



June 15, 2015

RE: NHC Code of Ethics Update

Dear NHC Shareholders and Partners,

Effective June 15, 2015, and in connection with an overall review of its governance policies, the Board of Directors of National HealthCare Corporation (“NHC”) adopted a revised Code of Ethics & Business Conduct (“Code”) that amended, restated, and replaced the prior Code of Ethics applicable to NHC. The revised Code consolidated the Code of Ethics & Business Conduct into one central document, as opposed to various provisions included in different places within the NHC Employee Handbook. The revised Code applies to all directors, officers and employees, emphasizes managerial leadership and responsibility, and clarifies reporting and investigation of violations of the Code.

The amendment of the Code did not relate to or result in any waiver, explicit or implicit, of any provision of the previous Code of Ethics.

A copy of the Code is publicly available on NHC’s website at [www.nhccare.com](http://www.nhccare.com) under the Investor Relations section.

Sincerely,

A handwritten signature in black ink, appearing to read "John K. Lines", is written over a light gray rectangular background.

John K. Lines

Sr. Vice President & General Counsel