

NATIONAL RETAIL PROPERTIES, INC.

CORPORATE GOVERNANCE GUIDELINES

**Introduction:**

The Board of Directors (the “**Board**”) has been elected by the stockholders of National Retail Properties, Inc. (the “**Company**”) to provide effective oversight of the affairs of the Company for the benefit of those stockholders. The primary responsibilities of the Board are: (a) overseeing the management of the Company in the competent and ethical operation of the Company, including, without limitation, evaluating the performance of the Chief Executive Officer of the Company (the “**CEO**”); (b) through the Compensation Committee of the Board (the “**Compensation Committee**”), setting appropriate compensation for the CEO and other executive officers of the Company; (c) reviewing and approving the Company’s business plans and corporate strategies; and (d) adopting and evaluating policies of corporate and ethical conduct and governance.

The following Corporate Governance Guidelines of the Company (the “**Guidelines**”) have been recommended by the Board’s Governance and Nominating Committee (the “**Governance Committee**”) and adopted by the Board to assist it in carrying out its responsibilities. These Guidelines are in addition to and are not intended to change or interpret any federal or state laws or regulations or the provisions of the Company’s Articles of Incorporation or Bylaws. These Guidelines are subject to modification by the Board from time to time on recommendation of the Governance Committee.

**1. Board Structure:**

**(a) Size:**

The Bylaws of the Company provide that the Board will have not less than three (3) nor more than twelve (12) directors. The Board believes that the Board should be of sufficient size to include a wide range of substantive expertise that is critical to the operation of the Company’s business, but should not be so large as to impede the efficient oversight of the Company’s business. The actual number of directors serving on the Board will be fixed from time to time by the Board on recommendation of the Governance Committee.

**(b) Independence:**

A majority of the Board should be “independent” directors, as such term is defined and construed from time to time in the Company’s Articles of Incorporation, Bylaws, the Securities Exchange Act of 1934 (the “**Exchange Act**”), the New York Stock Exchange Listed Company Manual (the “**NYSE Manual**”) and other laws and regulations applicable to the Company. Because of the different definitions, a Board member may be independent under one definition for one purpose but not independent for another purpose. In addition, the Board should strive to have enough independent directors on the Board so that, in the event one independent director was to resign, die, or be removed from the Board, a majority of the remaining Board would still consist of independent directors.

The Board believes that a relationship between the Company and an entity in which a director is an officer or director or has an ownership interest (for example, an entity that is a tenant of the Company) is not, in and of itself, sufficient to disqualify a director from

being considered independent for purposes of service on the Board and its committees. The materiality of the relationship and the director's own ability to exercise independent judgment should be evaluated.

Directors who may be considered independent for most purposes may not be considered independent for all purposes. Accordingly, a separate independence determination should be made with respect to service on the Board as well as service on any of the Board's committees. The Board should make an independence determination for each director on an annual basis with respect to service on the Board as well as service on any of the Board's committees. In addition, the Board should make a separate independence determination as to any matter presented to the Board for a vote if one or more of the directors has any direct or indirect interest in the matter.

**(c) Director Resignation/Term or Age Limits:**

An offer of resignation should be submitted to the Board by: (i) employees of the Company who serve on the Board once they are no longer an employee of the Company; (ii) directors who materially change job responsibilities from those held when they were elected to the Board and (iii) an incumbent candidate for director who does not receive the required votes for re-election described in Article II, Section 7 of the Third Amended and Restated Bylaws of the Company, as amended. All offers of resignation will be reviewed by the Governance Committee which will make a recommendation to the Board as to whether to accept such resignation offer or request that such person continue to serve on the Board. In the case of an incumbent director who fails to receive the required votes for re-election, such recommendation shall be delivered no later than 90 days after certification of the election results of the stockholder vote and shall be disclosed, along with the rationale behind such decision, in a Current Report on Form 8-K with the Securities and Exchange Commission (the "*SEC*").

In addition, an offer of resignation should be submitted to the Board by any director who reaches the age of 72. Such director shall deliver a letter offering to resign to the Board prior to December 31 of the year in which the director attains the age of 72. All offers of resignation will be reviewed by the Governance Committee which will make a recommendation to the Board as to whether to accept such resignation offer or request such person continue to serve on the Board. If the Board accepts the offer of resignation, such director shall resign effective the next annual meeting of the Company. If the Board rejects such offer of resignation, then annually thereafter for so long as such director is serving on the Board, the Governance Committee shall reconsider such offer of resignation anew (without the need for such director to submit a subsequent resignation letter) and shall make a recommendation to the Board each year whether to accept such offer of resignation or request that such person continue to serve on the Board.

