VENTAS INC
Form DEF 14A
April 05, 2013

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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 ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §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):

ý No fee required.

o 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:

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Total fee paid:

o Fee paid previously with preliminary materials.

o 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:

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(3) Filing Party:

(4) Date Filed:

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VENTAS, INC.

NOTICE OF 2013 ANNUAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT

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353 North Clark Street
Suite 3300
Chicago, Illinois 60654
(877) 483-6827

April 5, 2013

Dear Ventas Stockholder:

You are cordially invited to attend Ventas, Inc.'s 2013 Annual Meeting of Stockholders, which will be held at 8:00 a.m. local (Central) time on Thursday, May 16, 2013, at 353 North Clark Street in Chicago, Illinois.

Please refer to the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement for detailed information on the meeting and each of the proposals to be considered and acted upon at the meeting.

Your vote is very important to our Board of Directors. I urge you to vote your shares by proxy as soon as possible to ensure your vote is recorded at the Annual Meeting. You may vote 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.

Our Board of Directors appreciates your continued support of Ventas, Inc.

Sincerely,

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

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353 North Clark Street
Suite 3300
Chicago, Illinois 60654
(877) 483-6827

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The 2013 Annual Meeting of Stockholders of Ventas, Inc. will be held at 8:00 a.m. local (Central) time on Thursday, May 16, 2013, at 353 North Clark Street, James C. Tyree Auditorium, Chicago, Illinois 60654. We are holding the Annual Meeting to consider and vote on the following matters:

1. The election of eleven directors nominated by our Board of Directors and named in the Proxy Statement to hold office until the next annual meeting of stockholders and until their respective successors have been duly elected and qualified;

2. The ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2013;

3. An advisory vote to approve our executive compensation;

4. Four stockholder proposals, if presented at the meeting; and

5. Such other business as may properly come before the meeting or any adjournments thereof.

The Proxy Statement, which follows this Notice, describes these matters in detail. We have not received notice of any other proposals to be presented at the Annual Meeting.

You may vote at the Annual Meeting and any postponements or adjournments thereof if you were a holder of record of Ventas, Inc. common stock as of the close of business on March 18, 2013, the record date for the meeting. For ten days prior to the Annual Meeting, a list of stockholders entitled to vote will be available for inspection at our principal executive offices located at 353 North Clark Street, Suite 3300, Chicago, Illinois 60654.

Please 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. Voting your shares prior to the Annual Meeting will not prevent you from changing your vote in person if you choose to attend the meeting.

By Order of the Board of Directors,

Kristen M. Benson
Vice President, Associate General Counsel
and Corporate Secretary

Chicago, Illinois
April 5, 2013

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PROXY STATEMENT

OVERVIEW OF 2012 PERFORMANCE AND 2013 ANNUAL MEETING

We prepared the following overview to assist you in reviewing our 2012 performance and the matters to be considered at the 2013 Annual Meeting of Stockholders. For further information, please review our Annual Report on Form 10-K for the year ended December 31, 2012 and the other information contained in this Proxy Statement.

2012 Performance

In 2012, we delivered our tenth consecutive year of growth in normalized Funds From Operations ("FFO"), which increased 44% to $1.1 billion, while our normalized FFO per diluted share rose 13% to $3.80.[1] Our cash flows from operations rose to nearly $1.0 billion, an increase of 28% year over year (74% excluding $202.3 million of net litigation proceeds received in 2011).

We provided our stockholders with an annual cash dividend on our common stock of $2.48 per share in 2012, representing an 8% increase over 2011. Our total shareholder return ("TSR") of 22.3%, 68.4%, 82.7% and 835.4% for the one-, three-, five- and ten-year periods ended December 31, 2012, respectively, exceeded the returns of the S&P 500 index and the MSCI US REIT ("RMZ") index for each such period. Since January 1, 2000, we have delivered TSR of more than 3,400%, which is equivalent to a 32% compound annual TSR over this period.

Reflecting our growth in scale, our 2012 net operating income ("NOI") approximated $1.5 billion.[1] At December 31, 2012, we were the fourth largest real estate investment trust ("REIT") by market capitalization ($18.9 billion) and the eighth largest REIT by enterprise value ($27.3 billion).

Normalized FFO per Share

Consistent Superior Compound Annual TSR

10%
Compound annual growth rate in cash dividend since 2002

32%
Compound annual TSR for 13 years ended December 31, 2012

(1) See Annex A to this Proxy Statement for reconciliations of normalized FFO to net income attributable to common stockholders computed in accordance with U.S generally accepted accounting principles ("GAAP") and NOI to net income computed in accordance with GAAP.

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2012 Operational Highlights

We completed approximately $2.7 billion of investments that expanded our existing well balanced portfolio of high-quality assets to more than 1,400 properties and provided additional diversification by asset type, tenant/manager mix, geographic location, revenue source and operating model, including the following:

Acquisition of Cogdell Spencer Inc. ("Cogdell") and its 71 real estate assets (including properties owned through joint ventures) and its medical office building ("MOB") property management business

Acquisition of 16 senior housing communities managed by Sunrise Senior Living, LLC ("Sunrise")

Acquisition of various private investments funds (the "Funds") previously managed by Lazard Frères Real Estate Investors L.L.C. or its affiliates ("LFREI"), which Funds own a 34% interest in Atria Senior Living, Inc. ("Atria") and 3.7 million shares of our common stock

We successfully executed on our strategic plan, as private pay assets accounted for approximately 97% of our 2012 real estate investments, and the unlevered cash yield on these investments was nearly 8% (measured at year end).

$14 billion
Investments
for three years ended
December 31, 2012

>1,400
Properties in highly
diversified portfolio

>100
Operators in well
balanced and highly
diversified portfolio

2012 Balance Sheet and Liquidity Highlights

We continued to improve our attractive cost of capital and further strengthened our liquidity, enabling us to capitalize on strategic opportunities, including through the following:

Issuance of $2.6 billion of unsecured debt with a weighted average stated interest rate of 3.2% per annum and a weighted average maturity at the time of issuance of 7.7 years

Redemption or repayment of $580.4 million aggregate principal amount of unsecured senior notes scheduled to mature in 2012, 2016 and 2017 with a weighted average interest rate of 7.2% per annum and repayment of a $200.0 million unsecured term loan bearing interest at a rate of 4% per annum and scheduled to mature in 2013

We maintained a strong balance sheet throughout 2012, demonstrated by our fixed charge coverage ratio of 4.2x and our net debt to adjusted pro forma EBITDA[2] of 5.4x at December 31, 2012.

The strength of our balance sheet and our credit profile was recognized by Moody's Investors Service, Inc. ("Moody's") in December 2012, as it improved the outlook on our

31%
Debt to total
capitalization at
December 31, 2012

10%
Compound annual
growth rate in
normalized FFO per
share since 2002

corporate credit rating from stable to positive.

(2) EBITDA is defined as earnings before interest, income taxes, depreciation and amortization. See Annex A to this Proxy Statement for a reconciliation of net debt and adjusted pro forma EBITDA to the most directly comparable financial measures computed in accordance with GAAP.

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2012 Executive Compensation

Elements of Executive Compensation

Our executive compensation consists primarily of base salary, annual cash incentive compensation and long-term equity incentive compensation. We emphasize variable pay and long-term equity incentive compensation over fixed pay and cash compensation to achieve **greater alignment with stockholders**, focus decision-makers on **long-term value** and encourage **prudent evaluation of risks**. See page 32 for a detailed discussion of the elements of our compensation program.

2012 Executive Compensation Decisions

The 2012 executive compensation decisions made by our Executive Compensation Committee (the "Compensation Committee") and the independent members of our Board of Directors (the "Board") strongly supported our philosophy of promoting a performance- and achievement-oriented environment that provides the opportunity for our executive officers to earn market-competitive levels of compensation. In this regard, compensation granted to our Named Executive Officers for 2012 reflected our exceptional financial and operational performance during the year.

As explained in more detail under "Executive Compensation Compensation Discussion and Analysis" in this Proxy Statement, we achieved at or near maximum performance with respect to each of the performance metrics under our **2012 annual cash incentive plan**:

Our performance was also outstanding with respect to the performance metrics established under our **2012 long-term equity incentive plan**:

See page 33 for a detailed discussion of the compensation earned by our Named Executive Officers for their 2012 performance and the factors considered by our Compensation Committee and the independent members of our Board in determining this compensation.

2012 Compensation Practices at a Glance

ü

DO provide executive officers with the opportunity to earn market-competitive compensation through a balanced mix of cash and equity compensation with a strong emphasis on performance-based annual and long-term incentive awards

ü

DO provide alignment between pay and performance by linking a substantial portion of total direct compensation to the achievement of a balanced mix of performance metrics established in advance by the Compensation Committee that drive stockholder value

ü

DO cap payouts for awards under our annual and long-term incentive plans

ü

DO require executive officers and directors to own and retain shares of our common stock that have significant value to further align interests with our stockholders

ü

DO NOT encourage unnecessary or excessive risk taking; incentive awards are not based on a single performance metric and do not have guaranteed minimum or uncapped payouts

DO NOT have employment agreements with executive officers that provide single-trigger change of control benefits

DO NOT provide our Chief Executive Officer with tax gross-ups with respect to payments made in connection with a change of control

DO NOT permit executive officers or directors to engage in derivative or other hedging transactions in our securities

DO NOT provide executive officers with excessive perquisites or other personal benefits

DO enhance executive officer retention with time-based vesting schedules for equity incentive awards earned for prior-year performance

ü

DO maintain a Compensation Committee comprised solely of independent directors

ü

DO engage an independent compensation consultant to advise the Compensation Committee on executive compensation matters

DO NOT permit executive officers or directors to hold our securities in margin accounts or pledge our securities to secure loans without preapproval by the Audit and Compliance Committee (no executive officer or director pledged or held our securities in margin accounts at any time during 2012)

DO NOT benchmark executive compensation to target above the median of our comparative group of peer companies

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2013 Annual Meeting of Stockholders

Attending the Annual Meeting

Who: Stockholders of record on March 18, 2013
When: Thursday, May 16, 2013, 8:00 a.m. local (Central) time
Where: 353 North Clark Street, James C. Tyree Auditorium, Chicago, Illinois 60654

Voting at the Annual Meeting

Vote by Telephone: Call (800) 690-6903, 24 hours a day, seven days a week through May 15, 2013
Vote on the Internet: Visit *www.proxyvote.com*, 24 hours a day, seven days a week through May 15, 2013
Vote by Mail: Request, complete and return a copy of the proxy card in the postage-paid envelope provided
Vote in Person: Request, complete and deposit a copy of the proxy card or complete a ballot at the Annual Meeting

Proposals Requiring Your Vote

Proposal 1 Election of Directors (see page 73)

The following table provides summary information about our eleven director-nominees, each of whom currently serves on our Board. Directors are elected annually by a majority of votes cast in uncontested elections. The Board recommends that you vote "**FOR**" each of the named director-nominees.

Name	Age	Served since	Independence Status	Current Committees	Areas of Expertise
Debra A. Cafaro *Chairman and CEO of Ventas*	55	1999	Employed by Ventas	Executive Investment	Real Estate Industry, Corporate Finance, Mergers and Acquisitions, Capital Markets, Strategic Planning
Douglas Crocker II* *Chairman and Chief Investment Officer of Pearlmark Multifamily Partners, L.L.C.*	73	1998	Independent	Executive (Chair) Investment (Chair) Nominating	Real Estate Industry, Corporate Finance, Mergers and Acquisitions, Strategic Planning, Executive Compensation
Ronald G. Geary *President of Ellis Park Race Course, Inc.*	65	1998	Independent	Executive Investment Nominating	Healthcare Industry, Corporate Finance, Government Relations, International Operations, Mergers and Acquisitions, Strategic Planning
Jay M. Gellert *President and CEO of Health Net, Inc.*	59	2001	Independent	Compensation (Chair)	Healthcare Industry, Government Relations, Executive Compensation, Mergers and Acquisitions, Strategic Planning
Richard I. Gilchrist *Senior Advisor to The Irvine Company*	67	2011	Independent	Compensation	Real Estate Industry, Strategic Planning, Executive Compensation
Matthew J. Lustig *Managing Partner of North America Investment Banking and Head of Real Estate, Gaming and Lodging at Lazard Frères & Co. LLC*	52	2011	Affiliated with entities that did business with Ventas in 2012		Real Estate Industry, Corporate Finance, Capital Structure, Mergers and Acquisitions, Strategic Planning
Douglas M. Pasquale *Former Chairman, President and CEO of Nationwide Health Properties, Inc.*	58	2011	Former employee of Ventas (2011)	Investment	Healthcare Industry, Real Estate Industry, Mergers and Acquisitions, Strategic Planning, Corporate Finance
Robert D. Reed *Senior Vice President and Chief Financial Officer of Sutter Health*	60	2008	Independent	Audit (Chair)	Healthcare Industry, Corporate Finance, Capital Intensive Operations, Strategic Planning

Sheli Z. Rosenberg *Of Counsel to Skadden, Arps, Slate, Meagher & Flom LLP*	71	2001	Independent	Audit Executive Nominating (Chair)	Real Estate Industry, Corporate Finance, Strategic Planning, Executive Compensation, Mergers and Acquisitions
Glenn J. Rufrano *President and CEO of Cushman & Wakefield, Inc.*	63	2010	Independent	Audit	Real Estate Industry, Strategic Planning, International Operations, Corporate Finance
James D. Shelton *Chairman of Legacy Hospital Partners, Inc. and Chairman of Omnicare, Inc.*	59	2008	Independent	Compensation Investment	Healthcare Industry, Capital Intensive Operations, Strategic Planning, Executive Compensation, Government Relations, Mergers and Acquisitions

* Presiding Director

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Proposal 2 Ratification of the Selection of Ernst & Young LLP as Our Independent Registered Public Accounting Firm for Fiscal Year 2013 (see page 80)

Ernst & Young audited our financial statements for the year ended December 31, 2012 and has been our independent registered public accounting firm since May 1998. The Board recommends that you vote "**FOR**" the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2013.

Proposal 3 Advisory Vote to Approve Our Executive Compensation (see page 82)

The Board has determined that an advisory vote to approve our executive compensation will be submitted to our stockholders on an annual basis. Our executive compensation program is designed to achieve certain key objectives, including: attracting, retaining and motivating talented executives; linking compensation realized to the achievement of pre-established financial and strategic goals; rewarding performance that meets or exceeds these goals; encouraging executives to become and remain long-term stockholders of our company; providing balanced incentives that do not promote excessive risk-taking; providing flexibility that incentivizes our executive officers to manage risk and allows them to adjust to meet rapidly changing market and business conditions; and maintaining compensation and corporate governance practices that are designed to deliver consistent, superior total returns to stockholders.

