

CareTrust REIT, Inc.  
Form PRE 14A  
April 06, 2018  
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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**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, For Use of the Commission only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-2

**CARETRUST REIT, 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):

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4) Date Filed:

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**CARETRUST REIT, INC.**

**905 Calle Amanecer, Suite 300**

**San Clemente, California 92673**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD MAY 30, 2018**

TO THE STOCKHOLDERS OF CARETRUST REIT, INC.:

The annual meeting of the stockholders (the Annual Meeting ) of CareTrust REIT, Inc. (the Company, we, our, or will be held at the Company s offices located at 905 Calle Amanecer, Suite 300, San Clemente, California 92673, at 9:00 a.m. PDT, on Wednesday, May 30, 2018, for the following purposes:

- (1) To approve an amendment to the Company s Articles of Amendment and Restatement to declassify the Company s Board of Directors.
- (2) If Proposal 1 is approved by stockholders, to elect Mr. Allen C. Barbieri to the Board of Directors to serve until the Company s 2019 annual meeting of stockholders and until his successor is duly elected and qualified. If Proposal 1 is not approved by stockholders, to elect Mr. Allen C. Barbieri to the Board of Directors as a Class I director to serve until the Company s 2021 annual meeting of stockholders and until his successor is duly elected and qualified.
- (3) To approve, on an advisory basis, the compensation of the Company s named executive officers.
- (4) To ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2018.
- (5) To transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

The accompanying Proxy Statement more fully describes these matters and we urge you to read the information contained in the Proxy Statement carefully. The Board of Directors recommends a vote FOR approval and adoption of an amendment to our Articles of Amendment and Restatement to declassify the Company s Board of Directors, FOR the election of Mr. Barbieri to the Company s Board of Directors, FOR the compensation of our named executive officers, and FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.

**ONLY STOCKHOLDERS OF RECORD OF THE COMPANY S ISSUED AND OUTSTANDING COMMON STOCK AS OF THE CLOSE OF BUSINESS ON APRIL 2, 2018, THE RECORD DATE, WILL BE ENTITLED TO NOTICE OF AND TO VOTE AT THE ANNUAL MEETING AND ANY ADJOURNMENT OR POSTPONEMENT THEREOF.**

**Your vote is important. Whether or not you expect to attend the Annual Meeting, please submit your proxy as soon as possible.**

CARETRUST REIT, INC.  
BY ORDER OF THE BOARD OF DIRECTORS

San Clemente, California

Dated: April [\_\_\_], 2018

GREGORY K. STAPLEY  
CHAIRMAN, PRESIDENT AND CHIEF  
EXECUTIVE OFFICER

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**CARETRUST REIT, INC.**

**905 Calle Amanecer, Suite 300**

**San Clemente, California 92673**

**Proxy Statement**

**For the Annual Meeting of Stockholders**

**to be Held on May 30, 2018**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board of Directors" or the "Board") of CareTrust REIT, Inc., a Maryland corporation, for use at the annual meeting of stockholders to be held at the Company's offices located at 905 Calle Amanecer, Suite 300, San Clemente, California 92673, at 9:00 a.m. PDT, on Wednesday, May 30, 2018 (the "Annual Meeting"). On or about April [\_\_\_], 2018, proxy materials for the Annual Meeting, including this Proxy Statement and the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 ("Annual Report"), are being made available to stockholders entitled to vote at the Annual Meeting.

When used in this Proxy Statement, the terms "we," "us," "our," "CareTrust REIT," or the "Company" refer to CareTrust REIT, Inc. and its subsidiaries unless the context requires otherwise.

**IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS**

This Proxy Statement and our Annual Report are available on the Internet at [www.proxyvote.com](http://www.proxyvote.com). These materials are also available in the "Investor" section of our website at [www.caretrustreit.com](http://www.caretrustreit.com). The other information on our website does not constitute part of this Proxy Statement.

**GENERAL INFORMATION ABOUT THE ANNUAL MEETING**

**Notice of Internet Availability**

In accordance with rules and regulations adopted by the U.S. Securities and Exchange Commission (the "SEC"), we have elected to furnish our proxy materials, including our Proxy Statement and our Annual Report, to stockholders on the Internet. Accordingly, we are mailing a Notice of Internet Availability of Proxy Materials (the "Notice of Internet Availability") to our stockholders that did not request to receive paper copies of our proxy materials and Annual Report. The Notice of Internet Availability contains instructions on how stockholders can access those documents over the Internet and vote their shares. All stockholders who do not receive a Notice of Internet Availability, or who have not consented to receive their proxy materials electronically by e-mail, will receive a printed copy of the proxy materials by mail.

**Items of Business to be Voted on at the Annual Meeting**

At the Annual Meeting, the stockholders of the Company will be asked to vote on the following four proposals:



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To approve an amendment to the Company's Articles of Amendment and Restatement (the Charter) to declassify the Company's Board of Directors (Proposal 1).

