Notice

and

Management Information and Proxy Circular

for the

Annual Meeting of Shareholders

of

Extendicare Inc.

to be held on

May 29, 2023

Dated: April 17, 2023

Helping people live better

Extendicare

April 17, 2023

Fellow Extendicare Shareholders,

On behalf of the Board and management, I invite you to the annual meeting of the shareholders of Extendicare, to be held on Monday, May 29, 2023, at 10:30 a.m. EDT at the TMX Market Centre, 120 Adelaide Street West, Toronto. This will be our first opportunity since 2019 to conduct the annual meeting in person.

The meeting provides Extendicare shareholders with an opportunity to consider key matters relating to the business and affairs of the Company. The accompanying management information and proxy circular describes the business to be conducted at the meeting and outlines the Company's corporate governance and executive compensation practices. We invite you to take the time to review these materials and exercise your vote.

Your vote is important. Whether or not you plan to attend the meeting in person, we encourage you to provide your voting instructions in advance of the meeting in accordance with the enclosed form of proxy or voting instruction form.

This year, as in prior years, we remained focused on providing high-quality care for our long-term care residents and home health care clients despite the pandemic, which continued for a third year with high rates of community infection. Fortunately, widespread adoption of vaccines mitigated its impact, making COVID-19 outbreaks shorter and less harmful to our residents.

Notwithstanding the pandemic and the ensuing economic challenges, we made great progress on the strategic transformation of our business to accelerate growth and enhance shareholder value. We completed the sale of our retirement living communities, directing funds from the sale to advance our long-term care redevelopment program and return value to shareholders through our share buy-back program. Last year, we purchased approximately five million shares, returning $35.0 million to shareholders.

We are now focused on long-term care and home health care, where we can leverage our deep expertise and scale using a less capital intensive, higher margin business model.

We also announced key strategic agreements with Revera and Axium Infrastructure that, once approved, will result in Extendicare operating an additional 56 long-term care homes in Ontario and Manitoba, adding approximately 7,000 beds to our higher margin managed services segment and acquiring a 15% managed interest in 24 of these long-term care homes through a joint venture partnership with Axium. A second joint venture partnership with Axium will enable a more capital efficient business model for our existing redevelopment plans and will give us the ability to grow through new long-term care builds and acquisitions.

The care needs of the aging demographic will necessitate steady growth in long-term care and home health care in the coming years. The pandemic has frustrated capacity growth for the past three years and its ongoing economic impacts have delayed a return to normal operations. Fortunately, as the pandemic recovery continues and economic trends moderate, we believe Extendicare is well positioned to execute on its growth and transformation agenda.

In this year's circular, you will find increased disclosure of our ESG practices. As a health care company, the social benefits of our enterprise have always been central to our mission. We were honoured to be recognized for the second consecutive year by the Globe and Mail through the 2023 Women Lead Here list of companies that exceed the benchmark for executive gender diversity in corporate Canada. Whether they provide compassionate support to residents in our long-term care homes, connect patients in the community with essential home health care, or serve in an executive capacity, women lead Extendicare at every level of the organization. We continue to work hard to ensure that Extendicare benefits from the full range of talent available to us from across the diverse cultural fabric that characterizes Canadian society today.

We hope you will join us in person or listen to the live audio webcast of the meeting available on our website at www.extendicare.com. For those unable to attend, an archived recording will be available on our website following the meeting.

On behalf of the Board and management team, thank you for your continued support of Extendicare and belief in our growth potential as we continue to serve communities across Canada.

Yours very truly,

Alan Torrie, Chairman

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
OF EXTENDICARE INC.

NOTICE IS HEREBY GIVEN that the Annual Meeting (the "**Meeting**") of the holders of common shares (collectively, the "**Shareholders**") of Extendicare Inc. ("**Extendicare**" or the "**Company**") will be held on Monday, May 29, 2023, at 10:30 a.m. EDT at the TMX Market Centre, 120 Adelaide Street West, Toronto, Ontario for the following purposes:

(1) to receive the consolidated financial statements of the Company for the year ended December 31, 2022 and the report of the auditors thereon;

(2) to appoint the auditors of the Company and authorize the directors to fix the auditors remuneration;

(3) to elect the directors of the Company;

(4) to approve an advisory (non-binding) resolution to accept the approach of the Company to executive compensation disclosed in the Information Circular; and

(5) to transact such further business as may properly come before the Meeting or any adjournment thereof.

The accompanying Information Circular contains additional information relating to the matters to be dealt with at the Meeting.

Only Shareholders of record at the close of business on April 6, 2023 will be entitled to receive notice of and to vote at the Meeting and any adjournment thereof.

Whether or not Shareholders are able to attend the Meeting, registered Shareholders and non-registered Shareholders are encouraged to provide voting instructions in accordance with the enclosed form of proxy or voting instruction form, respectively.

To be valid, the proxy must be received by Computershare Trust Company of Canada no later than 10:30 a.m. EDT on May 25, 2023, and if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the adjourned or postponed Meeting. In addition, the form of proxy provides instructions on how to vote over the internet or by telephone.

If you are a non-registered Shareholder (also known as a beneficial Shareholder) and receive the Meeting materials through an intermediary, please carefully follow the instructions provided by the intermediary, including those regarding when and where the voting instruction form is to be delivered, in order to provide sufficient time for the intermediary to act on them prior to that deadline.

Additional information relating to the exercise of voting rights by registered and non-registered Shareholders is included in the accompanying Information Circular.

If you did not receive a copy of our 2022 Annual Report, you can view the report on our website at www.extendicare.com, or to receive a hard copy, please contact the Vice President, Investor Relations of the Company by email at investor.relations@extendicare.com, or telephone at 905-470-5534.

DATED at Markham, Ontario on April 17, 2023.

By order of the Board of Directors of Extendicare Inc.

John Toffoletto
Senior Vice President, Chief Legal Officer and Corporate Secretary

EXTENDICARE INC.

MANAGEMENT INFORMATION AND PROXY CIRCULAR

GENERAL PROXY MATTERS

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by management of the Company for use at the Meeting for the purposes set forth herein and in the Notice of Meeting accompanying this Information Circular. Unless otherwise indicated, the information provided in this Information Circular is given as of April 6, 2023. All dollar amounts referenced herein are expressed in Canadian dollars unless indicated otherwise. A Glossary of Terms can be found on page 34 of this Information Circular.

It is anticipated that the solicitation of proxies will be primarily by mail, but proxies may also be solicited personally, by telephone or other means of communication by management of the Company, who will not be specifically compensated therefor, or agents of the Company who will be specifically compensated therefor. All costs of the solicitation will be borne by the Company.

Record Date and Voting Rights

The Board of Directors has fixed the record date for the Meeting as at the close of business on April 6, 2023 (the "**Record Date**") for the purpose of determining Shareholders entitled to receive notice of and to vote at the Meeting. Each Shareholder is entitled to one vote for each Common Share held as of the Record Date. Only Shareholders of record at the close of business on the Record Date and their duly authorized representatives shall be entitled to vote at the Meeting or any adjournment thereof. The voting process is different depending on whether a Shareholder is a registered or a non-registered Shareholder.

Voting Instructions for Registered Shareholders

Registered Shareholders are Shareholders who hold their Common Shares in their own name and will have received a form of proxy together with this Information Circular. Registered Shareholders may vote their Common Shares by completing and submitting the accompanying form of proxy or by attending and voting their Common Shares in person at the Meeting or giving another person authority to vote at the Meeting on their behalf by appointing a proxyholder.

Voting at the Meeting

Registered Shareholders wishing to vote their Common Shares at the Meeting do not need to complete and return the accompanying form of proxy. Their vote will be taken and counted at the Meeting. However, whether or not Registered Shareholders plan to attend the Meeting, they are encouraged to complete and return the enclosed form of proxy to ensure their vote will be counted should they later decide not to attend the Meeting. Submitting a form of proxy will not prevent a Registered Shareholder from attending and voting at the Meeting. Registered Shareholders attending the Meeting in person will be asked to register their attendance with Computershare upon arrival and will be given an opportunity to allow their vote to stand or to revoke any proxy previously submitted and vote again at the Meeting.

Voting by Proxy

Registered Shareholders can vote by proxy whether or not they plan to attend the Meeting by completing the accompanying form of proxy and returning it by either of the following means: by mail, courier or hand to Computershare at the address listed below; or by going online at www.investorvote.com or by telephone. To vote over the internet or by telephone, Registered Shareholders will need the control number located on the form of proxy.

A proxyholder is the person appointed by a Shareholder to cast votes and act on behalf of the Shareholder at the Meeting, including any continuation of the Meeting that may occur in the event that the Meeting is adjourned. A Shareholder may authorize the management representatives named in the accompanying form of proxy to vote their Common Shares or they may appoint another person (who need not be a Shareholder) to be their proxyholder and vote on their behalf. The persons already named in the accompanying form of proxy are the designated proxyholders (the "**Named Proxyholders**") and are officers and/or directors of the Company. Unless a Shareholder appoints another person to represent them, the Named Proxyholders are appointed to act as the Shareholder's proxyholder. Shareholders who wish to appoint someone other than the management nominees identified in the form of proxy refer to the instructions under the heading "Changing Appointees".

To be valid, Registered Shareholders' proxies must be received by Computershare no later than 10:30 a.m. EDT on May 25, 2023 or, in the case of any adjournment, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the adjourned Meeting. The form of proxy provides instructions on how to vote over the internet at www.investorvote.com, by telephone toll free at 1-866-732-8683, or by mail using the business reply envelope to: Computershare Trust Company of Canada, Attention: Stock Transfer Services, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

Voting Instructions for Non-registered Shareholders

Non-registered Shareholders or Shareholders who hold their Common Shares in the name of a "nominee", such as a bank, trust company, securities broker or other financial institution, will have received this Information Circular in a mailing from their nominee together with a voting instruction form.

Non-registered Shareholders who do not plan to attend the Meeting should mark their voting instructions on the voting instruction form, sign it and return it as instructed by their nominee. The purpose of the voting instruction form is to instruct the nominee on how to vote on behalf of the non-registered Shareholder. The voting instruction form may provide instructions on how to vote over the internet or by telephone.

Non-registered shareholders should carefully follow the instructions of their nominee, including those regarding when and where the voting instruction form is to be delivered. Generally, intermediaries must receive proxy vote instructions from non-registered shareholders at least one business day in advance of the proxy deposit date noted on the voting instruction form in order to be able to act on them. Computershare must receive proxy vote instructions from the intermediaries no later than 10:30 a.m. EDT on May 25, 2023 or, in the case of any adjournment, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the adjourned meeting.

Voting at the Meeting or Appointing Another Person as Proxyholder

Non-registered Shareholders who plan to attend and vote at the Meeting must appoint themselves as proxyholders in accordance with the instructions provided on the voting instruction form and adhere to the signing and return instructions provided by their nominee. In addition, a non-registered Shareholder may appoint another person (who need not be a Shareholder) whom they wish to attend and vote at the Meeting on their behalf in the place provided on the voting instruction form and adhere to the signing and return instructions provided by their nominee. By doing so, the non-registered Shareholder is instructing the nominee to appoint that Shareholder or such other person as proxyholder. The non-registered Shareholder should not otherwise complete the form, as the appointed proxyholder will be voting at the Meeting. For further instructions on how to appoint a proxyholder, see below under the heading "Changing Appointees". Non-registered Shareholders, or proxyholders, planning to attend the Meeting in person will be asked to register their attendance with Computershare upon arrival.

Changing Appointees

Shareholders who wish to appoint someone other than the management nominees identified in the form of proxy or voting instruction form as proxyholder, and non-registered Shareholders who wish to appoint themselves as proxyholders (in both cases, "**Appointee**" or "**Appointees**") to vote in person at the Meeting should follow the instructions found on either the form of proxy or voting instruction form, which in some instances may require obtaining a valid legal proxy from their broker, bank or other agent in advance of the Meeting. Shareholders will be required to provide the name of the Appointee and adhere to the signing and return instructions provided in the form of proxy or voting instruction form.

Revocation of Proxy

Registered Shareholders

Registered Shareholders may revoke any prior proxy by providing a new proxy with a later date, provided that the new proxy is received by Computershare no later than 10:30 a.m. EDT on May 25, 2023 or, in the case of any adjournment, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the adjourned meeting. A Registered Shareholder may also revoke any prior proxy without providing new voting instructions by preparing a written statement to that effect. Such written statement must be delivered: (i) to the registered office of the Company, at 3000 Steeles Ave. East, Suite 400, Markham, Ontario, L3R 4T9, Attention: Corporate Secretary, no later than the close of business on May 25, 2023 or, in the case of any adjournment, not later than the close of business on the last business day preceding the date of commencement of the adjourned meeting, or (ii) to the Chairman of the Meeting prior to commencement of the Meeting, on the day of the Meeting, or any adjournment thereof, or (iii) in any other manner permitted by law. A Registered Shareholder attending the Meeting may vote in person, and any vote cast at the Meeting will revoke any proxy previously submitted by the Registered Shareholder.

Non-registered Shareholders

Non-registered Shareholders may revoke any prior voting instructions by providing new instructions on a voting instruction form with a later date, or at a later time in the case of voting by telephone or over the internet, provided that the new instructions are received by their nominee in sufficient time for their nominee to act on them. Non-registered Shareholders should contact their nominee if they want to revoke their proxy or change their voting instructions, or if they change their mind and want to vote in person.

Exercise of Discretion by Proxyholders

A Shareholder may instruct the appointed proxyholder how he or she wishes to vote on the matters listed in the Notice of Meeting by checking the appropriate boxes on the form of proxy. If the Shareholder has not specified how to vote on a particular matter, the appointed proxyholder is entitled to vote the Common Shares as he or she sees fit. **If the form of proxy does not specify how to vote on any particular matter and if the Shareholder has authorized the Named Proxyholders to act as his or her proxyholder, the Common Shares will be voted at the Meeting as follows:**

- **FOR the appointment of KPMG LLP as the Company's auditors and the authorization of the Directors to fix the remuneration of the auditors;**
- **FOR the election of the nine nominees listed in this Information Circular to the Board of Directors; and**
- **FOR the Advisory (Non-binding) Resolution to accept the Company's approach to executive compensation.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, the Board of Directors knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any such amendment, variation or other matter which is not now known should properly come before the Meeting, then the persons named in the enclosed forms of proxy will vote on such matters in accordance with their judgement, pursuant to the discretionary authority conferred by the forms of proxy with respect to such matters.

