

VENTAS INC  
Form DEF 14A  
March 19, 2010

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934  
(Amendment No.     )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**VENTAS, INC.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**111 South Wacker Drive  
Suite 4800  
Chicago, Illinois 60606  
(877) 483-6827**

March 19, 2010

Dear Stockholder:

I am pleased to invite you to attend Ventas, Inc.'s 2010 Annual Meeting of Stockholders. This year's meeting will be held on Friday, April 30, 2010, at 9:00 a.m. (Eastern Time) at 10350 Ormsby Park Place, Room LL050, Louisville, Kentucky 40223.

The accompanying Notice of Annual Meeting of Stockholders and Proxy Statement describe the items to be considered and acted upon at the meeting.

Your vote is very important. Whether or not you plan to attend the meeting in person, I urge you to vote your shares promptly by telephone, over the Internet or, if you have requested paper copies of our proxy materials by mail, by signing, dating and returning the proxy card in the envelope provided.

The Board of Directors appreciates your interest in Ventas, Inc.

Sincerely,

Debra A. Cafaro  
*Chairman of the Board, President and  
Chief Executive Officer*

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**111 South Wacker Drive  
Suite 4800  
Chicago, Illinois 60606  
(877) 483-6827**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

The 2010 Annual Meeting of Stockholders of Ventas, Inc. will be held on Friday, April 30, 2010, at 9:00 a.m. (Eastern Time) at 10350 Ormsby Park Place, Room LL050, Louisville, Kentucky 40223, to consider and vote on:

1. The election of eight directors for the ensuing year;
2. The ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2010;
3. A stockholder proposal regarding majority voting for directors; and
4. Such other business as may properly come before the meeting or any adjournments thereof.

Our Board of Directors has fixed the close of business on March 8, 2010 as the record date for determination of stockholders entitled to notice of, and to vote at, the Annual Meeting or any adjournments thereof. Please see the accompanying Proxy Statement for more information.

**Whether or not you plan to attend the meeting in person, we request that you vote your shares promptly by telephone, over the Internet or, if you have requested paper copies of our proxy materials by mail, by signing, dating and returning the proxy card in the envelope provided.** This will not prevent you from voting your shares in person if you choose to attend the Annual Meeting.

By Order of the Board of Directors,

T. Richard Riney  
*Executive Vice President, Chief Administrative  
Officer, General Counsel and Corporate Secretary*

Louisville, Kentucky  
March 19, 2010

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**PROXY STATEMENT  
FOR 2010 ANNUAL MEETING OF STOCKHOLDERS**

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**INFORMATION ABOUT THE ANNUAL MEETING AND VOTING**

**Information about this Proxy Statement**

*Solicitation of Proxies*

This Proxy Statement is being furnished in connection with the solicitation of proxies by or on behalf of the Board of Directors (the Board) of Ventas, Inc. (Ventas, we or us) for use at our Annual Meeting of Stockholders (the Annual Meeting) to be held on Friday, April 30, 2010 at 9:00 a.m. (Eastern Time) at 10350 Ormsby Park Place, Room LL050, Louisville, Kentucky 40223, and at any adjournments thereof. This Proxy Statement includes information that we are required to provide to you under the rules of the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE) and that is designed to assist you in voting your shares.

Our principal executive offices are located at 111 South Wacker Drive, Suite 4800, Chicago, Illinois 60606.

*Notice of Electronic Availability of Proxy Statement and Annual Report*

As permitted by the SEC's rules, we are making this Proxy Statement and the materials accompanying it available to our stockholders electronically via the Internet. On or about March 19, 2010, we will mail to our stockholders of record as of the close of business on March 8, 2010, a Notice containing instructions on how to access this Proxy Statement and the materials accompanying it and vote online, and we will begin mailing these proxy materials to stockholders who previously requested paper copies. If you would like to receive a printed copy of our proxy materials by mail, you should follow the instructions for requesting those materials included in the Notice.

**IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON APRIL 30, 2010:**

**This Proxy Statement and our 2009 Annual Report (consisting of the 2009 Chairman's Letter to Investors and 2009 Form 10-K) are available at [www.proxyvote.com](http://www.proxyvote.com).**

*Householding*

The SEC's rules permit us to deliver a single Notice or set of proxy materials to one address shared by two or more of our stockholders who have the same last name or who have consented in writing to this delivery method. This practice, known as householding, is designed to eliminate duplicate mailings and conserve natural resources and can result in significant cost savings for us. If you share an address and have the same last name as another stockholder, but prefer to receive separate copies of the Notice or proxy materials, please contact Broadridge Financial Solutions, Inc. at (800) 542-1061 or in writing at Householding Department, 51 Mercedes Way, Edgewood, NY 11717. Upon receipt of your request, we will promptly deliver the requested materials to you. Similarly, if you share an address with another stockholder and wish to receive a single copy of future Notices or proxy materials for your household, please contact Broadridge at the phone number or address listed above.

*Cost of Proxy Solicitation*

We will bear the cost of soliciting proxies by the Board. In addition to the solicitation of proxies by mail, solicitation may be made personally or by telephone or electronic communication by our directors, officers and employees, none of whom will receive additional compensation for these services, and by Georgeson Inc., a proxy solicitation firm we have engaged to aid in the solicitation of proxies. We will pay Georgeson Inc. a fee of \$9,000 plus reimbursement of reasonable out-of-pocket expenses for these services. We will also reimburse brokers and other nominees for their reasonable out-of-pocket expenses incurred in



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connection with distributing forms of proxies and proxy materials to the beneficial owners of our common stock.

## **Information about Voting**

### *Who Can Vote*

Only stockholders of record at the close of business on March 8, 2010 are entitled to vote at the Annual Meeting or any adjournments thereof. On that date, 156,724,215 shares of our common stock, par value \$0.25 per share ( Common Stock ), were outstanding. Each share of Common Stock entitles the owner to one vote. However, certain shares designated as Excess Shares (which are generally any shares owned in excess of 9.0% of the outstanding Common Stock) or as Special Excess Shares pursuant to our Amended and Restated Certificate of Incorporation, as amended, may not be voted by the record owner thereof, but will instead be voted in accordance with Article IX of our Amended and Restated Certificate of Incorporation, as amended.

A list of all stockholders entitled to vote at the Annual Meeting will be available for inspection by any stockholder for any purpose reasonably related to the Annual Meeting during ordinary business hours for a period of ten days prior to the meeting at our principal executive offices and at our corporate office located at 10350 Ormsby Park Place, Suite 300, Louisville, Kentucky 40223.

### *How to Vote*

You may vote your shares in one of several ways, depending on how you own your shares. Stockholders of record (i.e., you own shares registered in your name) may vote in one of the following ways:

**By telephone** You may vote your shares by calling 1-800-690-6903. You may vote by telephone 24 hours a day, 7 days a week until 11:59 p.m. (Eastern Time) on the day before the meeting date. The telephone voting system has easy-to-follow instructions and allows you to confirm that the system has properly recorded your vote. Have your proxy card in hand when you call and follow the instructions. If you vote by telephone, you do not need to return your proxy card.

**Over the Internet** You may vote your shares via the Web site [www.proxyvote.com](http://www.proxyvote.com). You may vote over the Internet 24 hours a day, 7 days a week until 11:59 p.m. (Eastern Time) on the day before the meeting date. As with telephone voting, you may confirm that the system has properly recorded your vote. Have your proxy card in hand when you access the Web site and follow the instructions. If you vote over the Internet, you do not need to return your proxy card. Please note that you may incur costs charged by telephone companies or Internet access providers if you vote over the Internet.

**By mail** If you have requested paper copies of our proxy materials by mail, you may vote your shares by signing, dating and returning the proxy card in the postage-paid envelope provided.

**In person** You may vote your shares by attending the Annual Meeting in person and depositing your proxy card at the registration desk (if you have requested paper copies of our proxy materials by mail) or completing a ballot that will be distributed at the Annual Meeting.

Stockholders who hold shares in street name (i.e., you own shares registered in the name of a bank, broker or other holder of record) should follow the instructions provided by their broker or nominee in order for their shares to be voted. If your shares are not registered in your name and you plan to vote your shares in person at the Annual Meeting, you should contact your broker or nominee to obtain a legal proxy or broker's proxy card and bring it to the Annual Meeting in order to vote.