If Proposal 1 is approved by stockholders, to elect Mr. Allen C. Barbieri to the Board of Directors to serve until the Company's 2019 annual meeting of stockholders and until his successor is duly elected and qualified. If Proposal 1 is not approved by stockholders, to elect Mr. Allen C. Barbieri to the Board of Directors as a Class I director to serve until the Company's 2021 annual meeting of stockholders and until his successor is duly elected and qualified (Proposal 2).

To approve, on an advisory basis, the compensation of the Company's named executive officers (Proposal 3).

To ratify the appointment of Ernst & Young LLP (EY) as the Company's independent registered public accounting firm for the year ending December 31, 2018 (Proposal 4).

We will also consider other business that properly comes before the Annual Meeting.

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The Board of Directors recommends you vote **FOR** approval and adoption of an amendment to the Company's Charter to declassify the Board of Directors, **FOR** the election of Mr. Barbieri to the Board of Directors, **FOR** the compensation of the Company's named executive officers, and **FOR** the ratification of the appointment of EY as the Company's independent registered public accounting firm for the year ending December 31, 2018.

## **Available Voting Methods**

**Your vote is very important.** Whether or not you plan to attend the Annual Meeting in person, you should vote your shares by using one of the methods described below to ensure your shares will be counted.

*Stockholder of record.* If your shares are registered directly in your name with our transfer agent, Broadridge Corporate Issuer Solutions, Inc., you are considered the stockholder of record with respect to those shares and the proxy materials were made available directly to you by the Company. As a stockholder of record, you may vote your shares in person at the Annual Meeting, or by submitting a proxy over the Internet by following the instructions provided in the Notice of Internet Availability. If you received a printed copy of the proxy materials, you can also submit a proxy by mail or telephone pursuant to the instructions provided in the proxy card enclosed with the proxy materials.

*Beneficial stockholder.* Most of our stockholders hold their shares through a broker, bank or other nominee (that is, in street name) rather than directly in their own name. If your shares are held in street name, you are considered the beneficial stockholder of such shares and the proxy materials were made available to you by the organization holding your shares. As a beneficial stockholder, you may submit your voting instructions over the Internet by following the instructions provided in the Notice of Internet Availability, or, if you received a printed copy of the proxy materials, you can also submit voting instructions by telephone or mail by following the instructions provided in the voting instruction form sent by your broker, bank or other nominee. If you are a beneficial stockholder, you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from the broker, bank or other nominee that holds your shares, giving you the right to vote the shares at the Annual Meeting.

If you receive more than one Notice of Internet Availability or set of proxy materials, it means your shares are registered differently (for instance, under different names) or are held in more than one account. Please follow the voting instructions on each Notice of Internet Availability, proxy card or voting instruction form you receive.

## **Record Date and Quorum Requirements**

Our Board of Directors has fixed April 2, 2018 as the record date (the Record Date) for the determination of stockholders entitled to notice of and to vote at the Annual Meeting. As of the Record Date, 76,137,828 shares of our common stock, par value \$0.01 per share (Common Stock), were issued and outstanding. Each outstanding share of Common Stock will be entitled to one vote, and all shares of Common Stock will vote as a single class with respect to all matters submitted to a vote of the stockholders at the Annual Meeting.

To constitute a quorum for the conduct of business at the Annual Meeting, a majority of the votes entitled to be cast at the Annual Meeting must be present in person or represented by proxy at the Annual Meeting. Withheld votes, abstentions and broker non-votes will be counted as present and entitled to vote for purposes of determining the existence of a quorum.

## **Deadline for Voting Your Shares**

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If you are a stockholder of record, your proxy must be received by telephone or the Internet by 11:59 p.m. Eastern Time on May 29, 2018 in order for your shares to be voted at the Annual Meeting. However, if you are a stockholder of record and you received a copy of the proxy materials by mail, you may instead mark, sign and date the proxy card you received and return it in the accompanying prepaid and addressed envelope so that it is received by the Company before the Annual Meeting in order for your shares to be voted at the Annual Meeting. If you hold your shares in street name, please provide your voting instructions by the deadline specified by the broker, bank or other nominee that holds your shares.

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**Changing Your Vote or Revoking a Previously Submitted Proxy**

If you are a stockholder of record, you have the power to change or revoke a previously submitted proxy at any time before it is exercised by: delivering to the Secretary of the Company, before the polls close at the Annual Meeting, an instrument revoking such proxy; properly submitting a proxy on a later date via Internet or by telephone or mail; or by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not by itself constitute revocation of a proxy. For shares held in street name, you may revoke any previous voting instructions by submitting new voting instructions to the broker, bank or other nominee holding your shares by the deadline for voting specified in the voting instructions provided by your broker, bank or other nominee. Alternatively, if your shares are held in street name and you have obtained a legal proxy from the broker, bank or other nominee giving you the right to vote the shares at the Annual Meeting, you may revoke any previous voting instructions by attending the Annual Meeting and voting in person.