Principal Holders of Common Shares

As at the close of business on April 6, 2023, there were 84,907,446 Common Shares issued and outstanding. The only persons, corporations, or other legal entities who, to the knowledge of the Directors and the executive officers of the Company, beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to the issued and outstanding Common Shares as of the close of business on April 6, 2023, are as follows:

Name	Number of Common Shares	Percentage of Common Shares and Voting Rights
Sandpiper Group(1), Vancouver, British Columbia, Canada	10,921,576	12.86%
Global Alpha Capital Management Ltd.(2), Montreal, Quebec, Canada	9,082,046	10.70%

Notes:

(1) The holdings reported as held by Sandpiper Group represent 4,464,476, 5,330,000 and 1,127,100 Common Shares beneficially owned by Sandpiper Real Estate Fund 2 Limited Partnership, Sandpiper Real Estate Fund 3 Limited Partnership, and Sandpiper Real Estate Fund 4 Limited Partnership, respectively. The general partners of these limited partnerships are Sandpiper GP 2 Inc., Sandpiper GP 3 Inc. and Sandpiper GP 4 Inc., respectively, in each of which Mr. Samir Manji is a director and officer.

(2) The number of shares reported as held by Global Alpha Capital Management Ltd. is based on the alternative monthly report it filed on SEDAR on April 6, 2021, reporting ownership as of March 31, 2021.

BUSINESS OF THE MEETING

Financial Statements

The consolidated financial statements of the Company for the year ended December 31, 2022, and the report of the auditors thereon, will be placed before the Shareholders by the Company at the Meeting. Shareholders may find a copy of these documents in the Company's 2022 Annual Report, which is available on the Company's website at www.extendicare.com and on SEDAR at www.sedar.com under Extendicare's issuer profile.

Appointment of Auditors

With the recommendation of the Audit Committee, the Common Shares represented by proxies in favour of the persons named in the enclosed form of proxy will be voted in favour of the appointment of KPMG LLP, the present auditors, as auditors of the Company to hold office until the next annual meeting of the Company to be held in 2023, unless authority to vote in respect of the appointment of auditors and the authorization of the Directors to fix the remuneration of the auditors is withheld in the form of proxy.

External Auditor Services Fees

Fees billed by the independent external auditors of the Company, KPMG LLP, during fiscal 2021 and 2022 are outlined in the table below, all of which related to audit fees. These audit fees were in respect of audit services and interim reviews of the consolidated financial statements of the Company, including separate audits of and reviews of certain of its wholly owned subsidiaries. In addition, services during both years were provided by KPMG LLP in respect of other regulatory-required auditor attest functions associated with government audit reports for the Company's LTC homes and home health care operations.

Fee Category	Year ended 2022	Year ended 2021
Audit	$1,323,000	$1,161,000
Audit fees related to prior year	77,000	40,000
Total	**$1,400,000**	**$1,201,000**

Election of Directors

The articles of the Company provide that the Board shall consist of a minimum of one and a maximum of twenty directors, with the number of directors from time to time within such range being fixed by resolution of the Board of Directors. Each Director is elected annually and will hold office for a term expiring at the close of the next annual meeting of the Company, unless his or her office is vacated earlier due to death, removal, resignation or ceasing to be duly qualified.

The Board presently consists of nine directors and it has fixed the number of directors to be elected to the Board at nine. Each of the nominees for election at the Meeting, as set out below under "Nominees for Election as Directors", is currently a Director, has confirmed his or her willingness to serve on the Board and has acknowledged and agreed to abide by the Company's majority voting policy.

In the absence of a contrary instruction, the persons designated by management of the Company in the accompanying form of proxy intend to vote "**FOR**" the nine nominees whose names are set forth below. The Board of Directors does not contemplate that any of the nominees will be unable to serve as a Director. If, for any reason, any of the nominees is unable to serve as a director, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their sole discretion.

The following summarizes the number of Board and committee meetings held during 2022 and the attendance thereat.

	Board	Audit	GS	HR	INV	QR
Meetings	14	4	5	5	1	4
Attendance	100%	100%	100%	100%	100%	100%

Majority Voting Policy

The Company has adopted a majority voting policy to promote enhanced director accountability. This policy stipulates that for uncontested elections, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall promptly tender his or her resignation to the Chairman of the Board for consideration by the GS Committee. The Board of Directors will promptly disclose its decision and, if applicable, the reasons for rejecting the nominee's tendered resignation, in a press release, a copy of which shall be provided to the TSX. In a contested election, where the number of director nominees exceeds the number of director positions to be filled through the election, a plurality vote standard will continue to apply. This means that the nominees with the largest number of "for" votes will be elected as directors of the Company up to the maximum number of directors to be elected. More details on the Company's majority voting policy are provided under "Majority Voting Policy" found in Schedule A – "Statement of Corporate Governance Practices".

Nominees for Election as Directors

The following table sets forth certain information relating to each of the nine nominees proposed for election as directors of the Company, including their backgrounds, Extendicare securities held and related ownership requirements, and meeting attendance in 2022.

If elected to the Board of Directors, each of the nominees set forth below, other than Dr. Guerriere, will be an independent Director.

The information set out below relating to each of the nominees for election as directors of the Company is based partly on the Company's records and partly on information received by the Company from such nominee.

Directors nominated to serve until the next Annual Meeting of Shareholders in 2024

Alan D. Torrie
Ontario, Canada

Age: 72

Director Since
January 6, 2016

Status: Independent

2022 Annual Meeting Votes in Favour: 93.40%

Mr. Torrie was appointed Chairman of the Board on May 25, 2017. He served as President and CEO of Morneau Shepell Inc. from 2008 to May 2017 (a predecessor of LifeWorks Inc.), and as a member of its board from 2005 to 2017. A TSX-listed company, LifeWorks Inc. is a leading provider of Employee and Family Assistance Programs, the largest administrator of pension and benefits plans and the largest provider of integrated absence management solutions in Canada. Mr. Torrie also served as the President and CEO of Discovery Air Inc. from August 2017 to September 2018.

Mr. Torrie has over 30 years of experience as a senior executive leader in health care and life sciences, including as Chief Operating Officer of Retirement Residences REIT ("**RRR**") from 2005 to 2007 (a predecessor of Revera Inc.), and in a number of senior executive positions at MDS Inc. (a predecessor of Nordion Inc.) from 1987 to 2005, including as President and CEO of MDS Diagnostics and MDS Laboratories.

Mr. Torrie has served on numerous corporate and community boards, and is currently a director and Chair of the Audit Committee of Flow Capital Corp. (TSXV: FW) and Chair of Green Shield Canada.

Mr. Torrie holds a B.Sc from McMaster University, a DHA in Healthcare Management from the University of Toronto ("**U of T**") and has completed the Advanced Management Program from Harvard University.

Board/Committee Attendance:			**Current Committee Memberships:**
Board GS HR	14/14 5/5 5/5	100% 100% 100%	GS, HR
			Other Current Public Board Memberships: 1
			Flow Capital Corp.

Share Ownership Required:			$630,000	3 x Board Retainer
Common Shares (#)	**DSUs (#)**	**Total (#)**	**Total Value ($)(1)**	**Met or in Progress**
35,000	216,413	251,413	1,611,557	Met (7.7 times)

Norma Beauchamp
Ontario, Canada

Age: 61

Director Since
May 30, 2019

Status: Independent

2022 Annual Meeting Votes in Favour: 90.34%

Ms. Beauchamp is a corporate director with over 30 years of healthcare experience in corporate and non-profit organizations, including executive positions at Bayer Healthcare (Canada and Global) and Sanofi Canada. Most recently, she served as the President and CEO of Cystic Fibrosis Canada (2014 to 2017). Throughout her career, she has been a patient advocate, working with patient and health care organizations to enhance access to care.

Ms. Beauchamp currently serves on the respective TSX-listed boards of Aurora Cannabis Inc., as Chair of its Nominating and Corporate Governance Committee and a member of its Audit Committee, Dialogue Health Technologies Inc., a leading Canadian telehealth service, and HLS Therapeutics Inc., a pharmaceutical company. Ms. Beauchamp gives back to her community and serves as a member of the National Research Council of Canada and as a Regional Ambassador with Women Get on Board where she connects with women aspiring to serve on boards.

Ms. Beauchamp has completed the U of T's Rotman School of Management Directors Education Program (ICD.D) and holds a Bachelor of Business Administration in Marketing from Bishop's University.

Board/Committee Attendance:			**Current Committee Memberships:**
Board	14/14	100%	HR, QR
HR	5/5	100%	**Other Current Public Board Memberships: 3**
INV	1/1	100%	Aurora Cannabis Inc., Dialogue Health Technologies Inc. and HLS Therapeutics Inc.
QR	4/4		

Share Ownership to be Achieved by January 1, 2026:			$300,000	3 x Board Retainer
Common Shares (#)	**DSUs (#)**	**Total (#)**	**Total Value ($)(1)**	**Met or in Progress**
4,000	24,069	28,069	179,922	In progress (1.8 times)

Michael Guerriere
Ontario, Canada

Age: 59

Director Since
March 12, 2018

Status: Management

2022 Annual Meeting Votes in Favour: 99.15%

Dr. Guerriere was appointed the President and CEO of Extendicare on October 22, 2018, and has been a member of the Board since March 2018. He has a diverse background with over 25 years of experience in medical practice, hospital operations, management consulting and health technology. Dr. Guerriere was Chief Strategy Officer at TELUS Health, a provider of technology services to clinical professionals, hospitals, government agencies, health authorities, pharmacies and consumers across Canada, from May 2011 to October 2018. Dr. Guerriere was a founding partner of Courtyard Group, an international health care consultancy, from 2000 until it was acquired by TELUS Health. Dr. Guerriere also served 10 years as an executive in university teaching hospitals, including as Executive Vice President and Chief Operating Officer at the University Health Network.

Dr. Guerriere chairs the Health and Life Sciences Advisory Board at the U of T's Rotman School of Management where he teaches a graduate course on Digital Health and has served on numerous boards, including Ryerson University (Chair), MediSolution Ltd. (member of audit committee), Canada Health Infoway (chair of finance committee), the Canadian Institute for Health Information, and the Institute of Clinical Evaluative Sciences. He has a degree in Medicine and specialty training in Internal Medicine from the U of T, an MBA from the Kellogg School at Northwestern University and an honorary doctorate from Ryerson University.

Board/Committee Attendance:			**Other Current Public Board Memberships: 0**
Board	14/14	100%	None

Share Ownership to be Achieved by October 22, 2023:			$1,800,000	3 x Base Salary
Common Shares (#)	**PSUs/DSUs (#)**	**Total (#)**	**Total Value ($)(1)**	**Met or in Progress**
201,299	323,820	525,119	3,366,013	Met (5.6 times)

Sandra L. Hanington, M.S.C.
Ontario, Canada

Age: 61

Director Since
August 5, 2014

Status: Independent

2022 Annual Meeting Votes in Favour: 98.77%

Ms. Hanington is a corporate director and advisor, and is a former President and CEO of the Royal Canadian Mint (February 2015 to July 2018). From 1999 to 2011, she held a number of progressively senior executive roles in the financial services sector in North America, culminating as Executive Vice President and a member of the Management Committee of BMO Financial Group. Prior to joining BMO Financial Group, Ms. Hanington worked for Manulife Financial/North American Life Assurance, Royal Trustco Ltd. and Suncor Inc./Sunoco Group.

Ms. Hanington currently serves on the board of The Descartes Systems Group Inc. (TSX: DSG) and as a member of the Governing Council of the U of T. Ms. Hanington previously served on the board of Aimia Inc. (TSX: AIM) as Chair of the Governance and Human Resources Committee. Ms. Hanington is the co-founder and a director of Jack.org, promoting mental health and wellness for youth in Canada since 2010. Ms. Hanington was named by the Women's Executive Network (WXN)™ as one of Canada's Top 100 Most Powerful Women three times in a row, from 2007 to 2009, and was inducted into the WXN Hall of Fame in 2010.

Ms. Hanington holds a BASc from the University of Waterloo, an MBA from the U of T's Rotman School of Management, and holds the ICD.D designation from the Institute of Corporate Directors.

Board/Committee Attendance:		
Board	14/14	100%
Audit	4/4	100%
GS	5/5	100%
QR	4/4	100%

Current Committee Memberships: Audit, GS, QR

Other Current Public Board Memberships: 1
The Descartes Systems Group Inc.

Share Ownership Required:			$300,000	3 x Board Retainer
Common Shares (#)	**DSUs (#)**	**Total (#)**	**Total Value ($)[1]**	**Met or in Progress**
25,500	64,379	89,879	576,124	Met (5.8 times)

Alan R. Hibben
Huby, England

Age: 69

Director Since
January 22, 2016

Status: Independent

2022 Annual Meeting Votes in Favour: 87.93%

Mr. Hibben is a corporate director and advisor. Since December 2014, he has been the principal of Shakerhill Partners Ltd., a consulting firm providing strategic and financial advice, specializing in mergers and acquisitions, corporate strategy and governance, as well as expert witness services. Previously, Mr. Hibben was a Managing Director in the Mergers and Acquisitions Group at RBC Capital Markets, Head of Strategy and Development at Royal Bank of Canada and CEO of RBC Capital Partners.

Mr. Hibben has been a director of a number of Canadian public and private companies, both in financial services and as part of his responsibility for overseeing private equity and venture capital investments. Mr. Hibben currently serves on the respective TSX-listed boards of Home Capital Group Inc. (as Chair) and Shawcor Ltd.

Mr. Hibben is a CPA, CA, and CFA, and holds the ICD.D designation.