All shares that have been properly voted by proxy and not revoked will be voted at the Annual Meeting in accordance with the instructions contained therein. Shares represented by proxy cards that are signed and returned but do not contain any voting instructions will be voted as follows:

Proposal 1 **FOR** the election of all nominees for director named in this Proxy Statement;

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Proposal 2 **FOR** the ratification of the selection of Ernst & Young LLP ( Ernst & Young ) as our independent registered public accounting firm for fiscal year 2010;

Proposal 3 **AGAINST** the stockholder proposal regarding majority voting for directors; and

In the discretion of the proxy holders, on such other business as may properly come before the Annual Meeting.

*Revocation of Proxies*

Stockholders of record may revoke a proxy at any time before it is voted at the Annual Meeting by:

Executing and returning a later-dated proxy card;

Subsequently voting by telephone or over the Internet; or

Submitting a written notice of revocation to our General Counsel at our offices located at 10350 Ormsby Park Place, Suite 300, Louisville, Kentucky 40223.

A stockholder of record may also attend the Annual Meeting and vote in person, in which event any prior proxy given by the stockholder will be revoked automatically. Attendance at the Annual Meeting by itself will not constitute revocation of a proxy. Stockholders who hold shares in street name should follow the instructions provided by their broker or nominee to revoke a proxy, if applicable. No dissenters or appraisal rights are available with respect to the proposals presently being submitted to the stockholders for their consideration.

**Quorum Requirement**

A majority of the shares of Common Stock outstanding as of the record date must be present in person or by proxy to constitute a quorum to transact business at the Annual Meeting. Abstentions and broker non-votes are counted for purposes of establishing a quorum. A broker non-vote occurs when a broker or nominee does not vote on some matter with respect to shares held in street name because the broker or nominee does not have discretionary voting power for that particular proposal and has not received voting instructions from the beneficial owner. Under current NYSE rules, a broker or nominee that has not received voting instructions from the beneficial owner has discretion to vote on the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2010 (Proposal 2), but no other proposal.

**Votes Necessary for Action to Be Taken**

- Proposal 1 The vote of a plurality of the shares of Common Stock present in person or by proxy will be necessary to elect the director-nominees listed in this Proxy Statement. Therefore, the eight nominees receiving the greatest number of votes cast will be elected as directors, and abstentions and broker non-votes will have no effect.
- Proposal 2 The affirmative vote of a majority of the shares of Common Stock present in person or by proxy and entitled to vote will be necessary to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2010. Therefore, abstentions will have the same effect as votes against this proposal, whereas broker non-votes will have no effect.
- Proposal 3 The affirmative vote of a majority of the shares of Common Stock present in person or by proxy and entitled to vote will be necessary to approve the stockholder proposal regarding majority

voting of directors. Therefore, abstentions will have the same effect as votes against this proposal, whereas broker non-votes will have no effect.

The affirmative vote of a majority of the shares of Common Stock present in person or by proxy and entitled to vote will be necessary to approve any other proposal that may properly come before the Annual Meeting. Accordingly, abstentions will have the same effect as votes against any such proposal, whereas broker non-votes will have no effect.

Table of Contents**PROPOSAL 1 ELECTION OF DIRECTORS**

Our Board currently consists of eight directors. Following the recommendation of the Nominating and Corporate Governance Committee (the Nominating and Governance Committee), our Board has nominated each individual presently serving as a director for election at the Annual Meeting. Each director elected at the Annual Meeting will hold office until the next succeeding annual meeting of stockholders and his or her successor is duly elected and qualified, or until his or her earlier death, resignation or removal. We do not have a staggered Board.

Each nominee listed below has consented to be named in this Proxy Statement and has agreed to serve as a director if elected. We anticipate that, if elected, the named nominees will be able to serve. However, if any nominee at the time of election is unable or unwilling to accept election or is unavailable to serve for any reason, the persons named as proxies will have authority, according to their judgment, to vote or refrain from voting for such alternate nominee as may be designated by the Board.

Set forth below is certain biographical information concerning the nominees proposed for election as directors, all of whom presently comprise our Board. This information is based upon statements made or confirmed to us by or on behalf of these nominees, except to the extent certain information appears in our records. Ages shown for all nominees are as of March 8, 2010.