**Required Vote**

*Declassification of our Board of Directors (Proposal 1):* Approval of the amendment to our Charter to declassify our Board of Directors requires the affirmative vote of a majority of all the votes entitled to be cast by our stockholders on the matter.

*Election of Director (Proposal 2):* Our Amended and Restated Bylaws ( Bylaws ) provide for a plurality voting standard for the election of directors. Under this voting standard, the director nominee receiving the highest number of affirmative votes of the votes cast at the Annual Meeting will be elected as a director.

*Other Items (Proposals 3 and 4):* Once a quorum has been established, pursuant to our Bylaws, approval of each of the other items to be submitted for a vote of the stockholders at the Annual Meeting requires the affirmative vote of a majority of all of the votes cast on the proposal at the Annual Meeting. Notwithstanding this vote standard required by our Bylaws, Proposal 3 (advisory approval of named executive officer compensation) and Proposal 4 (ratification of the appointment of EY as our independent registered public accounting firm) are only advisory votes and are not binding on us. Our Board of Directors will consider the outcome of the vote on both of these proposals in considering what action, if any, should be taken in response to the advisory vote by stockholders.

**How Votes Are Counted at the Annual Meeting**

For Proposal 1 (declassification of our Board of Directors), Proposal 3 (advisory approval of named executive officer compensation) and Proposal 4 (ratification of the appointment of EY as our independent registered public accounting firm), you may vote FOR, AGAINST or ABSTAIN. For purposes of Proposal 2 (election of director), you may vote FOR the director nominee or you may WITHHOLD your vote for the director nominee.

For Proposal 1 (declassification of our Board of Directors), shares voted ABSTAIN will have the effect of a vote cast AGAINST the proposal. For Proposal 2 (election of director), shares voted WITHHOLD will not be counted in determining the outcome of the director nominee s election. For Proposal 3 (advisory approval of named executive officer compensation) and Proposal 4 (ratification of the appointment of EY as our independent registered public accounting firm), shares voted ABSTAIN will not be counted as a vote cast on the proposal and therefore will not be counted in determining the outcome of the proposal.

If you hold your shares in street name through a brokerage account and you do not submit voting instructions to your broker, your broker may generally vote your shares in its discretion on routine matters. However, a broker cannot vote shares held in street name on non-routine matters unless the broker receives voting instructions from the stockholder.

Proposal 4 (ratification of the appointment of EY as our independent registered public accounting firm) is considered a routine matter, while each of Proposal 1 (declassification of our Board of Directors), Proposal 2 (election of director) and Proposal 3 (advisory approval of named executive officer compensation) is considered a non-routine matter. Accordingly, if you hold your shares in street name and you do not submit voting instructions to your broker, your broker may exercise its discretion to vote your shares on Proposal 4, but will not be permitted to vote your shares on any of the other items at the Annual Meeting. If your broker exercises this discretion, your shares will be voted on Proposal 4 in the manner directed by your broker, but your shares will constitute broker non-votes for each of Proposals 1, 2 and 3. A broker non-vote will have the effect of a vote cast AGAINST Proposal 1, and will not be counted in determining the outcome of Proposals 2 and 3 because it will not be considered a vote cast on those proposals.

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If you properly submit a proxy or voting instructions but do not indicate your specific voting instructions on one or more of the items listed above in the Notice of Annual Meeting, your shares will be voted as recommended by the Board of Directors on those items.

**Solicitation of Proxies**

The expenses of preparing, assembling, printing and mailing the Notice of Internet Availability, this Proxy Statement and the materials used in the solicitation of proxies will be borne by the Company. Proxies will be solicited through the Internet and the mail and may be solicited by our officers, directors and employees in person or by telephone or email. Our officers, directors and employees will not receive additional compensation for any such solicitation efforts. We do not anticipate paying any compensation to any other party for the solicitation of proxies but may reimburse brokerage firms and others for their reasonable expenses in forwarding solicitation material to beneficial owners. We may retain the services of a proxy solicitation firm if, in the Board's view, it is deemed necessary or advisable. Although we do not currently expect to retain such a firm, we estimate that the fees of any such firm retained by us could be up to \$50,000 plus out-of-pocket expenses, all of which would be paid by us.

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**PROPOSAL 1: DECLASSIFICATION OF THE COMPANY'S BOARD OF DIRECTORS**

**Background**

Our Charter currently provides for a classified Board of Directors consisting of three classes of directors, each as nearly equal in number as possible as determined by our Board of Directors, with each class of directors serving staggered three-year terms. As a result, only one class of directors stands for election at each of the Company's annual meetings of stockholders, such that stockholders vote on and elect approximately one-third of the Board each year. At this Annual Meeting, we are asking stockholders to approve and adopt a proposal to amend the Charter to declassify our Board of Directors. If approved, the declassification of our Board of Directors will be phased-in so that beginning with the Annual Meeting, directors will be elected for one-year terms as their present terms expire.

In April 2018, our Board of Directors determined that the proposed amendment to the Charter to declassify the Board of Directors is advisable and in the best interests of the Company, and unanimously approved the amendment, subject to stockholder approval at the Annual Meeting.

