

## JERNIGAN CAPITAL, INC.

### CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Jernigan Capital, Inc. (the “Company”) has adopted the following Corporate Governance Guidelines (the “Guidelines”) to assist the Board in the exercise of its duties and responsibilities and to serve the best interests of the Company and its stockholders. The Guidelines should be applied in a manner consistent with all applicable laws, the rules of The New York Stock Exchange (“NYSE”) and the Company’s charter and bylaws, each as in effect from time to time. The Guidelines are intended to serve as a flexible framework for the conduct of the Board’s business and not as a set of legally binding obligations. The Board may modify or make exceptions to the Guidelines from time to time in its discretion and consistent with its duties and responsibilities to the Company and its stockholders.

The Guidelines shall be made available on the Company’s website at [www.jernigancapital.com](http://www.jernigancapital.com) and to any stockholder who otherwise requests a copy.

#### **THE BOARD**

##### *Size of the Board*

The Nominating and Corporate Governance Committee shall periodically review the size and composition of the Board to assess whether the personal experience and expertise of the individual directors, and the overall mix of experience, expertise, independence and diversity of backgrounds among all the directors, will enable the Board to most effectively monitor the Company’s performance and participate in providing direction to the Company and otherwise are in accordance with these Corporate Governance Guidelines. Such annual review shall also include director succession planning, in light of expected future needs of the Board and the Company and application of policies pertaining to tenure on the Board, so as to ensure that Board effectiveness is not diminished during periods of transition. The Nominating and Corporate Governance Committee shall recommend to the full Board any changes deemed necessary or desirable.

##### *Roles and Duties of Directors*

The basic function of the Board is to direct the management of the business and the affairs of the Company and exercise, or delegate the exercise of, all powers of the Company. The Board has the responsibility to make decisions and oversee management and its performance, but does not itself conduct the organization’s day-to-day operations. This means, for example, that the Board is not expected to become involved in the details of portfolio management. However, the Board will generally monitor and perform an oversight role with respect to the operations of the Company, including with respect to investment practices and performance, compliance with regulatory requirements, and the services, expenses and performance of service providers to the Company. Accordingly, the Board retains the responsibility for (1) conducting periodic reviews of the Company’s investment portfolio, (2) performing an annual review of the Company’s strategic plan, (3) approving and amending the Company’s investment guidelines, subject to the

terms of the management agreement (the “management agreement”) with the Company’s external manager (the “Manager”), (4) approving the renewal or termination of the management agreement, and any internalization of the Manager pursuant thereto, and (5) subsequently reviewing and monitoring the services that the Manager provides.

### *Standard of Conduct*

Directors are required to act in accordance with a specific statutory standard of conduct to act in good faith with a reasonable belief that his or her action is in the best interests of the Company and with the care of an ordinarily prudent person in a like position under similar circumstances.

### *Independence of the Board*

Except as may otherwise be permitted by NYSE rules, a majority of the members of the Board shall be independent directors. To be considered independent a director must be independent as determined under Section 303A.02(b) of the NYSE Listed Company Manual or any successor provision thereto and in the Board’s judgment, the director must not have a material relationship with the Company or other relationship that undermines such director’s independence. The determination of whether a material relationship exists shall be made by the other members of the Board who are independent as defined above.

The Board shall undertake an annual review of the independence of all non-employee directors and, in accordance with the independence criteria established by the Board from time to time, shall make an affirmative determination that each “independent” director has no direct or indirect material relationship with the Company.

### *Special Roles and Duties of the Committees*

The Company has appointed the Manager to manage its investments and the business of the Company pursuant to the management agreement, subject to the supervision of the Board. There is potential for conflict between the interests of the Manager and those of the Company’s stockholders. These potential conflicts of interest are overseen by the Company’s independent directors, who make up a majority of the Board and look after the interests of the Company’s stockholders. In serving this function, the independent directors are responsible for the following specific duties, among other things:

- approval of certain adjustments and determinations as set forth in the management agreement;
- approval of certain agreements between the Manager and its affiliates;
- approval of the Company’s investment guidelines, and certain transactions under such guidelines; and
- approval of any internalization by the Company of the Manager.

### *Lead Independent Director*

The Board has appointed a lead independent director, who presides at meetings of the independent directors or non-management directors and performs such other duties as assigned by the Board from time to time.

### *Selection of Directors*

The Board will recommend to stockholders individuals who the Board believes have the skills, experience and expertise to successfully perform the role of a Company director, subject to the provisions of the Company's charter and bylaws. The Nominating and Corporate Governance Committee shall evaluate all prospective directors, including any director candidates recommended by Company stockholders. Directors will be nominated and elected in accordance with the Company's charter and bylaws. The Nominating and Corporate Governance Committee will consider whether a potential candidate for director has the time available, in light of other business and personal commitments, to perform the responsibilities required for effective service on the Board. Directors and executive officers of the Company must immediately notify the Chairman of the Nominating and Corporate Governance Committee upon invitation to join the board of directors, or similar governing body, of any unaffiliated entity to allow for conflicts checks. The Board does not believe that it is necessary to establish a limit on the number of other boards on which a director may serve. A director may not simultaneously serve on the audit committees of more than three (3) public companies unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Board.