Name	Age	Principal Occupation, Business Experience, Directorships & Qualifications	Director Since
Debra A. Cafaro	52	Ms. Cafaro has been our President, Chief Executive Officer and a director since 1999 and Chairman of the Board since 2003. Before joining us, she served as President and a director of Ambassador Apartments, Inc. (formerly NYSE: AAH) ( Ambassador ), a multifamily REIT, from 1997 until it was acquired by Apartment Investment and Management Company (AIMCO) in 1998. Ms. Cafaro is currently a director of Weyerhaeuser Company (NYSE: WY), one of the world's largest integrated forest products companies, the Chair of the National Association of Real Estate Investment Trusts ( NAREIT ) and a member of the Real Estate Roundtable. She recently completed a three-year term as Chair of the Visiting Committee of the University of Chicago Law School. Ms. Cafaro is admitted to the Bar in Illinois and Pennsylvania. She has substantial executive and legal experience, leadership ability and a proven record of accomplishment, with strong skills in real estate and corporate finance, capital markets, strategic planning and other public company matters.	1999

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Name	Age	Principal Occupation, Business Experience, Directorships & Qualifications	Director Since
Douglas Crocker II	69	<p>Mr. Crocker has been the Chairman and Chief Investment Officer of Transwestern Multifamily Partners, L.L.C., a commercial real estate firm, since 2006. From 2003 until 2006, he was a principal with DC Partners LLC, a consulting firm. Prior to that, Mr. Crocker was the President, Chief Executive Officer and a trustee of Equity Residential Properties Trust (NYSE: EQR) ( EQR ), a prominent multifamily REIT, from 1993 until 2003, most recently serving as Vice Chairman of the Board. During his more than 40 years of real estate experience, he has previously served as: Executive Vice President of Equity Financial and Management Company, a subsidiary of Equity Group Investments, Inc. ( EGI ), which provides strategic direction and services for EGI s real estate and corporate activities; President, Chief Executive Officer and a director of First Capital Corporation, a sponsor of public limited real estate partnerships; Managing Director of Prudential Securities Inc., a financial services brokerage firm; Chief Executive Officer of McKinley Finance Group, a privately held company involved with real estate, banking and corporate finance; President of American Invesco, the nation s largest condominium conversion company; and Vice President of Arlen Realty and Development Company, a diversified real estate and retail company. Mr. Crocker is currently a trustee of Acadia Realty Trust (NYSE: AKR), a shopping center REIT, Vice Chairman of the Board of Post Properties, Inc. (NYSE: PPS), a multi-family REIT, and a director of Cypress Sharpridge Investments, Inc. (NYSE: CYS), a specialty finance company that primarily invests in agency residential mortgage-backed securities. During the past five years, he has also served as a director of Wellsford Real Properties, Inc. (formerly AMEX: WRP) (1997-2007), a real estate merchant banking firm, Reckson Associates Realty Corp. (formerly NYSE: RA) (2004-2007), an office and industrial REIT, and Reis, Inc. (NASDAQ: REIS) (2007-2009), a real estate merchant banking firm. Mr. Crocker sits on the advisory board of the DePaul University Real Estate School and the Board of Trustees of DePaul University and is a past trustee of the Multifamily Council of the Urban Land Institute, a past chairman of the National Multi Housing Counsel and a former member of the board of governors of NAREIT. He is a successful, well-respected and recognized leader in the real estate industry, with extensive executive experience and strong skills in corporate finance, mergers and acquisitions, strategic planning, and public company executive compensation.</p>	1998