If stockholders approve and adopt the proposed amendment to the Charter to declassify the Board of Directors, it will become effective upon the filing of Articles of Amendment to our Charter with the State Department of Assessments and Taxation of Maryland, which the Company intends to file promptly after the requisite vote for this Proposal 1 is obtained.

**Text of the Proposed Amendment**

Section 5.1 of Article V of the Charter would be amended and restated in its entirety to read as follows:

Section 5.1 Number and Classification of Directors. The business and affairs of the Corporation shall be managed under the direction of the board of directors of the Corporation (the Board of Directors ) and, except as otherwise expressly provided for by law, the Charter or the bylaws of the Corporation, as amended, restated or otherwise modified from time to time (the Bylaws ), all of the powers of the Corporation shall be vested in the Board of Directors. The number of directors of the Corporation are five, which number may be increased or decreased by the Board of Directors pursuant to the Bylaws but shall never be less than the minimum number required by the MGCL.

The directors elected or appointed to the Board of Directors prior to the 2018 annual meeting of stockholders (other than any director elected solely by holders of one or more classes or series of Preferred Stock) are currently classified, with respect to the terms for which they severally hold office, into three classes, as nearly equal in number as possible as determined by the Board of Directors, with the directors of each class serving for a term expiring at the annual meeting of stockholders held during the third (3<sup>rd</sup>) year after election and until his or her successor shall have been duly elected and qualified. Commencing with the Company's 2018 annual meeting of stockholders, directors (other than any director elected solely by holders of one or more classes or series of Preferred Stock) shall be elected as follows: (i) directors elected at the 2018 annual meeting of stockholders to succeed those whose term expires at such meeting shall hold office for a term expiring at the annual meeting of stockholders to be held in 2019 and until their respective successors have been duly elected and qualified; (ii) directors elected at the 2019 annual meeting of stockholders to succeed those whose term expires at such meeting shall hold office for a term expiring at the annual meeting of stockholders to be held in 2020 and until their respective successors have been duly elected and qualified; and (iii) beginning with the 2020 annual meeting of stockholders, all directors elected at an annual meeting of stockholders to succeed those whose term expires at such meeting shall hold office for a term expiring at the next annual meeting of stockholders and until their respective successors are duly elected and qualified. The names of the current directors who shall serve until the next annual meeting of stockholders in the year when their respective term

expires and until their respective successors are duly elected and qualified are as follows:

Allen C. Barbieri	(Term to expire in 2019)
Jon D. Kline	(Term to expire in 2019)
David G. Lindahl	(Term to expire in 2019)
Spencer G. Plumb	(Term to expire in 2020)
Gregory K. Stapley	(Term to expire in 2020)



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The Board of Directors may increase the number of directors and may fill any vacancy, whether resulting from an increase in the number of directors or otherwise, on the Board of Directors in the manner provided for in the Bylaws.

The Corporation has elected under Section 3-804(b) and Section 3-804(c) of the MGCL, that, except as may be provided by the Board of Directors in setting the terms of any class or series of Preferred Stock (as defined in Section 6.1), (i) the number of directors of the Corporation may be increased or decreased only by the Board of Directors, and (ii) any and all vacancies on the Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which such vacancy occurred and until his or her successor is duly elected and qualifies.

Appendix A to this Proxy Statement shows the proposed changes to Section 5.1 of Article V of the Charter resulting from the proposed amendment, with deletions indicated by strike-outs and additions indicated by underlining.

## **Reasons for the Proposed Amendment**

Our Board of Directors recognizes that a classified structure may offer several advantages, such as promoting board stability and continuity, providing a greater opportunity to protect the interests of stockholders in the event of an unsolicited takeover offer and reinforcing a commitment to long-term perspectives and value creation for our stockholders. The Board also recognizes that a classified structure may reduce directors' accountability to stockholders because such a structure does not enable stockholders to express a view on each director's performance by means of an annual vote. Moreover, many institutional investors believe that the election of directors is the primary means for stockholders to influence corporate governance policies and to hold management accountable for implementing these policies. Our Board of Directors considered the arguments in favor of and against continuation of the classified board structure and determined that it would be in the best interests of the Company, subject to stockholder approval, to declassify the Board of Directors over a phase-in period commencing at the Annual Meeting.

## **Effect of the Proposed Amendment**

If the proposed amendment to the Charter to declassify our Board of Directors is approved and adopted by our stockholders at the Annual Meeting, the Charter will be amended as set forth above.

Specifically, if the amendment is approved and adopted, we will begin the phased transition to a declassified board structure beginning at the Annual Meeting. In accordance with the proposed amendment to our Charter, the transition will be phased in as follows:

If Mr. Barbieri is elected pursuant to Proposal 2 at the Annual Meeting, he will be elected for a one-year term expiring at our 2019 annual meeting of stockholders.