### *Term Limits; Mandatory Retirement*

The Board does not believe that arbitrary term limits on directors' service are appropriate nor does it believe that directors should expect to be nominated for re-election until they reach a mandatory retirement age. Each director shall notify the Chairman of the Nominating and Corporate Governance Committee when his or her principal occupation changes. The Nominating and Corporate Governance Committee shall review the circumstances to determine whether continued Board membership is appropriate and to make a recommendation to the Board regarding a director's continued service on the Board in these circumstances.

### *Directors Who Resign Their Current Positions*

Directors who are also employees of the Company or the Manager are expected to resign from the Board at the same time they leave employment or materially change their position with the Company or the Manager.

### *Compensation*

The Compensation Committee will periodically review director compensation for independent directors to ensure that such compensation is reasonable and competitive.

### *Conflicts of Interest*

A “conflict of interest” occurs when a director’s personal interest interferes in any way—or may appear to interfere—with the interests of the Company. Personal conflicts of interest are prohibited as a matter of Company policy, unless they have been approved by the Board or designated Board committee. If an actual or potential conflict of interest develops, the director shall immediately report the matter to the Chairman of the Board. If a director has a personal interest in a matter before the Board, the director will disclose the interest to the Board, excuse himself or herself from discussion on the matter, and not vote on the matter. Additional information on the Company’s policy with respect to conflicts of interest is set forth in the Company’s Code of Business Conduct and Ethics.

### *Board Orientation and Continuing Education of Board Members*

The Company may conduct periodic continuing education for directors and may also arrange for director participation in director education programs offered by third parties that are cost effective and relevant.

### *Board Access to Independent Advisors*

The Board and each committee have the authority to hire and consult with independent legal, financial or other advisors for the benefit of the Board or such committee, as they may deem necessary, without obtaining the approval of any officer of the Company or the Manager in advance. In the discretion of the Board or applicable committee, such independent advisors may be, but need not be, the regular advisors to the Company. The Board or any such committee is empowered, without further action by the Company, to cause the Company to pay the compensation of such advisors as established by the Board or any such committee.

### *Annual Self-Evaluation*

The Board shall perform an annual self-evaluation. The Nominating and Corporate Governance Committee shall establish a process for the annual performance evaluation of the Board, which process will include a discussion by the Board of the performance evaluation results.

## **BOARD MEETINGS**

### *Frequency of Meetings*

The Board will meet at least four times each calendar year. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of the directors to attend meetings.

### *Executive Sessions*

The “non-management” directors, as defined by the rules of the NYSE, shall meet in executive session without management at least once a year. The non-management directors will meet in executive session at other times at the request of any non-management director. The Board’s Lead Independent Director shall preside over such meetings.

## **COMMITTEE MATTERS**

### *Key Committees*

Certain Board responsibilities are delegated to the Audit, Compensation and Nominating and Corporate Governance Committees, subject to the provisions of Company’s charter, bylaws and any stockholders’ agreement entered into by the Company. All significant committee actions will be reported to the Board. Adhoc committees may be established periodically by the Board.

### *Committee Membership*

The Board appoints committee members and committee chairs. Committee membership and the position of committee chair will not be rotated on a mandatory basis unless the Board determines that rotation is in the best interest of the Company. The Board affirmatively states that each member of the Audit Committee must be financially literate, as determined by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment, and that at least one member of the Audit Committee must (i) have accounting or related financial management expertise as defined by the rules of the NYSE and (ii) be an “audit committee financial expert” as defined by the Securities and Exchange Commission each as determined by the Board in its business judgment.

### *Committee Charters*

Each committee will have its own charter that sets forth the purposes, goals and responsibilities of the committee as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations. Each charter shall be reviewed annually by each respective committee; and changes, if any, will be recommended to the Board for consideration.

### *Frequency of Committee Meetings*

The chairman of each committee, in consultation with the committee members, shall determine the frequency of the committee meetings consistent with any requirements set forth in the committee’s charter. Special meetings may be called from time to time as determined by the needs of the business and the responsibilities of the committees. Committees are required to report to the Board from time to time, as requested by the Board, or as the committee deems appropriate.

## **LEADERSHIP DEVELOPMENT**

### *Succession Planning*

The Board works on a periodic basis with the Chief Executive Officer of the Manager to develop, review, maintain and revise, if necessary, the Company's succession plan. The Chief Executive Officer's recommendations regarding his or her successor should he or she be unexpectedly disabled shall be available to the Board on a continuing basis.

### *Periodic Review of the Corporate Governance Guidelines*

The Nominating and Corporate Governance Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of these Guidelines and recommend any proposed changes to the Board for approval.