

CHARTER OF THE  
**ENVIRONMENTAL, SOCIAL & GOVERNANCE STEERING COMMITTEE**  
OF CARETRUST REIT, INC.



Adopted as of January 31, 2020

CareTrust REIT, Inc. (together with its controlled subsidiaries, “CareTrust” or the “Company”) is committed to sustainability, corporate responsibility, operational transparency and fair and ethical business conduct. Among other things this includes implementing environmentally-sustainable and other responsible best practices for our own operations, and encouraging, incentivizing and assisting our triple-net healthcare and seniors housing tenants in their efforts to take advantage of environmental and social opportunities in operating the properties they lease from us.

Our principal policies and programs relating to corporate responsibility, operational transparency and fair and ethical business conduct, including our unique Tenant Code of Conduct and Corporate Responsibility and other policies, are available on CareTrust’s website at [www.investor.CareTrustREIT.com/corporate-governance](http://www.investor.CareTrustREIT.com/corporate-governance). The development and ongoing maintenance of these policies and related programs is a Company-wide effort overseen by (i) our Board of Directors through its Sustainability & Corporate Responsibility Committee, (ii) our internal Environmental, Social & Governance Steering Committee, which is made up of a representative group of employees from across the Company, and (iii) management.

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 Environmental, Social, and Governance Steering Committee (the “ESG Committee”) is an internal, multi-disciplinary body formed to support the Company’s on-going commitment to environmental, health, and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to the Company (collectively, “ESG Matters”). The ESG Committee does this generally by assisting the Company’s senior management in (a) setting the Company’s general strategy relating to ESG Matters, (b) developing, proposing, implementing, and monitoring initiatives and policies at the Company based on that strategy, including without limitation the Tenant ESG Program, (c) overseeing communications with Company personnel and tenants with respect to ESG Matters, and (d) monitoring and anticipating developments relating to, and improving the Company’s understanding of, ESG Matters.

## **II. ORGANIZATION**

A. Charter. At least annually, this Charter shall be reviewed by the ESG Committee. Any proposed changes shall be submitted to the Chief Executive Officer (or their designee, herein the “CEO”) for approval.

B. Membership. The members of the ESG Committee shall be appointed by the CEO from time to time, and will include a diverse group of such officers and employees of the Company as the CEO deems appropriate taking into account, among other things, each person’s expertise in relevant disciplines including environmental, health, safety, healthcare and physical plant operations, legal, investor relations, government affairs, corporate governance, finance, human resources and communications. ESG Committee members may be removed or replaced by the CEO.

C. Leadership & Leader Responsibilities. The CEO shall designate the following leadership for the ESG Committee and its two standing subcommittees:

i. An ESG Committee Chairperson, provided that if the CEO does not designate a Chairperson, the members of the ESG Committee, by a majority vote, may designate a Chairperson. The Chairperson shall be responsible for overseeing the deliberations, activities and communications of the ESG Committee, and other matters as set forth in this Charter.

ii. A Sub-Chairperson for the ESG Committee's Sustainability Subcommittee, provided that if the CEO does not designate a Chairperson, the Chairperson may appoint the Sustainability Subcommittee Sub-Chairperson. The Sustainability Subcommittee shall serve as a resource to the ESG Committee to address environmental and sustainability risks, opportunities and actions. Among other things, the Sustainability Subcommittee shall have primary responsibility for developing, administering and regularly updating the Company's proprietary Tenant ESG Program, and monitoring and reporting on the results of projects executed thereunder.

iii. A Sub-Chairperson for the ESG Committee's Responsibility Subcommittee, provided that if the CEO does not designate a Chairperson, the Chairperson may appoint the Responsibility Subcommittee Sub-Chairperson. The Responsibility Subcommittee shall serve as a resource to the ESG Committee to address social and corporate responsibility risks, opportunities and actions. Among other things, the Responsibility Subcommittee shall have primary responsibility for recommending needed updates to the Company's corporate responsibility statements, policies and programs, and for recommending (and in appropriate instances overseeing) both internal and external initiatives in connection with the Company's corporate culture, philanthropic work, and employee fulfillment and satisfaction efforts.

D. Meetings & Actions. The ESG Committee (and the subcommittees) shall meet as often as they determine necessary to carry out their duties, but no less than twice annually. The ESG Committee and subcommittees, in their discretion, may ask other Company personnel to attend their 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 ESG Committee's or a subcommittee's members shall constitute a quorum for any meeting. All official actions of the ESG Committee will require a vote of a majority of its members present at a meeting of the ESG Committee at which a quorum is present.

E. Agenda, Minutes and Reports. The Chairperson shall assemble the agenda for ESG Committee meetings. Unless waived by unanimous consent of the ESG Committee members, a notice, agenda and any supporting materials shall be sent to members of the ESG Committee prior to each meeting. Minutes of ESG Committee meetings shall be prepared by a Secretary designated by the Chairperson. The minutes and meeting materials shall be made available to the CEO.

### **III. ESG COMMITTEE PRINCIPAL RESPONSIBILITIES**

The ESG Committee will have the following duties and responsibilities, plus such other duties, tasks, and responsibilities relevant to the purpose of the ESG Committee as may from time to time be requested by management or the Board:

A. Monitor global public policy trends, issues, regulatory matters, and other concerns related to ESG Matters, and work with management to (i) create, and recommend updates to, policies relative to the Company's sustainability and corporate responsibility objectives for approval by the Board, (ii) develop

strategies and implement goals for Company performance with respect to the Company's sustainability and corporate responsibility initiatives, (iii) identify relevant key performance indicators ("KPIs") and other metrics and establish procedures for gauging progress toward achievement of those goals, and (iv) monitor the Company's progress against those goals.

B. Develop, administer and periodically update the Company's proprietary Tenant ESG Program, and report on the results of projects executed thereunder.

C. Make recommendations for improving and achieving the Company's employee engagement, diversity and philanthropic initiatives and objectives, and promoting a safe and healthy workplace environment.

D. Collect information on the Company's sustainability and corporate responsibility initiatives, programs, projects and results, and regularly correlate the Company's ESG initiatives and results to relevant publicly-accepted standards for ESG performance, for inclusion in the Company's Annual Sustainability & Social Responsibility Report.

E. Advise management on stockholder proposals and other significant stakeholder concerns relating to ESG Matters, and assist management in communications with employees, investors, and other stakeholders regarding the Company's position on or approach to ESG Matters.

#### **IV. REPORTING**

A. Internal Reporting. The ESG Committee will report to directly to the CEO. It shall make regular reports of its proceedings and actions to the CEO and such other members of senior management as the CEO may from time to time designate. Subcommittee Chairpersons shall report to the ESG Committee Chairperson.

B. Board Interface. Upon request by the CEO or the Chairperson of the Sustainability & Corporate Responsibility Committee (the "SCR Committee") of the Company's Board of Directors, the Chairperson or another delegate of the ESG Committee shall provide oral or written reports on ESG Matters to the SCR Committee or the Board.

#### **V. AUTHORITY**

A. Access to Resources. In discharging its responsibilities, the ESG 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 ESG Committee, and (iv) shall have full access to relevant Company records.

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

C. Delegation. In fulfilling its responsibilities, the ESG Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the ESG Committee. ☸