

CARETRUST REIT, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

EFFECTIVE AS OF MAY 12, 2014

Introduction

The Board of Directors of CareTrust REIT, Inc. (the “Company”) has adopted this Code of Business Conduct and Ethics (the “Code”) to deter wrongdoing and promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;
- compliance with applicable governmental laws, rules and regulations;
- prompt internal reporting of violations of the Code to an appropriate person or persons; and
- accountability for adherence to the Code.

This Code applies to all employees, officers and directors of the Company. A statement of compliance with this Code must be signed by all employees and directors.

Honest And Ethical Conduct

We expect honest and ethical conduct in all aspects of the Company’s business from each of our employees and directors, and we expect each employee and director to foster a culture of transparency, integrity and honesty.

Conflicts Of Interest

A conflict of interest arises when your private interest interferes in any way, or appears to interfere, with the interests of the Company. A conflict situation can arise if you take actions or have interests that may make it difficult to perform your work for the Company objectively and effectively. A conflict of interest may arise if you or a family member receives an improper personal benefit as a result of your position in the Company. The potential personal benefits may be direct or indirect, financial or nonfinancial, through family connections, personal associations, or otherwise. For purposes of this Code, “family members” includes a person’s spouse or life-partner, parents, children (whether such relationships are by blood or adoption), siblings, mothers- and fathers-in-law, sons and daughters-in-law, brothers- and sisters in-law, and anyone (other than domestic employees) who shares such person’s home.

All employees and directors must avoid conflicts of interest unless approved by (i) the Audit Committee or the Board of Directors, in the case of a director or executive officer, or (ii) the Chief Executive Officer, in the case of an employee who is not an executive officer. No member of the Board of Directors may participate in any decision by the Board or the Audit Committee that in any way relates to the matter that gives rise to the conflict of interest, other than to provide the Board or Audit Committee with all relevant information relating to the matter. Related Party Transactions are a special category of conflicts of

interest and are subject to (and defined in) the Company's Policy and Procedures with Respect to Related Party Transactions.

Upon becoming aware of a conflict of interest or potential conflict of interest, (i) a director or executive officer must bring the matter to the attention of the Chairman of the Audit Committee or the Chairman of the Board of Directors, and (ii) an employee who is not an executive officer must bring the matter to the attention of the Chief Executive Officer.

Corporate Opportunities

As an employee or director of the Company, you have an obligation to advance the Company's interests when the opportunity to do so arises. If you discover or are presented with a business opportunity through the use of corporate property or information or because of your position with the Company, you may not participate in the opportunity, or refer it to others, without the prior written approval of the Chief Executive Officer. No employee or director may use corporate property, corporate information or his or her position with the Company for personal gain.

Fair Dealing

All employees and directors should deal fairly with each of the Company's employees, customers, suppliers, tenants and competitors. Employees and directors should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Protection Of Company Assets

Employees and directors should protect the Company's assets and ensure their efficient use for legitimate business purposes only, other than de minimis exceptions for reasonable personal use. The misuse of the funds or assets of the Company, whether or not for personal gain, for any unlawful or improper purpose is prohibited.

Confidential Information

Employees and directors have access to a variety of confidential information while employed at, or serving on the Board of Directors of, the Company. Confidential information includes all nonpublic information that might be of use to competitors, or, if disclosed, harmful to the Company or its tenants or customers. Employees and directors have a duty to use all reasonable efforts to safeguard nonpublic information in the Company's possession, and may not disclose nonpublic information about the Company or any other company, unless (i) required by law, (ii) disclosure is required for legitimate Company business purposes, (iii) disclosure of the information is authorized in accordance with Company policies, or (iv) appropriate steps have been taken to prevent misuse of that information (including entering an appropriate nondisclosure agreement that restricts the disclosure and use of the information, if applicable). This restriction also applies to internal communications within the Company and to communications with agents of the Company. An employee's or director's obligation to protect confidential information continues after his or her service with the Company ends. Unauthorized disclosure of confidential information could cause harm to the Company and could result in legal liability to you and the Company.

Company Records

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports and other disclosures to the public and guide our business decision-making and strategic planning. Company records include accounting and financial data, payroll, timecards, travel and expense reports, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business. Company records must be accurate and reliable in all material respects. Undisclosed or unrecorded funds, payments or receipts are prohibited. You are responsible for understanding and complying with our record keeping policy.