Each of Mr. Kline and Mr. Lindahl would continue to serve as Class II directors for a term expiring at our 2019 annual meeting of stockholders. At our 2019 annual meeting of stockholders, each of these individuals and each director elected for a one-year term at the immediately preceding annual meeting of stockholders or their respective successors who are nominated by our Board of Directors to serve as a director, and any other individual(s) nominated by our Board of Directors to serve as a director in such class, would stand for election to serve a one-year term.

At our 2020 annual meeting of stockholders and at each annual meeting thereafter, all directors would be elected to serve one-year terms. Each of Mr. Stapley and Mr. Plumb would continue to serve as a Class III director for a term expiring at our 2020 annual meeting of stockholders. At our 2020 annual meeting of stockholders, each of these individuals and each director elected for a one-year term at the immediately preceding annual meeting of stockholders or their respective successors who is nominated by our Board of Directors to serve as director, and any other individual(s) nominated by our Board of Directors to serve as a director in such class would stand for election to serve a one-year term.

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In all cases, each director will serve until his successor is duly elected and qualified or until his earlier resignation or removal.

Accordingly, if the amendment is approved and adopted, the Board of Directors will be completely declassified and all directors will be elected annually beginning with the 2020 annual meeting of stockholders.

**Impact if the Amendment is not Adopted**

If the proposed amendment to the Charter to declassify our Board of Directors is not approved and adopted by our stockholders, our Charter will not be amended as set forth above and our Board of Directors will continue to be classified with directors serving staggered terms. The director elected at this year's Annual Meeting will serve a three-year term and his term will expire at our 2021 annual meeting of stockholders.

**Recommendation of the Board of Directors**

Our Board of Directors unanimously recommends that the stockholders vote **FOR** approval and adoption of an amendment to the Company's Charter to declassify the Company's Board of Directors. Unless otherwise instructed, the proxy holders will vote the proxies received by them **FOR** approval and adoption of the amendment to the Company's Charter.

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Our Board of Directors is currently comprised of five directors. Our Charter currently provides for a classified Board of Directors consisting of three classes of directors, each as nearly equal in number as possible as determined by our Board of Directors, with each class of directors serving staggered three-year terms. As a result, currently only one class of directors stands for election at each of the Company's annual meetings of stockholders, such that stockholders vote on and elect approximately one-third of the Board each year. Mr. Barbieri has been designated a Class I director and his current term expires at the Annual Meeting. Messrs. Kline and Lindahl have been designated as Class II directors and their current term expires at our 2019 annual meeting of stockholders. Messrs. Stapley and Plumb have been designated as Class III directors and their current term expires at our 2020 annual meeting of stockholders.

If Proposal 1 (declassification of our Board of Directors) is approved by stockholders at the Annual Meeting, we will begin our phased transition to a declassified board structure at the Annual Meeting, with such declassification to be completed upon the election of directors at our 2020 annual meeting of stockholders. As part of this transition, the director elected pursuant to this Proposal 2 will be elected to serve for a one-year term expiring at our 2019 annual meeting of stockholders.

If Proposal 1 (declassification of our Board of Directors) is not approved by stockholders at the Annual Meeting, no change will be made to our classified board structure, with our Board of Directors remaining divided into three classes, and the director elected pursuant to this Proposal 2 will be elected as a Class I director to serve until the 2021 annual meeting of stockholders.

Notwithstanding the foregoing, the director elected at the Annual Meeting will hold office until his successor is duly elected and qualified or until his earlier resignation or removal.

On the recommendation of the nominating and corporate governance committee of our Board of Directors, our Board of Directors selected Mr. Allen C. Barbieri as its nominee for election to our Board at the Annual Meeting.

Mr. Barbieri has consented to being named in the Proxy Statement and to serve as a director if elected. We have no reason to believe that Mr. Barbieri will be unable or unwilling for good cause to serve if elected. In the event Mr. Barbieri is unable for any reason or unwilling for good cause to serve at the time of the Annual Meeting, the persons who are designated as proxy holders may exercise discretionary authority to vote for a substitute nominee selected by our Board of Directors or our Board of Directors may reduce the number of directors on the Board.

**Directors and Director Nominee**

Set forth below is biographical information about Mr. Barbieri, as well as our continuing directors. Such information is current as of the date of this Proxy Statement. The information presented below for each director includes the specific experience, qualifications, attributes and skills that led us to the conclusion that such director should be nominated to serve on our Board of Directors in light of our business.

