

CareTrust REIT, Inc.

POLICY ON HUMAN CAPITAL

Adopted January 31, 2020



CareTrust REIT, Inc. (together with its controlled subsidiaries, “CareTrust,” “We” or the “Company”) is committed to corporate responsibility, 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. The development and ongoing maintenance of these policies and related programs is a Company-wide effort overseen by (i) Board of Directors through its Sustainability & Corporate Responsibility Committee, (ii) our internal Environmental, Social & Governance Committee, which is made up of a representative group of employees from across the Company, and (iii) management.

Our commitment to our employees and the ethical treatment of others is embedded in everything we do, and this Policy on Human Capital is an integral part of our overall commitment to corporate responsibility.

SCOPE & SPHERE OF INFLUENCE

CareTrust’s board, management and employees are committed to honoring the policies and principles set forth herein in our day-to-day business activities. In addition, as a capital supplier to the healthcare industry, we are using our influence to bring awareness to human issues, improve working conditions and promote the ethical treatment of employees and all people wherever our activities and influence can be felt. We believe that the creation of an engaging and mutually supportive corporate culture that acknowledges and celebrates the value and contributions of all stakeholders is core to our long-term success.

As a healthcare-focused real estate investment trust, our assets are an integral part of the overall healthcare continuum in the communities that we and our tenants serve. As an extension of our commitment to the many people who contribute to our success, the Company requires its partners, suppliers and vendors, as well as their employees, agents and subcontractors (collectively “Vendors”) to comply with CareTrust’s Vendor Code of Conduct (the “Vendor Code”), especially but not only in connection with their dealings with CareTrust. The Company also encourages and incentivizes its triple-net tenants and their respective employees (collectively “Tenants”) to reflect a similar commitment to integrity and corporate responsibility by voluntarily participating in CareTrust’s Tenant Code of Conduct and Corporate Responsibility Program (the “Tenant ESG Program”), and particularly by valuing the healthcare workers in their employ who deliver care in their facilities every day.

The principles outlined in this Policy on Human Capital relate to and confirm key commitments and principles contained in our Code of Business Conduct and Ethics and related policies which, among other things, requires all employees to abide by our policies, including this Policy on Human Capital. Our Code of Business Conduct & Ethics is updated and provided to all employees annually, and employees confirm in writing that they have read and understood the Code of Business Conduct & Ethics.

A CULTURE OF MUTUAL RESPECT

Support & Development of Human Capital

Our employees are the heart of our company. Without their passion, professionalism and hard work, CareTrust would not be what it is today, nor could it achieve its full potential as a key capital provider in the healthcare delivery system in the future. CareTrust's Policy on Human Capital reflects our commitment to the dignity and rights of all people, especially our employees and others whose professional lives may be impacted by our properties and business activities. It represents a critical commitment to, and investment in, the current and long-term health and well-being of our organization and its people.

Our employees' commitment to CareTrust provides better service to our tenants and stakeholders, creates an inclusive and collegial working environment and generates long-term value for our shareholders and the communities we serve. CareTrust reciprocates with a commitment to our employees and their health, professional development and workplace satisfaction.

Core Philosophies & Policies Regarding Human Capital

In order to continue and enhance this successful relationship, CareTrust invests significant time and resources in supporting and developing our employees and creating a desirable workplace. Our core philosophies and policies in this regard include:

Diversity: The Company believes that employment should be based on a person's experience, work ethic and demonstrated ability, and not personal characteristics. We are committed to maintaining a workplace free of unlawful discrimination, which includes race, gender, marital status, age, color, religion, national origin, disability, veteran status, sexual orientation, or any other characteristic or status protected by law. Employees must not be subjected to verbal, physical, sexual or psychological abuse, harassment, and must be treated with respect and dignity. We acknowledge that our commitment to diversity must start with our Board of Directors, which currently includes one female director (out of five total), and we are committed to adding another by the end of 2021.

Compensation: CareTrust provides compensation at competitive rates for the markets in which our employees live and work. These programs include opportunities to supplement base income with incentive-based cash bonuses. In addition, because we believe that those employees who behave like owners in the fulfillment of their job duties should be treated like owners, we offer stock-based incentive compensation to nearly all of our employees. We believe that this ownership adds value by incentivizing both better work performance and greater longevity, while increasing overall job satisfaction and esprit de corps across our diverse workforce.