Accuracy Of Financial Reports And Other Public Communications

As a public company, we are subject to various securities laws, regulations and reporting obligations. Both federal law and our policies require disclosure of accurate and complete information regarding the Company's business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability. The Company's principal financial officers and other employees working in the Accounting Department have a special responsibility to ensure that all of our disclosures in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in all other communications made by or on behalf of the Company to the public are full, fair, accurate, timely and understandable. Employees involved in accounting and financial reporting must understand and ensure compliance with generally accepted accounting principles and all applicable standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts. You are expected to report any complaints or concerns regarding accounting, internal accounting controls and auditing matters promptly and may submit any such complaint or concern on a confidential, anonymous basis, as described under "Reporting Violations" below.

Compliance With Laws, Rules And Regulations

Each employee and director has an obligation to comply with all applicable laws, rules and regulations, including, without limitation, laws covering information privacy, insider trading, illegal political contributions, foreign corrupt practices, bribery and kickbacks, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information and misuse of corporate assets. You are expected to understand and comply with all laws, rules and regulations that apply to your job position.

Insider Trading

Company employees and directors are generally prohibited from trading in the stock or other securities of the Company while in possession of material, non-public information about the Company. In addition, Company employees and directors are prohibited from recommending, "tipping" or suggesting that anyone else buy or sell stock or other securities of the Company on the basis of material, nonpublic information. Company employees and directors who obtain material non-public information about another company in the course of their service with the Company are prohibited from trading in the stock or securities of the other company while in possession of such information or "tipping" others to trade on the basis of such information. Violation of insider trading laws can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment for employees.

Information should be regarded as "material" if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, hold or sell securities or would view the

information as significantly altering the total mix of information in the marketplace about the issuer of the security. In general, any information that could reasonably be expected to affect the market price of a security is likely to be material. Either positive or negative information may be material. While it is not possible to identify all information that would be deemed “material,” the following are examples of the types of information that ordinarily could be considered material: (i) annual or quarterly results of operations and significant changes in financial performance or liquidity; (ii) significant developments regarding the Company’s business operations; (iii) proposals, plans or agreements, even if preliminary in nature, involving significant or strategic transactions, such as corporate mergers and acquisitions, divestitures, recapitalizations or purchases or sales of substantial assets; (iv) offerings of securities or other changes in the Company’s capitalization, including extraordinary borrowing or other financing transactions; (v) events regarding the Company’s securities (e.g., defaults, redemption, repurchase plans, stock splits, changes in dividends); (vi) significant changes in senior management; and (vii) significant new lawsuits or regulatory matters, or significant developments in existing ones. In general, it is advisable to resolve any close questions as to the materiality of any information by assuming that the information is material.

Information is considered “nonpublic” if the information has not been broadly disseminated to the public for a sufficient period to be reflected in the price of the security. As a general rule, information should be considered nonpublic until at least two full business days have elapsed after the information is broadly distributed to the public in a press release or another broad, non-exclusionary form of public communication. However, depending upon the form of the announcement and the nature of the information, it is possible that information may not be fully absorbed by the marketplace until a later time.

Notwithstanding the general prohibition against insider trading, the law and Company policy permit Company employees and directors to trade in Company securities regardless of their awareness of material nonpublic information if the transaction is made pursuant to a pre-arranged trading plan that was established in compliance with applicable law and was entered into when the person was not in possession of material nonpublic information. A person who wishes to enter into a trading plan must submit the plan to the Chief Executive Officer for approval prior to the adoption, modification or termination of the trading plan.

The laws against insider trading are complex. Any questions about the materiality of information you may possess or about any dealings you have had or intend to engage in with respect to the Company’s securities should be promptly brought to the attention of the Chief Executive Officer. Additionally, you should carefully review the Company’s Insider Trading Policy.

Responding To Inquiries From The Press And Others

Company employees who are not official Company spokespersons may not speak with the press, securities analysts, other members of the financial community, stockholders or groups or organizations as a Company representative or about Company business unless specifically authorized to do so by Chief Executive Officer or Chief Financial Officer. Requests for financial or other information about the Company from the media, the press, the financial community, stockholders or the public should be referred to the Chief Financial Officer. Requests for information from regulators or the government should be referred to the Chief Executive Officer.