The incentives created by our executive compensation program drive outstanding performance and have contributed to a strong track record of growth, diversification and stockholder value creation. We were the best performing large cap healthcare REIT in 2012 based on TSR, and our 2012 TSR approximated the 75th percentile of our compensation peer group. We are one of only 21 REITs whose common stock has achieved a double-digit percentage increase in trading price since the peak of the REIT equity market in early 2007, as compared to more than 60 REITs whose common stock has experienced a double-digit percentage decline in trading price over the same time period. Our flexibility, risk management, strategy and ability to execute and adapt quickly contributed to our excellent performance while avoiding significant value destruction during a global economic downturn.

At our 2012 Annual Meeting of Stockholders, holders of approximately 65% of the shares represented at the meeting voted to approve, on an advisory basis, our executive compensation. Although a significant majority continued to support our executive compensation program, the result of the 2012 vote was in contrast to the approximately 96% that supported our executive compensation program in 2011. The level of support declined despite (a) the absence of significant changes to our general executive compensation program between the 2011 and 2012 Annual Meetings, (b) in the view of our Board, the strong alignment between our executive pay and performance both in 2011 and over longer time periods (see chart below) and (c) the quantitative alignment between our executive pay and performance as measured by stockholder advisory groups. The chart below demonstrates our pay-for-performance alignment by comparing, for each of the past five years, the total compensation of our Chief Executive Officer, as reported in the Summary Compensation Table contained in our proxy statements pursuant to the rules of the Securities and Exchange Commission ("SEC"), to our prior-year performance relative to the RMZ index.[3]

(3) The TSR point above each column is TSR for the preceding year, as long-term incentive compensation decisions are made in January of each year with reference to prior-year performance, including TSR. The vertical axis on the left reflects year-to-year TSR performance indexed to a 2006 base year.

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In connection with our 2012 Annual Meeting of Stockholders and in the months following the meeting, we engaged in a broad outreach program to solicit feedback from our stockholders on our executive compensation practices. From these discussions, we learned that our stockholders generally approve of the structure of our executive compensation program and support the pay-for-performance alignment we have consistently demonstrated. However, consistent with the value our Board places on continuing and constructive feedback from our stockholders, our executive compensation program and the related compensation disclosure in this Proxy Statement reflect the following enhancements for 2012:

ü

Changes to the comparative group of peer companies that the Compensation Committee and the independent members of the Board use for compensation purposes to position us closer to the median in terms of market capitalization and enterprise value in light of our significant growth;

ü

Changes to our benchmarking practices to target to the median (previously 65th percentile) of our comparative group of peer companies; and

ü

Expansion of our Compensation Discussion and Analysis disclosures regarding the performance metrics considered by the Compensation Committee and the independent members of the Board, including how such metrics contributed to the determination of the value of our Named Executive Officers' incentive awards and support our pay-for-performance philosophy.

In addition, notwithstanding the fact that our long-term equity incentive awards have historically been 100% performance-based, beginning with the 2013 compensation cycle, 50% of the value of the awards will be determined solely by achievement of quantitative performance metrics, including relative TSR, that are not subject to Compensation Committee or Board discretion. The other 50% will continue to be based on performance metrics that enable the Compensation Committee and the independent members of the Board to use their discretion to reward actions that preserve long-term stockholder value and discourage excessive risk-taking. Although the Compensation Committee and the independent members of the Board believe that this 50/50 split between a fixed quantitative evaluation of performance and a more qualitative evaluation provides the appropriate incentive structure and balance to drive long-term stockholder value and discourage excessive risk-taking at the current time, they will continue to evaluate our long-term incentive plan in the context of our overall executive compensation program and our business needs and based on feedback from our stockholders.

The Compensation Committee and the independent members of the Board have carefully evaluated our overall executive compensation program and believe that, with the changes discussed above, it is well designed to achieve our objectives of retaining talented executives and rewarding superior performance in the context of our business risk environment. We believe that the changes implemented address the constructive feedback we received in the course of our 2012 stockholder outreach program and demonstrate our commitment to pay-for-performance and responsiveness to our stockholders.

For these reasons, the Board recommends that you vote "**FOR**" the approval, on an advisory basis, of our executive compensation.

Proposals 4 through 7 Stockholder Proposals (see page 84)

Several stockholders have notified us that they intend to present proposals at the Annual Meeting. In accordance with applicable SEC rules, the proposals and supporting statements submitted by the stockholders, for which we and our Board are not responsible, are set forth in this Proxy Statement. For the reasons discussed elsewhere in this Proxy Statement, the Board recommends that you vote "**AGAINST**" each of the stockholder proposals.

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ABOUT THIS PROXY STATEMENT

This Proxy Statement is being furnished in connection with the solicitation of proxies by or on behalf of the Board of Directors of Ventas, Inc. ("Ventas," "we" or "us") for use at our Annual Meeting of Stockholders (the "Annual Meeting") to be held at 8:00 a.m. local (Central) time on Thursday, May 16, 2013 at 353 North Clark Street, James C. Tyree Auditorium, Chicago, Illinois 60654, and at any adjournments thereof. This Proxy Statement is designed to assist you in voting your shares and includes information that we are required to provide to you under the rules of the SEC and the New York Stock Exchange ("NYSE").

Notice of Electronic Availability of Proxy Statement and Annual Report

We are making this Proxy Statement and the materials accompanying it available to our stockholders electronically via the Internet, as permitted by the SEC's rules. We will mail to stockholders a Notice of Internet Availability containing instructions on how to access our proxy materials and how to vote by proxy online. Starting on or about April 5, 2013, we will also mail this Proxy Statement and the materials accompanying it to stockholders who have 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 that we mail to you.

IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON MAY 16, 2013:

This Proxy Statement, our 2012 Form 10-K and our 2012 Annual Report are available at *www.proxyvote.com.*

Householding

To eliminate duplicate mailings, conserve natural resources and reduce our printing costs and postage fees, we engage in householding and will deliver a single set of proxy materials (other than proxy cards, which will remain separate) to Ventas stockholders who share the same address and who have the same last name or consent in writing. If your household receives multiple copies of our proxy materials, you may request to receive only one copy by contacting Broadridge Financial Solutions, Inc. at (800) 542-1061 or in writing at Householding Department, 51 Mercedes Way, Edgewood, NY 11717. Similarly, if your household receives only one copy of our proxy materials, you may request an additional copy by contacting Broadridge as indicated above. We will deliver the requested additional copy promptly following our receipt of your request.

Cost of Proxy Solicitation

Ventas will bear the cost of soliciting proxies by or on behalf of the Board. In addition to solicitation through the mail, proxies may be solicited in person or by telephone or electronic communication by our directors, officers and employees, none of whom will receive additional compensation for these services. We have engaged Georgeson Inc. to distribute and solicit proxies on our behalf and will pay Georgeson Inc. a fee of $9,500, plus reimbursement of reasonable out-of-pocket expenses, for these services. We will also reimburse brokers and other custodians for their reasonable out-of-pocket expenses incurred in connection with distributing forms of proxies and proxy materials to beneficial owners of our common stock.

THE ANNUAL MEETING AND VOTING

Quorum

The holders of a majority of the shares of our common stock outstanding as of the close of business on March 18, 2013 (the "record date") must be present in person or represented by proxy to constitute a quorum to transact business at the Annual Meeting. Stockholders who abstain from voting and broker non-votes are counted for purposes of establishing a quorum. A broker non-vote occurs when a beneficial owner does not provide voting instructions to the beneficial owner's broker or custodian with respect to a proposal on which the broker or custodian does not have discretionary authority to vote.

Who Can Vote

Only Ventas stockholders of record at the close of business on the record date, March 18, 2013, are entitled to vote at the Annual Meeting. As of the record date, 292,019,799 shares of our common stock, par value $0.25 per share, were outstanding. Each share of our common stock entitles the owner to one vote on each matter properly brought before the Annual Meeting. However, certain shares designated as "Excess Shares" (generally any shares owned in excess of 9.0% of our outstanding common stock) or as "Special Excess Shares" pursuant to our Amended and Restated Certificate of Incorporation, as amended (our "Charter"), may not be voted by the record owner thereof and will be voted in accordance with Article IX of our Charter.

A list of all Ventas 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 the ten days preceding the meeting at our principal executive offices located at 353 North Clark Street, Suite 3300, Chicago, Illinois 60654.

How to Vote

You may vote your shares in one of several ways, depending on how you own your shares.

Stockholders of Record

If you own shares registered in your name (a "stockholder of record"), you may vote:

By Telephone	Vote your shares by proxy by calling 1-800-690-6903, 24 hours a day, seven days a week until 11:59 p.m. Eastern time on May 15, 2013. Please have your proxy card in hand when you call. The telephone voting system has easy-to-follow instructions and provides confirmation that the system has properly recorded your vote.
	OR
Over the Internet	Vote your shares by proxy via the website *www.proxyvote.com*, 24 hours a day, seven days a week until 11:59 p.m. Eastern time on May 15, 2013. Please have your proxy card in hand when you access the website. The website has easy-to-follow instructions and provides confirmation that the system has properly recorded your vote.

OR

By Mail	If you have requested or receive paper copies of our proxy materials by mail, vote your shares by proxy by signing, dating and returning the proxy card in the postage-paid envelope provided. **If you vote by telephone or over the Internet, you do not need to return your proxy card by mail**.

OR

In Person	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.

Beneficial Owners

If you own shares registered in the name of a broker or other custodian (a "beneficial owner"), follow the instructions provided by your broker or custodian to instruct it how to vote your shares. If you want to vote your shares in person at the Annual Meeting, contact your broker or custodian to obtain a legal proxy or broker's proxy card that you should bring to the Annual Meeting to demonstrate your authority to vote.

If you do not instruct your broker or custodian how to vote, it will have discretionary authority, under current NYSE rules, to vote your shares in its discretion on the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2013 (Proposal 2). However, your broker or custodian will not have discretionary authority to vote on the election of directors (Proposal 1), the advisory vote to approve our executive compensation (Proposal 3) or on any of the stockholder proposals (Proposals 4 through 7), without instructions from you. As a result, if you do not provide instructions to your broker or custodian, your shares will not be voted on Proposal 1, Proposal 3 or Proposals 4 through 7.

Votes by Proxy

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 in the proxy. Shares represented by proxy cards that are signed and returned but do not contain any voting instructions will be voted consistent with the Board's recommendations:

ü **FOR** the election of all director-nominees named in this Proxy Statement (Proposal 1);

ü **FOR** the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2013 (Proposal 2);

ü **FOR** the approval, on an advisory basis, of our executive compensation (Proposal 3);

x **AGAINST** each of the stockholder proposals (Proposals 4 through 7); and

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

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How to Revoke Your Vote

If you are a stockholder of record, you can revoke your prior vote by proxy if you:

Execute and return a later-dated proxy card before your proxy is voted at the Annual Meeting;

Vote by telephone or over the Internet no later than 11:59 p.m. Eastern time on May 15, 2013;

Deliver a written notice of revocation to our Corporate Secretary at our principal executive offices located at 353 North Clark Street, Suite 3300, Chicago, Illinois 60654, before your proxy is voted at the Annual Meeting; or

Attend the Annual Meeting and vote in person (attendance by itself will not revoke your prior vote by proxy).

If you are a beneficial owner, follow the instructions provided by your broker or custodian to revoke your vote by proxy, if applicable.

Attending the Annual Meeting

You are entitled to attend the Annual Meeting only if you were a Ventas stockholder as of the close of business on the record date, March 18, 2013, or you hold a valid proxy for the meeting. In order to be admitted to the Annual Meeting, you must present photo identification (such as a driver's license) and proof of ownership of shares of our common stock on the record date. Proof of ownership can be accomplished through the following:

A brokerage statement or letter from your broker or custodian with respect to your ownership of shares of our common stock on March 18, 2013;

The Notice of Internet Availability of Proxy Materials;

A printout of the proxy distribution email (if you receive your materials electronically);

A proxy card;

A voting instruction form; or

A legal proxy provided by your broker or custodian.

For the safety and security of our stockholders, we will be unable to admit you to the Annual Meeting if you do not present photo identification and proof of ownership of shares of our common stock or if you otherwise refuse to comply with our security procedures.

OUR BOARD OF DIRECTORS

Our Board provides guidance and oversight with respect to our financial and operating performance, strategic plans, key corporate policies and decisions, and enterprise risk management. Among other matters, our Board considers and approves significant acquisitions, dispositions and other

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transactions and advises and counsels senior management on key financial and business objectives. Members of the Board monitor our progress with respect to these matters on a regular basis, including through presentations made at Board and committee meetings by our Chief Executive Officer, President, Chief Financial Officer, Chief Investment Officer and other members of senior management.

Director Independence

Our Guidelines on Governance require that at least a majority of the members of our Board 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 director must satisfy certain bright-line tests and the Board must affirmatively determine that the director has no direct or indirect material relationship with us. Not less than annually, the Board evaluates the independence of each non-management director on a case-by-case basis by considering any matters that could affect his or her ability to exercise independent judgment in carrying out the responsibilities of a director, including all transactions and relationships between such director, members of his or her family and organizations with which such director or family members have an affiliation, on the one hand, and us, our subsidiaries and our management, on the other hand. Any such matters are evaluated from the standpoint of the director and the persons or organizations with which the director has an affiliation. Each director abstains from participating in the determination of his or her independence.

Based on its most recent review, the Board has affirmatively determined that each of the following directors has no direct or indirect material relationship with us and qualifies as independent under the NYSE's listing standards: Douglas Crocker II, Ronald G. Geary, Jay M. Gellert, Richard I. Gilchrist, Robert D. Reed, Sheli Z. Rosenberg, Glenn J. Rufrano and James D. Shelton. Ms. Cafaro is not considered independent under the NYSE listing standards due to her employment as our Chief Executive Officer. Mr. Lustig is not considered independent under the NYSE listing standards due to his employment by Lazard Real Estate Partners LLC ("LREP") and Lazard Alternative Investments LLC ("LAI"), whose affiliated entities received proceeds in connection with our December 2012 acquisition of the Funds previously managed by LFREI. Mr. Pasquale is not considered independent under the NYSE listing standards due to his employment with us following our acquisition of Nationwide Health Properties, Inc. ("NHP") in July 2011. Prior to the acquisition, Mr. Pasquale was Chief Executive Officer of NHP, and he served as Senior Advisor to our Chief Executive Officer from July 1, 2011 through December 31, 2011 to facilitate the integration of NHP with our company.

In evaluating the independence of Messrs. Gilchrist, Reed and Rufrano, the Board considered the following matters:

The payment of $280,000 and $97,000 in rent in 2011 and 2012, respectively, to The Irvine Company ("Irvine") in connection with the lease of office space through February 2012 by our wholly owned subsidiary, Nationwide Health Properties, LLC, from Irvine, which owns and manages more than 480 office properties throughout California and for whom Mr. Gilchrist serves as Senior Advisor;

The ownership by our joint venture with Pacific Medical Buildings LLC of a newly developed MOB that is 100% leased by Sutter Health, which reported more than $9.0 billion of gross revenues in 2011 and for which Mr. Reed serves as Senior Vice President and Chief Financial Officer; and

Our engagement, from time to time, of Cushman & Wakefield, Inc. ("Cushman"), a global commercial real estate firm that reported $2.0 billion of gross revenues in 2011 and for

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which Mr. Rufrano serves as President and Chief Executive Officer, to act as a leasing agent or broker with respect to certain of our properties but for which no fees were paid in 2012.