<b>Name</b>	<b>Position with the Company</b>	<b>Age</b>	<b>Director Since</b>
Allen C. Barbieri	Director, Nominating and Corporate Governance Committee Chairman	59	2015

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Jon D. Kline	Director, Audit Committee Chairman	51	2014
David G. Lindahl	Director, Compensation Committee Chairman	58	2014
Spencer G. Plumb	Director	43	2017
Gregory K. Stapley	Chairman, President and Chief Executive Officer	58	2013

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**Table of Contents*****Nominee for Election to the Board of Directors***

*Allen C. Barbieri* has served as a member of our Board of Directors since his appointment to the Board in 2015. Mr. Barbieri served as the Chairman and Chief Executive Officer of Biosynthetic Technologies, LLC from December 2009 until it was sold in March 2018. Prior to this, Mr. Barbieri served on the Board of Directors and as Chief Executive Officer of Lancer Orthodontics, Inc. from April 2004 to June 2008. From 1999 to April 2004, Mr. Barbieri was semi-retired while serving as a director on several boards of directors of private companies. Mr. Barbieri has been a director of Biomerica, Inc. since 1999. From 1998 to 1999, Mr. Barbieri served as President and Chief Financial Officer of BUY.COM, a large internet retailer financed with over \$200 million in venture capital. From 1994 to 1998, Mr. Barbieri served as the President and Chief Executive Officer of Pacific National Bank, a commercial bank that was sold to US Bank in 1998. While at Pacific National Bank, Mr. Barbieri served as the Chief Executive Officer of Alta Residential Mortgage Trust, a mortgage REIT, whose largest stockholder and cofounder was Lehman Brothers. Prior to that, Mr. Barbieri served as President of Capital Bancorp, a commercial bank holding company, Chief Financial Officer of First Federal Bank, and as an Investment Banking Associate of Merrill Lynch Capital Markets in New York. Mr. Barbieri holds a Bachelor's Degree in Business Management from Brigham Young University and an MBA from the Massachusetts Institute of Technology, Sloan School of Management. Mr. Barbieri's leadership experience, his extensive management experience, financial markets experience, general financial knowledge and his executive leadership experience in a REIT qualify him to serve on our Board of Directors.

***Directors Not Standing for Election to the Board of Directors***

*Jon D. Kline* has served as a member of our Board of Directors since his appointment to the Board in 2014. Mr. Kline is the Founder and Chief Executive Officer of Clearview Hotel Capital, LLC, a privately-held hotel investment and advisory company focused on acquiring and asset-managing hotels in urban and unique locations. Mr. Kline founded Clearview Hotel Capital in 2007. He previously served as President and Chief Financial Officer of Sunstone Hotel Investors, Inc. (NYSE:SHO). Prior to Sunstone, Mr. Kline oversaw the U.S. hospitality and leisure investment banking practice at Merrill Lynch & Co., with responsibility for lodging, gaming, restaurants and other leisure industries. Prior to Merrill Lynch, Mr. Kline was a real estate investment banker at Smith Barney, focused on lodging and other real estate asset classes. Prior to Smith Barney, Mr. Kline was an attorney with Sullivan & Cromwell LLP. Mr. Kline holds a B.A. in Economics from Emory University and a J.D. from New York University School of Law. Mr. Kline's executive leadership experience in a publicly-traded REIT, his professional and educational background, his network of relationships with real estate professionals and his extensive background and experience in public markets and in real estate and finance transactions qualify him to serve on the Board.

*David G. Lindahl* has served as a member of our Board of Directors since his appointment to the Board in 2014. Mr. Lindahl is a partner and Managing Director of HPSI, Inc. ( HPSI ), a nationwide Group Purchasing Organization with operations serving over 10,000 hospitals, post-acute care providers, educational, hospitality and institutional clients, which collectively purchase over \$1 billion of goods and services through HPSI each year. He has been affiliated with HPSI in various capacities since 1981. During a portion of that time, he also served as President of HPSI affiliate The Home Place, an operating pediatric sub-acute facility. Mr. Lindahl's executive leadership experience in the healthcare industry, his entrepreneurship and creativity, and his network of relationships with healthcare operators and their trade associations across the United States, particularly the many smaller hospital systems and post-acute providers which constitute much of our target client base, qualify him to serve on the Board.

*Spencer G. Plumb* has served as a member of our Board of Directors since his appointment to the Board in 2017. Mr. Plumb serves as President and Chief Executive Officer of Sabin Holdings, LLC, a global real estate platform launched in 2016. Prior to Sabin Holdings, LLC, Mr. Plumb co-founded Excel Trust, Inc. (formerly NYSE:EXL) in 2009 and served as its President and Chief Operating Officer and as a member of its Board of Directors. Excel Trust,

Inc. was acquired and taken private by Blackstone Property Partners in July 2015. In addition, Mr. Plumb has held various positions over his career with other public and private companies, including Excel Realty Holdings, Price Legacy Corporation, Excel Legacy Corporation, New Plan Excel Realty Trust, Excel Realty Trust, and Excel Interfinancial Corporation. Mr. Plumb also serves on the board of directors of The Sabin Children's Foundation, whose mission is to relieve the distress of children around the world. Mr. Plumb received a Bachelor of Arts in Economics from Brigham Young University. Mr. Plumb's leadership experience, his executive leadership experience in a REIT, and general real estate and REIT background qualify him to serve on our Board of Directors.