The Board believes that consistent quality in the directors of the Company can be achieved effectively without term limits. The strengths and weaknesses of the Board as a whole and each director individually should be reviewed regularly through the Governance Committee's process of recommending new directors for appointment to the Board and incumbent directors for re-election.

**(d) Service on other Boards:**

The Board believes that service by a director or a member of the Company's management, including the CEO, on boards of other companies can be advantageous provided that such service does not interfere with such person's ability to perform such person's obligations as a director of the Company or as a member of the Company's management. As a result, before the CEO accepts appointment to serve on the boards of more than three companies (including the Company) that file Exchange Act reports with the SEC (other than a charity or family business that has no relationship to the Company), the Governance Committee should be advised and make a determination that such service (including service on any committees of the other company's boards) would not adversely affect the CEO's service as part of the Company's management. In addition, before a director or a member of the Company's management (other than the CEO) accepts appointment to serve on the boards of more than four companies (including the Company) that file Exchange Act reports with the SEC (other than a charity or family business that has no relationship to the Company) the Governance Committee should be advised and make a determination that such service (including service on any committees of the other company's board) would not adversely affect the director's service as a member of the Board of the Company or a committee of the Board of the Company or performance as part of the Company's management.

**(e) Director Appointments:**

The Governance Committee is responsible for identifying and recommending to the Board individuals to serve as directors, including recommendations for incumbent directors to stand for re-election. Prior to making recommendations for an individual to serve as a director, whether as a new director or as an incumbent standing for re-election, the Governance Committee should discuss the qualifications of the individuals being considered with, and should consider the views of, the other directors.

The Governance Committee should endeavor to identify individuals to serve on the Board who have expertise that is useful to the Company and complementary to the background, skills and experience of other Board members. Each individual serving on the Board should be willing to devote the time necessary to carry out the responsibilities of a director of the Company. The Governance Committee's assessment of the composition of the Board should include: (a) skills - business and management experience, real estate experience, accounting experience, finance and capital markets experience, and an understanding of corporate governance regulations and public policy matters, (b) character - ethical and moral standards, leadership abilities, sound business judgment, independence and innovative thought, and (c) composition - diversity, age and public company experience. The principal qualification for a director is the ability to act in the best interests of the Company and its stockholders.

**(f) Director Evaluation:**

The Governance Committee should conduct periodic reviews, and not less frequently than annually, of all Board members and take the results of those reviews into account when making recommendations to the Board as to nominations for Board membership.

**(g) Director Compensation/Stock Ownership:**

Each director shall be entitled to receive compensation for service on the Board and its committees and attendance at meetings of the Board and its committees. In addition, each director shall be entitled to reimbursement of reasonable out-of-pocket expenses incurred in attending meetings of the Board and its committees and in performing duties as a member of the Board and its committees. No non-employee director shall receive from the Company any compensation other than fees for serving on the Board and its committees and reimbursement of expenses. Compensation for service on the Board and the Board's committees should generally be competitive with compensation paid to directors of other similarly sized, publicly traded companies. The Compensation Committee is responsible for determining director compensation, including, without limitation, the amount and form of payment.

Directors shall own common stock in accordance with the Equity Retention Guidelines adopted by the Board, a copy of which is attached to these Guidelines as Exhibit A.

**2. Board Responsibilities:**

**(a) CEO Performance Evaluation:**

The Compensation Committee should periodically review the performance of the CEO and set performance goals for the CEO on an annual basis. The CEO evaluation should be performed in the course of the Compensation Committee's approving the CEO's aggregate compensation package. Evaluation of the CEO should be based on both qualitative and quantitative factors, including, without limitation, the performance of the Company, accomplishment of strategic objectives and positioning of the Company for the future. The CEO's salary, bonus and long-term incentives will be determined by the Compensation Committee.

**(b) Succession Planning:**

The CEO is responsible for planning for a potential successor CEO as well as successors for other key management positions within the Company. The CEO should periodically report to the Board on that succession planning, including recommendations as to a successor in the event of an unexpected disability or other emergency situation.

**(c) Compensation of Executive Officers:**

The salary, bonus and long-term incentives awarded to the Company's executive officers will be approved by the Compensation Committee. The Compensation Committee is responsible for approving all awards under equity incentive programs for all employees and directors of the Company, subject to stockholder approval of such programs to the extent required. Executive officers shall own common stock in accordance with the Equity Retention Guidelines adopted by the Board, a copy of which is attached to these Guidelines as Exhibit A.

