Restated February 8, 2010

I. Board of Directors

The Board's goal is to build long-term value for the Company's shareholders and to assure the vitality of the Company for its customers, employees, and the other individuals and organizations who depend on the Company.

The Board of Directors is elected by the shareholders to oversee management and to assure that the interests of the shareholders are being served. The Board is led by the Chairman of the Board. Management, which reports to the Board, is led by the Chief Executive Officer (CEO).

A. Chairman of the Board

The Chairman of the Board shall be an independent director, or if so determined by the Board, the Chief Executive Officer, in which case the Board shall also select a lead independent director.

B. Functions

In addition to its general oversight of management, the Board's specific functions that will be performed directly by the Board or through appropriate committees include the following:

- selecting, evaluating and setting the compensation of the CEO and overseeing CEO succession planning;
- providing counsel and oversight on the selection, evaluation development and compensation of other senior managers;
- reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
- overseeing NHP's strategies to identify and mitigate major risks facing the company; and
- ensuring processes are in place to ensure full compliance with appropriate laws and ethical standards and to maintain the integrity of the company, its financial statements and reporting, and its relationships with tenants, facility operators and other customers, service providers and constituencies.

In fulfilling their functions, the Board and its committees have the right at any time to retain, at NHP's expense, independent outside financial, legal or other advisors.

C. Qualifications and Tenure

General. NHP endeavors to retain directors with diverse expertise and business experience relevant to NHP's activities who have outstanding personal and professional ethics, integrity and values; are committed to representing the interests of NHP's shareholders; have an inquisitive and objective perspective, practical wisdom and mature judgment; have a willingness to devote sufficient time, energy and attention to carrying out their duties and responsibilities effectively, including advance review of meeting materials; and are committed to serve on the Board for an extended period of time.

Other Directorships. Unless the Board determines that the additional board service would not impair the director's service on NHP's Board a director who is a CEO of another public company should not serve on more than two (in addition to the board of the company of which the director is CEO) other boards of public companies in addition to the NHP Board; and other directors should not serve on more than four other boards of public companies.

Changes. Directors are expected to offer their resignation upon any significant change in their personal circumstances, including a change in their principal job responsibilities, if the change would adversely affect his or her performance as a director.

Retirement. The Board of Directors has adopted a policy of a retirement age of 75 for directors. Under this retirement age policy a director would not normally stand for re-election at the first annual meeting of stockholders at which his or her term would expire after reaching age 75. However, the Board of Directors would have, on the unanimous approval of all directors other than the director aged 75 who is being considered for re-nomination as a director, the authority to make an exception to the policy and to nominate said director for re-election, but only if 100% of the other directors reach a determination that such election would be in the best interests of the Corporation and that said director would be, in their opinion, able to carry out his or her duties as a director.

D. Independence of Directors

At least a majority, and preferably two-thirds, of NHP's directors will be "independent" in accordance with standards required under applicable law and New York Stock Exchange (NYSE) rules. Directors have an affirmative obligation to inform the Corporate Governance and Nominating Committee or the Board of any material changes in their circumstances or relationships that may affect their independence. The Board will review and determine each director's independence at least annually.

Currently, NHP's Board determines that a director does not have any direct or indirect material relationship with NHP – i.e., is independent – by applying the following guidelines it has established based on the NYSE's independence rules:

- No Non-Board Compensation. A director will not be independent if the director or any "immediate family member" (defined for purposes of these Principles as a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone who shares such person's home) received from NHP within the past three years more than \$100,000 per year in direct compensation, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).
- No Recent NHP/Auditor Employment. A director will not be independent if, within the preceding three years:
 - o the director was employed by NHP;
 - o an immediate family member of the director was employed by NHP as an executive officer;
 - o the director was employed by or "affiliated" (within the meaning of the NYSE rules) with NHP's present or former internal or external auditor;
 - o an immediate family member of the director was affiliated with or employed by NHP's present or former internal or external auditor.
- No Interlocking Directorate Relationships. A director will not be independent if an NHP executive officer was on the compensation committee of the board of directors of a company which employed the NHP director or his immediate family member as an executive officer, until three years after the end of such service or employment relationship.
- Limitations on Affiliations. A director will not be independent if the director is employed as an executive officer or an employee of his immediate family member is employed as an executive officer of another company that makes payments to NHP, or receives payments from NHP, for property or services in an amount which, in any single year, exceeds the greater of \$1 million or 2%

of such other company's consolidated gross revenues, until three years after falling below such thresholds.