The Board believes that none of these past or current relationships will affect the ability of Mr. Gilchrist, Mr. Reed or Mr. Rufrano to exercise independent judgment in carrying out his responsibilities as a member of our Board. See also "Corporate Governance Transactions with Related Persons."

Leadership Structure and Independent Presiding Director

Our 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 no single approach to Board leadership is universally accepted and that the appropriate leadership structure may differ depending on a company's size, industry, operations, history and culture. Consistent with this understanding, our Board, led by the Nominating and Corporate Governance Committee (the "Nominating Committee"), conducts an annual evaluation to determine the optimal leadership structure for us and for our stockholders. At the current time, the Board believes that our existing leadership structure under which our Chief Executive Officer also serves as Chairman of the Board and a Presiding Director assumes specific responsibilities on behalf of the independent directors is effective, provides the appropriate balance of authority between 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.

Pursuant to our Fourth Amended and Restated By-Laws, as amended (our "By-Laws"), and our Guidelines on Governance, the Board has discretion to determine whether to separate or combine the roles of Chief Executive Officer and Chairman of the Board as part of its leadership structure evaluation. Debra A. Cafaro has served in both roles since 2003, and our Board continues to believe that her combined role is most advantageous to us and our stockholders. Ms. Cafaro possesses in-depth knowledge of the issues, opportunities and risks facing us, our business and our industry and is best positioned to fulfill the Chairman's responsibility to develop agendas that focus the Board's time and attention on the most critical matters. Moreover, the combined roles enable decisive leadership, clear accountability and consistent communication of our message and strategy to all of our stakeholders. These leadership attributes are uniquely important to our company given the value to our business of opportunistic capital markets execution, our history of rapid and significant growth, and our culture of proactive engagement and risk management.

In connection with Ms. Cafaro's service as our Chief Executive Officer and Chairman of the Board, our Guidelines on Governance require that the independent members of our Board, after considering the recommendation of the Nominating Committee, annually select one independent director to serve as Presiding Director, whose specific responsibilities include, among other things, presiding at all meetings of our Board at which the Chairman is not present, including executive sessions and all other meetings of the independent directors. The Presiding Director also serves as liaison between the Chairman and the independent directors, approves information sent to the Board and approves Board meeting agendas and meeting schedules to assure that there is sufficient time for discussion of all agenda items. The Presiding Director has authority to call meetings of the independent directors and, if requested by major stockholders, ensures that he is available for consultation and direct communication with stockholders. In addition, the Presiding Director reviews with our General Counsel potential conflicts of interest and has such other duties as may be assigned from time to time by the independent directors or the Board. Although the Presiding Director is elected on an annual basis, the Board generally expects that he or she will serve for more than one year. Douglas Crocker II,

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a well-respected and recognized leader in the real estate industry, has served as our Presiding Director since 2003.

Board Committees

Our Board has five standing committees that perform certain delegated functions for the Board: the Audit and Compliance Committee (the "Audit Committee"); the Compensation Committee; the Executive Committee; the Investment Committee; and the Nominating Committee. Each of the Audit, Compensation and Nominating Committees operates pursuant to a written charter that is available in the Corporate Governance section of our website at *www.ventasreit.com/investor-relations/corporate-governance*. In addition, we will provide copies of the Audit, Compensation and Nominating Committee charters, without charge, upon request to our Corporate Secretary at Ventas, Inc., 353 North Clark Street, Suite 3300, Chicago, Illinois 60654. Information on our website is not a part of this Proxy Statement.

Board and Committee Meetings

Our Board held a total of nine meetings during 2012. Each director attended at least 75% of the total meetings of the Board and the committees on which he or she served that were held during the time he or she was a director in 2012. The table below provides current membership and 2012 meeting information for each of our Board committees:

Name	Audit Committee	Compensation Committee	Executive Committee	Investment Committee	Nominating Committee
Debra A. Cafaro			MEMBER	MEMBER	
Douglas Crocker II*			CHAIR	CHAIR	MEMBER
Ronald G. Geary			MEMBER	MEMBER	MEMBER
Jay M. Gellert		CHAIR			
Richard I. Gilchrist		MEMBER			
Matthew J. Lustig					
Douglas M. Pasquale				MEMBER	
Robert D. Reed	CHAIR				
Sheli Z. Rosenberg	MEMBER		MEMBER		CHAIR
Glenn J. Rufrano	MEMBER				
James D. Shelton		MEMBER		MEMBER	
Total Meetings in 2012	**4**	**5**	**0**	**7**	**9**

* Presiding Director

Our independent directors meet in executive session, outside the presence of management, at each regularly scheduled quarterly Board meeting and at other times as necessary or desirable. The Presiding Director chairs all regularly scheduled executive sessions of the Board and all other meetings of the independent directors. Members of our Audit, Compensation and Nominating Committees also meet in executive session, outside the presence of management, at each regularly scheduled committee meeting and at other times as necessary or desirable.

We strongly encourage, but do not require, directors to attend our annual meetings of stockholders. Nine of the eleven directors who were nominated for reelection at our 2012 Annual Meeting of Stockholders attended that meeting.

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How to Communicate with Directors

Stockholders and other parties interested in communicating directly with our Board or any director on Board-related issues may do so by writing to Board of Directors, c/o Corporate Secretary, Ventas, Inc., 353 North Clark Street, Suite 3300, Chicago, Illinois 60654, or by submitting an e-mail to bod@ventasreit.com. Additionally, stockholders and other parties interested in communicating directly with the Presiding Director of the Board or with the independent directors as a group may do so by writing to Presiding Director, Ventas, Inc., 353 North Clark Street, Suite 3300, Chicago, Illinois 60654, or by sending an e-mail to independentbod@ventasreit.com. Communications addressed to the Board or individual members of the Board are screened by our Corporate Secretary for appropriateness before distributing to the Board, or to any individual director or directors, as applicable.

AUDIT AND COMPLIANCE COMMITTEE

The Audit Committee assists the Board in fulfilling its responsibilities relating to our accounting and reporting practices, including oversight of the quality and integrity of our financial statements, our compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications, independence and performance, and the performance of our internal audit function.

The Audit Committee maintains free and open communication with the Board, our independent registered public accounting firm, our internal auditors and our financial and accounting management. The Audit Committee meets separately in executive session, outside the presence of management, with each of our independent registered public accounting firm and our internal auditors at each regularly scheduled meeting and at other times as necessary or desirable.

The Board has determined that each member of the Audit Committee is independent and satisfies the independence standards of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and related rules and regulations of the SEC and the NYSE listing standards, including the additional independence requirements for audit committee members. The Board has also determined that each member of the Audit Committee is financially literate and qualifies as an "audit committee financial expert" for purposes of the SEC's rules.

Audit Committee Report

Management has primary responsibility for our financial statements and the reporting process, including our systems of internal controls, subject to oversight by the Audit Committee on behalf of the Board. In fulfilling its oversight responsibilities, the Audit Committee has reviewed and discussed with management our audited financial statements for the year ended December 31, 2012, including the quality, not just the acceptability, of our accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee has reviewed and discussed with the independent registered public accounting firm, who is responsible for expressing an opinion on the conformity of those audited financial statements with accounting principles generally accepted in the United States, its judgments as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards, including Statement on Auditing Standards No. 16, *Communications with Audit Committees*, which superseded Statement on Auditing Standards No. 61, as amended and as adopted by the Public Company Accounting Oversight Board (the "PCAOB") in Rule 3200T. The Audit Committee has also

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received the written disclosures and the letter from the independent registered public accounting firm required by applicable PCAOB rules regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence. In addition, the Audit Committee has discussed with the independent registered public accounting firm that firm's independence from Ventas and its management, and the Audit Committee has considered the compatibility of non-audit services with the firm's independence.

The Audit Committee has discussed with the independent registered public accounting firm the overall scope and plans for its audit. The Audit Committee meets regularly with the independent registered public accounting firm, with and without management present, to discuss the results of its examination of our financial statements, its evaluations of our internal controls, and the overall quality of our financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2012 for filing with the SEC. The Audit Committee also recommended, and the Board approved, the selection of our independent registered public accounting firm for fiscal year 2013.

AUDIT COMMITTEE

Robert D. Reed, Chair
Sheli Z. Rosenberg
Glenn J. Rufrano

EXECUTIVE COMMITTEE

The Board has delegated to the Executive Committee the power to direct the management of our business and affairs in emergency situations during intervals between meetings of the Board, except for matters specifically reserved for the Board and its other committees. The Executive Committee exercises its delegated authority only under extraordinary circumstances and has not held a meeting since 2002.

EXECUTIVE COMPENSATION COMMITTEE

The Compensation Committee has primary responsibility for the design, review, approval and administration of all aspects of our executive compensation program. The Compensation Committee reviews the performance of, and makes all compensation decisions for, each of our executive officers other than our Chief Executive Officer. The Compensation Committee also reviews the performance of, and makes compensation recommendations for, our Chief Executive Officer. Final decisions regarding compensation for our Chief Executive Officer are made by the independent members of the Board, taking into consideration the Compensation Committee's recommendations.

The Compensation Committee meets throughout the year to review our compensation philosophy and its continued alignment with our business strategy and to consider and approve our executive compensation program for the subsequent year. The Compensation Committee, with the assistance of a nationally recognized, independent compensation consultant, discusses changes, if any, to the program structure, assesses the appropriate peer companies for benchmarking purposes, sets base salaries and annual and long-term incentive award levels, establishes the applicable performance

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metrics under our annual and long-term incentive plans, and determines annual and long-term incentive awards for our executive officers.

Our executive officers provide support to the Compensation Committee by coordinating meeting logistics, preparing and disseminating relevant financial and non-financial company information and relevant data concerning our peer comparators as a supplement to the comparative market data prepared by the independent compensation consultant, and making recommendations with respect to performance metrics and related goals. Our Chief Executive Officer attends meetings at the Compensation Committee's request and recommends to the Compensation Committee compensation changes affecting the other executive officers. However, our Chief Executive Officer plays no role in setting her own compensation. Also at the Compensation Committee's request, our General Counsel, our Corporate Secretary and our Chief Human Resources Officer attend meetings to act as secretary and record the minutes of the meetings, provide updates on legal developments and make presentations regarding certain organizational matters. The Compensation Committee meets separately in executive session, without management present, at each regularly scheduled meeting and at other times as necessary or desirable.

The Compensation Committee meets during the first quarter of each year, typically in January, to review the achievement of pre-established performance metrics for the prior year, to determine the appropriate annual and long-term incentive awards for executive officers based on that prior-year performance and to approve grants of equity awards to our executive officers and, upon management's recommendation, other employees. Our executive officers provide support to the Compensation Committee in this process, and the Chief Executive Officer makes award recommendations with respect to the other executive officers.

The Board has determined that each member of the Compensation Committee is independent and satisfies the independence standards of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the related NYSE listing standards. The Board has also determined that each member of the Compensation Committee meets the additional requirements for "outside directors" set forth in Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and "non-employee directors" set forth in Rule 16b-3 under the Exchange Act.

Compensation Committee Interlocks and Insider Participation

During the year ended December 31, 2012, Messrs. Gellert, Gilchrist and Shelton and Thomas C. Theobald (through May 17, 2012) served on the Compensation Committee. No member of the Compensation Committee is, or has been, employed by us or our subsidiaries or is an employee of any entity for which any of our executive officers serves on the board of directors.

Independent Compensation Consultant

Under its charter, the Compensation Committee has authority to retain compensation consultants, outside counsel and other advisors that the Compensation Committee deems appropriate, in its sole discretion, to assist it in discharging its duties and to approve the terms of retention and fees to be paid to those consultants, counsel and advisors. Any compensation consultant engaged by the Compensation Committee reports to the Compensation Committee and receives no fees from us that are unrelated to its role as advisor to our Board and its committees. Although a compensation consultant may periodically interact with company employees to gather and review information related to our executive compensation program, this work is done at the direction and subject to the oversight of the Compensation Committee. Pursuant to the Compensation Committee charter, any compensation consultant retained by the Compensation Committee must be independent, as determined annually by the Compensation Committee in its reasonable business judgment, considering the specific independence factors set forth in Rule 10C-1 under the Exchange Act and all other relevant facts and circumstances.

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Pearl Meyer & Partners ("PM&P") has served as the Compensation Committee's independent compensation consultant since 2006. In 2012, the Compensation Committee retained PM&P to advise it and the independent members of the Board, as applicable, on matters related to our executive compensation levels and program design for 2013. The Compensation Committee reviews the scope of work provided by PM&P on an annual basis and, in connection with PM&P's engagement in 2012, determined that PM&P met the independence criteria under our Compensation Consultant Independence Policy. In 2012 and 2013, the Nominating Committee, after notifying the Compensation Committee, separately retained PM&P to advise it and the Board on certain non-employee director compensation matters. PM&P and its affiliates did not perform any other consulting services for us during the year ended December 31, 2012, and PM&P's work for the Board and its committees has raised no conflict of interest.

INVESTMENT COMMITTEE

The function of the Investment Committee is to review and approve proposed acquisitions and dispositions of properties and other investments meeting applicable criteria, in accordance with our Amended and Restated Investment and Divestiture Approval Policy.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The Nominating Committee is responsible for matters of corporate governance and matters relating to the practices, policies and procedures of the Board, such as: identifying individuals qualified to become members of the Board; selecting, or recommending to the Board for selection, director-nominees; making recommendations to the Board regarding committee structure and composition; reviewing and making recommendations to the Board regarding the amount and type of compensation to be paid to our non-employee directors; overseeing evaluation of the Board and Board committees; developing and recommending to the Board a set of corporate governance guidelines and the corporate code of ethics; and generally advising the Board on corporate governance and related matters.

The Board has determined that each member of the Nominating Committee is independent and satisfies the NYSE listing standards.

CORPORATE GOVERNANCE

Governance Policies

Our Guidelines on Governance reflect the fundamental corporate governance principles by which our Board and its committees operate. These guidelines set forth general practices the Board follows with respect to Board structure and function, Board and committee organization and composition, and Board conduct. These guidelines are reviewed at least annually by the Nominating Committee and are updated periodically in response to changing regulatory requirements, evolving corporate governance practices, input from our stockholders and otherwise as circumstances warrant.

All of our directors and employees, including our Chief Executive Officer, our Chief Financial Officer and our Chief Accounting Officer and Controller, as well as all of the directors and officers of our subsidiaries, are required to comply with our Code of Ethics and Business Conduct, which establishes consistent legal and ethical standards for conducting our business. Our Code of Ethics and Business Conduct covers all significant areas of professional conduct, including employment practices, conflicts of interest, unfair or unethical use of corporate opportunities, protection of confidential information and other company assets, compliance with applicable laws and regulations, political activities and other public policy matters, and proper and timely reporting of financial results. See also " Public Policy Matters."

