

## VEREIT, INC.

### CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of VEREIT, Inc. (the “Company”) has adopted the following Corporate Governance Guidelines (these “Guidelines”) to help promote the effective functioning of the Board and its committees and to set forth a common set of expectations as to how the Board and its committees, as applicable, should perform their functions. Although these Guidelines have been approved by the Board, it is expected that these Guidelines will evolve over time as customary practice and legal requirements change. In particular, guidelines that encompass legal, regulatory or exchange requirements as they currently exist will be deemed to be modified as and to the extent such legal, regulatory or exchange requirements are modified. In addition, the Guidelines may also be amended by the Board at any time as it deems appropriate. These Guidelines, along with the Company’s Articles of Incorporation, Bylaws, Board committee charters and Code of Business Conduct and Ethics, each as amended from time to time, provide the framework for the governance of the Company.

#### **I. Director Responsibilities**

The Board is elected by the shareholders to oversee their interest in the long-term health and the overall success of the business. The Board selects and oversees the CEO who, along with other members of senior management, is responsible for conducting and managing the business and operations of the Company.

The primary responsibilities of the Board and its committees include:

- the promotion of the best interests of the Company and its stockholders by overseeing the management of the Company’s business and affairs;
- the review and, where appropriate, approval of the Company’s financial objectives, major strategies and plans as well as major corporate actions;
- the oversight of the implementation of policies and procedures to assure legal and ethical conduct, transparency, strong internal control and strong financial reporting and accountability;
- the assessment of the major risks facing the Company and management’s policies and processes adopted to address those risks;
- the review, oversight and approval of related party transactions;
- the selection, evaluation and compensation of the Chief Executive Officer (“CEO”) and approval of the appointment and compensation of the other officers of the Company as defined in Rule 16a-1 under the Securities Exchange Act of 1934, as amended (“Executive Officers”);
- the periodic review of management succession plans, including plans for CEO succession;
- the selection and recommendation to stockholders for election of appropriate candidates for service on the Board;
- the provision of advice and counsel to senior management;

- the oversight of the performance of the Board’s committees in carrying out their delegated responsibilities consistent with their charters and expected duties and obligations; and
- the evaluation of Board practices and performance.

## **II. Composition and Selection of the Board of Directors**

### **A. Size.**

The Company’s Articles of Incorporation provide that the number of directors will be fixed from time to time by the Board, but in no event will be less than the number required by the Maryland General Corporate Law nor more than 15. The Nominating and Corporate Governance Committee periodically will review the Board’s size and structure, including the size and structure of all standing and any ad hoc committees of the Board, and recommend to the Board for its approval such changes in number of directors, or function or composition of the Board or any such committees, as the Nominating and Corporate Governance Committee deems appropriate.

### **B. Independence.**

At least a majority of the Board shall consist of directors who are neither officers or employees of the Company or its subsidiaries nor have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and who are otherwise “independent” under the listing standards of the New York Stock Exchange (“NYSE”) and applicable securities laws and regulations, as the same may be in effect from time to time. These directors are referred to in these Guidelines as “Independent Directors.”

The Board shall review annually the relationships that each director has with the Company (both directly and indirectly as a stockholder, director, officer or partner of an organization that has a relationship with the Company). Following the annual review, only those directors whom the Board affirmatively determines have no material relationship with the Company will be considered Independent Directors. Such evaluation shall include a review of the relevant independence factors prescribed under NYSE listing standards and under applicable securities laws and regulations. The same determination must be made to the extent an Independent Director is appointed between annual reviews. In the event that a director becomes aware of any change in circumstances that may result in the director no longer being considered independent under NYSE listing standards or under applicable securities laws and regulations, the director shall promptly inform the Chairman of the Board.

In respect of candidates for the Compensation Committee, the Board must consider all factors specifically relevant to determining whether a candidate has a relationship with the Company which is material to his/her ability to be independent from management in connection with the duties of a Compensation Committee member, including, but not limited to: (i) the source of compensation of such candidate, including any consulting, advisory or other compensatory fee paid by the Company to the candidate; and (ii) whether such candidate is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

### **C. Candidates for Board membership.**

The Board as a whole is responsible for selecting nominees for the Board, and vacancies on the Board will be filled in accordance with the Company's Articles of Incorporation and Bylaws.

