



**TIVITY HEALTH, INC.
BOARD OF DIRECTORS
CORPORATE GOVERNANCE GUIDELINES**

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Role of the Board

1. General

The Board of Directors, which is elected by the shareholders, is the ultimate decision-making body of the Company except with respect to those matters reserved to the shareholders. The Company Board of Directors represents the interests of the shareholders in developing a successful business in health and care support programs, including optimizing long-term financial returns. The Board is responsible for determining that the Company is managed in such a way as to accomplish this result. This is an active, not a passive, responsibility. The Board is responsible for evaluating that Management is capably executing its responsibilities. The Board acts as an advisor and counselor to senior management.

2. Major Responsibilities

The major responsibilities of the Board include:

- Reviewing and affirming general policies and goals of the Company
- Providing general oversight of the business
- Approving corporate strategy and major management initiatives
- Providing oversight of legal, financial, and ethical conduct
- Electing and, when necessary, replacing the Chief Executive Officer and electing other executive officers of the Company as necessary
- Evaluating Board processes and performance

Selection and Composition of the Board

3. Membership Criteria

The Nominating and Corporate Governance Committee is responsible for annually reviewing with the Board the appropriate skills and characteristics required by Board members in the context of the current make-up of the Board and the strategic objectives of the Company. The review should include issues of diversity, age, contribution to the meetings, the ability to work with other Directors and skills and knowledge, such as an understanding of disease management, health care support programs, health plan business models and regulations, a health care background, etc. – all in the context of the perceived needs of the Board at that point in time. Orientation for new Directors will include background material, meetings with senior management, and visits to Company facilities.

4. **Selection of New Directors**

The Nominating and Corporate Governance Committee should be responsible for identifying and evaluating potential new Directors and considering properly submitted shareholder nominations for candidates to the Board. The Board expects the screening process to involve direct input from the Chairman of the Board and the Chief Executive Officer.

5. **Extending the Invitation to a Potential Director to Join the Board**

The Board itself, acting through the Chairman of the Board, should extend the invitation to a candidate to join the Board as a Director.

6. **Voting for Directors**

If a nominee for Director is not elected and the nominee is an incumbent Director, the Director shall promptly tender his or her resignation to the Board, subject to acceptance by the Board. The Nominating and Corporate Governance Committee will then make a recommendation to the Board on whether to accept or reject the tendered resignation, or whether other action should be taken. The Board will act on the resignation taking into account the recommendation of the Nominating and Corporate Governance Committee and publicly disclose its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results. The Nominating and Corporate Governance Committee in making its recommendation and the Board in making its decision may each consider any factor or other information that it considers appropriate and relevant. The Director tendering his or her resignation will not participate in the decisions of the Nominating and Corporate Governance Committee or the Board with respect to his or her resignation. If a majority of the Nominating and Corporate Governance Committee fails to receive the required vote in favor of their election in the same election, then the other Directors will appoint a committee among themselves to consider the tendered resignations and recommend to the Board whether to accept them. If a Director's resignation is accepted by the Board, or if a nominee for Director is not elected and the nominee is not an incumbent Director, then the Board, in its sole discretion, may fill any resulting vacancy in accordance with the Company's Bylaws or may decrease the size of Board in accordance with the Company's Bylaws.

Board Leadership

7. **Selection of Chairman**

The Board should be free to make this choice in any way that it determines is best for the Company at a given point in time. The Board does not have a firm policy, one way or the other, on whether the roles of the Chief Executive Officer and Chairman of the Board should be separate. Should the Chairman of the Board unexpectedly become unable to preside at any meeting of the Board, the Chair of the Nominating and Corporate Governance Committee shall preside as Chairman *pro tem*.

8. **Collective Responsibility**

All outside Directors are expected to be active participants in and to share collective responsibility for the Board's activities. As such, the Board believes there should be a limit to the number of other boards on which an outside Director can serve.

Accordingly, no member of the Company Board can serve on more than a total of three (3) public company boards (in addition to Company's Board). If a Company Board member is also the CEO or CFO of another company, that Board member can serve on no more than a total of two (2) public company boards (in addition to Company's Board).

Board Composition and Performance

9. Size

The Company's Bylaws provide that the Board shall consist of no fewer than five (5) and no more than twelve (12) members and that the exact number of Directors within that range will be determined by the Board.

On an annual basis, the Nominating and Corporate Governance Committee will consider the size and composition of the Board and report to the Board the results of its review and any recommendations for change.

10. Mix of Inside and Outside Directors

The Board believes that as a matter of policy, there should be a majority of independent Directors on the Company Board. In addition to the Chief Executive Officer, the Board is willing to have other members of Management serve as Directors.

11. Definition of What Constitutes Independence for Directors

The Board believes that in addition to satisfying the applicable independence standards required by law and by the NASDAQ listing requirements, there should be no current relationship between any outside Director and Company that would preclude that Director from being designated as independent.

12. Former Chief Executive Officer's Board Membership

The Board believes this is a matter to be decided in each individual instance. It is assumed that when the Chief Executive Officer no longer serves in that position, he/she should submit his/her resignation from the Board at the same time.