Our Guidelines on Governance and our Code of Ethics and Business Conduct are available in the Corporate Governance section of our website at *www.ventasreit.com/investor-relations/corporate-governance*. In addition, we will provide a copy of our Guidelines on Governance or our Code of Ethics and Business Conduct, without charge, upon request to our Corporate Secretary at Ventas, Inc., 353 North Clark Street, Suite 3300, Chicago, Illinois 60654. Waivers from, and amendments to, our Code of Ethics and Business Conduct that apply to our Chief Executive Officer, Chief Financial Officer or persons performing similar functions will be timely posted on our website at *www.ventasreit.com*. The information on our website is not a part of this Proxy Statement.

Transactions with Related Persons

Our Board has an unwritten policy requiring that any transaction between us and any of our officers, directors or their affiliates be approved by the disinterested members of the Board and be on terms no less favorable to us than those available from unaffiliated parties. Pursuant to its charter, our Audit Committee has responsibility for reviewing any such transaction and all other conflicts of interest or similar matters involving any of our officers or directors. Our Code of Ethics and Business Conduct requires our officers and directors to disclose in writing to our General Counsel any existing or proposed transaction in which he or she has a personal interest, or in which there is or might appear to be a conflict of interest by reason of his or her connection to another business organization. Our General Counsel reviews these matters with the Presiding Director to determine whether the transaction raises a conflict of interest that warrants review and approval by the Audit Committee or the disinterested members of the Board.

Transactions with Atria Senior Living, Inc. and Lazard Frères Real Estate Investors L.L.C.

For the period from January 1, 2012 to December 21, 2012, we paid $33.9 million in management fees to Atria Senior Living, Inc. ("Atria") pursuant to long-term management agreements with respect to certain of our seniors housing communities. Mr. Lustig, a member of our Board since May 2011, served as Chairman of Atria until December 21, 2012, when we acquired 100% of the Funds previously managed by LFREI, which Funds own a 34% interest in Atria and 3.7 million shares of our common stock. Affiliates of LREP and LAI, for whom Mr. Lustig serves as Chief Executive Officer and Managing Principal, and Managing Director, respectively, received aggregate proceeds of approximately $22.9 million in consideration for their ownership interests in the Funds we acquired, while affiliates of Lazard Frères & Co. LLC ("Lazard"), for whom Mr. Lustig serves as Managing Partner of North America Investment Banking as well as Head of Real Estate, Gaming and Lodging, received aggregate proceeds of approximately $9.0 million.

Mr. Lustig did not participate in any Board discussions regarding the management agreements with Atria or our acquisition of the Funds. The disinterested members of the Board approved the terms of the management agreements with Atria and the terms of our acquisition of the Funds, which we believe are no less favorable to us than those available from an unaffiliated party.

Transactions with Cushman

From time to time, we engage Cushman to act as a leasing agent or broker with respect to certain of our properties. Mr. Rufrano is President and Chief Executive Officer of Cushman and has served as a member of our Board since June 2010. In 2011, we paid Cushman an aggregate of $10,000 in fees for leasing agent and brokerage services. We paid no fees to Cushman for such services in 2012. We believe that any fees we pay to Cushman in connection with the provision of these services are customary, represent market rates and are no less favorable to us than the terms available from an unaffiliated party.

Transactions with Mr. Pasquale

In connection with our acquisition of NHP, we entered into an agreement (the "Pasquale Employment Agreement") with Mr. Pasquale pursuant to which he served as Senior Advisor to our Chief Executive Officer from July 1, 2011 through December 31, 2011 and under which he is entitled to receive substantially the same severance benefits that he would have received if he had resigned for "Good Reason" under his prior employment with NHP. Pursuant to the terms of the Pasquale Employment Agreement, in 2012, Mr. Pasquale received approximately $3.0 million representing certain severance benefits and deferred compensation as well as continued medical and life insurance coverage and payment of certain dividend equivalent rights. Mr. Pasquale was subject to certain noncompetition and nonsolicitation restrictive covenants under the Pasquale Employment Agreement until June 30, 2012. The disinterested members of the Board approved the terms of the Pasquale Employment Agreement in connection with its approval of the NHP acquisition, and we believe that its terms are no less favorable to us than those available from an unaffiliated party.

Transactions with Sutter Health

In 2011, we entered into a joint venture with Pacific Medical Buildings LLC to develop a new MOB located on the Sutter Medical Center Castro Valley campus. Our 82.8% interest in the building is subject to a ground lease from Sutter Health, which requires the joint venture to pay annual rent to Sutter Health in the amount of $60,000. The MOB is 100% leased by Sutter Health pursuant to long-term triple net leases that initially require aggregate annual rent of approximately $2.2 million, which is less than one-tenth of one percent (0.1%) of Sutter Health's 2012 consolidated gross revenues. Pending completion of the development, we did not pay or receive any amounts under the lease agreements with Sutter Health in 2012. Mr. Reed, Senior Vice President and Chief Financial Officer of Sutter Health, has served as a member of our Board since March 2008. We believe the terms of the leases with Sutter Health are no less favorable to us than those available from an unaffiliated party.

Risk Management

While management has responsibility for identifying and managing our exposure to risk on a daily basis, our Board plays an active and primary role in overseeing the processes we establish to assess, monitor and mitigate that exposure. The Board, directly and indirectly through its committees, routinely discusses with management the significant risks facing our company and reviews the guidelines, policies and procedures we have in place to address those risks, such as our approval process for acquisitions, dispositions and other investments. At Board and committee meetings, directors receive information and in-depth presentations from management and third-party experts with respect to specific areas of risk, and the Board engages in comprehensive analyses and dialogue regarding those risks. This process enables the Board to focus on the strategic, financial, operational, legal, regulatory and other risks that are most significant to us and our business, and ensures that the risks we face are well understood, mitigated to the extent reasonable and consistent with the Board's view of our risk profile and risk tolerance.

In addition to the overall risk oversight function administered directly by the Board, each of the Audit, Compensation, Nominating and Investment Committees exercises oversight related to the risks associated with the particular responsibilities of that committee. The Audit Committee reviews

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financial, accounting and internal control risks and the mechanisms through which we assess and manage risk, in accordance with NYSE requirements, and has certain responsibilities with respect to our compliance programs, such as our Code of Ethics and Business Conduct and Whistleblower Policy and Procedures. The Compensation Committee, as discussed in greater detail below, evaluates whether the structure of our compensation programs, as they relate to both executive officers and employees generally, encourages excessive risk-taking, the Nominating Committee focuses on risks related to corporate governance and succession planning, and the Investment Committee is responsible for overseeing certain transaction-related risks, including the review of transactions in excess of certain thresholds, with existing tenants, operators, borrowers or managers, or that involve investments in non-core assets. The chairs of these committees report on such matters to the full Board at each regularly scheduled Board meeting and other times as appropriate. We believe that this division of responsibilities is the most effective approach for identifying and addressing the risks facing us. Through Ms. Cafaro's service as Chief Executive Officer and Chairman, our Board leadership structure appropriately supports the Board's role in risk oversight by facilitating prompt attention by the Board and its committees to the significant risks identified by management in our day-to-day operations.

Compensation Risk Assessment

As part of the Board's risk oversight role, the Compensation Committee annually considers whether our compensation policies and practices for all employees, including our executive officers, create risks that are reasonably likely to have a material adverse effect on our company. In connection with its risk assessment in 2013, the Compensation Committee reviewed a report prepared by management regarding our existing compensation plans and programs, including our severance and change-in-control arrangements, in the context of our business risk environment. In its review, the Compensation Committee noted several design features of our compensation programs that reduce the likelihood of excessive risk-taking, including, without limitation:

A balanced mix of cash and equity compensation with a strong emphasis on performance-based annual and long-term incentive awards;

Multiple performance metrics with payouts capped and subject to the Compensation Committee's and the independent Board members' overall assessment of performance;

Regular review of comparative compensation data to maintain competitive compensation levels in light of our industry, size and performance;

Annual and long-term incentive award opportunities that are based on a range of performance outcomes, do not provide minimum guaranteed payouts and are plotted along a continuum;

Equity compensation weighted more heavily towards restricted stock than stock options to provide greater incentive to create and preserve long-term stockholder value;

Equity incentive awards granted for prior-year performance with multi-year vesting schedules to enhance retention;

Minimum stock ownership guidelines that align with long-term stockholder interests; and

Restrictions on engaging in derivative and other hedging transactions in our securities and on holding our securities in margin accounts or otherwise pledging our securities to secure loans.

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Based on its evaluation, the Compensation Committee determined, in its reasonable business judgment, that our compensation practices and policies for all employees do not encourage excessive risk-taking and instead promote behaviors that support long-term sustainability and stockholder value creation.

Public Policy Matters

We are committed to ethical business conduct and expect our directors, officers and employees to act with integrity and to conduct themselves and our business in a way that protects our reputation for fairness and honesty. Consistent with these principles and our Code of Ethics and Business Conduct, we have established the policies described below with respect to political contributions and other public policy matters.

Political Contributions and Expenditures

We do not use corporate funds or resources for political purposes, including direct contributions to political candidates, parties, campaigns or causes or indirect contributions through intermediary organizations such as political action committees. Corporate resources include non-financial donations, such as the use of our property in a political campaign or our employees' use of work time and telephones to solicit for a political cause or candidate.

Public Policy Advocacy

We do not have a political action committee. However, we may advocate a position, express a view or take other appropriate action with respect to legislative or political matters affecting our company or our interests. We may also ask our employees to make personal contact with governmental officials or to write letters to present our position on specific issues. Any such advocacy is done in compliance with applicable laws and regulations.

Individual Political Activity

We believe that our directors, officers and employees have rights and responsibilities to participate in political activities as citizens, including voting in elections, keeping informed on political matters, serving on civic bodies and contributing financially to, and participating in the campaigns of, the political candidates of their choice. Accordingly, our directors, officers and employees are not constrained from engaging in political activities, making political contributions, expressing political views or taking other appropriate action on any political or legislative matter, so long as they are acting in their individual capacity, on their own time and at their own expense. Individual directors, officers and employees acting in their individual capacity must not give the impression that they are speaking on our behalf or representing our company.

Relationships with Government Officials

Our directors, officers and employees may not maintain any relationship or take any action with respect to public officials that could impugn our integrity or reputation. In particular, our directors, officers and employees may not offer, promise or give anything of value, including payments, entertainment and gifts, to any government official, employee, agent or other intermediary of the United States government or any domestic or foreign government.

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OUR EXECUTIVE OFFICERS

Set forth below is certain biographical information concerning each of our executive officers. Ages shown for all executive officers are as of the date of the Annual Meeting.

Name, Age and Position	Business Experience
Debra A. Cafaro, 55 *Chairman and* *Chief Executive Officer*	Ms. Cafaro's biographical information is set forth in this Proxy Statement under "Proposals Requiring Your Vote Proposal 1: Election of Directors."
Raymond J. Lewis, 48 *President*	Mr. Lewis was named President of Ventas in November 2010. He previously served as our Executive Vice President and Chief Investment Officer from 2006 to November 2010 and as our Senior Vice President and Chief Investment Officer from 2002 to 2006. Prior to joining us in 2002, he was managing director of business development for GE Capital Healthcare Financial Services, a division of General Electric Capital Corporation ("GECC"), which is a subsidiary of General Electric Corporation, where he led a team focused on mergers and portfolio acquisitions of healthcare assets. Before that, Mr. Lewis was Executive Vice President of Healthcare Finance for Heller Financial, Inc. (which was acquired by GECC in 2001), where he had primary responsibility for healthcare lending. Mr. Lewis is Chairman Emeritus of the National Investment Center for the Seniors Housing & Care Industry ("NIC"). He is also currently a member of the Executive Board of the American Seniors Housing Association where he serves as Secretary and Treasurer on the Executive Committee.
John D. Cobb, 41 *Executive Vice President and Chief Investment Officer*	Mr. Cobb was named Executive Vice President and Chief Investment Officer in March 2013, prior to which he served as Senior Vice President and Chief Investment Officer since he joined Ventas in 2010. From 2008 to 2010, he was President and Chief Executive Officer of Senior Lifestyle Corporation, where he led the strategic direction of a 9,000+ unit retirement company with over 3,400 employees. Prior to that, he held various positions with GE Healthcare Financial Services, a division of General Electric Capital Corporation, which is a subsidiary of General Electric Corporation, with the last being Senior Managing Director, where he led a team focused on debt and equity investments of healthcare real estate totaling over $9 billion. Mr. Cobb has served as a director of NIC, and he is currently a member of the Executive Board of the American Seniors Housing Association.
Todd W. Lillibridge, 57 *Executive Vice President, Medical Property Operations; President and Chief Executive Officer, Lillibridge Healthcare Services, Inc.*	Mr. Lillibridge joined us as Executive Vice President, Medical Property Operations in July 2010. Mr. Lillibridge also serves as President and Chief Executive Officer of our subsidiary, Lillibridge Healthcare Services, Inc. ("Lillibridge"), where he is responsible for the strategic focus, vision and overall leadership of our MOB operations. Prior to joining Lillibridge's predecessor in 1982, and subsequently establishing Lillibridge & Company, Mr. Lillibridge was employed by Baird & Warner, Inc. of Chicago, Illinois, serving in the real estate finance group and the development division. He is a member of the Economic Club of Chicago, the World Presidents' Organization of Chicago and the Board of Directors of the Joffrey Ballet.

Name, Age and Position	Business Experience
T. Richard Riney, 55 *Executive Vice President, Chief Administrative Officer and General Counsel*	Mr. Riney has been our Executive Vice President and General Counsel since 1998, was named our Chief Administrative Officer in 2007 and also served as our Corporate Secretary from 1998 to 2012. From 1996 to 1998, he served as Transactions Counsel for our predecessor, Vencor, Inc. Prior to that, Mr. Riney practiced law with the law firm of Hirn, Reed & Harper, where his areas of concentration were real estate and corporate finance. Mr. Riney serves on the Centre College President's Advisory Council. He is admitted to the Bar in Kentucky and is a member of the National Association of Real Estate Investment Trusts ("NAREIT").
Richard A. Schweinhart, 63 *Executive Vice President and Chief Financial Officer*	Mr. Schweinhart has been our Executive Vice President and Chief Financial Officer since 2006, prior to which he served as our Senior Vice President and Chief Financial Officer from 2002 to 2006, after briefly serving as a full-time consultant to Ventas. From 1998 to 2002, he served as Senior Vice President and Chief Financial Officer for Kindred Healthcare, Inc. (NYSE: KND), where he was responsible for all financial aspects of the company, including accounting, finance, purchasing, insurance, tax, reimbursement and internal control. Prior to that, Mr. Schweinhart was Senior Vice President of Finance for HCA Inc. ("HCA"), Chief Financial Officer at Galen Health Care, Inc. (a spin-off of Humana Inc. ("Humana")) prior to its acquisition by HCA and Senior Vice President of Finance at Humana. He is a Certified Public Accountant.