### 3. Meetings of the Board of Directors:

#### (a) **Chairman of the Board:**

The position of Chairman of the Board (the “*Chairman*”) may or may not be an officer position. The Chairman may be an outside director and may or may not be the same individual as the CEO. The Chairman should preside at all meetings of the Board and, if the Chairman is not an officer of the Company, at all executive sessions of the Board, except for executive sessions to discuss CEO compensation, which should be chaired by the chairman of the Compensation Committee.

#### (b) **Board Meetings:**

The Board should meet at least quarterly and otherwise as determined pursuant to the Company’s Bylaws. The non-management directors should meet in executive session at least two (2) times per year and otherwise as deemed necessary by a majority of the non-management directors. If the Chairman and the CEO are the same person, the Board will annually appoint a “lead” director (and in the absence of such appointment, the chairman of the Governance Committee will serve as “lead” director) to preside when the Board meets in executive session. The “lead” director will serve as the interface between the Board and the CEO in communicating the matters discussed during the executive sessions.

The Company’s executive officers should recommend a yearly annual Board meeting schedule, but it is the responsibility of the Chairman of the Board, in consultation with Board members and the Company’s executive officers, to determine the frequency and length of Board meetings.

#### (c) **Attendance:**

It is the responsibility of individual directors to make themselves available to attend scheduled and special Board meetings and their respective committee meetings, either by telephone, teleconference or in person, on a consistent basis. The Company’s executive officers are expected to attend each Board meeting and those committee meetings where their attendance is appropriate, required or requested by any committee member. Other members of the Company’s management should attend Board meetings as necessary in light of the matters being considered by the Board or if requested by any member of the Board. The Board may also request that attorneys, accountants, investment bankers or other professional advisors attend Board meetings if the Chairman or a majority of the Board determines that the advice of such advisors is necessary in light of the matters to be considered. In addition, each Board member is encouraged to attend committee meetings, whether or not a member of the committee.

#### (d) **Agendas and Presentations:**

The Chairman and the CEO, in consultation with the Company’s executive officers, should establish the agenda for each Board meeting. All Board members may, and are encouraged to, suggest items to be included on the agenda.

**(e) Information/Access to Management and Advisors:**

Information regarding the items to be covered at each meeting should be prepared by the Company's management and should be delivered to the directors sufficiently far in advance of each meeting to permit appropriate review. Each director is expected to review the materials provided so that the director is prepared to discuss the items being considered at the meeting.

Each director may consult with any officer or employee of the Company or any outside consultant at any time and is encouraged to discuss with management in advance of meetings any questions the director may have with respect to materials provided or matters to be considered. The Board, as well as each committee of the Board, shall have the right to retain, at the Company's expense, such outside legal, accounting and other advisors as the Chairman, the applicable committee chairman or the majority of the Board or members of the applicable committee deem appropriate.

**(f) Board Review:**

The Board, through the Governance Committee, should periodically review these Guidelines. All directors are encouraged to make suggestions on improving the Board's practices and effectiveness at any time.

**4. Committees of the Board:**

**(a) Number and Types of Committees:**

The current standing committees of the Board are the Audit Committee, the Compensation Committee and the Governance Committee. The Board may create additional committees as it deems necessary in accordance with the Company's Bylaws.

**(b) Assignment and Rotation of Committee Members:**

The Governance Committee should recommend committee assignments to the full Board. In making its recommendations, the Governance Committee should take into consideration the need for continuity, subject matter expertise and applicable SEC and New York Stock Exchange requirements. Committee assignments should be rotated periodically as and when the Governance Committee deems appropriate. The recommendations of the Governance Committee should be made within the following guidelines:

- (i)** all directors assigned to the Audit Committee must possess the requisite financial knowledge and accounting or related financial management experience to fulfill their duties and at least one member of the Audit Committee should be an "audit committee financial expert," as such term is defined or construed in the Exchange Act, the NYSE Manual and other laws and regulations applicable to the Company and the Audit Committee;
- (ii)** no director shall be appointed to serve on the Audit Committee if the director also serves on the audit committee of two or more other public companies unless the Board has determined that such simultaneous service would not impair the ability of such director to serve on the Company's Audit Committee;

- (iii) all directors assigned to the Audit Committee, the Compensation Committee and the Governance Committee must be “independent,” as such term is applicably defined or construed from time to time in the Exchange Act, the NYSE Manual and other laws and regulations applicable to the Company, and as may be defined from time to time by these Governance Guidelines;
- (iv) no director may be appointed to the Compensation Committee if the director receives any compensation from a person or entity or maintains a relationship with the Company or management, in either case, that may impair their ability to make independent judgments about the Company's compensation policies; at least a majority of all directors assigned to the Audit Committee must be “independent,” as such term is applicably defined from time to time in the Bylaws;
- (v) at least one director assigned to the Compensation Committee, the Governance Committee and any committee other than the Audit Committee must be “independent,” as such term is applicably defined from time to time in the Bylaws; and
- (vi) no director should serve as chairman of more than one committee at any given time unless the Governance Committee has determined that such service would not impair the director’s ability to effectively serve as chairman of both committees.