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*Gregory K. Stapley* has served as a member of our Board of Directors since CareTrust REIT's formation in 2013. Mr. Stapley is our Chairman, President and Chief Executive Officer. He has served as President and Chief Executive Officer since our inception in 2013 and was elected Chairman in 2014. Prior to founding CareTrust REIT, he served as Executive Vice President and Secretary of The Ensign Group, Inc. (Ensign), where he was instrumental in assembling the real estate portfolio that became CareTrust REIT's initial asset base at the time CareTrust REIT became an independent company in 2014. A co-founder of Ensign, he also served as Ensign's Vice President, General Counsel and Assistant Secretary beginning shortly after Ensign's founding in 1999. Mr. Stapley previously served as General Counsel for the Sedgwick Companies, an Orange County-based manufacturer, wholesaler and retailer with 192 retail outlets across the United States. Prior to that, Mr. Stapley was an equity member of the Phoenix law firm of Jennings, Strouss & Salmon PLC, where his practice emphasized real estate transactions and government relations. Having served as CareTrust REIT's Chairman and Chief Executive Officer since 2014, as Ensign's Executive Vice President from 2009 to 2014 and as Vice President and General Counsel of Ensign from 1999 to 2009, Mr. Stapley brings to the Board extensive management experience, critical knowledge of our properties and key tenants, substantial industry contacts and knowledge and understanding of the healthcare business in general.

**Recommendation of the Board of Directors**

Our Board of Directors unanimously recommends that the stockholders vote **FOR** the director nominee listed above. Unless otherwise instructed, the proxy holders will vote the proxies received by them **FOR** the director nominee.



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**CORPORATE GOVERNANCE**

**Director Independence**

Our Board of Directors has affirmatively determined that none of Allen C. Barbieri, Jon D. Kline, David G. Lindahl or Spencer G. Plumb has a relationship that, in the opinion of the Board of Directors, would interfere with the director's exercise of independent judgment in carrying out his responsibilities as a director and that each such director is an independent director under the applicable rules of The Nasdaq Stock Market LLC ( "Nasdaq" ). In this Proxy Statement, the aforementioned directors are referred to individually as an "Independent Director" and collectively as the "Independent Directors." Mr. Stapley does not qualify as an independent director because he is employed as our President and Chief Executive Officer.

**Board Leadership Structure**

The Board does not have a policy regarding the separation of the roles of Chief Executive Officer and Chairman of the Board, as the Board believes it is in the best interests of the Company to make that determination based upon the position and direction of the Company and the membership of the Board. The Board has determined that having the Company's current Chief Executive Officer serve as Chairman makes the best use of the Chief Executive Officer's extensive knowledge of the Company and its industry, as well as fostering greater communication between the Company's management and the Board. The Company has not currently designated a lead independent director.

**Board Role in Risk Oversight**

Our Board of Directors is responsible for overseeing the Company's management of risk. The Board strives to effectively oversee the Company's enterprise-wide risk management in a way that balances managing risks while enhancing the long-term value of the Company for the benefit of the stockholders. The Board of Directors understands that its focus on effective risk oversight is critical to setting the Company's tone and culture towards effective risk management. To administer its oversight function, the Board seeks to understand the Company's risk philosophy by having discussions with management to establish a mutual understanding of the Company's overall appetite for risk. Our Board of Directors maintains an active dialogue with management about existing risk management processes and how management identifies, assesses and manages the Company's most significant risk exposures. Our Board expects frequent updates from management about the Company's most significant risks so as to enable it to evaluate whether management is responding appropriately.

Our Board relies on each of its committees to help oversee the risk management responsibilities relating to the functions performed by such committees. Our audit committee periodically discusses with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies. Our nominating and corporate governance committee oversees risks relating to the Company's corporate compliance programs and assists the Board and management in promoting an organizational culture that encourages commitment to ethical conduct and a commitment to compliance with the law. Each of these committees is required to make regular reports of its actions and any recommendations to the Board, including recommendations to assist the Board with its overall risk oversight function.

Our Board of Directors believes that the processes it has established to administer the Board's risk oversight function would be effective under a variety of leadership frameworks and therefore do not have a material effect on our leadership structure described under "Board Leadership Structure" above.

*Compensation Risk Assessment.* The compensation committee identifies and considers risks related to our executive compensation, including during its review and approval of our executive compensation program. Our compensation programs are designed to reward our named executive officers and other employees for the achievement of the Company's corporate strategies, business objectives and the creation of long-term value for stockholders, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking. The compensation committee has concluded that the current executive compensation program does not encourage inappropriate or excessive risk-taking. In making its determination, the compensation committee noted that each named executive officer's direct compensation under our executive compensation program consists primarily of a fixed base salary, an annual incentive bonus opportunity and long-term equity incentive awards. Annual incentive bonuses are balanced with long-term equity incentives, which are generally subject to a multi-year vesting schedule.

**Table of Contents****Meetings and Attendance**

During the year ended December 31, 2017, our Board of Directors held eight meetings. Each member of the Board attended at least 75 percent of the aggregate of all meetings of our Board and meetings of any of our Board committees on which he served during the period that he served in fiscal 2017. In addition, the Independent Directors meet in executive sessions at which only Independent Directors are present in conjunction with each regularly scheduled meeting of the Board of Directors.