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Name	Age	Principal Occupation, Business Experience, Directorships & Qualifications	Director Since
<b>Ronald G. Geary</b>	62	Mr. Geary is President of Ellis Park Race Course, Inc., a thoroughbred racetrack in Henderson, Kentucky, and has been a director of Res-Care, Inc. (NASDAQ: RSCR) ( ResCare ), a provider of residential training and support services for persons with developmental disabilities and certain vocational training services, since 1990, serving as Chairman of the Board since 1998. He served as President of ResCare from 1990 to June 2006 and as its Chief Executive Officer from 1993 to June 2006. Before he was named Chief Executive Officer, Mr. Geary was Chief Operating Officer of ResCare from 1990 to 1993. Mr. Geary is an attorney and certified public accountant, with extensive executive experience in the healthcare industry and strong financial, government and international operations and strategic planning skills.	1998
<b>Jay M. Gellert</b>	55	Mr. Gellert has been President and Chief Executive Officer of Health Net, Inc. (NYSE: HNT) ( Health Net ), an integrated managed care organization which administers the delivery of managed healthcare services, since 1998 and a director of Health Net since 1999. He served as President and Chief Operating Officer of Health Net from 1997 to 1998 and as President, Chief Operating Officer and a director of its predecessor, Health Systems International, Inc. ( HSI ), a health maintenance organization, from 1996 to 1997. Before joining HSI, Mr. Gellert directed strategic advisory engagements for Shattuck Hammond Partners in the area of integrated delivery systems development, managed care network formation and physician group practice integration. He has also previously served as President and Chief Executive Officer of Bay Pacific Health Corporation, Senior Vice President and Chief Operating Officer for California Healthcare System and as an independent consultant. Mr. Gellert is currently Chairman of America's Health Insurance Plans and a member of the board of directors of the Council for Affordable Quality Healthcare (CAQH), serving on its Executive Committee and as Chairman of its Administrative Simplification Committee. He has substantial healthcare executive experience, with strong skills in government relations, public company executive compensation, mergers and acquisitions and strategic planning.	2001

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Name	Age	Principal Occupation, Business Experience, Directorships & Qualifications	Director Since
Robert D. Reed	57	Mr. Reed has been Senior Vice President and Chief Financial Officer of Sutter Health, a family of not-for-profit hospitals and physicians organizations in northern California, since 1997. Prior to that, he held various finance positions within Sutter Health and its affiliates. Before he became a hospital system executive, Mr. Reed was an investment banker specializing in healthcare finance for hospital systems at various national financial firms, including Eastdil, Paine Webber and American Health Capital. Mr. Reed is currently a director of Interplast, an international humanitarian organization that provides free reconstructive surgery in developing countries, Metta Fund, a private non-profit foundation, Personalized Physician Care, Inc., a comprehensive coordinated health care service provider for residents of southwest Florida, and Orinda Senior Village, a not-for-profit seniors housing community. He has a strong background in healthcare finance and operations, managing capital intensive operations and strategic planning, as well as leading not-for-profit organizations.	2008
Sheli Z. Rosenberg	68	Ms. Rosenberg was the Vice Chairman of Equity Group Investments, LLC, an investment company, from 2000 to 2003 and its President and Chief Executive Officer from 1999 to 2000. From 1994 to 1999, Ms. Rosenberg served as President, Chief Executive Officer and a director of EGI, an owner, manager and financier of real estate and corporations. She was also a principal in the law firm of Rosenberg & Liebentritt, P.C. from 1980 to 1997. Ms. Rosenberg is currently a trustee of EQR and a director of Equity Life Style Properties (NYSE: ELS), a manufactured home community REIT, CVS Caremark Corporation (NYSE: CVS), a drug store chain, and Nanosphere, Inc. (NASDAQ: NSPH), a developer, manufacturer and marketer of advanced molecular diagnostics systems. During the past five years, she has also served as a trustee of Equity Office Properties Trust (formerly NYSE: EOP) (1997-2007), an office REIT, and as a director of Cendant Corporation (formerly NYSE: CD) (2000-2006), a provider of travel-related, real estate-related and direct marketing consumer and business services, and Avis Budget Group, Inc. (NYSE: CAR) (2006-2008), a provider of vehicle rental services. Ms. Rosenberg is the co-founder and former President of the Center for Executive Women at the Kellogg School of Management, and she was an Adjunct Professor at Northwestern University's J.L. Kellogg Graduate School of Business from 2003 to 2007. She is a successful, well-respected and recognized leader in the real estate industry and general business community, with extensive executive and legal experience and strong skills in corporate finance, strategic planning, and public company executive compensation.	2001