Unless otherwise determined by the Board based on particular facts and circumstances (including the materiality of a relationship), a director (1) who meets all of the above guidelines will be deemed independent and (2) who does not meet all of them will be deemed not to be independent. If the Board ultimately determines that a director under clause (2) above in fact is independent, the basis for that determination will be explained in the next proxy statement and any other required public filings.

E. Stock Ownership

Within three to five years of first becoming a director, each director is expected to invest (directly and/or indirectly through grants of restricted stock) at least five times the amount of annual Board retainer fees in NHP Common Stock and retain that or an equivalent investment in NHP as long as he or she is a director. Exceptions to this requirement may be approved from time to time by the Chairman of the Board to address individual circumstances.

F. Size of Board

A class of directors is elected each year by the shareholders at their annual meeting. The Board, after considering the recommendations of the Corporate Governance and Nominating Committee, proposes a slate of nominees to the shareowners for election to the Board. The Board also determines the number of directors on the Board. Between annual shareholder meetings, the Board may elect directors to fill vacancies to serve until the next annual meeting.

G. Selection and Evaluation of Directors

The Company has established the following minimum criteria for evaluating prospective board candidates:

1. Reputation for integrity, strong moral character and adherence to high ethical standards.
2. Commitment to understand the Company and its business, industry and strategic objectives.
3. Commitment and ability to regularly attend and participate in meetings of the Board of Directors, Board Committees and

shareholders, and to generally fulfill all responsibilities as a director of the Company.

4. Willingness within three to five years after first becoming a director to invest (directly or indirectly through grants of restricted stock under plans of the Company) at least five times the amount of the annual Board retainer fee in the Company's common stock, and a willingness to retain that or an equivalent investment in the Company as long as he is a director.
5. Holds or has held a generally recognized position of leadership, and has demonstrated high levels of accomplishment.
6. Willingness to agree to not serve on more than four boards of other public companies.

The following factors will also be considered with an evaluation of each prospective nominee:

7. Whether the nominee possesses the requisite education, training and experience to qualify as "financially literate" or as an audit committee "financial expert" under applicable SEC and stock exchange rules.
8. For prospective non-employee directors, independence under SEC and applicable stock exchange rules, and the absence of any conflict of interest (whether due to a business or personal relationship) or legal impediment to, or restriction on, the nominee serving as a director.

The Corporate Governance and Nominating Committee will consider suggestions of nominees from shareholders. Shareholders may recommend individuals for consideration by submitting the materials set forth below to the Company addressed to the Chairman of the Committee at the Company's address. To be timely, the written materials must be submitted within the time permitted for submission of a shareholder proposal for inclusion in the Company's proxy statement for the subject annual meeting. The written materials must include (1) all information relating to the individual recommended that is required to be disclosed pursuant to Regulation 14A under the Securities Exchange Act of 1934 (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (2) the name(s) and address(es) of the shareholder making the nomination and the amount of the

Company's securities which are owned beneficially and of record by such Shareholder(s); and (3) appropriate biographical information (including a business address and a telephone number) and a statement as to the individual's qualifications, with a focus on the criteria described above. The Committee will evaluate a prospective nominee suggested by any shareholder in the same manner and against the same criteria as any other prospective nominee identified by the Committee from any other source.

The re-nomination of existing directors is not automatic, but is based on continuing qualification under the criteria set forth above. For incumbent directors standing for re-election, the Corporate Governance and Nominating Committee will consider the incumbent director's performance during his or her term, including the number of meetings attended, level of participation, and overall contribution to the Company.

Any new director added to the Board of Directors to fill a vacancy on the Board of Directors shall stand for election at the next annual meeting of stockholders regardless of the Director's class on the Board of Directors.

The number of officers or employees of the Company serving at any time on the Board will be limited such that, at all times, a majority of the directors is "independent" under applicable SEC and stock exchange rules.

After reviewing appropriate biographical information and qualifications, qualified candidates will be interviewed by members of the Corporate Governance and Nominating Committee, the Chairman of the Board, the Chief Executive Officer, and the lead independent director, if any.