Although we do not have a formal policy regarding attendance by members of our Board of Directors at our annual meeting of stockholders, we encourage our directors to attend. All incumbent directors who served at the time of the 2017 annual meeting of stockholders attended the 2017 annual meeting of stockholders.

**Committees of the Board of Directors**

Our Board of Directors has an audit committee, a compensation committee and a nominating and corporate governance committee. Each such committee has a written charter, a copy of which is posted on our web site at [www.caretrustreit.com](http://www.caretrustreit.com) under the Investors Corporate Governance section. The Board of Directors and each of its committees may meet, at times, without management present. The following table presents the composition of the committees of our Board of Directors as of the date of this Proxy Statement:

<b>Director</b>	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nominating and Corporate Governance Committee</b>
Allen C. Barbieri			
Jon D. Kline			
David G. Lindahl			
Spencer G. Plumb			
Gregory K. Stapley			

Committee Member

Committee Chair

*Compensation Committee.* Our compensation committee currently consists of Messrs. Barbieri, Kline, Lindahl and Plumb. Mr. Lindahl serves as chairman of the compensation committee. All members of the compensation committee meet the independence requirements set forth by the Nasdaq listing standards. Each member of the compensation committee is a non-employee director (within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act )) and an outside director (within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code )). Our compensation committee held four meetings in 2017. The primary functions of this committee include, among other things, to:

review executive compensation plans in light of the Company's goals and objectives with respect to such plans, and adopt new, or amend existing, executive compensation plans as appropriate;

evaluate the performance of our Chief Executive Officer and other executive officers;

review and approve the compensation of our executive officers, including salary and bonus awards;

review and make recommendations to the Board regarding compensation to directors for service on the Board and its committees;

establish overall employee compensation policies and recommend to our Board of Directors major compensation programs;

administer our various employee benefit and equity incentive programs;

review and discuss with management our Compensation Discussion and Analysis and recommend to the Board whether the Compensation Discussion and Analysis be included in the annual proxy statement or annual report, as applicable; and

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prepare an annual report on executive compensation for inclusion in our proxy statement. The compensation committee may delegate any or all of its responsibilities to a subcommittee consisting of at least two members to the extent consistent with the Company's Charter and Bylaws, applicable law and the rules and regulations of Nasdaq. The compensation committee has no current intention to delegate any of its other responsibilities to a subcommittee. The compensation committee may confer with the Board in determining the compensation for the Chief Executive Officer. In determining compensation for executive officers other than the Chief Executive Officer, the compensation committee considers, among other things, the recommendations of the Chief Executive Officer.

Pursuant to its charter, the compensation committee is authorized to retain or obtain the advice of compensation consultants, outside counsel, experts or other advisors to advise the compensation committee with respect to amounts or forms of executive and director compensation or in carrying out its other responsibilities.

*Audit Committee.* Our audit committee currently consists of Messrs. Barbieri, Kline, Lindahl and Plumb. Mr. Kline serves as chairman of the audit committee. All members of the audit committee meet the independence requirements set forth by the SEC and the Nasdaq listing standards. Our audit committee held four meetings in 2017. Each member of our audit committee is financially literate in accordance with the Nasdaq listing standards. Our Board of Directors has determined that each of Messrs. Kline and Barbieri qualify as an audit committee financial expert as that term is defined in the rules and regulations established by the SEC. This designation is a disclosure requirement of the SEC related to the experience and understanding of each of Messrs. Kline and Barbieri with respect to certain accounting and auditing matters. The designation does not impose on Messrs. Kline or Barbieri any duties, obligations or liability that are greater than those generally imposed as a member of our audit committee and our Board of Directors, and such designation as an audit committee financial expert pursuant to this SEC requirement does not affect the duties, obligations or liability of any other member of our audit committee or Board of Directors. The primary functions of this committee include, among other things, to:

be responsible for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm;

review and approve in advance all permitted audit and non-audit engagements and relationships between us and our independent registered public accounting firm;

evaluate our independent registered public accounting firm's qualifications, independence and performance;

review and discuss with our independent registered public accounting firm their audit plan, including the timing and scope of audit activities;

review our consolidated and combined financial statements;

review our critical accounting policies and practices;

review the adequacy and effectiveness of our accounting and internal control policies and procedures;

review with our management all significant deficiencies and material weaknesses in the design and operation of our internal controls;

review with our management any fraud that involves management or other employees who have a significant role in our internal control over financial reporting;

establish procedures for the receipt, retention and treatment of complaints regarding internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

review on an ongoing basis and approve or disapprove related party transactions;

prepare the audit committee report required by the rules of the SEC to be included in our annual proxy statement; and

discuss with our management and our independent registered public accounting firm the results of our annual audit and the review of our quarterly consolidated and combined financial statements.

Representatives of our independent registered public accounting firm and our internal financial personnel regularly meet privately with and have unrestricted access to the audit committee.

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