EXECUTIVE COMPENSATION

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the following Compensation Discussion and Analysis and, based on such review and discussion, has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

COMPENSATION COMMITTEE

Jay M. Gellert, Chair
Richard I. Gilchrist
James D. Shelton

Compensation Discussion and Analysis

This Compensation Discussion and Analysis ("CD&A") describes our 2012 compensation program for our principal executive officer (Ms. Cafaro), our principal financial officer (Mr. Schweinhart) and the three other individuals who served as executive officers during 2012 (Messrs. Lewis, Lillibridge and Riney) (collectively, our "Named Executive Officers"). In particular, this CD&A explains the overall objectives of our executive compensation program, how each element of our executive compensation program is designed to satisfy those objectives, the policies underlying our 2012 compensation program and the compensation awarded to our Named Executive Officers for 2012. This discussion contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Future compensation programs that we adopt may differ materially from currently planned programs.

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Executive Summary

Through our executive compensation program, we strive to attract, retain and motivate talented executives and link the compensation realized by our executive officers to the achievement of financial and strategic corporate goals and individual goals. Our executive compensation program emphasizes variable pay over fixed pay, and a significant portion of total direct compensation is in the form of equity awards that vest over time. Our approach to performance-based compensation provides balanced incentives for our executive officers that align their interests with our stockholders and discourage excessive risk-taking.

2012 Accomplishments

2012 was another outstanding year for Ventas, as we continued to deliver superior total returns to stockholders. We grew internally from exceptional performance in our portfolio and externally by executing on our long-term strategy and successfully completing $2.7 billion of diversifying investments. At the same time, we retained our significant financial strength and flexibility and improved our attractive cost of capital. Our 2012 compensation decisions reflected our exceptional financial and operational performance during the year, supporting our pay-for-performance compensation philosophy. The highlights of our 2012 accomplishments include the following:

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We delivered our tenth consecutive year of growth in normalized FFO, which increased 44% to $1.1 billion, while our normalized FFO per diluted share rose 13% to $3.80. Our normalized FFO per diluted share, excluding non-cash items, increased 10% year over year.

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Our cash flows from operations rose to nearly $1.0 billion, an increase of 28% year over year (74% excluding $202.3 million of net litigation proceeds received in 2011), and same-store cash NOI for our total portfolio (excluding the management fees paid to Sunrise, which were temporarily reduced for 2011) increased 4.4% year over year.

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We delivered TSR of 22.3% in 2012, which approximated the 75^{th} percentile of our peer group. Our TSR for the three-, five- and ten-year periods ended December 31, 2012 was 68.4%, 82.7% and 835.4%, respectively, ranking us first among our peer group for the ten-year period. We outperformed the S&P 500 index and the RMZ index for each of the one-, three-, five- and ten-year periods ended December 31, 2012.

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Reflecting our growth in scale, our 2012 NOI approximated $1.5 billion. At December 31, 2012, we were the fourth largest REIT by market capitalization ($18.9 billion) and the eighth largest REIT by enterprise value ($27.3 billion).

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We provided our stockholders with an annual cash dividend on our common stock of $2.48 per share, which represents an 8% increase over 2011. Since 2002, our cash dividend has increased at a compound annual growth rate of 10%.

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We are one of only 21 REITs whose common stock has achieved a double-digit percentage increase in trading price since the peak of the REIT equity market in early 2007, as compared to more than 60 REITs whose common stock has experienced a double-digit percentage decline in trading price over the same time period. Our flexibility, risk management, strategy and ability to execute and adapt quickly contributed to our excellent performance while avoiding significant value destruction during a global economic downturn.

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We further expanded and diversified our portfolio by completing $2.7 billion of investments, including through the acquisitions of (1) Cogdell and its 71 real estate assets (including properties owned through joint ventures) and MOB business, (2) 16 seniors housing communities managed by Sunrise and (3) the Funds previously managed by LFREI, which Funds own a 34% interest in Atria and 3.7 million shares of our common stock. Private pay assets accounted for approximately 97% of our 2012 real estate investments, and the unlevered cash yield on these investments was nearly 8% (measured at year end).

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Our effective cash interest rate improved 70 basis points, as we raised $2.6 billion of new capital ($2.4 billion of senior unsecured notes and a new $180.0 million unsecured term loan) with a weighted average stated interest rate of 3.2% and a weighted average maturity at the time of issuance of 7.7 years. We also redeemed or repaid $780.4 million principal amount of our outstanding unsecured debt and $344.2 million of mortgage debt.

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We ended the year with a strong balance sheet, demonstrated by our fixed charge coverage ratio of 4.2x and net debt to adjusted pro forma EBITDA of 5.4x. The strength of our balance sheet and our credit profile was recognized by Moody's in December 2012, as it improved the outlook on our corporate credit rating from stable to positive.

2012 Compensation Practices

Following a review of individual performance in 2011 and compensation data from a group of peer comparators (as described below under " Compensation Consultant and Benchmarking"), each of our Named Executive Officers received an increase in base salary for 2012 to more closely align with market competitive levels.

In addition, in recognition of our Named Executive Officers' contributions to the achievements described above and our performance with respect to the specific metrics described below under "Elements of Our Compensation Program," the Compensation Committee and the independent members of the Board determined that the Named Executive Officers' performance-based incentive awards should approach the maximum level, as follows:

The cash incentive awards granted to our Named Executive Officers for 2012 performance ranged from 92% to 99% of their respective maximum levels; and

The long-term equity incentive awards granted to our Named Executive Officers in January 2013 for 2012 performance ranged from 80% to 95% of their respective maximum levels.

During 2012, we continued our commitment to responsible compensation and corporate governance practices, including through the following:

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The structure of our executive compensation program includes a balanced mix of cash and equity compensation with a strong emphasis on performance-based annual and long-term incentive awards;

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The value of our Named Executive Officers' incentive awards are based on multiple performance metrics that promote stockholder value with payouts capped and subject to the Compensation Committee's or the independent Board members' overall assessment of performance;

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The long-term equity incentive awards granted to our Named Executive Officers for prior-year performance have time-based vesting schedules to enhance retention and alignment with long-term stockholder value;

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Our Compensation Committee, which is comprised solely of independent directors, engages an independent compensation consultant to advise on matters related to our executive compensation program;

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We maintain meaningful share ownership guidelines for our executive officers and non-employee directors;

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Our Compensation Committee annually assesses the potential risks of our compensation policies and practices;

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Our executive officers receive limited perquisites and other personal benefits that are not otherwise generally available to all of our employees; and

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Our Securities Trading Policy and Procedures prohibits our executive officers and directors from engaging in derivative and other hedging transactions in our securities, and it restricts our executive officers and directors from holding our securities in margin accounts or otherwise pledging our securities to secure loans without the prior approval of the Audit Committee (no executive officer or director pledged or held our securities in margin accounts at any time during 2012).

2012 Advisory Vote on Executive Compensation and Stockholder Outreach

The Board has determined that an advisory vote to approve our executive compensation will be submitted to our stockholders on an annual basis. At our 2012 Annual Meeting of Stockholders, holders of approximately 65% of the shares represented at the meeting voted to approve, on an advisory basis, our executive compensation. Although a significant majority continued to support our executive compensation program, the result of the 2012 vote was in contrast to the approximately 96% that supported our executive compensation program in 2011. The level of support declined despite (a) the absence of significant changes to our general executive compensation program between the 2011 and 2012 Annual Meetings, (b) in the view of our Board, the strong alignment between our executive pay and performance both in 2011 and over longer time periods (see chart below) and (c) the quantitative alignment between our executive pay and performance as measured by stockholder advisory groups.

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The chart below demonstrates our pay-for-performance alignment by comparing, for each of the past five years, the total compensation of our Chief Executive Officer, as reported in the Summary Compensation Table contained in our proxy statements pursuant to the SEC's rules, to our prior-year performance relative to the RMZ index.[1]

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(1) The TSR point above each column is TSR for the preceding year, as long-term incentive compensation decisions are made in January of each year with reference to prior-year performance, including TSR. The vertical axis on the left reflects year-to-year TSR performance indexed to a 2006 base year.

In connection with our 2012 Annual Meeting of Stockholders and in the months following the meeting, we engaged in a broad outreach program to discuss our executive compensation practices with our stockholders. Over the past year, we have discussed our executive compensation program with, or solicited feedback from, institutional investors that hold approximately 75% of the outstanding shares of our common stock. In advance of our 2012 Annual Meeting, we invited our 50 largest stockholders to engage in discussions about our executive compensation program. Following the results of the advisory vote on executive compensation at our 2012 Annual Meeting, we conducted additional outreach with our five largest stockholders (holding approximately 34% of the outstanding shares of our common stock) and our five largest stockholders that voted against our executive compensation at our 2012 Annual Meeting (holding approximately 6% of the outstanding shares of our common stock) to provide a forum for such stockholders to share their comments regarding the structure of our program. Together, these stockholders represented approximately 50% of the votes cast at our 2012 Annual Meeting, including approximately 30% of the votes cast against the advisory vote on our executive compensation.

From our discussions, we learned that our stockholders generally approve of the structure of our executive compensation program and support the pay-for-performance alignment we have consistently demonstrated. Based on our discussions with stockholders and stockholder advisory groups, we believe the year-over-year decline in support for our executive compensation program was primarily attributable to a one-time special equity retention grant to our Chief Executive Officer in 2011, which is not a continuing feature of our executive compensation program. Due to the unique nature of the equity grant and based on the positive feedback we have received from our stockholders regarding our

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pay-for-performance alignment, our consistent delivery of superior TSR, and our executive compensation program generally, the Compensation Committee and the independent members of the Board have determined that substantial changes to the structure of our compensation program would be inappropriate and contrary to our stockholders' expectations. However, consistent with the value our Board places on continuing and constructive feedback from our stockholders, our executive compensation program and the related disclosure in this CD&A reflect the following enhancements for 2012:

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Changes to the comparative group of peer companies that the Compensation Committee and the independent members of the Board use for compensation purposes to position us closer to the median in terms of market capitalization and enterprise value in light of our significant growth (see "Compensation Consultant and Benchmarking" below);

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Changes to our benchmarking practices to target to the median (previously 65th percentile) of our comparative group of peer companies (see "Compensation Consultant and Benchmarking" below); and

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Expansion of the disclosures in this CD&A regarding the performance metrics considered by the Compensation Committee and the independent members of the Board, including how such metrics contributed to the determination of the value of our Named Executive Officers' incentive awards and support our pay-for-performance philosophy (see "Elements of Our Compensation Program Annual Cash Incentive Compensation" and " Long-Term Equity Incentive Compensation" below).

In addition to the changes described above, the Board reviewed our long-term incentive plan in the context of the input we received from certain of our stockholders. Notwithstanding the fact that our long-term equity incentive awards have historically been 100% performance-based, certain stockholders questioned the discretion available to the Board in evaluating the performance achieved by our Named Executive Officers and the effect that this discretion could have on the value of the long-term equity incentive awards. For this reason, beginning with the 2013 compensation cycle, 50% of the value of our Named Executive Officers' long-term equity incentive awards will be determined solely by achievement of quantitative performance metrics that are not subject to Compensation Committee or Board discretion. Of this 50% quantitative portion, 70% will be based on our one- and three-year relative TSR performance, and the remaining 30% will be based on maintaining a strong balance sheet, a key measure of risk management. The other 50% of the value of our Named Executive Officers' long-term equity incentive awards will continue to be based on performance metrics that that enable the Compensation Committee and the independent members of the Board to use their discretion to reward actions that preserve long-term stockholder value and discourage excessive risk-taking. Although the Compensation Committee and the independent members of the Board believe that this 50/50 split between a fixed quantitative evaluation of performance and a more qualitative evaluation provides the appropriate incentive structure and balance to drive long-term stockholder value and discourage excessive risk-taking at the current time, they will continue to evaluate our long-term incentive plan in the context of our overall executive compensation program and our business needs and based on feedback from our stockholders.

The Compensation Committee and the independent members of the Board have carefully evaluated our overall executive compensation program and believe that, with the changes discussed above, it is well designed to achieve our objectives of retaining talented executives and rewarding superior performance in the context of our business risk environment. We believe that the changes implemented address the constructive feedback we received in the course of our 2012 stockholder

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outreach program and demonstrate our commitment to pay-for-performance and responsiveness to our stockholders.

Objectives of Our Compensation Program

We recognize that effective compensation strategies are critical to recruiting and retaining key employees who contribute to our long-term success and thereby create value for our stockholders. Accordingly, our compensation program is designed to achieve the following primary objectives:

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Attract, retain and motivate talented executives;

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Link realized compensation to the achievement of pre-established financial and strategic company goals, as well as individual goals;

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Reward performance that meets or exceeds these goals;

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Encourage executives to become and remain long-term stockholders of Ventas;

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Provide balanced incentives that do not promote excessive risk-taking;

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Provide flexibility that incentivizes our executive officers to manage risk and allows them to adjust to meet rapidly changing market and business conditions; and

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Maintain compensation and corporate governance practices that are designed to deliver consistent, superior total returns to stockholders.

We align the interests of our executive officers and stockholders by maintaining a performance- and achievement-oriented environment that provides executives with the opportunity to earn market-competitive levels of cash and equity compensation for strong performance measured against key financial and strategic goals.

Compensation Consultant and Benchmarking

The Compensation Committee retained PM&P as its independent compensation consultant to advise it and the independent members of our Board on matters related to our Named Executive Officers' compensation and compensation program design for 2012. At the time of engagement, the Compensation Committee reviewed PM&P's independence for 2012, determined that PM&P met the independence criteria under our Compensation Consultant Independence Policy and determined that PM&P's engagement raised no conflict of interest. In 2013, the Compensation Committee recommended, and the Board approved, changes to our Compensation Committee charter to incorporate the standalone Compensation Consultant Independence Policy and to reflect the adoption of rules regarding compensation consultant independence by the SEC and the NYSE, and the Compensation Committee determined that PM&P met the independence criteria under our revised Compensation Committee charter.

In 2012, PM&P provided the Compensation Committee and the independent members of our Board with comparative market data on compensation practices and programs based on its analysis of a group of peer companies (the "Comparable Companies") and provided guidance on compensation best practices. Using this market data, PM&P advised the Compensation Committee and the independent members of our Board and made recommendations with respect to setting base salaries and incentive award levels for our executive officers.