The Nominating and Corporate Governance Committee is responsible for screening and recommending candidates and making recommendations to the Board for nomination to the Board of those candidates that the Nominating and Corporate Governance Committee, in the exercise of its judgment, has found to be well-qualified and willing and available to serve.

In recommending candidates for Board membership, the Nominating and Corporate Governance Committee may consider such criteria as the committee deems appropriate, which may include, without limitation:

- (i) personal and professional integrity, ethics and values;
- (ii) experience in corporate management, such as serving as an officer or former officer of a publicly held company, and a general understanding of marketing, finance and other elements relevant to the success of a publicly traded company in today's business environment;
- (iii) experience in the Company's industry and with relevant social policy concerns;
- (iv) experience as a board member of another publicly held company;
- (v) academic expertise in an area of the Company's operations;
- (vi) whether the appointment of the candidate could increase the diversity of background, skills and experience of the Board as a whole;
- (vii) practical and mature business judgment, including ability to make independent analytical inquiries;
- (viii) the nature of and time involved in a director's service on other boards and/or committees and whether a candidate's service obligations to other boards complies with the Board's then outstanding policy on service on boards of other public companies; and
- (ix) with respect to any person already serving as a director of the Company, the director's past attendance at meetings and participation in and contribution to the activities of the Board and any committees on which he or she has served.

In evaluating the possible impact to the Board and the Company of a candidate's service on other boards of directors, the Nominating and Corporate Governance Committee will take into account the number of other boards of publicly traded companies on which the candidate serves, as well as the potential effect on the Company and perception concerning the Company's corporate governance, reputation and other policies as a result of the governance and other policies that may be implemented by such other companies and their boards of directors, such as policies with respect to classification of the board of directors or other policies that may be inconsistent with those adopted by the Company or the Board.

The Nominating and Corporate Governance Committee will evaluate each individual in the context of the Board as a whole, with the objective of assembling a group that can best perpetuate the

success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas.

#### **D. Annual elections.**

All directors nominated by the Board shall stand for election by the stockholders annually. To the extent an incumbent director does not receive the requisite votes for his/her re-election, the Board expects that such incumbent director shall tender his or her resignation to the Board for consideration. Such resignation may specify that it will only be effective upon its acceptance by the Board within 90 days following certification of the stockholder vote. The Board expects that a director whose resignation is under consideration shall abstain from participating in any decision regarding his or her resignation. If the resignation is not accepted, the director will continue to serve until the next annual meeting and until the director's successor is duly elected and qualified or until the director's earlier resignation or removal. The Nominating and Corporate Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation. If the resignation is accepted, or if a director is otherwise removed from the Board, for whatever reason, such resignation or removal shall automatically constitute resignation or removal, as applicable, from all Board committees.

#### **E. Term limits and mandatory retirement age.**

The Board does not believe it should establish term limits or a mandatory retirement age for directors. While these policies could help generate fresh ideas and viewpoints, they may deprive the Company of valuable contributions from directors who, over time, have developed expertise and insights into the Company and its needs. In addition, the Board rejects the attainment of a specific age as a disqualification from service to the Company. As an alternative to these policies, the Nominating and Corporate Governance Committee will evaluate each director's nomination for re-election to the Board each year.

#### **F. Change in responsibilities.**

The Board does not believe that directors who retire, change primary job responsibility, occupation or business association or take on other new obligations should necessarily leave the Board. Promptly following such an event, the director should notify the Nominating and Corporate Governance Committee, which will review, at an appropriate time, the continued suitability of the affected director to remain on the Board under the circumstances. The affected director is expected to act in accordance with the Nominating and Corporate Governance Committee's recommendation following the review.

### **III. Board Leadership**

#### **A. Chairman and Chief Executive Officer positions.**

The Board believes it is important to select its Chairman and the Company's CEO in the manner it considers in the best interests of the Company at any given point in time. Accordingly, these positions may be filled by one individual or by two different individuals, although the Company currently does not combine these roles. The Board periodically reviews and assesses the

Company's leadership structure in connection with its review of succession planning.