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Name	Age	Principal Occupation, Business Experience, Directorships & Qualifications	Director Since
<b>James D. Shelton</b>	56	Mr. Shelton is Chairman of the Board of Legacy Hospital Partners, Inc., a privately held company established to provide essential capital and expertise to not-for-profit hospitals and hospital systems, and serves as an Executive Advisor to CCMP Capital Advisors, LLC, a private equity firm. He served as Chief Executive Officer and Chairman of the Board of Triad Hospitals, Inc. (formerly NYSE: TRI) ( Triad ), an owner and manager of hospitals and ambulatory surgery centers, from 1999 until it was sold in July 2007. Before leading the formation and spin-off of Triad from Columbia/HCA Healthcare Corporation (now known as HCA Inc.) ( HCA ), Mr. Shelton was President of the Pacific Group of HCA from 1998 to 1999 and President of the Central Group of HCA from 1994 to 1998. During his more than 30 years of healthcare experience, he has also held various executive positions with National Medical Enterprises (now known as Tenet Healthcare Corporation). Mr. Shelton is currently a director of Omnicare, Inc. (NYSE: OCR), a pharmaceutical care provider for the elderly, Health Coverage Foundation, a non-profit organization formed to promote private solutions for the medically uninsured in America, and Optimal IMX Inc., a provider of radiology optimization solutions for hospitals, radiology groups and diagnostic imaging centers, and has previously served on the Boards of the Federation of American Hospitals and the American Hospital Association. He has extensive executive experience in the healthcare industry, with strong skills in hospital administration and finance, managing capital intensive operations, strategic planning and government relations.	2008
<b>Thomas C. Theobald</b>	72	Mr. Theobald has been a Senior Advisor at Chicago Growth Partners (formerly William Blair Capital Partners ( WBCP ), a private equity firm, since 2004. He served as a Managing Director of WBCP from 1994 to 2004 and as Chairman and Chief Executive Officer of Continental Bank Corporation, a bank holding company, from 1987 until it was sold in 1994. Prior to 1987, Mr. Theobald worked at Citicorp/Citibank for over 25 years in various capacities in the domestic and international sectors, including serving as Vice Chairman from 1982 to 1987. He is currently a director of Anixter International, Inc. (NYSE: AXE), a supplier of electrical apparatus and equipment, AMBAC Financial Group (NYSE: ABK), a financial guaranty underwriter, and Jones Lang LaSalle Incorporated (NYSE: JLL), a real estate services and investment management firm. Mr. Theobald is also a Life Trustee of Northwestern University. He is a successful, well-respected and recognized leader in the financial services industry, with extensive executive and capital markets experience and strong skills in strategic planning, real estate, public company executive compensation and international operations.	2003

**The Board of Directors Recommends a Vote FOR Each of the Named Nominees.**

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**CORPORATE GOVERNANCE**

**Guidelines on Governance**

We have adopted Guidelines on Governance, which reflect the fundamental corporate governance principles by which our Board and its committees operate. These guidelines set forth general practices the Board will follow with respect to Board structure and function, Board and committee organization and composition, and Board conduct.

A copy of our Guidelines on Governance is available on our Web site at [www.ventasreit.com](http://www.ventasreit.com) under the For Investors tab at the top of the page and then under the Corporate Governance link. In addition, we will provide a copy of the Guidelines on Governance, without charge, upon request to Ventas, Inc., 10350 Ormsby Park Place, Suite 300, Louisville, Kentucky 40223, Attention: Corporate Secretary.

**Board of Directors**

The Board provides guidance and oversight with respect to our overall performance, strategic plans, key corporate policies and decisions and enterprise risk management. Among other things, it approves significant acquisitions, dispositions and other transactions, advises management on key financial and business objectives and monitors our progress with respect to these matters. Members of the Board are kept informed of our business by various reports and materials provided to them on a regular basis by management, including presentations made at Board and committee meetings by our Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, General Counsel and other officers.