In determining 2012 compensation targets for our Named Executive Officers, the Compensation Committee, in consultation with PM&P, considered the competitive positioning of our executive compensation levels relative to compensation data for the Comparable Companies with respect to the following components of pay: base salary; total annual compensation (base salary plus annual incentives); long-term incentives (annualized expected value of long-term incentives); and total direct compensation (base salary plus annual incentives plus annualized expected value of long-term incentives). In 2011, due to our larger size and superior historical performance relative to our compensation comparative group, we generally targeted the median of our 2011 comparative group for base salary and the 65^{th} percentile of our 2011 comparative group for total annual compensation, long-term incentives and total direct compensation. In 2012, in connection with establishing the Comparable Companies as the appropriate comparator group for executive compensation, we revised our compensation philosophy to target the median of the Comparable Companies for each of base salary, total annual compensation, long-term incentives and total direct compensation. Our 2012 executive compensation program was designed to deliver compensation levels above or below these targets if Named Executive Officer performance exceeded or failed to achieve the goals established for the annual and long-term incentive awards. We believe this methodology is appropriate for our operating style and reflects the need to attract, retain and stretch top executive talent.

The Comparable Companies consist of REITs similar to us in terms of operations and FFO and generally falling within a range of 50% to 200% of our enterprise value and market capitalization. The Compensation Committee annually reviews the Comparable Companies to ensure that the companies included remain comparable to us in terms of size and operations and may change the composition of the group from time to time as appropriate. In August 2011, the Compensation Committee approved the 15 companies identified below as the appropriate Comparable Companies for 2012 compensation. The Comparable Companies reported compensation data for executive positions with responsibilities similar in breadth and scope to those of our executive officers, and we believe these companies generally competed with us for executive talent and stockholder investment in 2012.

Comparable Companies for 2012 Compensation

AvalonBay Communities, Inc.
Boston Properties, Inc.
Brookfield Office Properties, Inc.
Equity Residential Properties Trust
General Growth Properties, Inc.
HCP, Inc.
Health Care REIT Inc.
Host Hotels & Resorts, Inc.
Kimco Realty Corporation
Prologis, Inc.
Public Storage, Inc.
Simon Property Group, Inc.
SL Green Realty Corp.
The Macerich Company
Vornado Realty Trust

The Comparable Companies identified above reflect several changes made by the Compensation Committee in connection with its August 2011 review of the comparative group. Due to our significant growth in 2010 and 2011, our relative positioning in the comparative group had risen to the 74th percentile with respect to enterprise value and the 77th percentile with respect to equity market capitalization. Accordingly, to position us closer to the median of our peer group for 2012 comparative purposes as displayed above, the Compensation Committee, after consultation with PM&P, removed Duke Realty Corp., Federal Realty Investment Trust, Liberty Property Trust, Regency Centers Corp., Weingarten Realty Investors, and Kindred Healthcare, Inc. due to their smaller size and added Simon Property Group, Inc., General Growth Properties, Inc. and Brookfield Office Properties, Inc. because they met the applicable selection criteria (50% to 200%) in terms of enterprise value and market capitalization. In addition, the Compensation Committee removed AMB Property Corporation, which merged with Prologis, Inc. in June 2011, and Nationwide Health Properties, Inc., which was acquired by us in July 2011.

Elements of Our Compensation Program

For 2012, the compensation provided to our executive officers consisted of the same elements generally available to our non-executive officers, including base salary, annual cash incentive compensation, long-term equity incentive compensation, and other perquisites and benefits, each of which is described in more detail below. The structure of our executive compensation program has remained consistent for several years, and the feedback received from our stockholders during our 2012 stockholder outreach program was a factor considered by the Compensation Committee in continuing this structure with limited changes.

Our executive compensation philosophy promotes a compensation mix that emphasizes variable pay and long-term stockholder value. Accordingly, our compensation structure is designed such that a significant portion of total direct compensation is in the form of equity awards that vest over time. Our emphasis on variable compensation creates greater alignment with the interests of our stockholders, ensures that our business strategy is executed by decision-makers in a manner that focuses on the creation of long-term value rather than only short-term results, and encourages prudent evaluation of risks. We believe that our executive compensation program is well balanced between cash and equity-based compensation and between fixed and performance-based compensation to support our compensation philosophy.

The following charts illustrate each Named Executive Officer's target base salary, annual cash incentive compensation and long-term equity incentive compensation as a percentage of total target direct compensation for 2012 (amounts may not total to 100% due to rounding). The target direct compensation for each of Ms. Cafaro and Mr. Lewis reflects a heavier weight on long-term equity incentive compensation because the Compensation Committee believes that, due to their leadership roles as our Chief Executive Officer and President, respectively, their compensation structures should have greater alignment with our stockholders than our other Named Executive Officers.

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Base Salary

The base salary payable to each Named Executive Officer provides a fixed component of compensation that reflects the executive's position and responsibilities. Base salary is generally targeted to approximate the competitive market median of the Comparable Companies, but may deviate from this target based on an individual's sustained performance, contribution, experience, expertise and specific roles within our company as compared to the benchmark data. Base salary is reviewed annually and may be adjusted to better match competitive market levels or to recognize an executive's professional growth and development or increased responsibility. The Compensation Committee also considers the success of the executive officer in developing and executing our strategic plans, exercising leadership and creating stockholder value, but does not assign any specific weights to these factors.

In connection with its review of 2012 base salaries for our Named Executive Officers, the Compensation Committee analyzed and evaluated base salary information from a compensation study of the Comparable Companies prepared by PM&P. Although the Compensation Committee periodically considers data from REIT industry and other compensation surveys, the Compensation Committee places primary emphasis on publicly available data from the Comparable Companies' proxy statements, which is more detailed by individual executive officer position than the data typically provided in compensation surveys.

For 2012, the Compensation Committee and, in the case of the Chief Executive Officer, the independent members of our Board approved the following increases in base salary for the Named Executive Officers:

	Base Salary		**Year-Over-Year**
	2012	**2011**	**% Change**
D. Cafaro	$ 1,000,000	$ 915,000	9.3%
R. Lewis	600,000	498,000	20.5%
T. Lillibridge	400,000	375,000	6.7%
T.R. Riney	450,000	381,000	18.1%
R. Schweinhart	450,000	407,000	10.6%

These increased base salaries reflect market competitive levels such that the Named Executive Officers' 2012 base salaries ranged from 10% below to 18% above the market median for the Comparable Companies. Messrs. Lewis and Riney received larger percentage increases than our other Named Executive Officers to position their base salaries closer to the market median for the Comparable Companies.

Annual Cash Incentive Compensation

Overview. We provide our Named Executive Officers with an annual opportunity to earn cash incentive awards for achievement of pre-established company and individual goals. At the beginning of each performance year, the Compensation Committee and, in the case of the Chief Executive Officer, the independent members of our Board approve specific performance metrics and related goals and an award opportunity range (expressed as multiples of base salary and corresponding to threshold, target and maximum levels of performance) for each Named Executive Officer. We believe that the goals established by the Compensation Committee and the independent members of the Board are stretch goals, such that strong performance is expected in order to pay out at target levels and superior performance is expected in order to pay out above target levels.

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Award Opportunities. At the beginning of 2012, the Compensation Committee and, in the case of the Chief Executive Officer, the independent members of our Board approved the following annual cash incentive award opportunities for our Named Executive Officers' 2012 performance:

2012 Annual Cash Incentive Opportunity
(as a multiple of base salary)

The threshold, target and maximum annual cash incentive opportunities, as multiples of base salary, for each Named Executive Officer did not change from 2011. At target, the 2012 annual cash incentive award for each Named Executive Officer, together with such Named Executive Officer's 2012 base salary, would result in market competitive levels such that the Named Executive Officers' 2012 total target annual compensation ranged from 14% below to 5% above the market median of the Comparable Companies. The Compensation Committee believes that the Chief Executive Officer's compensation should have greater alignment with stockholders than our other executive officers, and, therefore, Ms. Cafaro's annual cash incentive opportunity has greater leverage and a wider range of outcomes than the annual cash incentive opportunities of our other Named Executive Officers.

Performance Metrics. Below is a summary of the performance metrics and goals approved by the Compensation Committee and the independent members of the Board at the beginning of 2012 for 2012 performance, the relative weighting for each performance metric and the rationale as to why each

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performance metric is an important component of our pay-for performance philosophy. Consistent with our compensation philosophy, the 2012 goals were challenging, but achievable.

Metric:	**Percentage increase in our normalized FFO per share for the year ended December 31, 2012 compared to the year ended December 31, 2011**	**Normalized FFO, 30%***

Goals: Threshold 3%
Target 5%
Maximum 7%

Why used: FFO is a common measure of operating performance for REITs because FFO excludes, among other items, the effect of gains and losses from real estate sales and real estate depreciation and amortization to allow investors, analysts and management to compare operating performance among companies and across time periods on a consistent basis. A REIT's FFO can have a significant impact on the trading price of its common stock and is, therefore, a significant contributor to TSR. Normalized FFO excludes certain items, such as asset impairment expenses, non-cash income tax items, deal costs and expenses, including expenses and recoveries relating to certain litigation, and gains and losses from marking the value of derivative instruments to market.

Metric:	**Our TSR for 2012 relative to the TSR of the Comparable Companies for the same period**	**Relative TSR, 25%***

Goals: Threshold 33^{rd} percentile
Target 50^{th} percentile
Maximum 75^{th} percentile

Why used: TSR is the most direct measure of our creation and preservation of stockholder value. By relying on a relative measure of our TSR performance, our Board mitigates the impact of broader market or industry trends that do not directly reflect our actual performance.

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Metric:	**Net debt to adjusted pro forma EBITDA as of December 31, 2012**	**Net Debt to Adjusted Pro Forma EBITDA, 10%***

Goals:

Threshold 5.75x
Target 5.50x
Maximum 5.25x

Why used: Net debt to adjusted pro forma EBITDA reflects the strength of our balance sheet and our ability to generate sufficient earnings to meet our debt obligations. A strong balance sheet is one element of our comprehensive risk management program and is especially important for REITs, which are required to distribute to stockholders a substantial portion of their annual income. A weakened financial condition can cause significant and permanent stockholder value destruction, particularly during periods such as the 2008-09 financial crisis and related economic recession. As such, a strong balance sheet is fundamental to preserving stockholder value. In addition, a strong balance sheet enables us to successfully execute on our acquisition strategy, which is an important component of long-term value creation for our stockholders.

Metric:	**Individual performance under management objectives established for each Named Executive Officer**	**Individual Performance, 35%***

Goals: Individual objectives relate to areas of special emphasis within the executive's particular responsibilities and duties, such as achieving certain cost, NOI or revenue targets, completing certain systems conversions or installations, or achieving other extraordinary or unusual accomplishments or contributions.

Why used: A review of each Named Executive Officer's annual accomplishments enables the Compensation Committee and the independent members of the Board to evaluate the specific contributions of the Named Executive Officer to our annual performance metrics and more closely link pay to performance.

* Due to Mr. Lillibridge's responsibility for the strategic focus, vision and overall leadership of our MOB operations, 60% of his award was based on the 2012 financial performance of our MOB operations segment and only 25% and 15%, respectively, of his 2012 annual cash incentive award was based on the company financial goals (normalized FFO per share, relative TSR and net debt to adjusted pro forma EBITDA in the same proportions discussed above) and individual performance goals.

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Metric:	Financial performance of our MOB operations segment for the year ended December 31, 2012	MOB Segment Performance, 60% (only for Mr. Lillibridge)
Why used:	Recognizing Mr. Lillibridge's responsibility for the strategic focus, vision and overall leadership of our MOB operations, this measure strengthens the link between Mr. Lillibridge's pay and his performance in the segment with respect to which he has the greatest impact. See " MOB Operations Segment Performance" below for a discussion of performance metrics considered by the Compensation Committee in evaluating the 2012 financial performance of our MOB operations segment.	

Performance. In the first quarter of the year following the performance year, each Named Executive Officer's performance is evaluated with respect to the applicable company and individual performance metrics and related goals to determine the earned value of the individual's annual cash incentive award, if any, within the award opportunity range. Below is a summary of our actual 2012 performance with respect to each performance metric, as determined by the Compensation Committee and the independent members of our Board in January of 2013.

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As discussed above, due to Mr. Lillibridge's responsibility for the strategic focus, vision and overall leadership of our MOB operations, only 25% and 15%, respectively, of his 2012 annual cash incentive award was based on the company financial goals (normalized FFO per share, relative TSR and net debt to adjusted pro forma EBITDA) and his individual performance objectives. The remaining portion (60%) of his award was based on the 2012 financial performance of our MOB operations segment. Below is a summary of the 2012 financial performance of our MOB operations segment, as considered by our Compensation Committee in evaluating Mr. Lillibridge's 2012 performance and determining the amount of his 2012 annual cash incentive award.

MOB OPERATIONS SEGMENT PERFORMANCE

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Segment NOI increased to $243 million in 2012, from $116 million in 2011

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Same-store cash NOI grew 2.2% year over year

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Occupancy in our stabilized portfolio was strong at 91.9% in the fourth quarter of 2012, and occupancy in our lease-up portfolio increased 200 basis points among our same-store properties from the third quarter of 2012 to the fourth quarter of 2012

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Consolidated MOB portfolio grew from 9.3 million square feet at December 31, 2011 to 16.1 million square feet at December 31, 2012, as a result of successful completion of Cogdell acquisition and other 2012 acquisitions

ü

Cogdell integration was successfully completed ahead of schedule and with greater synergies than expected

In addition to the company and MOB operations segment financial goals summarized above, the Compensation Committee and, in the case of our Chief Executive Officer, the independent members of the Board evaluated the individual performance of each Named Executive Officer with respect to individual objectives covering areas of emphasis that relate to the Named Executive Officer's particular responsibilities and duties. Below is a summary of several significant accomplishments for each of our Named Executive Officers that were considered by the Compensation Committee and the independent members of the Board in evaluating our Named Executive Officers' 2012 performance and determining the amount of their 2012 annual cash incentive awards.

