

NATIONAL HEALTHCARE CORPORATION

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

Purpose

The purpose of the Nominating and Corporate Governance Committee of the Board of Directors (the “Committee”) of National HealthCare Corporation (the “Company”) is to provide assistance to the Board of Directors in identifying and recommending candidates qualified to serve as directors of the Company, to review the composition of the Board of Directors, to develop, review and recommend governance policies and principles for the Company and to review periodically the performance of the Board of Directors. The Committee shall make regular reports to the Board of Directors and shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board.

Power and Duties

The powers and duties of the Committee are as follows:

1. Identify, recommend, and recruit qualified candidates for new or vacant positions on the Company’s Board of Directors.
2. Review the qualifications of incumbent directors to determine whether to recommend them as nominees for reelection.
3. Review and consider candidates who may be suggested by any director or executive officer of the Company, or by any stockholder if made in accordance with the Company’s certificate of incorporation, bylaws and applicable law.
4. Recommend, after reviewing their qualifications, directors to serve as members of the various committees of the Board of Directors.
5. Review considerations relating to board composition, including size of the Board and the criteria for membership on the Board of Directors. The considerations relating to directors’ qualifications shall include diversity, independence, experience, expertise and skills.
6. Review and recommend corporate governance policies and principles for the Company, including those relating to the structure and operations of the Board of Directors and its committees.
7. Review corporate governance ratings received by the Company and consider modifications to corporate governance policies and principles which address issues raised by such ratings.

8. Review annually the performance of the Board of Directors, assess its contribution to the Company and consider whether additional powers and responsibilities of the Board are needed to allow it to more effectively oversee the business and affairs of the Company.
9. Make such recommendations to the Board of Directors as the Committee may consider appropriate and consistent with its purpose, and take such other actions and perform such services as may be referred to it from time to time by the Board of Directors.
10. Review annually its own performance.

Meetings

The Committee shall meet at least annually and more frequently as necessary or appropriate. Special meetings of the Committee may be called on two hours notice by the Chairman of the Board or the Committee Chairman. A majority of the Committee shall constitute a quorum and the Committee shall act only on the affirmative vote of a majority of the members present at the meeting. The Committee shall maintain minutes of all meetings documenting its activities and recommendations to the Board.

Composition of the Committee

The Committee shall be comprised of not less than three Board members, designated by the Board of Directors, each of whom shall meet the independence requirements of the American Stock Exchange, the Governance Plan and any other applicable legal, contractual, and regulatory requirements.

Adopted: February 10, 2004