13. Director Who Changes His/Her Present Job Responsibility

A Director who materially changes a job responsibility he/she held when elected to the Board should provide a notice to the Board of such change.

The Board does not believe that in every instance that a Director changes a job responsibility that he/she held when joining the Board should resign from the Board as a result of that change. Rather, there should be an opportunity for the Board, through the Nominating and Corporate Governance Committee, to review the appropriateness of that Director's continued Board membership under the circumstances.

14. Term Limits

The Board does not believe it should establish term limits. While term limits could help ensure that fresh ideas and viewpoints are available to the Board, the disadvantage is the loss of long-serving

Directors who have developed sharp insights into the Company and its operations and who can provide increasingly better contributions to the Board as a whole.

15. Retirement Age

A Director should submit a letter of resignation from service on the Board at the time of his/her 72nd birthday. It is not mandatory that a Director should necessarily resign from the Board at the age of 72. There should, however, be an opportunity for the Board, acting through the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under such circumstances and to allow for one or more additional terms beyond the term in which the Director reaches 72 years of age.

16. Compensation Review

The Nominating and Corporate Governance Committee shall review annually the status of Company's Board compensation in relation to other comparable U.S. companies. As part of a Director's total compensation and to create a linkage with corporate performance, the Board believes that a meaningful portion of a Director's compensation should be provided and a position maintained in Company common stock.

All elements of Board compensation, whether cash or stock-based compensation, if any, should be determined by the Nominating and Corporate Governance Committee.

17. Executive Sessions of Independent Directors

The independent Directors of the Board will meet in regularly scheduled executive sessions where only independent directors are present. In addition, members of the Board who are employees should be excused from Board or Committee meetings when appropriate.

18. Access to Outside Advisors

The Board has the authority to hire outside advisors as it deems advisable.

19. Assessing the Board's Performance

The Board collectively and annually should review its performance. The review should address areas where the Board and/or the Management believes it could make a better contribution.

20. Interaction with Institutional Investors, Press, Customers, Etc.

The Board believes that, absent unusual circumstances, the Management speaks for Company. If comments from the Board are appropriate, they should come from the Chairman, except in rare and unusual circumstances.

Board Relationship to Senior Management

21. Regular Attendance of Non-Directors at Board Meetings

The Board welcomes the regular attendance at each Board meeting by members of senior management.

22. Access to Management

Board members have access to Company's Management and that access should be coordinated through the Chairman and/or the Chief Executive Officer. Furthermore, the Board encourages senior management to, from time to time, bring managers into Board meetings (a) who can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) whom senior management believe should be given exposure to the Board.

Board Meeting Procedures

23. Selection of Agenda Items

The Chairman of the Board and the Chief Executive Officer (if the Chairman is not the Chief Executive Officer) will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of item(s) on the agenda.

24. Materials Distributed in Advance

Information and data that are important to the Board's understanding of the Company's business should be distributed to the Board before it meets. Management will make every attempt to see that this material is as brief as possible while still providing the desired information.

25. Presentations

As a general rule, material should be sent to Board members in advance so that Board meeting time is conserved and Board discussion time can focus on questions the Board has about the material.

Committee Matters

26. Number, Structure and Independence

The Board has the following standard committees: Audit, Nominating and Corporate Governance and Compensation. Audit Committee membership will consist solely of independent Directors. The Board believes, consistent with applicable NASDAQ listing standards that the Nominating and Corporate Governance and Compensation Committees also should consist only of independent Directors. There will, from time to time, be occasions when the Board may want to form a new committee or disband a current committee.

27. Assignment and Rotation of Members

After consultation with the Chairman of the Board and in consideration of the desires of individual Board members, the Nominating and Corporate Governance Committee is responsible for recommending the assignments of Board members to various Committees.

28. Frequency and Length of Meetings

A committee chair, in consultation with committee members, will determine the frequency and length of committee meetings.

29. Agendas

In consultation with the Chairman of the Board and appropriate members of senior management and staff, the chair of a committee will develop the committee's agenda.

Leadership Development

30. Evaluation of the Chief Executive Officer

The full Board (independent Directors) should annually evaluate the Chief Executive Officer. The Chairman of the Board and the Chairman of the Compensation Committee should communicate the Board's evaluation to the Chief Executive Officer.

The evaluation should include an assessment based on objective criteria, including performance of the business, accomplishment of long-term strategic objectives, development of Management, etc.

The evaluation will be used by the Compensation Committee in the course of its deliberations when considering the compensation of the Chief Executive Officer.

31. Succession Planning

The Chairman of the Board, the Chairman of the Compensation Committee, and the Chief Executive Officer should establish a means by which the Board is informed on an ongoing basis of the Chief Executive Officer's recommendation of his/her successor if he/she becomes unexpectedly disabled.

32. Management Development

The Chief Executive Officer should annually report to the Board on the Company's program for developing Management. This report should be given to the Board at the same time as the succession planning report.