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INDIVIDUAL PERFORMANCE

D. Cafaro

ü

Developed effective strategy of a balanced and diversified business model with significant scale and expanding private pay investments that can deliver results for stockholders and also actively manage risk

ü

Led successful execution of our strategy, driving financial results (normalized FFO of $3.80 per diluted share, an increase of 13% year over year) and delivering superior returns to stockholders (TSR of 22.3% for year ended December 31, 2012) through internal growth (same-store cash NOI growth in each of our business segments) and $2.7 billion of investments (including Cogdell, 16 seniors housing communities managed by Sunrise and 34% interest in Atria) while maintaining a strong balance sheet and improving our cost of capital

ü

Promoted sustained excellence through communication, culture, organization and integration and demonstrated and promoted key company values of integrity, teamwork, urgency and focus on results

ü

Retained a skilled, cohesive senior leadership team and motivated them to preserve and create short-term and long-term stockholder value

ü

Oversaw continued improvement of personnel and processes to protect stockholder value and position our company for future growth

ü

Named to the *Institutional Investor* "All-America Executive Team" for the second year in a row

ü

Represented our company externally, including with tenants, operators and managers, the investor community, industry organizations and the media, to enhance our reputation and communicate our strengths and competitive advantages

R. Lewis

ü

Drove same-store cash NOI growth in each of our triple-net leased properties, senior living operations and MOB operations reportable business segments

ü

Participated in reorganization and alignment of capital allocation and asset management functions

ü

Oversaw management of portfolio of more than 1,400 properties, including lease renewals, monitoring and management of tenant compliance and performance, asset dispositions and loan repayments

ü

Spearheaded Cogdell integration, which was successfully completed ahead of schedule, key participant in oversight of Information Technology talent and systems investments, and supervised enhanced and improved processes and significant staff additions in Acquisitions and Asset Management departments

ü

Supervised marketing and leasing process for 89 properties leased to Kindred Healthcare, Inc. whose lease term was scheduled to expire on April 30, 2013

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T. Lillibridge

ü

Propelled internal growth in our MOB operations reportable business segment

ü

Implemented enhanced processes for MOB leasing, contributing to improved occupancy for our stabilized MOB portfolio of 91.9%, compared to 91.0% at March 31, 2012

ü

Oversaw 2012 MOB acquisitions and dispositions, including acquisitions of Cogdell and its 71 real estate assets and MOB property management business, and the controlling interests in 36 additional MOBs

ü

Held key leadership role in connection with Cogdell integration and identification of cost savings and optimization in MOB operations

ü

Promoted strategic priorities throughout our MOB operations, maintaining focus on actions that drive stockholder value, and represented our MOB business externally at various industry conferences

R. Riney

ü

Oversaw the Legal department in connection with the negotiation, due diligence, documentation and closing of 2012 investments, including the acquisition of Cogdell and the Funds previously managed by LFREI that own a 34% interest in Atria

ü

Managed the successful settlement of shareholder lawsuits filed in connection with the NHP and Cogdell acquisitions

ü

Provided valuable strategic guidance to Asset Management department in connection with lease renewals and releasing of assets, tenant or operator changes of control, and asset sales

ü

Provided legal support for all capital raising activities, including the issuance of $2.4 billion of senior unsecured notes and the public offering of approximately six million shares of our common stock

ü

Proactively implemented process improvements for Board and committee meetings and effectively managed compliance and corporate governance policies

ü

Supervised the development of a comprehensive tenant regulatory compliance program to mitigate risk in third-party relationships and served as key advisor in connection with enterprise risk management program

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R. Schweinhart

ü

Managed the company's liquidity and strengthened the balance sheet through his leadership role on financing transactions; significant achievements in 2012 included the issuance of $2.6 billion of unsecured debt with a weighted average stated interest rate of 3.2% and the repayment of $580.4 million aggregate principal amount of senior notes with a weighted average interest rate of 7.2%

ü

Demonstrated strong leadership in achieving process improvements in Finance and Accounting departments that increase efficiency and protect stockholder value

ü

Oversaw significant talent and systems improvements in Information Technology department to manage prior growth and position us for future growth

Earned Awards. In January 2013, the Compensation Committee and, in the case of our Chief Executive Officer, the independent members of our Board determined that our company had achieved at a very high level along the continuum of performance established for the company financial goals and recognized the performance of our Named Executive Officers toward the attainment of such goals as well as each Named Executive Officer's contributions to our overall performance, in each case as discussed above. In determining the annual cash incentive award for Ms. Cafaro, the Compensation Committee and the independent members of the Board specifically determined that we had an outstanding year in 2012 and that Ms. Cafaro showed strong performance and leadership. Based on the foregoing, the Compensation Committee and, in the case of the Chief Executive Officer, the independent members of our Board approved annual cash incentive awards to our Named Executive Officers for 2012 performance as shown below. The actual award amounts are also set forth in the "Non-Equity Incentive Plan Compensation" column of the 2012 Summary Compensation Table.

2012 Annual Cash Incentive Awards
(as a multiple of base salary)

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Long-Term Equity Incentive Compensation

Overview. The Compensation Committee believes that a substantial portion of each Named Executive Officer's compensation should be in the form of long-term equity incentive compensation. While the annual cash incentive plan rewards management actions that impact short-and mid-term performance, the Compensation Committee recognizes that the interests of our stockholders are also served by giving key employees the opportunity to participate in the long-term appreciation of our common stock through long-term equity incentive awards. Equity incentive awards encourage management to create stockholder value over the long term because the value of the equity awards is directly attributable to changes in the price of our common stock over time. In addition, equity awards are an effective tool for management retention because full vesting of the awards generally requires continued employment for multiple years. For these reasons, our Named Executive Officers have the opportunity to earn long-term equity incentive awards in the form of restricted stock and stock options for their performance with respect to established performance metrics on an annual basis.

Unlike equity awards at certain other companies that are granted prior to executive officer performance, our long-term equity incentive awards require the satisfaction of performance goals prior to grant. Similar to our annual cash incentive awards, the grant and size of our long-term equity incentive awards are determined solely by past performance. Equity awards, if earned, are granted at the beginning of each fiscal year for performance through the preceding fiscal year. If threshold performance is not achieved for a particular performance period, no long-term equity incentive awards are granted for that period. As a result, at the time long-term equity incentive awards are granted, the awards have been fully earned and are not subject to additional performance-based vesting requirements. While our long-term equity incentive awards are subject to additional time-based vesting requirements, these vesting requirements exist to promote retention. Because our long-term equity incentive awards satisfy performance requirements prior to grant, the imposition of additional vesting requirements based on future performance would be inequitable and would hinder the competitiveness of our executive compensation program. See also " Earned Compensation of Our Named Executive Officers for 2012, 2011 and 2010 Performance."

Award Opportunities. At the beginning of each performance year, the Compensation Committee and, in the case of the Chief Executive Officer, the independent members of our Board approve specific performance metrics and an award opportunity range (expressed as multiples of base salary and corresponding to threshold, target and maximum levels of performance) for each Named Executive Officer. At the beginning of 2012, the Compensation Committee and, in the case of the Chief Executive Officer, the independent members of our Board approved the following long-term equity incentive opportunities for our Named Executive Officers.

2012 Long-Term Equity Incentive Opportunity
(as a multiple of base salary)

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Ms. Cafaro's threshold and target long-term incentive opportunities, as multiples of her base salary, were adjusted in 2012 (from 1.60 and 3.20, respectively, in 2011) to position Ms. Cafaro's total target direct compensation closer to the market median for the Comparable Companies. In all other respects (including Ms. Cafaro's maximum long-term incentive opportunity), the 2012 threshold, target and maximum long-term incentive opportunities, as multiples of base salary, for each Named Executive Officer did not change from 2011. At target, the 2012 long-term incentive award for each Named Executive Officer, together with such Named Executive Officer's base salary and target annual cash incentive award, would result in market competitive levels such that the Named Executive Officers' 2012 total target direct compensation ranged from 27% below to 3% above the market median of the Comparable Companies. Similar to our philosophy regarding annual cash incentive opportunities, the Compensation Committee believes that our Chief Executive Officer's compensation should have greater alignment with stockholders than our other executive officers, and, therefore, Ms. Cafaro's long-term incentive opportunity has greater leverage and a wider range of outcomes than the long-term incentive opportunities of our other Named Executive Officers.

Performance Metrics. At the beginning of 2012, the Compensation Committee and, in the case of the Chief Executive Officer, the independent members of our Board also approved the performance metrics for the 2012 long-term equity incentive awards. Below is a summary of the performance metrics and the rationale as to why each performance metric is an important component of our pay-for-performance philosophy.

Metric:	TSR for the one-, three-, five- and ten-year periods, relative to the Comparable Companies, the S&P 500 index and the RMZ index
Why used:	TSR is the most direct measure of our creation and preservation of stockholder value. In contrast to the annual cash incentive awards that are based on one-year TSR, for purposes of the long-term equity incentive awards, the Compensation Committee and the independent members of the Board also review TSR over three-, five- and ten-year periods.

Metric:	Year-over-year growth in normalized FFO per share
Why used:	FFO is a common measure of operating performance for REITs because FFO excludes, among other items, the effect of gains and losses from real estate sales and real estate depreciation and amortization to allow investors, analysts and management to compare operating performance among companies and across time periods on a consistent basis. A REIT's FFO can have a significant impact on the trading price of its common stock and is, therefore, a significant contributor to long-term stockholder value. Normalized FFO excludes certain items, such as asset impairment expenses, non-cash income tax items, deal costs and expenses, including expenses and recoveries relating to certain litigation, and gains and losses from marking the value of derivative instruments to market.

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Metric:	Financial strength and flexibility measured by net debt to EBITDA, debt to total enterprise value, liquidity and ratings, and capital markets access and efficiency

Why used: The strength of our balance sheet and our available liquidity demonstrate our ability to generate sufficient earnings to meet our debt obligations and compete successfully for new investments. A strong balance sheet is one element of our comprehensive risk management program and is especially important for REITs, which are required to distribute to stockholders a substantial portion of their annual income. A weakened financial condition can cause significant and permanent stockholder value destruction, particularly during periods such as the 2008-09 financial crisis and related economic recession. As such, a strong balance sheet is fundamental to preserving stockholder value. In addition, a strong balance sheet enables us to successfully execute on our acquisition strategy, which is an important component of long-term value creation for our stockholders. Positive ratings movement is an external indicator of the strength of our balance sheet.

Raising capital is a core competency for REITs because REITs are required to distribute to stockholders a substantial portion of their annual income and, therefore, must access the capital markets to repay maturing indebtedness and raise capital for additional investments. Because part of our strategy is to grow and diversify our portfolio, our overall cost of capital is a critical component of our ability to drive stockholder value through improved earnings and accretive acquisitions. Accordingly, our access to various capital markets and our efficiency in accessing those markets are important to long-term stockholder value. For example, a ten basis point reduction in the interest rate on $1.0 billion dollars of outstanding indebtedness would reduce annual interest expense and increase earnings by $1 million.

Metric:	Proactive asset management to preserve and optimize the value of our assets, report, manage risk and drive internal growth in cash flows

Why used: Proactive asset management is an important tool to drive internal growth, mitigate risk and preserve long-term stockholder value. We measure internal growth by evaluating same-store cash NOI, a financial metric that describes the earnings contributed by the same portfolio of properties across time periods. Our expertise in working with tenants and operators to improve facility-level performance enhances the value of our assets and mitigates the risk of loss and asset impairment. We also create and preserve stockholder value by disposing of properties when appropriate, managing lease expirations and renewals, monitoring tenant and operator compliance and performance, allocating capital, and engaging in redevelopment opportunities.

Metric:	Overall risk management, building infrastructure, and values and reputation

Why used: The strength of our personnel, processes and systems and our enterprise risk management program protect stockholder value over the long-term and mitigate risk in our company. Our reputation and the values we consistently demonstrate can enhance our ability to compete for new investments, reduce our cost of capital and improve the implied valuation of our equity, each of which has a positive impact on long-term stockholder value. Ensuring we have the appropriate infrastructure to manage our recent growth and position us for future opportunities to grow, while preserving our reputation for reliability, is an important component of long-term stockholder value.

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Consistent with our historical practice, the 2012 long-term equity incentive award performance metrics approved by the Compensation Committee and the independent members of our Board established specific focus areas that reflect our business strategy and market conditions. While performance with respect to some of the above metrics can be measured objectively, the absence of rigid goals and formulaic determinations of performance allows management to adjust to meet rapidly changing market and business conditions and to act appropriately to create, and preserve, long-term value for our stakeholders. This flexibility is uniquely important to our company because of the volatility caused by increasing consolidation in the healthcare real estate industry in recent years, unpredictable changes in business models and government reimbursement policies, our historically high volume of acquisition activity, and the value to our business of timely and effective capital markets execution in a rapidly changing and volatile environment. As a result of these industry and strategic considerations, rigid goals and formulaic determinations of performance can increase compensation risk by encouraging a narrow focus that may be inappropriate due to rapidly changing conditions during the performance period. For these reasons, the Compensation Committee and the independent members of our Board approved the performance metrics described above for the 2012 long-term equity incentive awards, but retained discretion to evaluate performance qualitatively and to determine that actual performance was higher or lower than a strict quantitative approach might suggest. The Compensation Committee and the independent members of the Board believe that this approach has been instrumental in driving consistent, superior total returns to our stockholders and limiting risk in our executive compensation program.

In 2012, the Compensation Committee and the independent members of the Board assessed the level of discretion permitted in evaluating performance achieved by our Named Executive Officers with respect to long-term equity incentive awards. Based on this assessment and feedback from our stockholders during our 2012 stockholder outreach program, beginning with the 2013 compensation cycle, 50% of the value of our Named Executive Officers' long-term equity incentive awards will be determined solely by achievement of quantitative performance metrics that are not subject to Board discretion. Importantly, 70% of the value of the quantitative portion will be based on our one- and three-year relative TSR performance, and the remaining 30% will be based on maintaining a strong balance sheet, a key measure of risk management. Due to the importance of maintaining flexibility in the evaluation of long-term performance, as discussed above, the Compensation Committee and the independent members of the Board will retain discretion with respect to the other 50% of the long-term equity incentive awards. Although the Compensation Committee and the independent members of the Board believe that this 50/50 split between a fixed quantitative evaluation of performance and a more qualitative evaluation provides the appropriate incentive structure and balance to drive long-term stockholder value and discourage excessive risk-taking at the current time, they will continue to evaluate our long-term incentive plan in the context of our overall executive compensation program and our business needs and based on feedback from our stockholders. See also " 2012 Advisory Vote on Executive Compensation and Stockholder Outreach."

Performance. In the first quarter of 2013, the Compensation Committee and the independent members of our Board carefully evaluated each Named Executive Officer's performance with respect to the 2012 long-term equity incentive plan performance metrics in the context of the macroeconomic environment and conditions in the healthcare REIT industry to determine the earned value of each Named Executive Officer's award, if any, within the applicable award opportunity range. Below is a summary of our performance with respect to each of the performance metrics, as determined by the Compensation Committee and the independent members of the Board. Although the Compensation Committee and the independent members of the Board did not give a specific percentage weight to each performance metric, the order of the performance metrics below represents the relative importance placed on each metric by the Compensation Committee and the independent members of the Board (e.g., relative TSR was given the most importance by the Compensation Committee and the independent members of the Board in evaluating the performance of our Named Executive Officers).

