

CHARTER OF THE
SUSTAINABILITY & CORPORATE RESPONSIBILITY COMMITTEE
OF THE BOARD OF DIRECTORS OF
CARETRUST REIT, INC.



Adopted as of January 31, 2020

CareTrust REIT, Inc. (together with its controlled subsidiaries, “CareTrust,” “We” or the “Company”) is committed to sustainability, corporate responsibility (including but not limited to operational transparency and fair and ethical business conduct), consistent with its Code of Business Conduct and Ethics and related policies, which are available on CareTrust’s website at www.investor.CareTrustREIT.com/corporate-governance. CareTrust’s promotion of sustainability and corporate responsibility in the Company’s business is a part of our larger commitment to creating and protecting shareholder value and serving the needs of all CareTrust stakeholders.

I. PURPOSE OF THE COMMITTEE

The Sustainability & Corporate Responsibility Committee is an *ad hoc* committee of the Board of Directors authorized under Article IV, Section 1 of the Company’s Bylaws. The Committee’s purpose is (i) to fulfill the Board’s responsibility to set the direction for the Company’s performance as a sustainable and responsible organization, (ii) to assist the Compensation Committee in setting and administering any sustainability and corporate responsibility components of the Company’s executive incentive compensation plans, and (iii) to assist the Board in fulfilling its enterprise risk oversight responsibility by periodically assessing and recommending appropriate responses to risks relating to matters within the Committee’s purview.

II. ORGANIZATION

A. Charter. At least annually, this Charter shall be reviewed by the Committee. Any proposed changes shall be submitted to the Board of Directors for approval.

B. Membership. The members of the Committee shall be appointed by the Board of Directors, and the majority of the members shall be non-employee Directors who meet the independence requirements of the NASDAQ Stock Market (“NASDAQ”) and applicable policies of the Board of Directors. The Committee shall be comprised of at least three (3) members. Committee members may be removed or replaced by the Board of Directors.

C. Chairperson. The Board of Directors shall also designate a Committee Chairperson, *provided that* if the Board does not so designate a Chairperson, the members of the Committee, by a majority vote, may designate a Chairperson.

D. Meetings & Actions. The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less than twice annually. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The presence in person, by telephone or by videoconference of a majority of the Committee’s members shall constitute a quorum for any meeting of the Committee. All actions of the Committee will require either (i) the vote of a majority of its members present at a meeting of the Committee at which a quorum is present, or (ii) the unanimous written consent of all Committee members.

E. Agenda, Minutes and Reports. The Chairperson shall assemble the agenda for Committee meetings. Unless waived by unanimous consent of the Committee members, a notice, agenda and any supporting materials shall be sent to members of the Committee prior to each meeting. Minutes of Committee meetings shall be prepared by the Company's Secretary or such other person as may be designated by the Chairperson. The minutes and meeting materials shall be made available to the full Board of Directors upon request. The Committee shall make regular reports to the Board of Directors.

III. PRINCIPAL RESPONSIBILITIES

A. Sustainability & Corporate Responsibility Policies, Goals & Metrics. The Committee shall work with management to (i) create and recommend policies relative to the Company's sustainability and corporate responsibility philosophies and initiatives for approval by the Board, (ii) review the development and implementation of goals and objectives for Company performance with respect to the Company's sustainability and corporate responsibility initiatives, (iii) identify relevant metrics and procedures for gauging progress toward achievement of those goals, and (iv) monitor the Company's progress against those goals. The policies initially covered by the Committee shall include the Company's:

1. Policy on Human Capital;
2. Human Rights Policy, which covers *inter alia*, child labor, human trafficking, anti-bribery and anti-corruption, occupational health and safety;
3. Environmental Sustainability Policy, which covers oversight of both internal and external Company policies and programs pertaining to, *inter alia*, energy usage, water usage and direct and indirect greenhouse gas ("GHG") emissions;
4. Vendor Code of Conduct; and
5. Tenant Code of Conduct & Corporate Responsibility Program, including the related tenant sustainability and corporate responsibility incentivization program.

B. Sustainability & Corporate Responsibility Reporting. The Committee shall review in advance the Company's public sustainability and corporate responsibility communication plans and any reports to be issued in connection with the Company's sustainability and corporate responsibility initiatives.

C. Compensation Committee Interface; Public Reporting. To the extent that the Company's employee incentive plans for senior management include targets relating to the Company's sustainability and corporate responsibility initiatives, the Committee shall work with the Compensation Committee to (i) identify sustainability and corporate responsibility metrics that are appropriate to the Company and its business and over which the activities of senior management can have a meaningful influence, (ii) recommend periodic sustainability and corporate responsibility targets for incorporation into the Company's short-term and/or long-term incentive plans for senior management, (iii) monitor the Company's performance against such targets or metrics, and (iv) report on the Company's progress against the targets in conjunction with the Compensation Committee's periodic calculation of any component of incentive compensation affected thereby. The Committee shall also review and discuss with management any portion of the Company's Compensation Discussion & Analysis disclosures relative to incentive compensation for achieving sustainability and corporate responsibility targets to be included in the Company's annual proxy statement or annual report on Form 10-K.

D. Other Duties. The Committee shall perform other activities consistent with this Charter that may be delegated to the Committee by the Board from time to time.

IV. OTHER RESPONSIBILITIES

A. Shareholder Proposals. Upon request by the Nominating & Governance Committee, the Committee shall be responsible for reviewing and making recommendations to the Board with respect to shareholder proposals relating to sustainability and corporate responsibility matters.

B. Risk Assessment. Upon request by the Board or any other Committee thereof, the Committee shall assist the Board in fulfilling its enterprise risk oversight responsibility by periodically assessing and recommending appropriate responses to risks relating to matters within the Committee's purview, including without limitation oversight of climate-related risks and opportunities.

C. Committee Self-Evaluation. The Committee shall, on an annual basis, evaluate its performance. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend such changes as it deems necessary or appropriate. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner. The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

V. AUTHORITY

A. Access to Resources. In discharging its responsibilities, the Committee (i) shall have access to the internal and external resources reasonably necessary to understand and fulfill its duties, (ii) may utilize the services of the Company's regular legal counsel or other advisors, (iii) may request that any officer or other employee of the Company, the Company's outside counsel or any other person meet with any members of, or consultants to, the Committee, and (iv) shall have full access to relevant Company records.

B. Judgment. Nothing herein shall be construed (i) to require the Committee to implement or act consistently with the advice or recommendations of any counsel or consultant to the Committee, or (ii) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

C. Delegation. In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee to the extent consistent with the Company's charter and bylaws, applicable law, rules and regulations and the rules of NASDAQ; *provided, however*, that no subcommittee shall consist of fewer than two members; and *provided further* that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole. ☸