H. Lead Independent Director

In the event that the Chief Executive Officer of the Company is elected by the Board of Directors as Chairman of the Board, a lead independent director shall be selected by and from the currently serving independent directors. The lead independent director shall serve in that position until a successor shall be duly elected or appointed, or until the lead independent director resigns or is otherwise removed from or replaced in that office by the independent directors. The following, which may be modified by the Board, are the principal duties of the lead independent director:

1. To coordinate the activities of the independent directors and promote their overall effectiveness.
2. To preside at all meetings of the Board at which the Chairman/CEO is not present, including executive sessions of the Board.
3. To communicate with independent directors between meetings as needed.
4. To serve as liaison between the Chairman/CEO and the other directors as needed, to consult with the CEO regarding any concerns from the directors about the Company or its performance, or the Chairman/CEO's performance, and to relay concerns, where appropriate, to the full Board.
5. To assist the Chairman/CEO with the appointment and proper functioning of Board committees and chairs, including the assignment of tasks or topics.
6. To assist the Chairman/CEO and the Corporate Governance and Nominating Committee with the recruitment of Board candidates.
7. To work with the Corporate Governance and Nominating Committee to assure an effective annual evaluation of Board, committee and individual director effectiveness.
8. To approve meeting agenda and meeting schedules for the Board, and information sent to the Board.
9. To serve as interim chairman in the event of a vacancy in this role.
10. Has the authority to call meetings of the independent directors.
11. If requested by major shareholders or other external constituencies, ensures that he or she is available for consultation and direct communications, as appropriate.

I. Orientation and Continuing Education

Senior management is responsible for promptly providing an orientation for new directors, and for periodically providing educational

materials or briefing sessions for all directors on subjects that would assist them in effectively discharging their duties. Each new director is required, within six months of election to the Board, to spend a day at corporate headquarters for personal briefing by senior management on NHP's strategic plans, its financial statements, and its key policies and practices.

J. Evaluation of Management, the Chief Executive Officer, the Board, the Board Committees, and Individual Directors

Each fiscal year, the directors will be requested to provide their assessments of the effectiveness of management, the Chief Executive Officer, the Board, the Board Committees on which they serve, and individual directors. The individual assessments will be organized and summarized by the Corporate Governance and Nominating Committee for discussion with the full Board and the committees.

K. Meetings

The Board of Directors meets at least four times each year in regular meetings to review and discuss reports by management on the performance of NHP and its plans and prospects. The Board also meets as necessary or appropriate in special meetings to address issues facing NHP. Non-management directors (as that term is defined in the rules of the NYSE) will have a regularly scheduled meeting at least twice each year and independent directors (as that term is defined in the rules of the NYSE) will have a regularly scheduled meeting at least once each year. Directors are expected to make all reasonable efforts to attend all Board meetings as well as all meetings of the Committees on which they serve.

The Chairman of the Board, in consultation with the Lead Independent Director, if any, shall prepare the agenda for each Board meeting. Any Board member may suggest inclusion of additional items on the agenda and may raise at any Board meeting subjects that are not specifically on the agenda for that meeting.

Information and materials that are important to the Board's understanding of the agenda items and other topics to be considered at a Board meeting should, to the extent practicable, be distributed sufficiently in advance of the meeting to permit prior review by the directors. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly

confidential or sensitive information, written materials may not be available in advance of the meeting.

L. Director Attendance at Annual Meetings of Stockholders

Directors are encouraged to attend the Company's annual meeting of stockholders.

M. Compensation

The Compensation Committee shall annually review and determine the compensation and benefits for non-employee directors. In doing so, the Committee should ensure that the compensation and benefits (1) fairly pay directors for their work, consistent with NHP's peer group of public companies; (2) include a significant equity component to help align directors' interests with the long-term interests of shareholders; and (3) are structured in a manner that is simple, transparent and easy for shareholders to understand.

A director who is also an officer of the Company shall not receive additional compensation for such service as a director.

N. Board Access to Management; Outside Advisors

Board members shall have access to the Company's management and, as appropriate, to the Company's outside advisors. In addition, the Board encourages management to bring into Board meetings from time to time, or otherwise make available to Board members, individuals who can provide additional insight into the items being discussed because of personal involvement and substantial knowledge in those areas or individuals with future potential that senior management believes should be given exposure to the Board.

O. Outside Communications

The Board believes that under ordinary circumstances management should speak for the Company. Each director shall refer all inquiries from institutional investors, analysts, the press, customers or clients to the Chief Executive Officer or his designee.

II. Committees of the Board

A. Current Committees

The Board has established the following committees to assist the Board in discharging its responsibilities: Audit, Compensation, Corporate Governance and Nominating, and Investment and Enterprise Risk Management. The Board may want, from time to time, to form a new committee or disband a current committee. In addition, the Board may determine to form ad hoc committees from time to time, and determine the composition and areas of competence of such committees.