Benefits: CareTrust provides a competitive benefits program including medical, dental and vision coverage with substantial employer funding and a wide menu of medical options, a 401(k) plan with an employer match, Flexible Spending Accounts (FSAs), employer-funded life insurance, an employer-funded employee assistance program (EAP), a generous vacation, holiday and personal time off policy, an array of voluntary benefits options and other benefits for employees and their families.

Compliance: CareTrust is committed to compliance with all applicable wage and compensation requirements under applicable labor laws for regular work, overtime, maximum hours, piece rates, and other elements of compensation and employee benefits. To ensure compliance, and to maximize the benefits options and levels we can offer to employees nationwide, we contract with an independent

third-party professional employer organization (“PEO”) to provide and administer our benefits programs and many other traditional human resources functions.

Health and Safety: We are committed to full compliance with all applicable safety and health laws, including in the areas of occupational safety, emergency preparedness, occupational injury and illness, industrial hygiene, physically demanding work, machine safeguarding, sanitation, food, and housing. We seek to minimize employee and visitor exposure to potential safety hazards by appropriately identifying, assessing and minimizing health and safety risks in all workplaces that we control.

Retention and Turnover: Recruiting, hiring, training and retaining excellent employees is a high priority for CareTrust. These activities carry real and substantial costs, which we regard as a meaningful investment in our workforce and our Company. We believe that employee turnover is costly both in direct and indirect ways, and we are committed to employee retention and satisfaction.

Training and Education: CareTrust’s culture values continuous learning, improvement and professional development. This help our employees to keep their skills current and to adapt to new responsibilities and emerging market needs. CareTrust provides financial support for professional association dues and memberships, continuing education credits, and fees and travel expenses to attend relevant conferences and seminars. We encourage employees to work with their managers to identify learning opportunities that will contribute to their career goals and to CareTrust’s success.

Employee Engagement: We believe all employees have a vested interest in the operation of their workplace, and thus deserve a voice in developing its culture, processes and atmosphere. CareTrust conducts regular surveys of its employees. This allows us to measure employee engagement and satisfaction and, when necessary, change procedures and implement initiatives to address recurring areas for improvement. In addition, CareTrust conducts all-employee meetings weekly, promoting inclusion and allowing employees to ask questions and provide feedback to management and each other. We also periodically sponsor offsite activities, including parties, volunteer service opportunities and incentive trips for qualifying employees (including front-line staff) to foster camaraderie and employee satisfaction, and to directly acknowledge the valuable contributions our employees make daily to our success.

Volunteerism and Philanthropic Support: CareTrust routinely contributes to charitable non-profit organizations, particularly organizations that touch the healthcare industry and its stakeholders. We also support our employees in their individual and collective philanthropic efforts. This includes providing service opportunities, time off with pay for approved volunteer and other charitable endeavors, and a generous matching program for most employee charitable contributions.

Succession Planning: As a relatively small company, we recognize that the unexpected loss of key personnel could pose significant short-term risks to the Company’s health and performance. We accordingly discuss, develop and update, on a regular basis, succession plans for key personnel. We also maintain relationships with a wide variety of industry participants and trade groups, in part as a means for potential recruitment when necessary.

IMPLEMENTATION AND GOVERNANCE

CareTrust actively identifies, monitors and addresses opportunities to enhance our human capital policies, programs and initiatives, consistent with our belief in the value of our employees’ contributions to our success. We also encourage the adoption of similar philosophies and policies within our sphere of

influence, particularly among our Tenants and Vendors, and we distribute copies of this Policy on Human Capital to our Tenants and Vendors.

We will report periodically on our performance with respect to this Policy on Human Capital and our human capital practices, risks and opportunities in our annual Sustainability and Governance Report. Violations or other misconduct related to our Policy on Human Capital should be promptly reported to CareTrust's executive management, legal department, or via the CareTrust whistleblower hotline, at 877-215-9778. Employees, Vendors or Tenants who have questions or concerns regarding this Policy can seek guidance via the same sources.

NO RIGHTS CREATED

This Policy on Human Capital, together with our other policy statements including our Policy on Human Rights & Responsibilities, our Sustainability Policy, our Vendor Code of Conduct, our Tenant Code of Conduct and Corporate Responsibility Program, our Code of Business Conduct & Ethics and any other Company policy or program in effect from time to time (all of which are incorporated herein by this reference and referred to collectively herein as the "CareTrust Policies") do 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 Policy on Human Capital, the matters addressed herein and any or all of the other CareTrust Policies without prior notice at any time. The CareTrust Policies are not intended to and do not create any rights in any employee, director, tenant, customer, supplier, competitor, stockholder or any other person or entity. ☹