### **B. Lead Independent Director.**

The Independent Directors, by vote of a majority of the Independent Directors, shall annually select an Independent Director to serve as Lead Independent Director to the extent that the Board has not appointed a non-executive Chairman. Unless otherwise determined by the Independent Directors, the Lead Independent Director shall have the following duties, responsibilities and authority:

- to preside at all meetings of the Board at which the Chairman of the Board is not present, including each executive session of the Independent Directors;
- to provide input regarding information sent to the Board and the agenda for Board meetings to assure that there is sufficient time for discussion of all agenda items;
- to have the authority to call meetings of the Independent Directors;
- to serve as a resource for directors in an effort to facilitate their access to information about the Company and the Board, and to provide consultation in connection with appropriate matters;
- to work with management to design and implement an orientation process for new directors, as well as continuing director education;
- to serve as a liaison between an Executive Chairman of the Board and the Independent Directors, if applicable;
- to be available for consultation and direct communication with the Company's stockholders upon request; and
- to have such other duties and responsibilities as the Board of Directors may determine from time to time.

### **IV. Orientation and Continuing Education**

The Chairman will work with management to facilitate the orientation of new directors, including providing background material on the Company, its business plan and its risk profile and key corporate governance policies, including its Code of Business Conduct and Ethics and these Guidelines, and scheduling meetings with Executive Officers and other members of senior management, its internal and independent auditors and its General Counsel and outside legal advisors. Periodically, management will present additional educational sessions for directors on matters relevant to the Company, its business plan and risk profile.

In addition, directors are encouraged to attend continuing director education programs relating to board responsibilities, corporate governance or substantive matters relating to the particular committee upon which such director serves, and the Company will reimburse all reasonable expenses incurred by directors related to continuing director education.

### **V. Director Compensation**

The Compensation Committee periodically, but at least annually, will review and evaluate non-

employee director compensation and make recommendations to the Board relating to non-employee director compensation that the Compensation Committee determines are appropriate. In discharging this responsibility, the Compensation Committee shall be guided by three goals:

- compensation should fairly pay non-employee directors for work required in a company of comparable size and scope;
- compensation should align non-employee directors' interests with the long-term interests of stockholders; and
- the structure of the compensation should be simple, fully disclosed and easy for stockholders to understand.

The Board shall retain the ultimate authority to determine the form and amount of non-employee director compensation. For the avoidance of doubt, directors who are also employees of the Company shall not be entitled to any additional compensation for service as a director of the Company.

Consistent with NYSE listing standards, members of the Company's Audit Committee may not receive any remuneration from the Company other than compensation for Board service, which includes service on Board committees.

## **VI. Board Meetings**

### **A. Frequency of meetings.**

The Board currently schedules at least four meetings each year. Additional meetings may be held (and action may be taken by unanimous consent) at the discretion of the Board.

### **B. Agenda.**

The agenda for each Board meeting will be established by the Chairman, with assistance of the Company's General Counsel and/or Secretary. Any director may suggest items for additional inclusion on the agenda. Management will seek to provide to all directors an agenda and appropriate materials sufficiently in advance of each meeting for directors to be able to properly prepare for the meeting, 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 necessary for the directors to make an informed judgment.

### **C. Access to management and outside advisors.**

The Board expects that Executive Officers and other members of senior management regularly will attend Board and committee meetings, present proposals and otherwise assist in the work of the Board. Members of the Board have direct access to any of the Company's senior management or other employees, as requested, in Board and committee meetings and in other formal or informal

settings. All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business.

The Board, as well as each committee of the Board, shall have the right to retain, at the Company's expense, such outside advisors as the Board or applicable committee shall deem appropriate or necessary.

#### **D. Executive sessions.**

To assure free and open discussion and communication among the Independent Directors, the Independent Directors will meet periodically, but at least once each year, in executive sessions, with no members of management present. The Chairman of the Board or, if the Chairman is not an Independent Director, the Lead Independent Director or, in the absence of a Lead Independent Director, the chair of the Nominating and Corporate Governance Committee, will serve as the presiding director at each executive session.

### **VII. Board Committees**

#### **A. Number and duties of Board committees.**

At present, the Company has established the following Board committees: the Audit Committee; the Compensation Committee; and the Nominating and Corporate Governance Committee. The Bylaws allow the Board to establish additional committees and to disband any Committee not specifically required, and the Board may do so at any time. The duties of each standing committee of the Board are spelled out in a charter for such committee that is periodically reviewed and approved by the Board. The current charters for the Audit Committee, Compensation Committee and the Nominating and Corporate Governance Committee are publicly available on the Company's website.