**(c) Frequency of Committee Meetings:**

Unless the charter of a committee provides for a greater number of meetings, each committee will meet at least once per year and otherwise as the chairman of each committee determines. It is the responsibility of the respective committee chairmen, in consultation with committee members and the Company’s executive officers, to determine the frequency and length of committee meetings.

**(d) Committee Agendas:**

Committee chairmen, in consultation with the appropriate executive officers of the Company and committee members, should determine committee agendas.

**(e) Committee Reports/Minutes:**

Committee chairmen should be given the opportunity to report on committee activities, either verbally or in writing, at each Board meeting. A copy of the minutes from each committee meeting should be made available to any director to assure that the Board remains fully apprised of all topics discussed and actions taken by each committee.

**5. Other Board Practices/Policies:**

**(a) Ethics and Conflicts of Interest:**

All directors, as well as officers and employees, are expected to act ethically at all times and adhere to the Company's policy governing ethical business conduct (the "***Code of Business Conduct***"). All directors, and all entities in which a director is an officer or director or has an ownership interest, are expected to deal with the Company on an arm's-length basis. The director's position as a director of the Company should not be used to influence management to enter into any transaction or affiliation with an entity in which a director is an officer or director or has a material ownership interest, including, but not limited to, an ownership interest of at least 10% in such entity. All transactions between the Company and any such entities should be approved in advance by at least a majority of the independent directors of the full Board. In such event, the interested director should recuse himself or herself from and should not participate in the vote.

**(b) Director Orientation and Education:**

The Company's Secretary should develop an orientation program for new directors which should include, at a minimum, information about the Company's business and operations, general information about the Board and its committees, discussions with the Chairman, the CEO and the Company's executive officers and a review of an individual's duties and responsibilities as a director. The Company should provide directors with the opportunity at the Company's cost, to participate in continuing education programs that are relevant to their service on the Board.

**(c) Self-Evaluation:**

The Board shall be responsible for annually conducting a self-evaluation.

**6. Disclosure of Governance Guidelines:**

These Governance Guidelines will be made available on the Company's website at [www.nnnreit.com](http://www.nnnreit.com).

*Initially adopted: November 11, 2003*

*Last revised: February 13, 2014*

*Last reviewed: February 15, 2018*

*Exhibit A last revised: February 17, 2015*



## EXHIBIT A

### **National Retail Properties, Inc. (“NNN”) Equity Retention Policy for Covered Persons**

Persons covered by this policy include (a) all members of the board of directors of National Retail Properties, Inc. (the “*Company*”), and (b) the chief executive officer and other key officers of the Company selected by the Company’s chief executive officer and the compensation committee. These persons are referred to as “**Covered Persons.**”

Each Covered Person shall accumulate within five (5) years of becoming a Covered Person, and thereafter shall retain for the duration of board service or employment, as the case may be, the Minimum NNN Equity, as defined herein. “**Minimum NNN Equity**” shall mean NNN Equity, as defined herein, equal to (i) 5.0 times the annual base salary for the chief executive officer, (ii) 3.0 times the annual base salary for all other officers that are Covered Persons, and (iii) 3.0 times the annual compensation for all directors. For purposes of this policy, the date to be used to establish each officer’s annual base salary and each director’s annual compensation shall be the officer’s annual base salary and director’s annual compensation, as of the first day of January for each year. “**NNN Equity**” shall mean a combination of both (i) vested common stock of NNN, and (ii) unvested restricted common stock of NNN provided the vesting of such unvested restricted common stock is not subject to the achievement of any performance goals under the applicable restricted stock vesting agreement. In accordance with the Pledging Limitation Policy of the Company, pledged shares shall not be counted as shares owned by such director or executive officer for purposes of complying with this policy. For purposes of calculating Covered Persons compliance with this policy, the price of common stock of NNN shall be the market value of NNN common shares at the close of business on December 31 of each year. Compliance with the policy will be measured annually as of January 1 of each year.

The compensation committee will interpret and administer this policy and may permit sales or transfers outside this policy in its discretion.

This policy will not limit (a) sales of option shares to pay the exercise price and taxes on option shares to be held by the Covered Person to be counted toward the Minimum Retained Value; or (b) nominal transfers that do not result in a change in beneficial ownership.