

Community Healthcare Trust Incorporated Internal Audit Department Charter

Mission:

The mission of Community Healthcare Trust Incorporated's (the "Company") Internal Audit Department is to provide independent, objective assurance and consulting services designed to add value to and improve the Company's operations. The Internal Audit Department strives to help the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. In addition, the Company's internal audit department will work with management in implementing operational best practices.

Scope of Work:

The Internal Audit Department is to evaluate whether the Company's network of risk management, control and governance processes, as designed by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified, analyzed and managed.
- Significant financial, managerial and operating information is accurate, reliable and timely.
- Interaction with the various governance groups occurs as needed.
- Employees' actions are in compliance with policies, standards, procedures and applicable laws and regulations.
- Resources are acquired economically, used efficiently and adequately protected.
- Quality and continuous improvement are fostered in the Company's control process.
- Significant legislative or regulatory issues impacting the Company are recognized, analyzed and addressed appropriately.
- Remedial action is taken whenever inadequacies are discovered concerning any of the above.

In addition, the department will carry out any ad hoc inspections, investigations, examinations or reviews as requested by the Audit Committee of the Board of Directors or senior management.

Professional Standards:

The Internal Audit Department staff will follow the Code of Ethics of the Institute of Internal Auditors, as such may be amended or modified from time to time, and all Company policies. The department shall diligently strive to maintain an independent attitude.

The audit work schedule is developed by prioritizing the audit universe by risk. The department reports its plans, significant issues and staffing capabilities on a schedule as requested by the Audit Committee and senior management, or as needed.

The department issues a written report after each review for distribution to all appropriate parties. The Audit Committee will receive copies of reports, as appropriate. It is the responsibility of management to implement corrective actions identified during audits. The Internal Audit Department is responsible for following up on corrective actions for all significant findings in our control testing.

Accountability:

The Vice President Internal Audit, in the discharge of their duties, shall be accountable to management and the Audit Committee and shall:

- Provide annually an assessment on the adequacy and effectiveness of the Company's processes for controlling its activities and managing its risks in the areas set forth under "Mission" and "Scope of Work."
- Report significant issues related to the processes for controlling the activities of the Company and its affiliates, including potential improvements to those processes.
- Periodically provide information on the status and results of the annual audit plan and the sufficiency of department resources.
- Coordinate with other control and monitoring functions, including risk management, compliance, security, legal, ethics, environmental and external audit.

Independence and Objectivity:

To help ensure the independence of the Internal Audit Department, the staff of the Internal Audit Department will report to the Vice President Internal Audit. The Vice President Internal Audit reports directly to the Chief Financial Officer, to the Audit Committee and Chief Executive Officer in a manner outlined above under "Accountability."

The Vice President Internal Audit and staff will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Additionally, the Vice President Internal Audit and staff will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgements.

The Vice President Internal Audit will confirm to the Board of Directors, at least annually, the organizational independence of the internal audit activity.

The Vice President Internal Audit, and staff of the Internal Audit Department shall not:

- Perform any operational duties for the Company or its affiliates.
- Initiate or approve accounting transactions external to the Internal Audit Department.
- Direct the activities of any Company employee not employed by the department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

Responsibility:

The Vice President Internal Audit and the staff of the Internal Audit Department shall:

- Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit the plan to the Audit Committee for review and approval as well as periodic updates.
- Implement the annual audit plan, as approved, including as appropriate any special tasks or projects requested by management or the Audit Committee.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter. In the event internal audit activities are outsourced to an outside party, the Internal Audit Department will ensure the third party's staff meets these requirements as well.
- Issue periodic reports to the Audit Committee and management summarizing results of audit activities.
- Keep the Audit Committee apprised of emerging trends and concerns and successful practices.
- Assist in the investigation of significant suspected fraudulent activities within the Company and notify management and the Audit Committee of the results of any such investigation.

Authority:

The Vice President Internal Audit and staff of the Internal Audit Department shall:

- Have unrestricted access to all functions, records, property and personnel of the Company.
- Have full access to the Audit Committee.
- Allocate resources, set frequencies, select subjects, determine scopes of work and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of Company personnel to perform audits or other necessary duties.

Quality Assurance and Improvement Program:

The Internal Audit Department will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the International Standards for the Professional Practice of Internal Auditing, as such may be amended from time to time, and an evaluation of whether internal auditors apply the Code of Ethics. The program will also assess the efficiency and effectiveness of the opportunities for improvement.