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MORE IMPORTANCE

Metric: TSR for the one-, three-, five- and ten-year periods, relative to the Comparable Companies, the S&P 500 index and the RMZ index

Performance: Near Outstanding to Outstanding

Accomplishments:

ü

TSR of 22.3%, 68.4%, 82.7% and 835.4%, respectively, for the one-, three-, five- and ten-year periods ended December 31, 2012

ü

2012 TSR that approximated the 75th percentile of the Comparable Companies and was the highest among large cap healthcare REITs

ü

Highest TSR among the Comparable Companies for the ten-year period and fifth highest TSR among the Comparable Companies for the five-year period (approximately 75th percentile)

ü

Median TSR among the Comparable Companies for the three-year period, which was attributable to our preservation of stockholder value during the financial crisis compared to certain peers that had a more significant downturn during the crisis and, therefore, a larger post-crisis recovery

ü

Consistent outperformance as our TSR exceeded the TSR of the S&P 500 index and the RMZ index in each of the one-, three-, five- and ten-year periods

Metric: Year-over-year growth in normalized FFO per share

Performance: Outstanding

Accomplishments:

ü

Increase in normalized FFO per diluted share of 13% year over year from $3.37 to $3.80 and increase in normalized FFO per diluted share, excluding non-cash items, of 10% year over year

ü

Tenth consecutive year of growth in normalized FFO

ü

Compound annual growth rate for normalized FFO per diluted share of approximately 10% over ten years

Metric: Financial strength and flexibility measured by net debt to EBITDA, debt to total enterprise value, liquidity and ratings, and capital markets access and efficiency

Performance: Outstanding

Accomplishments:

ü

At December 31, 2012, debt to total enterprise value of 31% and net debt to adjusted pro forma EBITDA of 5.4x
ü

Approximately $1.5 billion of borrowing capacity available under our unsecured revolving credit facility at December 31, 2012
ü

Achievement of improved corporate credit rating outlook (stable to positive) from Moody's
ü

Issuance of $2.6 billion of unsecured debt with a weighted average stated interest rate of 3.2% and a weighted average maturity at the time of issuance of 7.7 years
ü

Repayment of $580.4 million aggregate principal amount of senior notes scheduled to mature in 2012, 2016 and 2017 with a weighted average interest rate of 7.2% and repayment of $200.0 million unsecured term loan scheduled to mature in 2013
ü

Origination and assumption of $558 million of new mortgage debt with a weighted average interest rate of 4.8% and repayment of $344 million of existing mortgage debt with a weighted average interest rate of 5.1%

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Metric: Proactive asset management to preserve and optimize the value of our assets, report, manage risk and drive internal growth in cash flows

Performance: Outstanding

Accomplishments:

ü

Increase in same-store cash NOI for our total portfolio (excluding the management fees paid to Sunrise, which were temporarily reduced for 2011) of 4.4% year over year

ü

Increase in average unit occupancy in 194 same-store seniors housing communities managed by Atria and Sunrise of 360 basis points to 91.9% in the fourth quarter of 2012 compared to the fourth quarter of 2011

ü

Sale of 43 properties and receipt of final repayment on loans receivable and marketable debt securities for aggregate proceeds of approximately $422 million, recognizing a net gain of $81.0 million from the dispositions

Metric: Overall risk management, building infrastructure and values and reputation

Performance: Excellent to Outstanding

Accomplishments:

ü

Successful completion of Cogdell integration ahead of schedule and with greater synergies than expected

ü

Enhancement and improvement of Acquisitions and Asset Management processes to drive efficiency and adoption of heightened security and risk mitigation procedures to preserve stockholder value

ü

Initiation of energy management and purchasing programs to reduce costs

ü

Addition of key personnel, including Chief Technology Officer, reorganization of Information Technology department and investment in additional MOB Property Management, Information Technology and Human Resources talent to manage prior growth and position us for future growth

ü

Expansion of sustainability initiatives, including through dedicated website and annual report disclosure of our progress on sustainability and participation in the Global Real Estate Sustainability Benchmark (GRESB) and Carbon Disclosure Project (CDP) surveys

ü

Third highest "Management Value Added" (MVA) among 57 REITs according to Green Street Advisors report

LESS IMPORTANCE

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Earned Awards. In January 2013, the Compensation Committee and, in the case of our Chief Executive Officer, the independent members of our Board considered the performance metrics discussed above and recognized each Named Executive Officer's contributions to our overall performance. In determining the long-term equity incentive award for Ms. Cafaro, the Compensation Committee and the independent members of the Board recognized that our company and Ms. Cafaro had delivered superior performance and also considered the leverage in Ms. Cafaro's compensation structure, including the absolute dollar value of her compensation relative to the market, and the Board's belief that our Chief Executive Officer's compensation should have greater alignment with stockholders than our other executive officers. Based on the foregoing, the Compensation Committee and, in the case of the Chief Executive Officer, the independent members of our Board approved long-term equity incentive awards to our Named Executive Officers for 2012 as shown below. The actual award amounts will be reflected in next year's Summary Compensation Table as restricted stock and stock option awards granted in 2013.

2012 Long-Term Incentive Awards
(as a multiple of base salary)

For 2012, long-term incentive compensation consisted of equity awards in the form of stock options and shares of restricted stock granted pursuant to our 2012 Incentive Plan. The Compensation Committee determined that 70% of the value of the 2012 long-term equity incentive awards should be granted in the form of shares of restricted stock and 30% should be granted in the form of stock options. The Compensation Committee believes that restricted stock provides a stronger incentive to create and preserve long-term stockholder value and, therefore, has weighted the long-term equity incentive awards more heavily toward restricted stock. Furthermore, restricted stock is the most prevalent form of long-term incentive compensation among the Comparable Companies.

Shares of restricted stock and stock options are granted to our Named Executive Officers, other than the Chief Executive Officer, on the date that the Compensation Committee meets to review annual performance and determine the value of the long-term equity incentive awards. Shares of restricted stock and stock options are granted to our Chief Executive Officer on the date that the independent members of our Board meet to review and approve the Compensation Committee's recommendations with respect to the value of the Chief Executive Officer's long-term equity incentive award. Typically, these meetings of the independent members of our Board and the Compensation Committee are held on the same day. The long-term equity incentive awards granted to our Named Executive Officers generally vest in three equal annual installments, beginning on the date of grant. Stock options are generally subject to a ten-year term, and the stock option exercise price is the closing price of our common stock on the date of grant.

Earned Compensation of Our Named Executive Officers for 2012, 2011 and 2010 Performance. Due to SEC rules that require the full grant date fair value of equity awards to be included in the Summary Compensation Table for the year in which they were granted, the compensation set forth in the Summary Compensation Table disconnects the value of our long-term equity incentive awards from the performance year for which they were earned (e.g., long-term equity incentive awards granted in January 2013 for 2012 performance will not be shown in the Summary Compensation Table until our 2014 Proxy Statement as 2013 compensation). For this reason and to provide stockholders with a calculation of our Named Executive Officers' total direct compensation that is consistent with how the Board evaluates executive compensation and pay-for-performance, we are providing the supplemental table below, which aligns the value of our long-term equity incentive awards with the performance year for which they were earned (e.g., long-term equity incentive awards granted in January 2013 for 2012 performance are shown as 2012 compensation). This table supplements, and does not replace, the Summary Compensation Table.

				Long-Term Equity Incentive Award				
				Restricted Stock		Stock Options		
Name	**Performance Year**	**Salary**	**Annual Cash Incentive Award**	**# of Shares**	**Value(1)**	**# of Shares**	**Value(1)**	**Total Direct Compensation(2)**
D. Cafaro(3)	2012	$ 1,000,000	$ 3,480,000	63,066	$ 4,158,000	175,739	$ 1,782,000	$ 10,420,000
	2011	915,000	3,019,500	82,808	4,611,600	182,560	1,976,400	10,522,500
	2010	725,000	2,186,328	85,437	4,567,500	171,906	1,957,500	9,436,328
R. Lewis	2012	600,000	1,320,000	28,348	1,869,000	78,994	801,000	4,590,000
	2011	498,000	1,064,475	30,985	1,725,570	68,310	739,530	4,027,575
	2010	470,000	947,344	30,440	1,617,675	61,245	693,280	3,728,299
T. Lillibridge(4)	2012	400,000	832,821	9,682	638,400	26,982	273,600	2,144,821
	2011	375,000	599,574	11,312	630,000	24,939	270,000	1,874,574
	2010	187,500	264,658	3,957	211,726	7,962	90,740	754,624
T.R. Riney	2012	450,000	924,000	12,900	850,500	35,946	364,500	2,589,000
	2011	381,000	760,095	14,367	800,100	31,673	342,900	2,284,095
	2010	370,000	696,063	14,523	777,000	29,220	333,000	2,176,063
R. Schweinhart	2012	450,000	868,875	11,466	756,000	31,952	324,000	2,398,875
	2011	407,000	782,051	15,347	854,700	33,835	366,300	2,410,051
	2010	395,000	743,094	15,504	829,500	31,195	355,500	2,323,094

(1) Amounts shown represent the full grant date fair value, calculated pursuant to Financial Accounting Standards Board ("FASB") guidance relating to fair value provisions for share-based payments, of the restricted stock and stock option portions of each Named Executive Officer's long-term equity incentive award.

(2) Total direct compensation consists of base salary, plus annual cash incentive awards and long-term equity incentive awards, and therefore excludes amounts shown in the "All Other Compensation" column of the 2012 Summary Compensation Table.

(3) Ms. Cafaro's total direct compensation excludes the $8 million special equity incentive award granted to her in March 2011 that vests over five years because this award was not related solely to performance in a single year. The special equity incentive award was granted to support her continued retention and in recognition of her superior long-term performance and contributions to our success. The Board does not view this award as a continuing feature of our executive compensation program.

(4) Mr. Lillibridge's total direct compensation for 2010 excludes the $5.3 million special equity incentive awards that were granted to him in connection with the closing of our Lillibridge acquisition and the negotiation and execution of his employment agreement in July 2010.

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Other Benefits and Perquisites

Our Named Executive Officers are generally eligible to participate in the same benefit programs that we offer to other employees. In 2012, we provided the following significant benefits to our employees, including our Named Executive Officers:

Health, dental and vision insurance (of which we paid 90% of the premium in 2012);

Short-term disability, long-term disability and life insurance coverage (at no cost to the employee); and

Participation in a 401(k) plan (to which we made matching contributions up to 3.5% of the employee's base salary, up to the federal limit, in 2012).

We believe these benefits are competitive with overall market practices. In addition, we provide certain limited perquisites and other personal benefits to attract and retain superior employees for key positions. In 2012, the only perquisites and benefits provided to our Named Executive Officers that were not otherwise available to all employees consisted of: supplemental disability and life insurance coverage for Ms. Cafaro; payment of limited spousal travel and entertainment benefits while accompanying the Named Executive Officer on certain company business and business development activities for Ms. Cafaro and Mr. Lewis; provision of a parking space for a portion of the year (with no incremental cost to us) for Ms. Cafaro and Mr. Lewis; and reimbursement for the cost of parking and membership in certain professional and social organizations for Mr. Lillibridge. The Compensation Committee periodically reviews the perquisites and other personal benefits provided to each Named Executive Officer and has determined that they are consistent with current market practice. Except for the eligibility to participate in our 401(k) plan and our matching contributions to the 401(k) plan, as described above, we do not provide our Named Executive Officers with any retirement benefits.

Severance Benefits

Under existing employment or change of control severance agreements, our Named Executive Officers are entitled to receive severance benefits upon certain qualifying terminations of employment (subject to any required payment delay pursuant to Section 409A of the Code). Generally, the severance arrangements support executive retention and continuity of management and provide replacement income if an executive is terminated involuntarily other than for cause.

Pursuant to her employment agreement, our Chief Executive Officer is not entitled to severance benefits solely upon a change of control, nor is she entitled to any tax gross-ups with respect to payments made in connection with a change of control. Although legacy arrangements with Messrs. Lewis, Riney and Schweinhart, which have been in existence and have not been amended for several years (other than certain amendments to comply with Section 409A of the Code and the amendment of Mr. Riney's change-in-control severance agreement to eliminate a "modified single trigger" change of control provision), provide certain tax gross-up payments with respect to payments made in connection with a change of control, no tax gross-up would have been payable to any of our Named Executive Officers under the scenarios and assumptions presented under " Potential Payments Upon Termination or Change of Control" in this Proxy Statement. At the time we entered into each such arrangement, the Compensation Committee considered the potential severance benefits, including any potential tax gross-up, to be necessary to attract and retain top executives and, based on the market compensation analyses of the Compensation Committee's independent compensation consultant, to be consistent with then current competitive market practices. Our employment agreement with

Mr. Lillibridge, which we entered into in 2010, does not provide for any tax gross-up payments in connection with a change of control.

Tax Considerations

Section 162(m) of the Code places a limit of $1 million on the amount of compensation that we may deduct in any year with respect to each of our Named Executive Officers other than the Chief Financial Officer, unless the compensation is performance-based compensation and meets certain other requirements, as described in Section 162(m) and the related regulations. We may consider qualification for deductibility under Section 162(m) for compensation paid to our Named Executive Officers. The Compensation Committee believes, however, that our executive compensation program should be flexible, maximize our ability to recruit, retain and reward high-performing executives and promote varying corporate goals. Accordingly, the Compensation Committee may approve compensation that exceeds the $1 million limit or does not otherwise meet the requirements of Section 162(m), but that is deemed to be in our best interests and the best interests of our stockholders.

Minimum Share Ownership Guidelines for Executive Officers

Our minimum share ownership guidelines require each executive officer to maintain a minimum equity investment in our company based upon a multiple (five times, in the case of the Chief Executive Officer, and three times, in the case of all other executive officers) of his or her base salary at the time his or her compliance with the guidelines is evaluated. Each executive officer must achieve the minimum equity investment within five years from the date he or she first becomes subject to the guidelines and, until such time, must retain at least 60% of our common stock granted to the executive officer or purchased by the executive officer through the exercise of stock options. The independent members of our Board annually review each executive officer's compliance with the guidelines as of July 1. All of our executive officers are currently in compliance with the minimum share ownership guidelines. Except as described above, our minimum share ownership guidelines and our 2012 Incentive Plan do not require a minimum holding period for stock options, restricted stock or other equity grants.

Adjustment or Recovery of Awards

Under Section 304 of the Sarbanes-Oxley Act, if we are required to restate our financial results due to material noncompliance with any financial reporting requirement as a result of misconduct, our Chief Executive Officer and Chief Financial Officer must reimburse us for (1) any bonus or other incentive-based or equity-based compensation received during the 12 months following the public issuance of the non-compliant document and (2) any profits realized from the sale of our securities during those 12 months. Following the SEC's adoption of final rules regarding executive compensation recoupment policies pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, we will consider and adopt a separate executive compensation recoupment policy in accordance with the final rules. Our equity award agreements currently provide that the awards are subject to recoupment under any such policy we may adopt in the future.

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Compensation Tables

2012 Summary Compensation Table

The following table sets forth the compensation awarded or paid to, or earned by, each of the Named Executive Officers during 2012, 2011 and 2010 (for supplemental information regarding the total direct compensation earned by the Named Executive Officers for 2012 performance, see "Compensation Discussion and Analysis Earned Compensation of our Named Executive Officers for 2012, 2011 and 2010 Performance" above):

Name and Principal Position	Year	Salary ($)	Bonus(1) ($)	Stock Awards(2) ($)	Option Awards(2) ($)	Non-Equity Incentive Plan Compensation(3) ($)	All Other Compensation(4) ($)	Total ($)
D. Cafaro	2012	$ 1,000,000	$	$ 4,611,600				