Board/Committee Attendance:		
Board	14/14	100%
Audit	4/4	100%
GS	5/5	100%
INV	1/1	100%

Current Committee Memberships: Audit, GS, INV

Other Current Public Board Memberships: 2
Home Capital Group Inc. and Shawcor Ltd.

Share Ownership Required:			$300,000	3 x Board Retainer
Common Shares (#)	**DSUs (#)**	**Total (#)**	**Total Value ($)[1]**	**Met or in Progress**
71,457	147,747	219,204	1,405,098	Met (14.1 times)

Brent Houlden
Ontario, Canada

Age: 69

Director Since
May 28, 2020

Status: Independent

2022 Annual Meeting Votes in Favour: 99.09%

Mr. Houlden is a corporate director, advisor and interim manager. Most of Mr. Houlden's career has been spent consulting in the area of strategy and operations, and as a financial advisor on urgent business critical transactions. He is an operator and strategist with a wide breadth of management skills and consulting expertise.

After retiring as a senior Deloitte partner in November 2014, Mr. Houlden has held various management roles including being the CEO of Dealnet Capital Corp. ("**Dealnet**") (October 2017 to December 2020).

Mr. Houlden currently serves on the boards of Datatax Business Services Ltd. (a private company) and the Mount Pleasant Group of Cemeteries. He has previously served on a number of other boards including that of Dealnet for five years and Deloitte for six years.

Mr. Houlden is a CPA, CA and LIT, and holds an MBA from Queen's University and the ICD.D designation from the Institute of Corporate Directors.

Board/Committee Attendance:			**Current Committee Memberships:**
Board Audit QR	14/14 4/4 4/4	100% 100% 100%	Audit, INV, QR **Other Current Public Board Memberships: 1** None

Share Ownership to be Achieved by May 28, 2025:			$300,000	3 x Board Retainer
Common Shares (#)	**DSUs (#)**	**Total (#)**	**Total Value ($)(1)**	**Met or in Progress**
nil	51,340	51,340	329,089	Met (3.3 times)

Donna E. Kingelin
Ontario, Canada

Age: 67

Director Since
January 6, 2016

Status: Independent

2022 Annual Meeting Votes in Favour: 96.47%

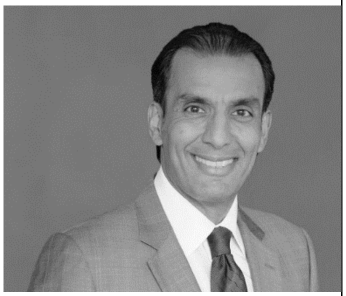
Ms. Kingelin is a corporate director and consultant, and is the retired owner and managing partner of Kingswood Consulting, a partnership that specialized in providing comprehensive services for seniors' housing companies (2012 to 2017). She has over 30 years of leadership and operating experience in the senior living industry in public and private organizations that includes the administration of long-term care homes, retirement communities, and home health care. Previously, Ms. Kingelin held the position of Managing Director at Holiday Corporation, a private independent retirement living company (June 2010 to June 2012), and as a senior executive at Revera Inc. (1997 to 2010), a seniors' housing company wholly owned by the Public Service Pension Investment Board (formerly TSX: RRR). Ms. Kingelin was Senior Vice President of Operations from 1997 to 2007, and Chief Operating Officer from 2007 to 2010, where she played a key role in taking the long-term care division public in 1997 as CPL Long Term Care REIT, followed by its acquisition in 2002 by RRR.

Ms. Kingelin holds board positions at Oshawa Power and Utilities Corporation (Chair of the Governance, Human Resources and Nomination Committee); Pallium Canada (Chair of the Human Resources and Nomination Committee); Kinark Child and Family Services; and the Kinark Foundation.

Ms. Kingelin is a Registered Nurse, holds the ICD.D designation and has completed executive management training at Queen's University.

Board/Committee Attendance:			**Current Committee Memberships:**
Board HR QR	14/14 5/5 4/4	100% 100% 100%	HR, QR **Other Current Public Board Memberships: 0** None

Share Ownership Required:			$300,000	3 x Board Retainer
Common Shares (#)	**DSUs (#)**	**Total (#)**	**Total Value ($)(1)**	**Met or in Progress**
6,000	102,438	108,438	695,088	Met (7.0 times)



Samir Manji
British Columbia, Canada

Age: 54

Director Since
May 30, 2019

Status: Independent

2022 Annual Meeting Votes in Favour: 99.29%

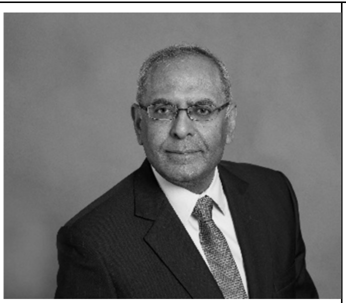
Mr. Manji is the founder and CEO of Sandpiper Group, a Vancouver-based real estate private equity firm established in 2016, and is the President and CEO, and a Trustee of Artis Real Estate Investment Trust ("**Artis REIT**"). Mr. Manji has been involved in over $3 billion in hospitality, seniors' housing and multifamily residential real estate transactions and has over 25 years of experience in real estate and seniors' housing. Mr. Manji was the founder, Chairman and CEO of Amica Mature Lifestyles Inc. ("**Amica**"), a TSX-listed company from 1997 until its sale to the Ontario Teachers' Pension Plan in 2015. Mr. Manji is widely credited with building Amica into the premier high-end independent living brand it is today.

Mr. Manji is a member of the Young Presidents' Organization and he is the current President of the Ismaili Council for British Columbia. He was recognized in 2006 as a recipient of Canada's Top 40 Under 40 and was also named the Ernst & Young Entrepreneur of the Year award winner in the business-to-consumer products and services category in British Columbia in 2010.

Mr. Manji graduated from the University of Waterloo and received his CPA, CA with KPMG LLP in Toronto.

Board/Committee Attendance:			**Current Committee Memberships:**
Board INV	14/14 1/1	93% 100%	INV
			Other Current Public Board Memberships: 1
			Artis REIT

Share Ownership to be Achieved by May 30, 2024:			$300,000	3 x Board Retainer
Common Shares (#)	**DSUs (#)**	**Total (#)**	**Total Value ($)(1)**	**Met or in Progress**
10,931,576(2)	42,646	10,974,222	70,344,763	Met



Al Mawani
Ontario, Canada

Age: 71

Director Since
December 1, 2017

Status: Independent

2022 Annual Meeting Votes in Favour: 99.24%

Mr. Mawani is the Principal of Exponent Capital Partners Inc., a private equity investor and real estate advisory firm. He has over 35 years of experience in the commercial real estate industry, including 15 years of c-suite experience as SVP/EVP & CFO of Oxford Properties Group Inc. (1989 to 2001), President and CEO of Calloway/Smart Centres Real Estate Investment Trust (2011 to 2013), and President & CEO of privately-owned Rodenbury Investments Limited (2015 and 2016).

Mr. Mawani has been an independent board member of national and North American firms across multiple asset classes, including private-pay retirement living operations. He currently serves on the TSX-listed boards of First Capital Real Estate Investment Trust ("**First Capital REIT**"), as Chair of its Audit Committee and member of its Compensation Committee; and Granite Real Estate Investment Trust ("**Granite REIT**"), as a member its Audit Committee, and is a former Chair of its Compensation, Governance & Nominating Committee (2017 to 2020). In addition, he has served on the respective boards of Slate Office Real Estate Investment Trust, Boardwalk Real Estate Investment Trust, Calloway Real Estate Investment Trust, Amica Mature Lifestyles Inc., and IPC US Real Estate Investment Trust.

Mr. Mawani is a CPA, CA, and has a Masters in Law from York University, an MBA from the U of T and is a member of ICD.

Board/Committee Attendance:			**Current Committee Memberships:**
Board Audit HR INV	14/14 4/4 5/5 1/1	100% 100% 100% 100%	Audit, HR, INV
			Other Current Public Board Memberships: 2
			First Capital REIT and Granite REIT

Share Ownership Required:			$300,000	3 x Board Retainer
Common Shares (#)	**DSUs (#)**	**Total (#)**	**Total Value ($)(1)**	**Met or in Progress**
25,000	54,989	79,989	512,729	Met (5.1 times)

Notes:

(1) The market value of such Common Shares, DSUs and PSUs is based on the TSX closing price of the Common Shares on April 6, 2023 of $6.41.

(2) Mr. Manji's share ownership includes 10,921,576 Common Shares beneficially owned by Sandpiper Group, see "General Proxy Matters – Principal Holders of Common Shares".

Corporate Orders and Bankruptcies

To the knowledge of the Company, except as described below, none of the proposed nominees for election as a Director had, as at the date of this Information Circular or in the last 10 years, been (a) a director, chief executive officer or chief financial officer of a company that was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (b) a director or executive officer of a company that made a proposal under legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors.

Mr. Torrie was a director of LMI Legacy Holdings II Inc. (formerly known as Landauer-Metropolitan, Inc.) (together with certain affiliated entities, "**LMI**") which filed a petition in the U.S. Bankruptcy Court for the District of Delaware for relief under Chapter 11 of the U.S. Bankruptcy Code on August 16, 2013. Following a sale of substantially all of LMI's assets on February 7, 2014, LMI filed a Joint Plan of Liquidation (the "**Plan**") under Chapter 11 of the U.S. Bankruptcy Code. On April 28, 2014, the U.S. Bankruptcy Court entered an order confirming the Plan. The effective date of the Plan was May 1, 2014. In addition, Mr. Torrie served as President and CEO of Discovery Air Inc. from August 2017 to September 2018, which commenced restructuring proceedings under the Companies' Creditors Arrangement Act on March 21, 2018 and bankruptcy proceedings under the Bankruptcy and Insolvency Act on September 4, 2018.

Mr. Houlden was named Interim CFO of Danier Leather Inc. on July 2, 2015, to help with its restructuring, a position he held until leaving the company in April 2016. The company announced on February 4, 2016, that it had filed a Notice of Intention to Make a Proposal under the Bankruptcy and Insolvency Act (Canada).

Board Skills Matrix

The skills matrix set out below is used to assess the Board's overall strengths and to assist in the Board's ongoing renewal process, with the objective of determining the needs of the Board in the long-term and identifying new candidates to stand as nominees for election or appointment as Directors. The skills matrix reflects the primary qualifications that the Board, with the support of the GS Committee, currently considers to be important. Although the Directors have a breadth of experience in many areas, the skills matrix highlights five key skill sets for each Director. In addition, the Board considers each of its Directors to be financially literate, with each having the ability to read and understand the Company's financial statements. The matrix is not intended to be an exhaustive list of each Director's skills and experience.

Key Skills and Experience	**Beauchamp**	**Guerriere**	**Hanington**	**Hibben**	**Houlden**	**Kingelin**	**Manji**	**Mawani**	**Torrie**
Executive/Operational Leadership	●	●	●		●	●	●	●	●
Finance & Accounting				●	●		●	●	
Real Estate Development/Major Capital Project Management				●			●	●	
Health Care/Seniors' Care & Services	●	●				●	●		●
Corporate Governance	●		●	●	●		●	●	●
Legal/Regulatory				●		●		●	
Human Capital Management		●	●			●			●
Government Relations/Public Policy									●
Quality Assurance/Risk Management & Mitigation		●	●	●	●	●			
Technology & Innovation	●	●			●				
Marketing & Brand Management	●		●						

Shareholder Advisory Vote on the Approach to Executive Compensation

The Board of Directors believes that Shareholders should have the opportunity to understand fully the objectives, philosophy and principles the Board has used to make executive compensation decisions and to have an advisory vote on the Board's approach to executive compensation. The Board's advisory vote policy is substantially consistent with the Canadian Coalition for Good Governance's model "Say on Pay" policy for boards of directors. This non-binding advisory shareholder vote, commonly known as "Say on Pay", provides Shareholders with the opportunity to endorse or not endorse the Company's approach to its executive compensation program in the year that payments are made, as well as over a longer period of time.

At the Company's annual meeting held in 2022, 86.89% of the Shareholders voted in favour of the Company's approach to executive compensation. As this vote is an advisory vote, the results will not be binding upon the Board of Directors. However, the HR Committee and the Board of Directors will take the results of the vote into account, as appropriate, together with feedback received from Shareholders, when considering future compensation policies, procedures and decisions. Please refer to the discussion under "Say on Pay" found in Schedule A – "Statement of Corporate Governance Practices" for more details on the Company's policy with respect to this advisory vote, and how Shareholders may contact the Board of Directors with any comments or questions.

The Company's compensation policies and procedures are designed to provide a strong and direct link between performance and compensation. To assist Shareholders in making their voting decision, please refer to the Compensation Discussion and Analysis (the "**CD&A"**) below. The CD&A describes the Board of Directors' approach to executive compensation, the details of the compensation program and the Board of Directors' compensation decisions in 2022. This disclosure has been approved by the Board on the recommendation of the HR Committee.

The Board of Directors unanimously recommends the Shareholders vote "FOR" the Advisory (Non-binding) Resolution. The text of the Advisory (Non-binding) Resolution is set forth below:

"Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the Shareholders accept the approach to executive compensation disclosed in this Information Circular delivered in advance of the 2023 annual meeting of Shareholders of the Company."

COMPENSATION DISCUSSION AND ANALYSIS

Human Resources Committee Letter to Shareholders

Dear Fellow Shareholders,

Extendicare's objective is to deliver long-term sustainable growth and shareholder value for all its stakeholders. The Human Resources Committee is pleased to provide you with an overview of Extendicare's performance in 2022 and a summary of our approach to executive compensation.

Our Financial Performance Highlights from 2022

In 2022, the Company's executive leadership team worked together very effectively to address the continuing challenges of the pandemic and at the same time advance the Company's strategic transformation.

- During the year, management made substantial progress on several key strategic transactions:
    1. Completed the sale of the Company's retirement living operations to Sienna-Sabra LP for net proceeds of approximately $128.0 million;
    2. Completed the sale of the Company's Saskatchewan LTC homes to the Saskatchewan Health Authority for net proceeds of approximately $7.5 million;
    3. Entered into agreements with Revera to acquire a 15% managed interest in a portfolio of 24 LTC homes owned in partnership with Axium, an opportunity to purchase future Revera LTC redevelopment projects and management contracts with Revera to manage an additional 32 LTC homes owned by Revera; and
    4. Entered into a joint venture with Axium to support the redevelopment of Extendicare's LTC Class C homes.

