

U.S. Physical Therapy, Inc.

Corporate Governance Guidelines

The Board of Directors (the “**Board**”) of U.S. Physical Therapy, Inc. (the “**Company**”) has adopted these Corporate Governance Guidelines (these “**Guidelines**”) to provide an effective framework for the functioning of the Board and its committees. These Guidelines are subject to amendment from time to time by the Board.

Director Independence and Qualifications

The Board will have a majority of directors who satisfy the criteria for independence required by the New York Stock Exchange (“NYSE”). Board members have an affirmative obligation to inform the Company’s Chief Executive Officer promptly of changes in their circumstances or any transactions or relationships that may impact their designation by the Board as “independent.”

The Governance and Nominating Committee is responsible for reviewing with the Board, as appropriate, the criteria for selecting new Board members, and for recruiting, assessing and nominating such new members. This assessment will include prospective members’ qualification as independent, as well as consideration of each candidate’s skills and experience in the context of the needs of the Board. Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the best interests of the stockholders. Nominees for directorship will be recommended by the Governance and Nominating Committee in accordance with the policies and principles set forth in its charter, as well as the Board Diversity Policy attached hereto as Attachment 1, which hereby is incorporated by reference into these Guidelines.

No director should serve on so many other public or private company boards that his or her ability to devote the time and attention to duties to the Board would be significantly compromised. Pursuant to NYSE requirements, if any Audit Committee member serves on the audit committees of more than three public companies (including the Company), the Board shall make a determination whether such simultaneous service impairs the ability of such director to effectively serve on the Audit Committee of the Board and, if so, that director will be precluded from service on the Company’s Audit Committee.

The number of directors shall be determined from time to time by the Board. Beginning with the Company’s Annual Meeting in 2017, incumbent Directors who have achieved the age of 78 as of the date of the Annual Meeting of Shareholders shall not be eligible for re-election to the Board at such Annual Meeting without the unanimous consent and approval of the Board. Newly proposed nominees for director who have

achieved the age of 77 as of the date of the most recent Annual Meeting of Shareholders shall not be eligible for nomination, appointment or election to the Board.

Pursuant to the Company's Bylaws, directors are elected annually at the Company's Annual Meeting based on a plurality of the votes of stockholders. However, in any uncontested election of directors, a nominee who receives more "withhold" votes than "for" votes shall tender his or her resignation to the Board. The Governance and Nominating Committee will promptly accept such resignation unless there are, in its opinion, highly unusual or mitigating circumstances, in which case the Nominating and Governance Committee may, by unanimous vote of its disinterested members, recommend to the Board to reject the tendered resignation, and the Board will promptly act on, without being bound to accept, that recommendation.

Director Responsibilities

Senior management of the Company is responsible for the day-to-day business operations of the Company. The Board is elected by the stockholders to provide oversight and strategic guidance to senior management. The basic responsibility of the directors is to exercise their business judgment and to act in what they reasonably believe to be in the best interests of the Company and its stockholders, in a manner consistent with their fiduciary duties. In discharging that obligation, directors should be entitled to rely reasonably on the honesty and integrity of their fellow directors and the senior management of the Company and its outside advisors and auditors.

Directors are expected to prepare for and attend Board meetings and meetings of committees on which they serve, and to spend the time needed to prepare and to meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should, as possible, be distributed in writing to the directors with sufficient time for evaluation and consideration before the meeting, and directors should review these materials in advance of the meeting. A director may request, through the Chairman of the Board, that the Chief Executive Officer or appropriate member of senior management present to the Board specific information as it relates to the Company and its operations.

Board Meetings

The Board shall meet at least four times per year and shall operate in a manner consistent with the Company's Bylaws. The non-management directors will meet in executive session without management participation with such frequency and at such times as deemed necessary or appropriate by such non-management directors.

Board Committees

Board committees will at all times include an Audit Committee, Compliance Committee, Compensation Committee and a Governance and Nominating Committee.

The Board may, from time to time, establish or maintain additional committees and sub-committees as necessary or appropriate.