The purpose and responsibilities for each committees shall be outlined in a committee charter adopted by the Board. The current charters of these committees are published on the NHP website. Each committee chair determines the frequency, length and agenda of the committee's meetings and reports the highlights of the meetings to the full Board. The committees occasionally hold meetings in conjunction with the full Board.

B. Member Independence

Each member of the Audit, Compensation and Corporate Governance and Nominating Committees must be an independent director. In addition, each member of the Audit Committee must not be a director, officer, partner, employee or greater than 5% shareholder of, or otherwise affiliated with, any firm that is a paid adviser, paid consultant or paid provider of other legal, financial, accounting or other professional services to NHP or any member of senior management or their immediate families.

C. Assignment and Rotation of Committee Members

The Corporate Governance and Nominating Committee shall be responsible, after consultation with the Chairman of the Board and the Lead Independent Director, for making recommendations to the Board with respect to the assignment of Board members to various committees. After reviewing the recommendations of the Corporate Governance and Nominating Committee, the Board shall be responsible for appointing the Chairman and members to the committees on an annual basis.

The Corporate Governance and Nominating Committee shall annually review the Committee assignments and shall consider the rotation the Chairman and members of a Committee with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors.

D. Reporting Concerns to the Audit Committee

Anyone who has a concern about NHP's conduct, or about its accounting, internal accounting controls or auditing matters, may communicate that concern to the Audit Committee. These communications may be confidential or anonymous, and may be e-mailed, submitted in writing, or reported by phone to special addresses and a toll-free phone number that will be published on NHP's website. All such concerns will be forwarded by NHP's Compliance Officer (who will be either an independent contractor or a member of NHP's Legal Department and independent of NHP's financial function) to the appropriate directors for their review, will be simultaneously reviewed and addressed by the Audit Committee and will be reported to the directors on a quarterly basis. A log of all these communications will be maintained by the Compliance Officer and/or the Audit Committee for a period of two years (or such longer or shorter time as may be required by applicable regulations). The Audit Committee may direct special treatment, including the retention of outside advisors or counsel, for any concern addressed to them.

III. The Board and Senior Management

A. Succession Planning and Leadership Development

The Board plans and oversees succession to the position of CEO and other senior management positions and is assisted in this process by the Corporate Governance and Nominating Committee and the CEO. The CEO annually provides the Board and any designated advisor to the Board with an assessment of senior managers and their potential to succeed him or her, and also periodically provides an assessment of potential successors for other senior management positions. The Board shall determine that a satisfactory system is in effect for education, development, and orderly succession of senior and mid-level managers throughout the Company.

B. Annual Compensation Review

The Compensation Committee annually approves the goals and objectives for compensating the CEO. The Committee evaluates the CEO's performance in light of these goals before setting the CEO's salary, bonus and other incentive and equity compensation. The Committee also annually (1) evaluates the performance of the other members of senior management before approving their salary, bonus

and other incentive and equity compensation and (2) approves the CEO's recommendations concerning the compensation structure and individual rewards for NHP's other officers.

C. Stock Ownership

Within three to five years of first becoming the Chief Executive Officer, the Chief Financial Officer, the Chief Investment Officer, or a Vice-President of the Company, each such officer is expected to invest (directly or indirectly through grants of restricted stock or exercise of stock options) at certain minimum levels of stock ownership in NHP Common Stock and retain that or an equivalent investment in NHP as long as he or she is an officer. The minimum level of expected stock ownership is 500% of base salary for the Chief Executive Officer, 350% of base salary for the Chief Financial Officer and the Chief Investment Officer, 250% of base salary for a senior vice president, and 200% of base salary for vice presidents of the Company. Exceptions to these levels of stock ownership may be approved from time to time to address individual circumstances by the Chairman of the Board or, for the Chief Financial Officer, Chief Investment Officer or any Vice President, by the Chief Executive Officer.

D. Access to Employees

Non-employee directors are encouraged to contact any employee at any time that they wish, with or without senior management present.

IV. Business Code of Conduct & Ethics

NHP's directors, officers and employees are all required to comply with NHP's Business Code of Conduct & Ethics.

V. Annual Review

NHP recognizes that corporate governance principles will continue to evolve in response to today's rapidly changing business environment. To ensure that NHP's Corporate Governance Principles represent the "best practices" for NHP and its shareholders, the Corporate Governance and Nominating Committee will review them annually – or more often if necessary.