    The latter two transactions are subject to regulatory approval, which is anticipated this year. These transactions represent a significant transition of the Company's strategy to focus on long-term care and home health care using a less capital-intensive and higher margin business model. This will allow the Company to deploy capital more efficiently and provide greater flexibility for growth initiatives, including acquisitions.
- The organization continued to face ongoing challenges related to the COVID-19 pandemic. Although the availability and use of vaccines has dramatically reduced the incidence of serious illness and hospitalization of our residents, relative to 2020, higher infection rates in the community resulting from the Omicron variant caused ongoing outbreaks. In the fourth quarter alone, approximately 80% of our LTC homes experienced an outbreak. As in earlier years, management responded with timely and rigorous measures, including continued focus on booster vaccinations for residents and caregivers. The escalated operating costs from such measures along with high inflation, rising interest rates and tight labour markets put pressure on our financial results throughout the year. Despite financial support from provincial governments to address some of these financial impacts, the organization experienced a shortfall in pandemic funding and funding increases that lagged inflation, resulting in further pressure on our financial results.
- Management has obtained Ontario government approval for 20 projects in our redevelopment program, comprising 4,248 new or replacement beds. Three projects are currently under construction that are on track to open between Q3 2023 and Q1 2024. We are working to break ground on up to four new projects in 2023, subject to tendered construction costs and receipt of other applicable regulatory approvals.
- Several key indicators of our business performance experienced improvements over 2021, despite challenges related to the pandemic:
    - While COVID-19 continued to impact our LTC homes, occupancy improved to an average of 94.5% in Q4 2022, up 240 bps from Q4 2021;
    - Our LTC homes experienced an improvement in quality indicators, with results above external benchmarks;
    - Our home health care operations achieved Accreditation with Exemplary Standing from Accreditation Canada;
    - Although home health care growth has been restrained by industry-wide staffing shortages and the continuing impact of the pandemic on absenteeism, operations returned to growth in the fourth quarter, posting a 2.0% increase in average daily volumes from Q3 2022 (down 1.0% from Q4 2021); and
    - Growth of our managed services continued, most notably through a 17.7% increase in the number of beds served by our SGP Group Purchasing Partner Network.

The Board has been pleased with the progress made over the last year and recent months and has confidence that the leadership team will continue to drive improved performance for all stakeholders of the Company as the pandemic recedes and management continues to execute on the strategic transformation that is well underway.

Our Compensation Approach

The objectives of our executive compensation program are to attract and retain talented individuals with a market competitive compensation that motivates and rewards executives for the Company's financial and operational performance. The total compensation package is designed to provide a strong and direct link between performance and compensation, and the HR Committee believes the program design is appropriate and competitive in the Canadian markets in which the Company operates.

Our 2022 Executive Compensation Decisions

Under our short-term incentive program ("**STIP**"), the Company's 2022 financial performance was below target, largely as a result of pandemic-related impacts on both revenue and costs. When combined with the quality and personal objectives, this resulted in payouts of 76.7% of target for our CEO and 70.1% to 86.7% for the other NEOs. The HR Committee felt these bonus payments were appropriate, given the achievement of financial, quality, and individual metrics in 2022. Refer to "Compensation for 2022 – Short-term Incentives Awarded in 2022" for additional details.

During 2022, the HR Committee commissioned Hugessen Consulting to conduct a review of market competitiveness of executive compensation practices and confirmed that our practices remain competitive within our peer group. We will continue to monitor executive compensation at Extendicare, and in the broader market, to ensure we remain aligned with best practice. In 2022, our advisory Say on Pay vote received approval from 86.9% of our Shareholders.

Looking Forward

The Company's strategic focus in 2023 includes continuing to successfully navigate the pandemic, growing volume in our home health care business, progressing the redevelopment of our long-term care homes and successfully executing on the Revera and Axium transactions.

On behalf of the HR Committee, I would like to thank you for your support and feedback. Our Board welcomes constructive engagement with our shareholders, and the HR Committee welcomes feedback on our approach to corporate governance and executive compensation. We invite you to share your comments with us by email at chairman@extendicare.com.

Sincerely,

Donna Kingelin

Donna Kingelin, Chair
Human Resources Committee

Composition of the Human Resources Committee

A description of the roles and responsibilities of the HR Committee is set out under "Compensation of Senior Management" in Schedule A – "Statement of Corporate Governance Practices". On issues related to executive compensation, part of the HR Committee's mandate is to evaluate annually the performance of, and recommend compensation for, the CEO and other senior executives of the Company and its subsidiaries. The HR Committee reviews the design and competitiveness of the executive compensation package with a view to ensuring that the Company and its subsidiaries are able to attract and retain high calibre executive officers, and to motivate performance of executive officers in furtherance of the strategic objectives of the Company and its subsidiaries.

The members of the HR Committee are Donna Kingelin (Chair), Norma Beauchamp, Al Mawani and Alan Torrie, each of whom are independent Directors. No member of the HR Committee has been an officer of the Company or any of its subsidiaries, or has been an officer or employee of the Company or any of its subsidiaries within the last three years.

The experience of the members of the HR Committee in top leadership roles during their careers and extensive knowledge of the health care industry as well as their mix of experience in business, governmental affairs and as executives, directors, and members of compensation committees of various private and public companies, provides the collective experience, skills and insight to effectively support the HR Committee in carrying out its mandate. Further information on the background and experience that qualified each of the members for these roles and responsibilities is provided under "Business of the Meeting – Election of Directors".

Independent Compensation Consultant

From time to time, the HR Committee uses benchmarking and comparisons of compensation programs from a peer group of companies to confirm that the Company's compensation programs remain competitive. In 2022, Hugessen Consulting was engaged by the HR Committee to conduct a review, including of the comparator group of companies, and comment on the competitiveness of the Company's executive compensation programs and provide a report thereon (the "**HR Consultant's Report**") (see "Review of Executive Compensation Programs").

In addition, the GS Committee engaged Hugessen Consulting in 2022 to conduct a review of the Company's director compensation program and provide a report thereon (the "**GS Consultant's Report**", collectively with the HR Consultant's Report, the "**Consultant's Reports**") (see "Compensation of Directors of Extendicare – Review of Director Compensation").

The Consultant's Reports were presented to the HR Committee and the GS Committee, as applicable, the results of which were taken into account by the HR Committee and GS Committee when making recommendations regarding executive and director compensation, respectively, to the Board. All decisions and actions taken by the HR Committee, the GS Committee and the Board have been based on numerous factors and circumstances, which may, but do not necessarily, reflect the information or advice obtained from Hugessen Consulting.

Hugessen Consulting has not provided any services to Extendicare, or to its affiliates or subsidiaries, or to any of its Directors or management, other than as described herein. The Company's management was not involved in the 2022 engagement, except to provide Hugessen Consulting with information requested.

Executive Compensation-related Fees

The aggregate fees billed by Hugessen Consulting in 2022 for the services described above were $68,300 and no services were provided or fees billed in 2021. No other fees were paid in 2021 or 2022 by the Company to any consultants or advisors or any of their affiliates, for services related to determining compensation for any of the Company's directors and executive officers.

Overview of Executive Compensation Programs

The compensation philosophy of the Company is intended to be competitive with service sector and other health care companies of comparable size and complexity in Canada in order to attract, retain and motivate its executives, and reward its executives for the Company's financial and operational performance and their individual contributions. The total compensation package of executives is designed to provide a strong and direct link between performance and compensation, using a combination of base salary, short-term incentives achieved through annual incentive or bonus payments, and long-term incentives through grants of PSUs. The HR Committee believes the total compensation package of the CEO and other senior executives of the Company and its subsidiaries are competitive in the Canadian markets in which the Company operates.

The HR Committee ensures that risk is appropriately considered in reviewing and approving the incentive programs, in order that the incentive programs do not encourage undue risk-taking on the part of executives and that risks are accounted and adjusted for in the incentive compensation payouts. In addition, the Company has a formal clawback and reimbursement policy in respect of incentive compensation, which is further described below under "Reimbursement of Incentive Compensation".

This CD&A reviews how the HR Committee determined the compensation for the CEO, CFO and the three other most highly compensated executive officers (collectively, the "**named executive officers**" or, "**NEOs**"). The table below sets forth the name, title and any recent changes in position of the NEOs for purposes of this CD&A:

NEO	Title	Change in Position with the Company
Michael Guerriere	President and CEO	Appointed to current role on October 22, 2018; and a Director since March 2018
David Bacon	Senior Vice President and CFO	Joined in current role on April 1, 2019
John Toffoletto	Senior Vice President, CLO and CS	Joined in current role on November 18, 2019
Leslie Sarauer	Senior Vice President and CHRO	Joined in current role on February 3, 2020
Matthew Morgan	Chief Medical Officer	Joined in current role on October 19, 2020

Review of Executive Compensation Programs

The HR Committee periodically conducts a review of the Company's executive compensation levels and design. The specific objectives of this review are to assess the Company's executive compensation programs and to make changes, if necessary, with a view to ensuring that such programs: are fair, competitive and aligned with the Company's strategic plans; attract, retain and reward high performing executives; align employee interests with the interest of shareholders; and are in alignment with market practices.

The HR Committee engaged Hugessen Consulting in 2022 to support such a review, and to develop a refreshed comparator group of companies against which the HR Committee could assess the Company's executive compensation levels and practices. The comparator group of companies consists of 12 Canadian organizations (the "**Comparator Group**"). The Comparator Group was generated based on a broad industry scan, selected primarily based on market capitalization, revenue, and general alignment with the Company's business model. Recognizing the limited directly comparable publicly traded entities to Extendicare in the Canadian market, the Comparator Group also includes those issuers with service delivery, business-to-customer models, large diverse asset and employee bases, and exposure to government regulation.

The companies included in the Comparator Group were:

- Algoma Central Corporation
- Bird Construction Inc.
- Chartwell Retirement Residences
- Chorus Aviation Inc.
- Dexterra Group Inc.
- GDI Integrated Facility Services Inc.
- Logistec Corporation
- Medical Facilities Corporation
- Real Matters Inc.
- Recipe Unlimited Corporation
- Savaria Corporation
- Sienna Senior Living Inc.

The table below summarizes the relevant market data relating to the Comparator Group based on data provided by Hugessen Consulting, compiled using publicly available information as at April 25, 2022.

($ in millions)		**Revenue ($)**[1]	**Market Capitalization ($)**[2]
Extendicare		1,228	664
Comparator Group:	75th Percentile	1,107	877
	Median	791	623
	25th Percentile	663	388
	Average	982	797

Notes:

(1) Trailing twelve months' revenue data as at April 25, 2022.
(2) Market capitalization as at April 25, 2022.
(3) Table provided by Hugessen Consulting using data from S&P Capital IQ.

Base Salary

Base salaries are reviewed at least annually within the context of the NEO's employment contract, and are established by salary ranges developed from publicly available market data and from time to time with the assistance of external consultants. The salary ranges are intended to be competitive in the markets applicable to the Company's business units and are intended to allow the organization to recruit and retain qualified employees. In addition, the HR Committee takes into consideration the executive's level of responsibility and experience, internal equity among executives, and the executive's overall performance.

Short-term Incentive Program

An annual cash incentive program is provided for executive officers and other key employees of the Company and its subsidiaries that is formula-based and is measured against pre-determined financial and individual performance targets. Awards are granted on the basis of profit centre results, consolidated results, quality of services and individual performance, as measured against pre-established objectives, such as quality measures, occupancy levels, accreditation, and regulatory compliance during the year. Incentive potential or levels for each executive are established based on the individual's ability to contribute to the overall goals and performance of the Company and its subsidiaries. In assessing individual performance, the HR Committee takes into account quantitative and qualitative factors including each executive's personal objectives and their role in the overall achievement of the Company's strategic goals. Refer to the discussion under "Short-term Incentives Awarded in 2022" for a summary of the 2022 awards for the NEOs.

STIP awards for the NEOs are approved by the Board, upon recommendation by the HR Committee. To aid the HR Committee in making its determinations, the CEO provides recommendations annually to the HR Committee regarding the compensation of all other senior executives. Each senior executive, in turn, participates in an annual performance review with the CEO to provide input about his or her contributions during the year. The HR Committee retains discretion to apply its informed judgement to increase or decrease STIP awards from the results calculated by formula, to ensure that awards appropriately reflect risk as well as other unexpected circumstances that arise during the year, and to eliminate the possibility of other unintended outcomes.

Long-term Incentive Plan

The Company's equity-based LTIP is designed to encourage a greater alignment of interests between executives and Directors and Shareholders in the form of PSUs for its employees and DSUs for its non-employee Directors. The LTIP received Shareholder approval at the Company's annual meeting held in May 2016 and, as required pursuant to the TSX rules, Shareholders ratified and approved the unallocated PSUs and DSUs issuable under the LTIP at meetings held in May 2019 and May 2022. A full copy of the LTIP, as amended is filed on SEDAR at www.sedar.com under the Company's issuer profile under the filing category "other security holders documents".

The Board may elect to settle PSU and DSU awards in cash, market-purchased Common Shares or Common Shares issued from treasury, after deducting applicable withholding taxes. If awards are settled in cash, the final payout amount will be calculated as the number of vested PSUs and DSUs multiplied by the LTIP FMV of a Common Share as at the redemption date. PSUs and DSUs do not carry any voting rights.

Performance Share Units: The LTIP provides for the grant of PSUs to employees, which is an "at-risk" notional Common Share based award, the vesting of which are subject to specified performance criteria to be determined at the time of grant. The purpose of the PSUs is to enhance the alignment of executive pay with the Company's performance and Shareholders' interests, to enhance the ability of the Company to attract and retain senior executives, and to allow participants to share in the Company's long-term success. Refer to the discussion under "Long-term Incentives Awarded in 2022" for a summary of the 2022 awards for the NEOs.

