

# HEALTHCARE REALTY TRUST INCORPORATED

## Corporate Governance Principles

### 1. DIRECTOR QUALIFICATIONS

The Board of Directors of Healthcare Realty Trust Incorporated (the “Company”) shall have a majority of directors who meet the criteria for independence required by the Securities and Exchange Commission (“SEC”) and the New York Stock Exchange (“NYSE”). The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. This assessment shall include each member’s qualification as independent, as well as consideration of diversity, age, skills and experience in the context of the needs of the Board.

Nominees for directorship shall be selected by the Nominating and Corporate Governance Committee in accordance with the policies and principles in these Corporate Governance Principles and in its charter. The invitation to join the Board shall be extended by the Chairman of the Nominating and Corporate Governance Committee on behalf of the full Board.

In carrying out its responsibilities regarding director nominations, the Nominating and Corporate Governance Committee will review each candidate’s qualifications in light of the needs of the Board and the Company, considering the mix of director attributes, skills, and personal and professional experience. In addition to the independence criteria stated above, the Nominating and Corporate Governance Committee seeks director nominees having the following characteristics:

- Personal integrity and reputation for high ethical standards;
- The ability to devote sufficient time to the duties of a director;
- Experience relevant to the Company’s business, including real estate, health care, finance, accounting, investment banking, capital markets, or senior management;
- Depth and breadth of leadership experience, and a proven record of accomplishment;
- The ability to think independently and work collaboratively;
- The ability to satisfy the NYSE requirements of the Audit Committee and the Compensation Committee; and
- The ability to meet and comply with the requirements of the Code of Business Conduct and Ethics.

A director whose status and circumstances change such that his or her independence may be impaired, that his or her interests may conflict with those of the Company, or that otherwise may adversely affect his or her ability to serve as a director should resign voluntarily from the Board. The Board shall not require in every instance that directors who retire or change from the position they held when they joined the Board should leave the Board. The Board should have the opportunity, however, through the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under any such circumstances.

No director may serve on more than three other public company boards. Directors should advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting any invitation to serve on another public company board.

## 2. DIRECTOR RESPONSIBILITIES

The basic responsibility of the directors is to exercise their business judgment and to act in a manner that they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company's senior management and its outside advisors and auditors. The directors shall be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's charter, by-laws and any indemnification agreements, and to exculpation as provided by state law and the Company's charter.

Directors are expected to attend Board meetings and meetings of committees on which they serve, spend the time needed, and meet as frequently as necessary to discharge their responsibilities properly. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting shall be distributed in writing to the directors sufficiently in advance of the meeting to permit the directors to review these materials carefully before the meeting.

The Board has no policy with respect to the separation of the offices of Chairman and Chief Executive Officer. The Board believes this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to make a determination on a case-by-case basis when it selects a new Chief Executive Officer or elects a new Chairman.

The Chairman shall establish the agenda for each Board meeting. Each Board member may suggest the inclusion of items on the agenda. Each Board member may raise at any Board meeting subjects that are not on the agenda for that meeting. The Board shall review the Company's long-term strategic plans and the most significant issues to be faced by the Company in the future during at least one Board meeting each year.

The non-management directors shall meet in executive session at least semi-annually. The non-management directors shall select one of their members to preside at these meetings, and his or her name shall be disclosed in the annual proxy statement.

The Board believes that senior management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but Board members should do this only with the knowledge of senior management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of senior management. Care should be taken to comply with the SEC's Regulation FD, the Company's Regulation FD Policy and other requirements.

## 3. BOARD COMMITTEES

The Board shall have at all times an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. All of the members of these committees shall be independent directors under the criteria established by the SEC and the NYSE. Members of the Nominating and Corporate Governance Committee shall be appointed by the Board. Members of the Audit Committee and Compensation Committee shall be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee. Consideration shall be given to rotating committee members periodically, but rotation is not mandated as a policy.

Each committee shall have its own charter. These charters shall set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. Each charter shall also provide that the committee will annually evaluate its performance.

The chairman of each committee, in consultation with the committee members, shall determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairman of each committee, in consultation with the appropriate members of the committee and senior management, shall develop the committee's agenda. Each committee member may suggest additional items for consideration at any meeting.

The Board and each committee shall have the power to hire independent legal, financial or other advisors as they may deem necessary, at the expense of the Company, without consulting or obtaining the approval of any officer of the Company in advance. In addition, each committee shall be permitted to allow other persons, including, but not limited to, advisors hired in accordance with the preceding sentence, to participate in committee meetings to such extent and in such capacity as the committee may deem necessary.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

#### **4. DISCLOSURE OF CORPORATE GOVERNANCE MATERIALS**

Given the importance of corporate governance to proper corporate conduct and achieving investor confidence, the Company will post these Corporate Governance Principles, its Code of Business Conduct and Ethics, and the charters of its Committees on its website. The Company will also disclose in its annual report that the foregoing information is available on its website, and that the information is available in print to any shareholder who requests it.