*Director Independence*

Our Guidelines on Governance require that at least a majority of the Board be comprised of directors who meet the criteria for independence under the rules and regulations of the NYSE. For a director to be considered independent under the NYSE's listing standards, the Board must affirmatively determine that the director has no direct or indirect material relationship with us. On February 19, 2010, the Board evaluated each non-management director's independence on a case-by-case basis. The Board considered any matters that could affect the ability of each non-employee director to exercise independent judgment in carrying out his or her responsibilities as a director, including all transactions and relationships between, on one hand, each such director, the director's family members and organizations with which the director or the director's family members have an affiliation and, on the other hand, us, our subsidiaries and our management. Any such matters were evaluated both from the standpoint of the director and from that of persons or organizations with which the director has an affiliation. Based on that review, the Board has affirmatively determined that each of our current non-management directors and nominees Messrs. Crocker, Geary, Gellert, Reed, Shelton and Theobald and Ms. Rosenberg has no material relationship with us and qualifies as independent under the NYSE's standards. Ms. Cafaro, as our Chairman, President and Chief Executive Officer, is not independent under the rules and regulations of the NYSE. Each director abstained from the vote pertaining to the determination of his or her independence.

In evaluating Mr. Geary's independence, the Board considered our relationship with ResCare pursuant to the Master Lease Agreement described under Transactions with Related Persons Transactions with ResCare and has determined

that such relationship is not material to Mr. Geary, ResCare or us from a financial perspective or otherwise. In 2009, the total annual payments made to us under the Master Lease Agreement constituted less than one-tenth of one percent (0.1%) of the annual gross consolidated revenues of ResCare, and approximately one-tenth of one percent (0.1%) of our annual gross consolidated revenues. Further, the Board believes that the terms of the Master Lease Agreement represent market rates. The Board does not believe this relationship will affect Mr. Geary's ability to exercise independent judgment in carrying out his responsibilities as a director of Ventas.

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*Board Leadership and Risk Oversight*

The Board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide effective oversight of management. The Board understands that there is no single, generally accepted approach to providing Board leadership and that different structures may be appropriate for companies of varying sizes and performance characteristics and with different histories and culture. Consistent with this understanding, the Board (led by the Nominating and Governance Committee) considers our Board leadership structure as part of its annual self-evaluation process, taking into account our current operating and governance environment, to ensure that it remains the optimal structure for us and for our stockholders.

Pursuant to our bylaws and Guidelines on Governance, the Board has discretion to determine whether it is best for us at any given point in time for the roles of the Chief Executive Officer and the Chairman of the Board to be separate or combined. Ms. Cafaro has served as our Chief Executive Officer and Chairman of the Board since 2003, and the Board continues to believe that her combined role is the optimal structure for us because it enables decisive leadership, ensures clear accountability and enhances our ability to communicate our message and strategy on a consistent basis to all of our stakeholders. Moreover, Ms. Cafaro possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing us and our business and, therefore, is best positioned to develop agendas that ensure the Board's time and attention are focused on the most critical matters.

As required by our Guidelines on Governance, the independent members of the Board, after considering the recommendation of the Nominating and Governance Committee, annually select one independent director to serve as Presiding Director, whose specific responsibilities include, among other things, chairing the executive sessions and all other meetings of the independent directors. The Presiding Director also acts as the principal liaison between the Chairman and the independent directors, collaborating with the Chairman to set Board meeting agendas and schedules and to approve materials provided to directors, and has such additional duties as may be assigned from time to time by the independent directors or the Board. While the Presiding Director is elected on an annual basis, it is generally expected that he or she will serve for more than one year, and Mr. Crocker has been our Presiding Director since 2003. The Board believes that this approach—a leadership structure under which our Chief Executive Officer serves as Chairman of the Board and a Presiding Director assumes specified responsibilities on behalf of the independent directors—is currently effective, provides the appropriate balance between the authority of those who oversee our company and those who manage it on a day-to-day basis and achieves the optimal governance model for us and for our stockholders.

While it is management's responsibility to identify and manage on a daily basis our exposure to risk, the Board plays an active and primary role in overseeing the processes established to assess, monitor and mitigate that exposure. The Board routinely discusses with management the major risks facing our company and reviews the guidelines, policies and procedures we have in place to control those risks, such as our approval process for investments. For example, on a regular basis since 2008, directors receive materials and information, including in-depth and in-person presentations from third-party experts, with respect to a specific topic of risk, and the Board engages in a comprehensive analysis and dialogue regarding that risk. This process enables the Board to focus on the most significant strategic, financial, operational, legal, regulatory and other risks applicable to our business, and ensures that the risks we undertake are well understood, mitigated to the extent reasonable and consistent with our risk profile and the Board's tolerance for risk. In addition to the risk oversight function administered by the Board, each of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee exercises some oversight related to risks associated with the particular responsibilities of that committee. More specifically, the Audit Committee, in accordance with NYSE requirements, reviews financial and accounting risks and the mechanisms through which our risk assessment and management is handled, while the Compensation Committee considers whether the structure of our compensation programs encourages excessive risk-taking and the Nominating and Governance Committee focuses on risks related to succession planning. The chairs of these committees then report on such matters to the full Board.