Seeking Help And Information

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. If you feel uncomfortable about a situation or have any doubts about whether it is consistent

with this Code or the Company's ethical standards, seek help. We encourage employees to contact their supervisor for help first. If your supervisor cannot answer your question or if you do not feel comfortable contacting your supervisor, contact the Chief Executive Officer directly or the Company's ethics hotline (the "Ethics Hotline") at 877-215-9778.

Reporting Violations

All employees and directors have a duty to promptly report any known or suspected violation of this Code, including any violation of the laws, rules, regulations or policies that apply to the Company. For employees, if you know of or suspect a violation of this Code, immediately report the conduct to the Chief Executive Officer, General Counsel or the Ethics Hotline. If you are a director, you should report any suspected violation of this Code promptly to the Chief Executive Officer, General Counsel or the Chairman of the Audit Committee. Concerns regarding questionable accounting or auditing matters may be submitted on a confidential, anonymous basis through the Ethics Hotline or in writing directly to the Chairman of the Audit Committee at CareTrust REIT, Inc., Attn: Chairman, Audit Committee, 27101 Puerta Real, Suite 400, Mission Viejo, CA 92691. After receiving a report of an alleged prohibited action, the Chief Executive Officer, General Counsel or the Chairman of the Audit Committee must promptly take all appropriate actions necessary to investigate. All employees and directors are expected to cooperate in any internal investigation of misconduct. All reports of known or suspected violations of the law or this Code will be handled with sensitivity and discretion. Your confidentiality will be protected to the extent possible, consistent with applicable law and the Company's need to investigate your concern. It is imperative that reporting persons not conduct their own preliminary investigations. Investigations of alleged violations may involve complex legal issues, and acting on your own may compromise the integrity of an investigation and adversely affect both you and the Company.

Enforcement Of The Code

The Company must ensure prompt and consistent action against violations of this Code. If, after investigating a report of an alleged prohibited action by a director or executive officer, the Audit Committee determines that a violation of this Code has occurred, the Audit Committee will report such determination to the Board of Directors, which will take such preventative or disciplinary action as it deems appropriate. If, after investigating a report of an alleged prohibited action by any employee who is not an executive officer or director, the Chief Executive Officer determines that a violation of this Code has occurred, the Chief Executive Officer will take such preventative or disciplinary action as he deems appropriate. The appropriate action that may be taken by the Board of Directors or the Chief Executive Officer includes, without limitation, reassignment, demotion, dismissal and, in the event of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities.

Policy Against Retaliation

The Company strictly prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment.

Waivers Of The Code

Waivers of this Code will be granted only in extraordinary circumstances. Waivers of this Code for employees other than executive officers may be made only by the General Counsel or Chief Executive Officer. Any waiver of this Code for our directors or executive officers may be made only by our Board of Directors and will be disclosed to the public, along with the reasons for such waiver, as required by

applicable securities laws and regulations and the rules of the NASDAQ Stock Market. Any waiver granted shall not constitute a waiver for future purposes or bind the Company to grant any such waiver in the future.

Code Of Ethics For Principal Officers

The sections of this Code entitled “Introduction,” “Conflicts Of Interest,” “Accuracy Of Financial Reports And Other Public Communications,” “Compliance With Laws, Rules And Regulations,” “Reporting Violations” and “Enforcement Of The Code,” as applied to the Company’s principal financial officers, shall be our “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

No Rights Created

This Code is a statement of policies for individual and business conduct and does not, in any way, constitute an employment contract, an assurance of continued employment or a guarantee of continuing Company policy. We reserve the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time. This Code is not intended to and does not create any rights in any employee, director, tenant, customer, supplier, competitor, stockholder or any other person or entity.

ACKNOWLEDGMENT FORM

I have received and read the Code of Business Conduct and Ethics of CareTrust REIT, Inc., and I understand its contents. I agree to comply fully with the standards, policies and procedures contained in the Code and the Company's related policies and procedures. I understand that I am accountable for adherence to the Code and have an obligation to report any suspected violations of the Code that I am or become aware of. I acknowledge that the Code is a statement of policies for business conduct and does not, in any way, constitute an employment contract or an assurance of continuing employment or create any rights.

Printed Name

Signature

Date