#### **B. Composition and leadership of Board committees.**

The Nominating and Corporate Governance Committee provides recommendations to the Board on the composition and leadership of each of the committees. The membership and chair of all committees are to be approved by the Board.

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 periodic reports of his or her committee's activities to the Board. The chair of each of the Board's committees is elected by the Board.

#### **C. Independence of certain Board committees.**

The Nominating and Corporate Governance Committee, the Audit Committee and the Compensation Committee shall each be composed entirely of Independent Directors who satisfy all legal, regulatory and NYSE requirements necessary for an assignment to any such committee. A director may serve on more than one committee for which he or she qualifies.

## **VIII. Management Succession Plans**

The Board, with the assistance of the Compensation Committee and the Chairman, is responsible for adopting succession plans for Executive Officers of the Company. In particular, the Board will develop and periodically review plans for succession for the Company's CEO in the event of his or her death, disability, removal, resignation or other event creating a vacancy in that office.

## **IX. Additional Policies Administered by the Board.**

Board members and Executive Officers are subject to additional policies which include, but are not limited to, minimum share ownership guidelines, a policy prohibiting the re-pricing of stock options, a policy prohibiting the hedging and pledging of Company securities and a related person transaction policy. The Board and its committees are responsible for overseeing the implementation, administration and periodic evaluation of these policies.

## **X. Expectations of Directors**

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with Maryland law. In performing their duties, directors of the Company must act: (i) in good faith; (ii) in a manner they reasonably believe to be in the best interests of the corporation; and (iii) with the care that an ordinarily prudent person in a like position would use under similar circumstances. The primary responsibility of the directors is to exercise their business judgment in the best interests of the Company. In carrying out their responsibilities, directors owe a fiduciary duty to the Company.

The Board may develop specific expectations of directors to promote the discharge of these responsibilities and the efficient conduct of the Board's business.

### **A. Commitment and attendance.**

Directors should make good-faith efforts to attend all scheduled meetings of the Board, all meetings of committees of which they are members and the Company's Annual Meeting of Stockholders. In the event that Directors are unable to make at least 75% of those regular or special meetings (together with the meetings of committees on which such Director serves), the Company will be required to disclose that fact in its annual proxy statement. To ensure that each director may devote appropriate attention to the Board's and his/her applicable committee's matters, the Board's Nominating and Corporate Governance Committee prohibits directors from serving on more than three other publicly-traded company boards during their service on the Board, subject to the Board's discretion. The Nominating and Corporate Governance Committee will administer this policy.

### **B. Participation in meetings.**

Each director should be sufficiently familiar with the business of the Company 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 at meetings prepared to discuss the issues presented.

**C. Communications.**

Management speaks for the Company. Accordingly, the Company has adopted a Media Policy, which may be amended from time to time, which prohibits non-designated persons from engaging with the media. Members of the Board constitute non-designated persons and should refer all media inquiries directly to management, consistent with the terms of the Company's Media Policy, although individual Board members may, at the request of management, communicate with outside parties on behalf of the Company.

**D. Confidentiality.**

The proceedings and deliberations (as well as any materials provided in connection therewith) of the Board and its committees are confidential. Each director shall maintain the confidentiality of non-public information received in connection with his or her service as a director.

**E. Director share ownership.**

Each non-employee director of the Company is required to own Company common stock with a fair market value of at least five times the cash portion of his or her annual retainer. Each non-employee director has a phase-in period of five years from the date of his or her election to the Board to achieve the required minimum share ownership level. The Nominating and Corporate Governance Committee shall monitor the non-employee directors' compliance with share ownership guidelines.

**F. Annual Self-Assessments.**

The Board will conduct a self-assessment of its performance at least annually, which is overseen by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will also utilize the results of this self-assessment in evaluating and determining the characteristics and critical skills required of prospective candidates for election to the Board and for making recommendations to the Board with respect to assignments of Board members to various committees.

Each committee of the Board is also responsible for conducting an evaluation of its own performance on an annual basis, including its compliance with its charter, and for providing the Board with any recommendations for changes in procedures or policies governing the committee.

## **G. Stockholder Rights Plans**

The Board has agreed that it will not adopt a stockholder rights plan unless the Company's stockholders approve such plan in advance or, if such plan is adopted by the Board, such plan will be ratified by stockholders within 12 months of adoption or such plan will terminate.

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Last Reviewed & Updated: November 1, 2016