The Audit Committee, Compliance Committee, and Governance and Nominating Committee each will consist of at least three members. The Compensation Committee will consist of at least two members. All of the members of these committees will be independent directors under the criteria established by the NYSE and the rules and regulations of the U.S. Securities and Exchange Commission. Each of the committees will have its own written charter setting forth the responsibilities of such committee, and shall have a Chairperson who shall be recommended by the Chairman of the Board and elected annually by the full Board. The Chairperson of each committee will determine the frequency, length and agenda for committee meetings, consistent with any requirements set forth in the committee's charter. Each committee will maintain minutes of its meetings that will be available to all Board members, and each committee will regularly apprise the full Board of its work.

Standards of Conduct

The Board shall adopt and maintain a Code of Business Conduct and Ethics (the "*Code*") for the directors, officers and employees of the Company in compliance with the requirements of the NYSE. The Code shall be posted on the Company's website and shall be reviewed periodically and updated as deemed necessary by the Board. Each director shall be familiar with and comply with the requirements of the Code.

Director Compensation

The form and amount of director compensation will be evaluated annually by the Compensation Committee in accordance with the policies and principles set forth in its charter. Directors who are employees of the Company will not be separately compensated for their services as directors.

Director Access to Officers, Employees and Advisors

Directors are encouraged to keep themselves informed with respect to the Company and its operations. Directors will have full and free access to officers and employees of the company. The Chairman of the Board shall determine attendance at each Board meeting by senior officers of the Company. The Board as a whole, as well as any committee of the Board, is authorized to consult with the Company's outside auditors and outside legal counsel, as the Board or any such committee considers necessary and appropriate.

Director Orientation and Continuing Education

Each new director shall participate in an orientation program, which will be conducted as soon as reasonably practicable after the meeting at which a new director is elected or appointed. The orientation will include presentations by senior management to

familiarize new directors with the Company's business and strategic plans, significant financial, accounting and risk management issues, compliance programs, the Code, Board procedures, the principal officers of the Company and the duties of internal and independent auditors. The Company encourages the participation of directors in appropriate continuing education programs. The Company will reimburse directors for the reasonable out-of-pocket costs and expenses they incur in connection with continuing education programs, subject to any limitations and conditions that the Governance and Nominating Committee deems appropriate and prescribes from time to time.

Management Succession

The Board will consult with the Governance and Nominating Committee, the Chief Executive Officer and others as it considers appropriate regarding succession to the position of Chief Executive Officer and any other senior management position as the Board may deem appropriate, in the event of emergency or retirement.

Annual Performance Evaluation

The Board will conduct an annual self-evaluation to determine whether the Board and its committees are functioning effectively.

Dated: December 8, 2020

Attachment 1
Board Diversity Policy

U.S. Physical Therapy, Inc.
BOARD DIVERSITY POLICY
December 8, 2020

1. PURPOSE

This Board Diversity Policy (“Policy”) sets out the approach to diversity on the Board of Directors (“Board”) of U.S. Physical Therapy, Inc. (“Company”).

2. SCOPE

This Policy applies to the Board.

3. POLICY STATEMENT

The Company recognizes and embraces the importance of a diverse Board in its success. The Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, regional and industry experience, background, race, age, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

The Board Governance and Nominating Committee (the “Committee”) reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors.

- In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.
- In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
- The Committee shall strive to include women and people of color in each candidate pool for future Board seats.

The Board, on an annual basis, reviews and assesses the effectiveness of the Board.

- As part of the annual performance evaluation of the effectiveness of the Board, the Board will consider the balance of skills, experience, independence, knowledge and diversity representation of the Board, including gender and race, how the Board works together as a unit, and other factors relevant to its effectiveness.

The Company annually shall include in its proxy statement for its Annual Meeting of Stockholders sufficient information about the size of the Board and the qualifications and characteristics of each Board member, including gender, racial and ethnic composition.

4. RESPONSIBILITY AND REVIEW

The Committee will review this Policy periodically and recommend appropriate revisions to the Board. This Policy shall be included in the Company’s Corporate Governance Guidelines, along with the Company’s current Policy regarding the maximum age for nomination or re-election at the Annual Meeting of Stockholders.