#### **5. DIRECTOR ACCESS TO OFFICERS AND EMPLOYEES**

Directors shall at all times have full and free access to officers and other employees of the Company to the extent reasonably necessary to discharge their duties as directors. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by the director. The directors shall use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and shall, to the extent not inappropriate, send copies to the Chief Executive Officer of any written communications and report the substance of any relevant business conversation between a director and an officer or other employee of the Company.

From time to time, senior officers of the Company, outside counsel and representatives of the Company's audit firm may attend Board meetings. The Chief Executive Officer may wish to have additional Company personnel attend the Board meetings, subject to Board approval. Each director shall also have access, as necessary and appropriate, to the Company's independent advisors.

#### **6. DIRECTOR COMPENSATION**

The form and amount of director compensation shall be determined by the Compensation Committee in accordance with the policies and principles set forth in these Corporate Governance Principles and in its charter, and the Compensation Committee shall conduct a review of director compensation at least every three years. The Compensation Committee shall consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels. The Company will not make substantial charitable contributions to organizations with which a director is affiliated, or enter into consulting contracts with (or provide other indirect forms of compensation to) a director or an organization with which the director is affiliated.

#### **7. DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

All new directors must participate in director orientation, which shall be conducted as soon as practical after the new directors are elected or appointed. The orientation shall familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors.

The Company may conduct and make available to the directors appropriate continuing education programs regarding the Company's business, the directors' obligations to the Company, and other appropriate matters.

## **8. CHIEF EXECUTIVE OFFICER EVALUATION AND MANAGEMENT SUCCESSION**

The Compensation Committee shall conduct an annual review of the Chief Executive Officer's performance, as set forth in its charter, and report to the full Board of Directors. The Board of Directors shall consider the Compensation Committee's report to ensure that the Chief Executive Officer is providing the best leadership for the Company in the long- and short-term.

The Compensation Committee shall give consideration to the development and succession of senior executive officers and shall consider potential successors to the Chief Executive Officer. The Chief Executive Officer shall at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals. The Compensation Committee shall periodically report its activities with respect to management succession to the full Board of Directors.

## **9. ANNUAL PERFORMANCE EVALUATION**

The Board of Directors shall conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Board, on its own or through the Nominating and Corporate Governance Committee, shall solicit comments from all directors and make an assessment of the Board's performance. This assessment shall focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes the Board could improve.

## **10. DIRECTOR RESIGNATION POLICY**

In an uncontested election, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election (a "Majority Withheld Vote") shall promptly tender his or her resignation following certification of the shareholder vote. The Nominating and Corporate Governance Committee shall consider the resignation offer and, within 45 days following the certification of the shareholder vote, recommend to the Board whether to accept it. In determining its recommendation to the Board, the Committee will consider all factors deemed relevant by the members of the Committee including, without limitation, any stated reason or reasons why shareholders voted against such director's re-election, possible alternatives for curing the underlying cause of the withheld votes, the tenure of the director, the qualifications of the director (including, for example, whether the director serves on the Audit Committee as an "audit committee financial expert" and whether there are one or more other directors qualified, eligible and available to serve on the Audit Committee in such capacity), and whether the director's resignation from the Board would be in the best interests of the Company and its shareholders. The Board will act on the Nominating and Corporate Governance Committee's recommendation within 90 days following certification of the shareholder vote. No director whose resignation, in accordance with this policy, is required to be considered by the Board, shall participate in the Committee's deliberations or recommendation, or in the Board's deliberations or determination, with respect to accepting or rejecting his or her resignation as a director.

If a majority of the members of the Nominating and Corporate Governance Committee receive a Majority Withheld Vote, then the directors then serving on the Board who did not receive a Majority Withheld Vote will: (i) appoint a temporary Board committee from amongst themselves for the purpose of considering the tendered resignations and making a recommendation to the Board regarding such tendered resignations; or (ii) all participate in the action regarding whether to accept the resignation offers without consideration by, or a recommendation from, a Board committee. However, if there are three or fewer directors then serving on the Board who did not receive a Majority Withheld Vote, all directors may participate in the action regarding whether to accept the resignation offers.

After making its determination whether to accept a director's resignation offer, the Board will promptly disclose its decision (and the reasons for rejecting the resignation offer, if applicable) in a Current Report on Form 8-K, or as required by any then applicable rules of the SEC and/or the NYSE.

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Recommended by the Nominating and Corporate Governance Committee on February 12, 2019 and adopted by the Board of Directors on February 12, 2019.