We believe that this division of responsibilities is the most effective

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approach for addressing the risks facing us and that our Board leadership structure appropriately supports the Board's role in risk oversight.

### *Attendance at Meetings*

The Board held a total of seven meetings during 2009. Pursuant to our Guidelines on Governance, our independent directors meet in executive session, outside the presence of management, at a minimum, at each regularly scheduled quarterly Board meeting. The Presiding Director chairs all regularly scheduled executive sessions and all other meetings of the independent directors.

Each director attended at least 75% of the total meetings of the Board and the committees on which he or she served during 2009. See Board Committees below.

We encourage, but do not require, all directors to attend our annual meetings of stockholders. Seven of the eight directors who were nominated for re-election to the Board in 2009 attended our 2009 Annual Meeting of Stockholders.

### *Communications with the Board*

Stockholders and other parties interested in communicating directly with the Board may do so by writing to Board of Directors, Ventas, Inc., c/o Corporate Secretary, 10350 Ormsby Park Place, Suite 300, Louisville, Kentucky 40223, or by submitting an e-mail to the Board at [bod@ventasreit.com](mailto:bod@ventasreit.com). Communications addressed to the Board are screened by our Corporate Secretary for appropriateness before either forwarding to or notifying the members of the Board of receipt of a communication. Additionally, stockholders and other parties interested in communicating directly with the Presiding Director of the Board or with the non-management directors as a group may do so by writing to Presiding Director, Ventas, Inc., 10350 Ormsby Park Place, Suite 300, Louisville, Kentucky 40223, or by submitting an e-mail to the non-management members of the Board at [independentbod@ventasreit.com](mailto:independentbod@ventasreit.com).

## **Process for Nominating Potential Director Candidates**

Our Guidelines on Governance set forth, among other things, the process by which the Nominating and Governance Committee identifies and evaluates nominees for Board membership. Under this process, the Nominating and Governance Committee annually considers and recommends to the Board a slate of directors for election at the next annual meeting of stockholders. In selecting this slate, the Nominating and Governance Committee considers (i) incumbent directors who have indicated a willingness to continue to serve on the Board, (ii) candidates, if any, nominated by our stockholders, and (iii) other individuals as determined by the Nominating and Governance Committee. Additionally, if at any time during the year a seat on the Board becomes vacant or a new seat is created, the Nominating and Governance Committee considers and recommends a candidate to the Board for appointment to fill the seat.

In evaluating potential director candidates, the Nominating and Governance Committee considers, among other factors, the experience, qualifications and attributes listed below and any additional characteristics that it believes one or more directors should possess, based on an assessment of the perceived needs of the Board at that time. The Nominating and Governance Committee regularly reviews the composition of the Board in light of our changing requirements and seeks nominees who, taken together as a group, possess the skills and expertise appropriate for effective functioning of the Board. While different perspectives, skill sets, education, ages, genders, ethnic origins and business experience are factors considered in its annual nomination process, the Nominating and Governance Committee has not established a policy regarding diversity in identifying potential director candidates. Moreover, no single factor or group of factors is necessarily dispositive of whether a candidate will be recommended by the



Nominating and Governance Committee. The Nominating and Governance Committee will consider and apply these same standards in evaluating individuals recommended for nomination by our stockholders in accordance with the procedures described under Stockholder Proposals for the 2011 Annual Meeting of Stockholders.

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In general, the Nominating and Governance Committee seeks to include on the Board a complimentary mix of individuals with diverse backgrounds, knowledge and viewpoints reflecting the broad set of challenges that the Board confronts without representing any particular interest group or constituency. Accordingly, our Guidelines on Governance provide that nominees for membership on the Board should:

Have demonstrated management or technical ability a