Grant date values of PSUs will be determined in the context of the eligible employee's total compensation, and sized as a percentage of his or her base salary, with the intention that the annual awards of PSUs represent a meaningful percentage of the eligible employee's total compensation. The number of PSUs granted will be calculated by dividing the grant date value of the award by the LTIP FMV of a Common Share as at the date of grant. The LTIP FMV of a Common Share, on any particular date, means the VWAP of the Common Share on the TSX during the last five trading days prior to that particular date. In addition, a PSU participant's account will be credited with dividend equivalents in the form of additional PSUs when dividends are paid on Common Shares.

PSU awards vest with a term of not less than 24 months and not more than 36 months from the date of grant, with such term to be specified at the date of grant. Vesting of PSUs is conditional on specified performance criteria, and subject to continued employment of the participant, with specific provisions in the event of the participant's death, retirement or termination of employment (subject, in each case, to the provision of any agreement between the participant and the Company). The number of PSUs that ultimately vest is determined based on a performance multiplier having a possible range of 50% (i.e., half of the PSUs) to 150% (i.e., 1.5 times the PSUs).

The performance criteria and underlying multipliers are established at the time of grant and may be based on a combination of operational and financial measures. The PSU performance criteria for grants made since 2016 has been based on a combination of relative TSR and AFFO targets.

Deferred Share Units: The LTIP provides for the grant of DSUs to non-employee Directors, which is a notional Common Share based award designed to promote greater alignment of interests between such Directors and Shareholders.

The GS Committee has determined that non-employee Directors will receive 60% of their annual Board retainer in the form of DSUs, granted on a quarterly basis in arrears. This limit was increased from 50% to 60% effective January 1, 2023, following a review of directors compensation in 2022 (see "Compensation of Directors of Extendicare – Review of Director Compensation"). Non-employee Directors have the option to receive some or all of their remaining cash retainer and meeting fees in the form of DSUs. The number of DSUs granted will be calculated by dividing the grant date value of the award by the LTIP FMV of a Common Share as at the date of grant. In addition, the DSU participant's account will be credited with dividend equivalents in the form of additional DSUs when dividends are paid on Common Shares in the ordinary course of business. DSUs vest immediately at the time of grant but do not carry any voting rights, and will be redeemed by the Company upon the non-employee Director retiring or otherwise leaving the Board (and is not otherwise employed by the Company).

Common Shares Subject to the LTIP: The maximum number of Common Shares which may be reserved for issuance by the Company from treasury relating to grants of PSUs and DSUs awarded under the LTIP (together with additional PSUs and DSUs credited to PSU participants and DSU participants on account of dividends paid on the Common Shares) shall not, in the aggregate, exceed 5% of the total number of issued and outstanding Common Shares from time to time on a non-diluted basis.

The table below sets out the aggregate number of DSUs and PSUs outstanding and the number of Common Shares remaining available for future issuance under the LTIP as a percentage of the number of issued and outstanding Common Shares as at each of April 6, 2023 and December 31, 2022. The number of PSUs assumes vesting at 100% of target.

Date	DSUs Granted #	PSUs Granted #	Total DSUs and PSUs Granted #	% of Common Shares Issued and Outstanding	Common Shares Remaining Available for Future Issuance Under LTIP #	% of Common Shares Issued and Outstanding
April 6, 2023	718,182	1,474,478	2,192,660	2.6%	1,691,951	2.0%
December 31, 2022	670,671	1,302,586	1,973,257	2.3%	2,556,654	2.5%

Limitation on Issuance of Common Shares under the LTIP: The aggregate number of Common Shares issued to insiders of the Company within any one year period, or reserved for issuance to insiders of the Company at any time by the Company from treasury under the LTIP and under all other security-based compensation arrangements of the Company, if any, shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis.

Amendments: The LTIP provides that the approval of Shareholders will be required in order to:

(a) increase the maximum number of treasury Common Shares issuable pursuant to the LTIP;

(b) amend the determination of LTIP FMV of a Common Share under the LTIP in respect of any PSU or DSU;

(c) modify or amend the provisions of the LTIP in any manner which would permit PSUs or DSUs, including those previously granted, to be transferable or assignable, other than for normal estate settlement purposes;

(d) add to the categories of eligible participants under the LTIP;

(e) remove or amend the insider participation restrictions;

(f) change the termination provisions of PSUs or DSUs which would result in an extension beyond the original expiry date of a PSU or DSU held by an insider;

(g) amend the amending provisions of the LTIP; or

(h) make any other amendment to the LTIP where Shareholder approval is required by the TSX.

Subject to any required regulatory review or approval, the Board may make all other amendments to the LTIP without Shareholder approval. These amendments include, but are not limited to: the termination of the LTIP; amendments designed to comply with applicable laws or regulatory requirements; and "housekeeping" administrative changes (such as correcting an immaterial inconsistency or curing any ambiguity). The Board may not, however, without the consent of the participants, or as otherwise required by law, materially and adversely alter or impair any of the rights or obligations under any outstanding PSUs or DSUs.

The Company's annual burn rate for the DSUs and PSU under the LTIP (being the number of awards granted, divided by the weighted average number of Common Shares outstanding) for each of the three years ended December 31, 2022, was as follows:

	Burn Rate		
Year	**DSUs**	**PSUs at Target**	**PSUs at Maximum Multiplier**
2022	0.18%	0.76%	1.15%
2021	0.14%	0.60%	0.91%
2020	0.14%	0.43%	0.66%

Registered Retirement Savings Plan

The Company maintains a group registered retirement savings plan (the "**RRSP**") for executives under which the employer contributes 10% of the employee's base salary, subject to the legal limits of the plan. The employer contributions vest immediately.

Reimbursement of Incentive Compensation

The Board of Directors of the Company may, in its sole discretion, to the full extent permitted by governing law and to the extent it determines that it is in the Company's best interest to do so, require reimbursement of full or partial incentive compensation from all current or former Vice Presidents and above of the Company and its subsidiaries in the event of fraud or material misconduct, or actions resulting in the restatement of the Company's and/or its subsidiaries financial statements that would have reduced the amount of incentive compensation had the financial results been correctly reported.

Restrictions on Trading and Hedging Extendicare Securities

Senior officers of the Company and its subsidiaries, including the NEOs, are prohibited from directly or indirectly entering into financial instruments designed to hedge or offset a decrease in the market value of the Common Shares and the Company's other securities.

Executive Share Ownership Policy

The Company's executive officers, including those that are not NEOs, are subject to a share ownership policy to further align executive and shareholder interests. The share ownership policy requires executives to achieve minimum share ownership levels within a five-year period from their appointment as an executive. Executives can meet their share ownership requirements through the ownership of Common Shares and PSUs/DSUs. The determination of the value of an executive's share ownership is the higher of the original acquisition cost/grant date value or current market value. The table below sets forth each NEO's eligible share-based holdings as at April 6, 2023 and ownership threshold requirements.

As of April 6, 2023, all of the NEOs have either met or are in the process of meeting their respective share ownership requirements.

		Current Ownership			Ownership Requirement			
NEO	**Title**	**Common Shares (#)**	**PSUs / DSUs[(1)] (#)**	**Total Value[(2)] ($)**	**Multiple of Annual Base Salary**	**Threshold ($)**	**Date to be Achieved (mm/yr)**	**Met or in Progress**
Michael Guerriere	President and CEO	201,299	323,820	3,366,013	3x	1,800,000	10/23	Met
David Bacon	SVP and CFO	89,879	216,088	1,961,248	3x	1,296,000	04/24	Met
John Toffoletto	SVP and CLO and CS	36,817	155,558	1,233,124	3x	1,215,000	11/24	Met
Leslie Sarauer	SVP and CHRO	19,281	80,081	636,910	2x	700,000	02/25	In progress
Matthew Morgan	Chief Medical Officer	81,629	69,805	970,692	1.5x	472,500	10/25	Met

Notes:

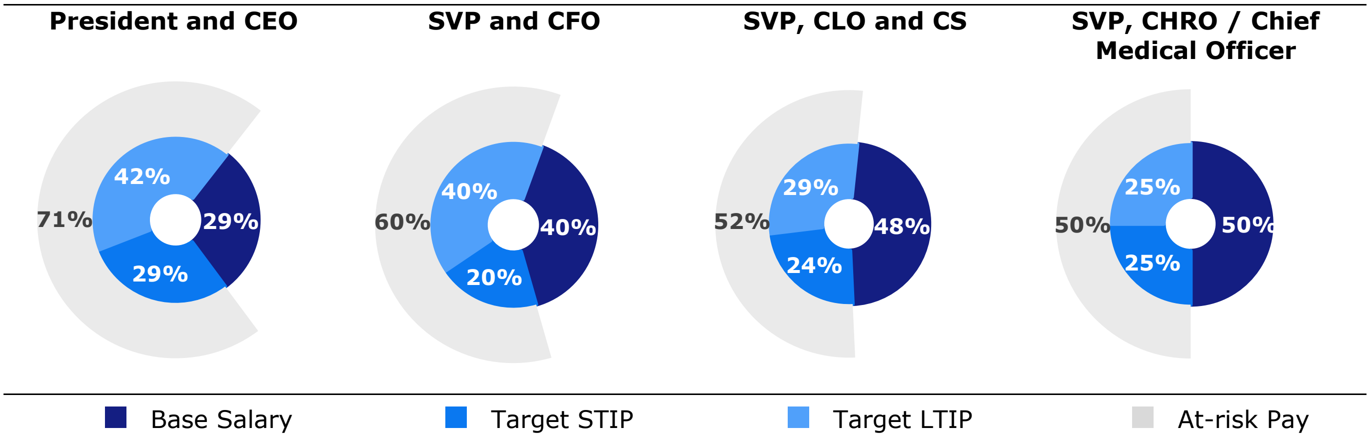
(1) In addition to PSUs granted to all of the NEOs, Dr. Guerriere's holdings include DSUs that were received during his tenure as a non-employee Director prior to his appointment as CEO in 2018.

(2) The value of such Common Shares, PSUs and DSUs is based on the TSX closing price of the Common Shares on April 6, 2023 of $6.40.

Compensation for 2022

The following graphic summarizes the relative target direct compensation mix of annual base salary and incentive compensation for 2022 of the Company's NEOs.

2022 Target Direct Compensation Mix



Base Salary

Base salaries are reviewed annually and may be adjusted to align with the market value of the individual's role and responsibilities and/or to recognize the individual's growth and development in his or her position. The base salaries earned in 2022 for each of the NEOs are reflected in the "Summary Compensation Table of Named Executive Officers".

NEO	Title	2022 Annualized Base Salary	Increase from 2021
Michael Guerriere	President and CEO	600,000	0%
David Bacon	SVP and CFO	400,000	0%
John Toffoletto	SVP, CLO and CS	380,000	7%
Leslie Sarauer	SVP and CHRO	350,000	0%
Matthew Morgan	Chief Medical Officer	300,000	0%

Short-term Incentives Awarded in 2022

During 2022, all of the NEOs participated in the Company's STIP that is formula-based and measured against pre-determined performance targets, including financial, quality and individual performance measures. In determining the performance of the financial objectives, actual results are measured relative to the target set at the beginning of the year, and may include financial performance measures that are not recognized under GAAP, and do not have standardized meanings prescribed by GAAP. See "Non-GAAP Measures" for more information. The HR Committee has the discretion to consider adjustments for one-time or unusual items in assessing the financial performance measures of the Company and its subsidiaries. If the Company incurs serious deficiencies in care or services provided, then all or part of the NEO's annual bonus may be forfeited.

Target Short-term Incentive and Performance Weighting

For 2022, the HR Committee revised performance weightings for all corporate leaders to provide for a minimum 10% allotment to quality goals to reflect the important role all leaders have in advancing the Company's quality agenda. The table below sets forth the NEO's STIP targets for 2022 expressed as a percentage of base salary along with the corresponding financial, quality and individual performance weightings.

		2022 Base Salary Earned	2022 STIP Target		Performance Weighting		
NEO	**Title**	**($)**	**% of Salary**	**Amount ($)**	**Financial**	**Quality**	**Individual**
Michael Guerriere	President and CEO	600,000	100%	600,000	50%	20%	30%
David Bacon	SVP and CFO	400,000	50%	200,000	50%	10%	40%
John Toffoletto	SVP, CLO and CS	380,000	50%	190,000	50%	10%	40%
Leslie Sarauer	SVP and CHRO	350,000	50%	175,000	50%	10%	40%
Matthew Morgan	Chief Medical Officer	300,000	50%	150,000	50%	20%	30%

At the start of each year, the Board, upon recommendation of the HR Committee, adopts financial performance targets intended to guide and motivate executive officers to execute the Company's strategy over the course of the year. The HR Committee, in consultation with the CEO, assesses the financial performance against each target and recommends a financial performance score for each NEO to the Board.

The quality objectives applicable to the NEOs are intended to measure key care, safety, service and performance outcomes. The Company is committed to continuous improvement in the quality of care provided to its residents, patients and clients, and establishes and regularly monitors a number of quality indicators. These quality indicators measure the success of service improvement programs related to wound care, medication management, fall prevention, and home health care reliability.

At the beginning of the year, individual goals are identified for each NEO and such goals align with their respective roles and responsibilities as well as with corporate objectives. The CEO's personal goals are approved by the Board on the recommendation of the HR Committee. Personal goals of the other NEOs are approved by the Board on the recommendation of the CEO, following a review by the HR Committee.

Financial Performance

The table below sets forth the 2022 financial performance metrics, the NEO's goal weighting and the actual results. The performance scores for achievement between threshold (0%) and target (100%) and between target (100%) and stretch (150%) are determined on a linear basis. As shown below, the Company's 2022 financial performance was assessed at 75% of target.

Financial Performance Goals *($ in millions)*	**Threshold**	**Target**	**Stretch**	**Actual Achieved**	**Score Achieved**	**Weight**	**Performance Weighted**
Consolidated Continuing Operations							
Revenue	$1,073.4 95%	$1,129.9 100%	$1,186.4 105%	$1,221.6 108.1%	150.0%	25%	37.5%
Adjusted EBITDA(1)	$64.7 92.5	$70.0 100%	$75.2 107.5	$57.5 82.1%	0%	25%	0%
Average score achieved					**75.0%**	**50%**	**37.5%**

Note:

(1) This is a Non-GAAP measure. Refer to the discussion under "Non-GAAP Measures" in the MD&A for the year ended December 31, 2022.

CEO Quality and Individual Performance

Dr. Guerriere's quality and individual goals for 2022 represented 20% and 30% of his STIP award, respectively. The quality goals related to: (i) the success of the LTC homes in achieving an improvement in industry leading quality indicators; and (ii) the success of the home health care operation in increasing its reliability. The individual goals included the following: (i) execution of the strategic plan and communication of the plan to key stakeholders; (ii) effective management of the Company's on-going response to the COVID-19 pandemic; and, (iii) significant progress on key initiatives, including ParaMed transformation and LTC redevelopment. Dr. Guerriere's final STIP award represented 46% achievement of his quality goals and 100% achievement of his individual goals for 2022.

CFO Quality and Individual Performance

Mr. Bacon's quality and individual goals for 2022 represented 10% and 40% of his STIP award, respectively. The quality goals related to: (i) the success of the LTC homes in achieving an improvement in industry leading quality indicators; and (ii) the success of the home health care operation in increasing its reliability. The individual goals included the following: (i) capital structure and financing objectives; (ii) implementation of new technology platforms; (iii) in-year LTC redevelopment milestones; and (iv) advancement of strategic transactions. Mr. Bacon's final STIP award represented 46% achievement of his quality goals and 100% achievement of his individual goals for 2022.

Other NEO Quality and Individual Performance

Mr. Toffoletto's quality and individual goals for 2022 represented 10% and 40% of his STIP award, respectively, The quality goals related to: (i) the success of the LTC homes in achieving an improvement in industry leading quality indicators; and (ii) the success of the home health care operation in increasing its reliability. The individual goals included the following: (i) legal department effectiveness and efficiency; (ii) negotiation of key Company agreements; (iii) advancement of strategic transactions; and (iv) initiatives to reduce enterprise risk. Mr. Toffoletto's final STIP award represented 46% achievement of his quality goals and 100% achievement of his individual goals for 2022.

Ms. Sarauer's quality and individual goals for 2022 represented 10% and 40% of her STIP award, respectively, The quality goals related to: (i) the success of the LTC homes in achieving an improvement in industry leading quality indicators; and (ii) the success of the home health care operation in increasing its reliability. The individual goals included the following: (i) strengthening of the HR department's structure and capabilities; (ii) implementation of a new technology platform; (iii) recruitment and retention targets; (iv) alignment and effectiveness of compensation and benefits programs; and (v) advancement of leadership development programs. Ms. Sarauer's final STIP award represented 46% achievement of her quality goals and 70% achievement of her individual goals for 2022.

Dr. Morgan's quality and individual goals for 2022 represented 20% and 30% of his STIP award, respectively. The quality goals related to: (i) the success of the LTC homes in achieving an improvement in industry leading quality indicators; and (ii) the success of the home health care operation in increasing its reliability. The individual goals included the following: (i) closer relationships with health system partners; (ii) enhanced medication management practices through Medication Safety Technology programs; and (iii) enhancement of clinical leadership in the LTC homes. In recognition of the significant role Dr. Morgan played in continuing to manage the COVID-19 pandemic, the Board awarded a 10% discretionary bonus. Accordingly, Dr. Morgan's final STIP award represented 46% achievement of his quality goals, 100% achievement of his individual goals for 2022, and a 10% discretionary bonus.

2022 STIP Awards

The table below sets forth the 2022 STIP results and amounts awarded to the NEOs.

NEO	Title	2022 STIP Target ($)	Performance (% of target achieved) Financial	Quality	Individual	Total	2022 STIP Awarded ($)
Michael Guerriere	President and CEO	600,000	37.5%	9.2%	30%	76.7%	460,200
David Bacon	SVP and CFO	200,000	37.5%	4.6%	40%	82.1%	164,200
John Toffoletto	SVP, CLO and CS	190,000	37.5%	4.6%	40%	82.1%	155,990
Leslie Sarauer	SVP and CHRO	175,000	37.5%	4.6%	28%	70.1%	122,675
Matthew Morgan	Chief Medical Officer	150,000	37.5%	9.2%	40%	86.7%	130,050

Long-term Incentives Awarded in 2022

In 2022, upon recommendation of the HR Committee, the Board approved PSU awards pursuant to the LTIP (the "**2022 PSU Award**") to the NEOs as set out below. The 2022 PSU Award granted on March 11, 2022, was sized as a percentage of the NEO's annual base salary and included one-time awards to Dr. Guerriere, Mr. Bacon and Mr. Toffoletto in recognition of their contributions to strategic acquisitions and divestitures. The number of PSUs awarded was determined based on the LTIP FMV of $7.63 on the date of grant, which value assumes vesting of the PSUs at 100% of target. The 2022 PSU Award cliff vests in three years on March 11, 2025.

NEO	Title	2022 PSU Award as % of Base Salary + One Time Amount	2022 PSU Award (#)	2022 PSU Award FMV at Date of Grant ($)
Michael Guerriere	President and CEO	100% + $250,000	111,402	850,000
David Bacon	SVP and CFO	100% + $200,000	78,637	600,000
John Toffoletto	SVP, CLO and CS	80% + $200,000	66,055	504,000
Leslie Sarauer	SVP and CHRO	50%	22,936	175,000
Matthew Morgan	Chief Medical Officer	50%	19,659	150,000

PSU Performance Measures

For PSU awards granted to date, the ultimate number of vested PSUs depends on two performance metrics over the three-year "**PSU Performance Goal Period**" (being the period commencing on the first day of the fiscal year in which the award is granted and ending on the last day of the second full fiscal year after the fiscal year in which the award is granted). The two performance metrics established by the HR Committee in respect of these awards are the Company's AFFO performance relative to its annual AFFO targets and the Company's TSR performance relative to the S&P/TSX Completion Index. The performance over the PSU Performance Goal Period of the AFFO (the "**AFFO Multiplier**") and TSR (the "**TSR Multiplier**") are weighted equally at 50% and combined to determine the ultimate payout percentage of the PSU award, ranging from 50% to 150% (the "**Combined Payout Percentage**"), as shown below. The score is determined on a linear basis for performance between threshold and target and target and maximum.

	Performance Level		
	Minimum	**Target**	**Maximum**
Performance Multiplier	50%	100%	150%
Performance Metrics (weighted 50/50)			
AFFO component	20% below target	annual budget	20% above target
TSR component	15% below target	At index	15% above target

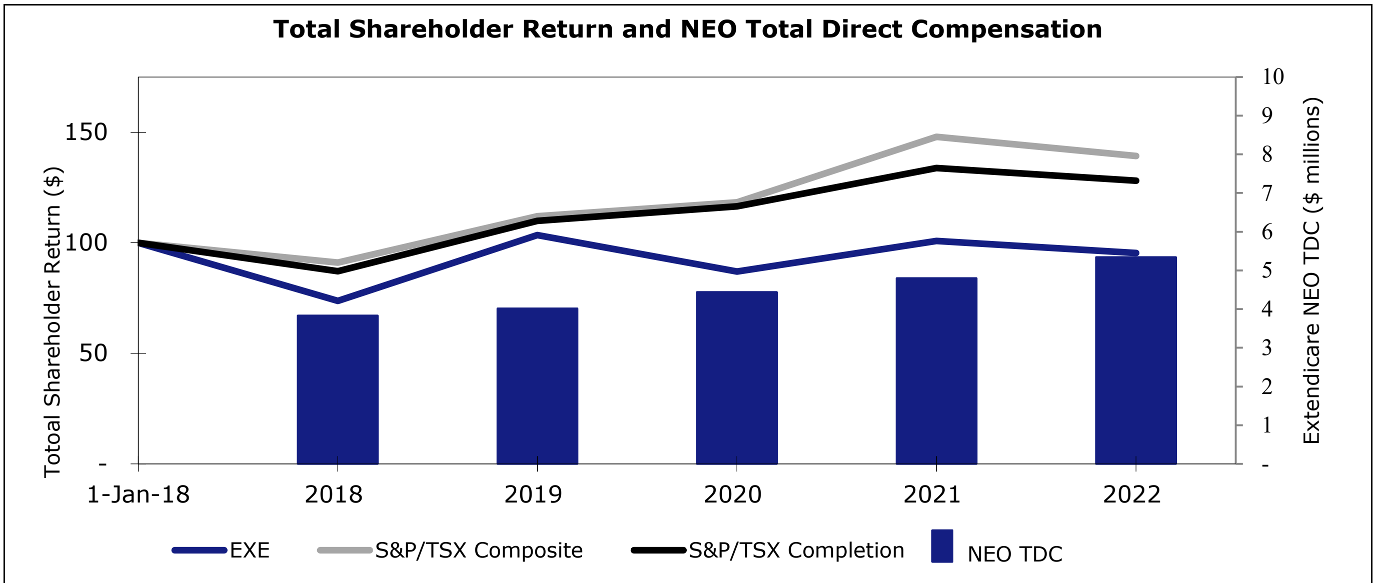
The performance metrics are measured annually, with the AFFO component weighted equally for each of the three year periods and the TSR component weighted annually at 20% in addition to applying a 40% weighting to the cumulative performance of the TSR over the three-year period, as shown below.

	Performance Measurement Periods and Weighting by Period			
	Year 1	**Year 2**	**Year 3**	**3-year Total**
AFFO component (50%)	33.33%	33.33%	33.33%	n/a
TSR component (50%)	20%	20%	20%	40%

The Company's relative TSR is an important performance measure because it is reflective of our performance relative to companies which are subject to similar market conditions, and is an important metric of value creation. In 2016, the HR Committee determined with assistance from Hugessen Consulting, and the Board approved, the selection of the S&P/TSX Completion Index on the basis that it was a broad industry index of small- to mid-cap TSX companies that provided a relatively high degree of correlation to the Company's historical TSR. The AFFO targets are forward-looking and disclosure of them before the end of the performance period would seriously prejudice the Company's interests. As a result, targets are disclosed at the time of settlement of the awards.

Performance Graph

The following graph illustrates Extendicare's total cumulative Shareholder return over the last five years on its Common Shares, assuming a $100 investment was made on January 1, 2018, compared to the total cumulative return of the S&P/TSX Composite Index and the S&P/TSX Completion Index (assuming all dividends are reinvested). The graph also shows the Company's total direct compensation ("**TDC**") of the NEOs as reported in each of the last five years.



For the Year	1-Jan-18	2018	2019	2020	2021	2022
Extendicare	$100.00	$73.70	$103.45	$87.02	$100.84	$95.40
S&P/TSX Composite Index	$100.00	$91.11	$111.96	$18.23	$147.89	$139.25
S&P/TSX Completion Index	$100.00	$87.15	$109.91	$116.47	$133.78	$128.13
NEO TDC (000's)		$3,834	$4,015	$4,438	$4,800	$5,342
NEO TDC as a % of revenue[(1)]		0.3%	0.4%	0.4%	0.4%	0.4%

Note:

(1) Represents NEO TDC as a percentage of consolidated revenue from continuing operations for each of the respective periods.

For the five-year period ended December 31, 2022, the Company's total shareholder return has underperformed the S&P/TSX Composite Index and S&P/TSX Completion Index. This is a substantial change from the five-year performance period ending December 31, 2019, when the Company's total shareholder return had outperformed the indices. The main reason for this change is considered to be the COVID-19 pandemic that began in 2020 and its impact on share price performance in the seniors' care sector, and on the Company in particular as the largest publicly traded operator of LTC homes and provider of home health care in Canada, relative to other segments of the publicly traded market. Though the Company's total shareholder return in 2021 and 2022 underperformed the S&P/TSX Composite Index, it outperformed the S&P/TSX Completion Index for the same periods.

NEO total direct compensation during that same five-year period has trended higher, with year-over-year fluctuations attributable for the most part to changes in the constitution of the NEO group as a whole and the impact in 2022 of one-time LTIP awards to certain of the NEOs in recognition of their contributions to the progress made on strategic transformation initiatives. NEO compensation is not strongly correlated to Shareholder returns in the short to medium term, in part because equity-based incentives are calculated at the time of grant, which do not reflect the actual value of compensation paid when such incentives vest. In the long-term NEO compensation is directly affected by the Company's share performance as a result of awards that vest at the end of three years in the form of PSUs, thus providing an alignment of management and Shareholder interests. PSUs under the LTIP are awarded annually to the NEOs based on a percentage of his or her base salary, ranging from 50% to 100%. In addition, the Company's STIP awards provide an "at-risk" component of compensation based on successful performance of key financial objectives. These "at-risk" components (the LTIP and STIP awards) ranged from 46% to 69% of the TDC earned in 2022.

SUMMARY COMPENSATION TABLE OF NAMED EXECUTIVE OFFICERS

The following table sets forth all annual and long-term compensation for services in all capacities to the Company and its subsidiaries for the individuals who were, as at December 31, 2022, the CEO, CFO, and the next three most highly compensated executive officers of the Company and its subsidiaries.

Name and Principal Position	Year	Salary ($)	Share-based Awards[(2)] ($)	Annual Non-equity Incentive Plans ($)	All Other Compensation[(3)] ($)	Total Compensation ($)
Michael Guerriere	2022	600,000	850,000	460,200	50,733	1,960,933
President and CEO	2021	600,000	600,000	480,000	47,191	1,727,191
	2020	600,000	600,000	467,630	45,494	1,713,124
David Bacon	2022	400,000	600,000	164,200	44,867	1,209,067
SVP and CFO	2021	400,000	400,000	200,000	43,243	1,043,243
	2020	400,000	400,000	200,000	35,639	1,035,639
John Toffoletto	2022	380,000	504,000	155,990	43,785	1,083,775
SVP, CLO and CS	2021	355,000	213,000	177,500	41,193	786,693
	2020	325,000	195,000	162,500	36,858	719,358
Leslie Sarauer	2022	350,000	175,000	122,675	47,384	695,059
SVP and CHRO	2021	350,000	175,000	170,635	46,514	742,149
	2020	297,917	162,500	148,958	41,402	650,777
Matthew Morgan[(1)]	2022	300,000	150,000	130,050	103,171	683,221
Chief Medical Officer	2021	300,000	150,000	136,200	100,516	686,716
	2020	61,346	75,000	–	58,472	194,818

Notes:

(1) Dr. Morgan joined the Company in October 2020 as Chief Medical Officer with an annual base salary of $300,000.

(2) These amounts reflect PSU awards based on the LTIP FMV at the date of grant (assuming vesting at 100% of target), as summarized in the table below. These differ from those used for accounting purposes, which determine the grant date fair values based on the underlying performance metrics, applying equal weighting to each. The AFFO components are measured using the TSX closing price of the Common Share on the day prior to the date of grant. The TSR components are measured using the Monte Carlo simulation method, applying the assumptions summarized in the table below.

PSU Award / Grant Date	**March 11, 2022**	**March 9, 2021**	**March 10, 2020**
Vesting date	March 11, 2025	March 9, 2024	March 10, 2023
LTIP FMV (based on 5-day VWAP)	$ 7.63	$ 7.04	$ 7.78
Grant date fair value for accounting purposes:			
Fair value of AFFO component	$ 3.87	$ 3.44	$ 3.64
Fair value of TSR component	4.24	3.85	3.80
Grant date fair value used for accounting	$ 8.11	$ 7.29	$ 7.44
Expected volatility of Common Shares	31.52%	32.50%	19.79%
Expected volatility of the S&P/TSX Completion Index	22.00%	21.60%	11.05%
Risk-free interest rate	1.67%	0.46%	0.55%
Dividend yield	nil	nil	nil

(3) All other compensation includes employer contributions to RRSP programs, life insurance premiums, long-term disability ("**LTD**") premiums, group accidental death and dismemberment ("**ADD**") premiums, and health benefits. In addition, in respect of Dr. Morgan, "other" includes a signing bonus paid in three equal installments of $50,000 in 2020, 2021 and 2022, provided Dr. Morgan remained an employee. The components of "all other compensation" for the NEOs are as follows:

NEO	Year	Employer Contribution to Group RRSP ($)	Life/LTD/ ADD/Health ($)	Other ($)	Total ($)
Michael Guerriere	2022	29,210	21,523	–	50,733
	2021	27,830	19,361	–	47,191
	2020	27,230	18,264	–	45,494
David Bacon	2022	29,210	15,657	–	44,867
	2021	27,830	15,413	–	43,243
	2020	27,230	8,409	–	35,639
John Toffoletto	2022	29,210	14,575	–	43,785
	2021	27,830	13,363	–	41,193
	2020	27,230	9,628	–	36,858
Leslie Sarauer	2022	29,210	18,174		47,384
	2021	27,830	18,684	–	46,514
	2020	27,230	14,172	–	41,402
Matthew Morgan	2022	29,210	23,961	50,000	103,171
	2021	27,830	22,686	50,000	100,516
	2020	6,135	2,337	50,000	58,472

INCENTIVE PLAN AWARDS

Outstanding Share-based Awards

The following table sets forth the number and value of all share-based awards issued and outstanding as at December 31, 2022, for each NEO made under the LTIP in the form of PSUs. For a description of the LTIP, refer to the discussion above in the CD&A under "Overview of Executive Compensation Programs – Long-term Incentive Plan".

		Share-based Awards	
NEO	**Title**	**PSUs That Have Not Vested (#)**	**Payout Value of PSU Awards That Have Not Vested ($)**
Michael Guerriere	President and CEO	306,126	2,008,184
David Bacon	SVP and CFO	208,679	1,368,933
John Toffoletto	SVP, CLO and CS	133,749	877,393
Leslie Sarauer	SVP and CHRO	77,286	506,997
Matthew Morgan	Chief Medical Officer	57,124	374,736

The PSUs vest on the third anniversary of the date of grant, conditional on specified performance criteria and continued employment of the participant. The number of outstanding PSUs includes dividend equivalents credited to the account. The payout value of the outstanding PSUs has been calculated using the TSX closing price of the Common Shares on December 31, 2022 of $6.56, multiplied by the number of outstanding PSUs on account, and assumes vesting at 100% of target.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of share-based awards of the NEOs that vested during 2022, as well as the value of non-equity incentive plan compensation that the NEOs earned during the year. The share-based awards that vested during 2022 related to PSUs awarded in 2019 (the "**2019 PSU Award**") and applied solely to Dr. Guerriere and Mr. Bacon, as the other NEOs were not employed with the Company at that time. The 2019 PSU Award was redeemed on June 16, 2022, at a dollar value calculated using the number of PSUs vested multiplied by the LTIP FMV on the redemption date of $6.97. The non-equity incentive plan compensation reflects the cash payments under the annual incentive awards and corresponds to that disclosed in the above "Summary Compensation Table of Named Executive Officers".

NEO	**Title**	**Share-based Awards – Value Vested During the Year ($)**	**Non-equity Incentive Plan Compensation – Value Earned During the Year ($)**
Michael Guerriere	President and CEO	1,344,604	460,200
David Bacon	SVP and CFO	481,630	164,200
John Toffoletto	SVP, CLO and CS	–	155,900
Leslie Sarauer	SVP and CHRO	–	122,675
Matthew Morgan	Chief Medical Officer	–	130,050

Performance of 2019 PSUs

The PSU Performance Goal Period for the PSUs awarded in 2019 (the "**2019 PSU Award**") ended on December 31, 2021 and was dependant on the performance metrics as set out in the table below, based on a payout percentage ranging from 0% to 200%. In early 2022, the HR Committee reviewed the performance of the 2019 PSU Award and confirmed a Combined Payout Percentage of 114.63% based on the target and performance of each component over the three-year period as set out in the table below. The 2019 PSU Award vested on May 31, 2022.

Performance of 2019 PSUs	Target	Actual	Multiplier Achieved	Weight	Performance Score
AFFO Component					
2019	$52,588	$52,600	100.11%	33.33%	33.37%
2020	$58,608	$79,167	200.00%	33.33%	66.67%
2021	$36,293	$53,721	200.00%	33.33%	66.67%
AFFO Multiplier (three-year performance)					**166.71%**
TSR Component					
2019	26.12%	40.83%	198.06%	20%	39.61%
2020	5.97%	(15.23)%	0.00%	20%	0.00%
2021	14.86%	17.07%	114.73%	20%	22.95%
2019 – 2021	53.51%	38.18%	0.00%	40%	0.00%
TSR Multiplier (three-year performance)					**62.56%**
Combined Payout Percentage (50% X (166.71% + 62.56%))					**114.63%**

Payout Summary of 2019 PSU Award

The 2019 PSU Award vested on May 31, 2022 with a Combined Payout Percentage of 114.63%, as set out above, and was redeemed on June 16, 2022 with Common Shares issued from treasury, a portion of which was settled in cash to cover applicable withholding taxes. The table below sets forth the number of PSUs credited on account and the number of PSUs that vested after applying the Combined Payout Percentage of 114.63%.

NEO	Title	2019 PSUs Credited (#)	2019 PSUs Vested (#)
Michael Guerriere	President and CEO	168,289	192,913
David Bacon	SVP and CFO	60,280	69,100

TERMINATION AND CHANGE OF CONTROL BENEFITS

Employment Agreements

Each of the NEOs is party to an employment agreement with the Company providing for, among other things, share ownership requirements, confidentiality covenants, and certain restrictive covenants, including non-competition and non-solicitation covenants in favour of the Company. All incentive compensation is subject to the Company's clawback and reimbursement policy. The following is a summary only and is qualified in its entirety by reference to the terms and conditions of the NEOs' employment agreements and the applicable terms and conditions of the LTIP.

The employment agreements for each of the NEOs provide for an indefinite term until terminated by either party in accordance with the provisions of their respective agreements. In addition to termination of employment due to death, their employment may be terminated at any time by the Company for "cause" or "without cause", or if they become disabled.

The NEOs are entitled to terminate their employment with the Company for "good reason", subject to providing written notification within a specified period, in the event of: (a) a material failure by the Company to comply with any provisions of their respective agreements; (b) a material diminution of their titles, duties, responsibilities or authority; (c) a reduction in their compensation, other than a uniform reduction applicable to all senior officers of the Company; or (d) an increase in the vesting period of any PSUs granted to them without prior written consent.

In the event of termination of employment due to death, or by the Company due to a disability, the NEOs are entitled to any unpaid base salary and benefits provided under employee benefit plans in which they participate through to their date of termination and a prorated portion of their target annual bonus. In addition, in the event of termination of employment due to death or disability, the NEOs are entitled to 50% of any unvested PSUs that have been granted to them after applying a Combined Payout Percentage that reflects the level of achievement of PSU Performance Goals that can be determined as at the date of termination and an achievement at target for PSU Performance Goals that are still in progress or that otherwise cannot be determined.

If employment is terminated by the Company for "cause" or if the NEOs voluntarily terminate their employment (and not for "good reason"), they will be entitled to any unpaid base salary and benefits provided under employee benefit plans in which they participate through to their date of termination. All of their unvested PSUs will be terminated and forfeited without payment.

If employment is terminated by the Company "without cause" (including, after a Change of Control) or by the employee for "good reason" (including, after a Change of Control), the NEOs, in accordance with their respective agreements, will be entitled to a payment equal to any unpaid base salary and benefits provided under employee benefit plans in which they participate through to the date of termination and a prorated portion of their target annual bonus. In addition, upon termination by the Company "without cause" or by the employee for "good reason", the NEOs, in accordance with their respective agreements, will be entitled to the following:

NEO	Base Salary	Bonus	Benefits[(1)]	Unvested PSUs[(2)]
Michael Guerriere				
With or without a Change of Control	24 months	24 months at target (100% of base salary)	24 months up to a maximum of $100,000	100%
David Bacon				
With a Change of Control	24 months	24 months at target (50% of base salary)	12 months plus 1 month for each year of service, to a maximum of $100,000	100%
No Change of Control	12 months plus 1 month for each year of service	12 months plus 1 month for each year of service, up to a maximum of 24 months[(3)] (50% of base salary)		
John Toffoletto				
With a Change of Control	24 months	24 months at target (50% of base salary)	12 months plus 1 month for each year of service, to a maximum of $100,000	100%
No Change of Control	12 months plus 1 month for each year of service	12 months plus 1 month for each year of service, up to a maximum of 24 months[(3)] (50% of base salary)		
Leslie Sarauer				
With or without a Change of Control	12 months	12 months at target (50% of base salary)	12 months, to a maximum of $75,000	100%
Matthew Morgan				
With or without a Change of Control	12 months plus 1 month for each year of service to a maximum of 18 months	12 months plus 1 month for each year of service, up to a maximum of 18 months[(3)] (50% of base salary)	12 months plus 1 month for each year of service to a maximum of 18 months	100%

Notes:

(1) For Dr. Guerriere, Mr. Toffoletto and Ms. Sarauer, benefits entitled upon termination exclude the Company's contribution to RRSPs.

(2) PSUs will be paid out in accordance with the LTIP applying a Combined Payout Percentage that reflects the level of achievement of PSU Performance Goals that can be determined at the date of termination and an achievement at target for PSU Performance Goals that are still in progress or that otherwise cannot be so determined.

(3) The severance period at December 31, 2022, was 15 months for Messrs. Bacon and Toffoletto and 14 months for Dr. Morgan.

Quantification of Potential Payments upon Termination or Change of Control

The following table provides an estimate of the incremental amounts of compensation that would be paid to the NEOs in the event of their termination without cause or resulting from their resignation for good reason, and either with or without a change of control, assuming such termination was effective as of December 31, 2022, pursuant to the employment agreements outlined in greater detail above. No incremental amounts of compensation would be paid in the event of termination for cause. The actual amounts to be paid to an NEO in the event of his or her termination of employment can only be determined at the time of such termination.

NEO	Triggering Event[1]	Salary ($)	Payment in Lieu of Bonus ($)	Employee Benefits[2] ($)	PSUs[3] ($)	Total ($)
Michael Guerriere	Termination without cause or for good reason (with or without a Change of Control)	1,200,000	1,200,000	43,046	2,008,184	4,451,230
David Bacon	Termination without cause or for good reason: With a Change of Control	800,000	400,000	56,083	1,368,933	2,625,017
	No Change of Control	500,000	250,000	56,083	1,368,933	2,175,017
John Toffoletto	Termination without cause or for good reason: With a Change of Control	760,000	380,000	18,219	877,393	2,035,611
	No Change of Control	475,000	237,500	18,219	877,393	1,608,111
Leslie Sarauer	Termination without cause or for good reason (with or without a Change of Control)	350,000	175,000	18,174	506,997	1,050,172
Matthew Morgan	Termination without cause or for good reason (with or without a Change of Control)	350,000	175,000	62,033	374,736	961,769

Notes:

(1) Refer to the discussion under "Employment Agreements" for a description of what constitutes termination for good reason.

(2) Other is comprised of health, disability and life insurance benefits, and employer contributions to retirement savings plans for selected individuals.

(3) The estimated aggregate value for the PSUs at December 31, 2022, represents the market value of the outstanding PSUs, as described under "Incentive Plan Awards – Outstanding Share-based Awards".

COMPENSATION OF DIRECTORS OF EXTENDICARE

Review of Director Compensation

The GS Committee, composed entirely of independent directors, is responsible for annually reviewing and recommending to the Board director compensation as appropriate to recognize the workload and responsibility of Board and committee members and to remain competitive with director compensation trends in Canada. In arriving at its recommendations, the GS Committee reviews external and internally prepared surveys to ensure the director fee structure properly aligns the interests of directors with the long-term interests of the Company and Shareholders.

Revisions to Director Fee Structure for 2023

As discussed under "Compensation Discussion and Analysis – Independent Compensation Consultant", the GS Committee engaged Hugessen Consulting in 2022 to conduct a review and comment on the Company's director compensation program and provide a report thereon. The GS Consultant's Report provided a summary of typical market practices among the Company's Comparator Group and the broader Canadian market. Results of the study showed that a flat-fee structure was common among 83% of the Comparator Group versus a meeting fee structure, the Company's pay mix of equity when factoring in meeting fees was below the Comparator Group median of 45% for directors and 50% for the chairman, and the Company's overall director compensation was below the Comparator Group median by 11% to 17%, depending upon the director profile.

Following this review, the GS Committee recommended, and the Board approved, the adoption of a flat-fee structure, resulting in an increase in the annual retainers in lieu of meeting fees under the meeting fee structure, and an increase in the minimum portion of compensation to be received in the form of DSUs. In implementing the flat-fee structure, the Board determined to remain below the median comparison in setting the annual retainers and to increase the equity mix. Under the flat-fee structure, non-employee directors are compensated for their services through annual Board and committee chair retainers, reflecting that a director's duty extends beyond attendance at meetings and that directors are expected to provide advice and be available for consultation or assistance throughout the year.

Beginning in 2023, the Chairman annual retainer is increased to $210,000 from $150,000, the Board (non-chairman) annual retainer is increased to $100,000 from $50,000, meeting fees have been eliminated, which in 2022 ranged from $34,000 to $58,000, and revisions have been made to the committee chair fees and the travel allowance. In addition, the minimum portion to be received in the form of DSUs has been increased to 60% from 50%. In comparing the two fee structures, directors' fees, excluding travel allowances of $4,000, totalled $991,000 in 2022 and ranged from $84,000 to $138,000 for directors and $210,000 for the Chairman (see "Director Compensation for 2022"). Applying the new flat-fee structure to the 2022 board composition, directors' fees, excluding travel allowances, would have totalled $970,000 and ranged from $100,000 to $125,000 for directors and $210,000 for the Chairman.

The following table summarizes the elements of the compensation to be paid to non-employee Directors beginning in 2023.

Director Fee Structure for 2023[1]	**Cash or DSUs ($)**	**Minimum 60% in DSUs ($)**	**Total ($)**
Chairman annual retainer	84,000	126,000	210,000
Board annual retainer (non-Chairman)	40,000	60,000	100,000
Additional annual committee chair retainers[2]**:**			
Audit Committee Chair	25,000	–	25,000
GS Committee Chair	10,000	–	10,000
HR Committee Chair	15,000	–	15,000
INV Committee Chair	10,000	–	10,000
QR Committee Chair	10,000	–	10,000

Note:

(1) In addition to the fees set out above, non-employee Directors travelling three hours or more from their vicinity of residence to attend Board and Committee meetings are entitled to a travel allowance equal to $1,000 per meeting day for travel within North America and $2,000 per meeting day for travel outside of North America, as well as reimbursement of meeting related travel and out-of-pocket expenses (which reimbursement is not considered compensation).

(2) The Chairman of the Board is not eligible to receive additional committee chair retainers for his service as a committee chair.

Components of Directors' Fees

Directors who are also employees of Extendicare or any of its subsidiaries, are not compensated for their services as Directors or as members of any committee of the Board. Directors compensation is paid quarterly in arrears with a portion of the annual Board retainer paid in the form of DSUs. Directors have the option to receive all or a portion of the balance of their compensation in the form of DSUs instead of cash. For 2023, the minimum portion to be received in the form of DSUs was increased from 50% to 60%. Directors may change their DSU election annually in advance of the upcoming year. For a description of DSUs pursuant to the LTIP, see "Compensation Discussion and Analysis – Overview of Executive Compensation Programs – Long-term Incentive Plan" for more information.

Director Fee Structure for 2022

The following table summarizes the elements of the compensation paid to non-employee Directors for the year ended December 31, 2022.

Director Fee Structure for 2022[1]	**Cash or DSUs ($)**	**Minimum 50% in DSUs ($)**	**Total ($)**
Chairman annual retainer	75,000	75,000	150,000
Board annual retainer (non-Chairman)	25,000	25,000	50,000
Committee annual retainers:			
Audit Committee Chair	25,000	–	25,000
Audit Committee members (including Chair)	5,000	–	5,000
GS Committee Chair	10,000	–	10,000
HR Committee Chair	10,000	–	10,000
INV Committee Chair	10,000	–	10,000
QR Committee Chair	10,000	–	10,000
Other committee chairs	5,000	–	5,000
Per meeting fees (Board & Committee)	2,000	–	2,000

Note:

(1) In addition to the fees set out above, non-employee Directors were entitled to a travel allowance with respect to Board and Committee meetings held outside of their vicinity of residence equal to 50% of the meeting fee, plus a further 50% of the meeting fee for each required overnight stay. As well, they were entitled to reimbursement of meeting related travel and out-of-pocket expenses, which is not considered compensation.

Director Compensation Table for 2022

The following table outlines the compensation paid to each of the Company's non-employee Directors in 2022, including in respect of travel allowance and special initiatives. Share-based awards represent the portion of the annual retainer, meeting and other fees received as DSUs in accordance with the terms of the LTIP.

Name	Cash Fees Earned ($)	Share-based Awards[1] ($)	Total ($)
Norma Beauchamp	57,500	44,250	102,000
Sandra Hanington	63,000	60,000	123,000
Alan Hibben	–	111,000	111,000
Brent Houlden	–	138,000	138,000
Donna Kingelin	–	110,000	110,000
Samir Manji	–	84,000	84,000
Al Mawani	–	117,000	117,000
Alan Torrie (Chairman)	–	210,000	210,000
Total	**120,750**	**874,250**	**995,000**

Note:

(1) These amounts reflect the grant date values of DSUs based on the LTIP FMV, and exclude any additional DSUs credited as a result of dividend equivalents paid on Common Shares.

Outstanding Share-based Awards

The Directors receive a portion of their Directors' fees in the form of DSUs, as described above. The following table sets forth the number and value of all share-based awards issued and outstanding as at December 31, 2022, made under the LTIP in the form of DSUs for each non-employee Director, including Dr. Guerriere who received compensation as a non-employee Director prior to his appointment as CEO in October 2018.

	Share-based Awards	
Name	Vested DSUs (#)	Payout Value of Vested DSUs ($)
Norma Beauchamp	20,890	137,038
Sandra Hanington	59,884	392,839
Alan Hibben	140,532	921,890
Brent Houlden	45,511	298,552
Michael Guerriere	13,905	91,217
Donna Kingelin	96,080	630,285
Samir Manji	37,954	248,978
Al Mawani	51,644	338,785
Alan Torrie (Chairman)	204,272	1,340,024

The payout value of the outstanding DSUs has been calculated using the TSX closing price of the Common Shares on December 31, 2022 of $6.56, multiplied by the number of outstanding DSUs on account, including dividend equivalents.

Anti-hedging and Anti-monetization

The Board has adopted a policy prohibiting the Company's insiders, which include the Directors, from directly or indirectly entering into financial instruments designed to hedge or offset a decrease in the market value of any of the Company's securities.

Director Share Ownership Policy

Directors, who are not also executive officers of Extendicare, are subject to a share ownership policy, under which Directors are expected to own Common Shares and/or DSUs equal in value to three times their annual Board retainer, valued at the higher of original acquisition cost/grant date value or market value, to be achieved within the later of January 1, 2026, being three years from the change in fee structure described above, or five years from the date of appointment to the Board. Prior to the 2023 change in fee structure, all of the Directors that will be continuing in office had met the share ownership requirements. As of the date hereof and under the new threshold requirements, all of the Directors that will be continuing in office have met the share ownership requirements except Ms. Beauchamp. See "Security Ownership and Total Value" section of each of the current Director's biographical information located under the "Business of the Meeting – Election of Directors" for more information.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as at December 31, 2022, certain information with respect to the Company's LTIP.

Plan Category	(a) Number of Common Shares to be Issued Pursuant to Outstanding PSUs and DSUs[1] (#)	(b) Weighted Average Purchase Price of Common Shares ($)	(c) Number of Common Shares Remaining Available for Future Issuance Under LTIP (excluding those reflected in column (a))[1] (#)
Equity compensation plans approved by Shareholders	1,973,257	n/a	2,090,056
Equity compensation plans not approved by Shareholders	n/a	n/a	n/a
Total	**1,973,257**	**n/a**	**2,090,056**

Note:

(1) Number of Common Shares assumes vesting of PSUs at 100% of target.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers of the Company or any of its subsidiaries is indebted to the Company or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

To the knowledge of the Board of Directors no director or executive officer of the Company, or any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of the Directors. The directors and executive officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 11.6 million Common Shares, representing approximately 13.7% of the outstanding Common Shares.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company, its subsidiaries and their respective directors and officers carry claims-made insurance coverage with an aggregate limit of $55.0 million of which $30.0 million is shared with the Company and $55.0 million is inclusive of Side A coverage for non-indemnifiable losses, subject to terms, conditions and exclusions of the policy. The primary policy has a retention of $500,000 applicable to the Company; no retention applies to the individual directors or officers. Under this insurance coverage, each entity has reimbursement coverage to the extent that it has indemnified any such directors and officers. The total liability is shared among the Company, its subsidiaries, and their respective directors and officers. The annual premium for the directors' and officers' liability policy that expires on October 1, 2023, was $578,000.

NON-GAAP MEASURES

Certain financial measures discussed in this Information Circular, such as "Adjusted EBITDA", "Adjusted Funds from Operations", or "AFFO", and "net operating income", or "NOI", are non-GAAP financial measures. For more information on the Company's use of non-GAAP financial measures, please see "Non-GAAP Measures", included in the MD&A of the Company's 2022 Annual Report.

These measures are not recognized under GAAP and do not have standardized meanings prescribed by GAAP. Such non-GAAP measures may differ from similar computations as reported by other issuers and, accordingly, may not be comparable to similarly titled measures as reported by such issuers.

AUDIT COMMITTEE INFORMATION

The Audit Committee operates within a written mandate, approved by the Board of Directors. Information on the Audit Committee, required by National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, is disclosed in the 2022 Annual Information Form under "Audit Committee Information", and in Schedule A to this Information Circular.

GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") of the Canadian Securities Administrators requires the Company to disclose, on an annual basis, its approach to governance with reference to the guidelines provided in NI 58-101. The disclosure of the Company in this regard is set out in Schedule A to this Information Circular.

OTHER BUSINESS

The Board of Directors does not currently intend to present, and does not have any reason to believe that others will present, at the Meeting, any item of business other than those set forth in this Information Circular. However, if any other business is properly presented at the Meeting and may properly be considered and acted upon, proxies will be voted by those named in the form of proxy in their discretion. Proxies may also be voted in the discretion of those named with respect to any amendments or variations to the matters identified in the Notice of Meeting.

SHAREHOLDER PROPOSALS

Shareholders who meet the eligibility requirements under the CBCA are entitled to submit a Shareholder proposal as an item of business at the next annual Shareholder's meeting. Shareholder proposals must be submitted to the Corporate Secretary of Extendicare by January 18, 2024 (at least 90 days prior to the anniversary date of the notice of the prior annual meeting). Only Shareholder proposals that comply with the CBCA requirements received by that date, and the responses of the Company, will be included in the Management Information and Proxy Circular of the Company for the annual meeting of Shareholders to be held in 2024.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com under Extendicare's issuer profile and on the Company's website at www.extendicare.com. Additional financial information is provided in the Company's consolidated financial statements and MD&A for the financial year ended December 31, 2022, as contained in the Company's 2022 Annual Report. A copy of this document and other public documents of the Company are available upon request to:

Extendicare Inc.
Attention: Vice President, Investor Relations
3000 Steeles Avenue East, Suite 400
Markham, Ontario L3R 4T9
T: 905-470-5534
E: investor.relations@extendicare.com

APPROVAL OF DIRECTORS

The contents and the sending of this Information Circular have been approved by the Board of Directors.

DATED at Markham, Ontario on April 17, 2023.

Dr. Michael Guerriere
President and
Chief Executive Officer

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Information Circular, but not including the Schedules. Words importing the singular include the plural and vice versa and words importing any gender include all genders. References to Extendicare or the Company in this Information Circular mean Extendicare Inc., either alone or together with its subsidiaries, as the context requires.

"**2019 PSU Award**" has the meaning set forth under the heading "Incentive Plan Awards – Incentive Plan Awards-Value Vested or Earned During the Year";

"**2022 Annual Information Form**" means the annual information form of Extendicare dated March 29, 2023, for the year ended December 31, 2022;

"**2022 Annual Report**" means the Annual Report of Extendicare for the year ended December 31, 2022;

"**2022 PSU Award**" has the meaning set forth under the heading "Compensation Discussion and Analysis – Compensation for 2022 – Long-term Incentives Awarded in 2022";

"**Advisory (Non-binding) Resolution**" means the advisory (non-binding) ordinary resolution to accept the Company's approach to executive compensation, as set forth under the heading "Business of the Meeting – Shareholder Advisory Vote on the Approach to Executive Compensation";

"**AFFO**" means adjusted funds from operations, a non-GAAP measure;

"**AFFO Multiplier**" has the meaning set forth under the heading "Compensation Discussion and Analysis – Compensation for 2022 – PSU Performance Measures";

"**Audit Committee**" means the audit committee of the Board of Directors;

"**Axium**" means Axium Infrastructure Inc. and its affiliates;

"**Board**", "**Board of Directors**" or "**Directors**" means, at any time, the individuals who are the directors of Extendicare;

"**Broadridge**" means Broadridge Investor Communications Corporation in Canada and its counterpart in the United States;

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, including the regulations promulgated thereunder, in either case as amended;

"**CD&A**" means compensation discussion and analysis;

"**CEO**" means Chief Executive Officer;

"**CFO**" means Chief Financial Officer;

"**CHRO**" means Chief Human Resources Officer;

"**Change of Control**" means:

(1) the acceptance of an offer, whether made by way of take-over bid or otherwise, by a sufficient number of holders of voting securities of the Company to constitute the offeror, together with persons or companies acting jointly or in concert with the offeror, a securityholder being entitled to exercise 50% or more of the aggregate number of voting rights attaching to the outstanding voting securities of the Company;

(2) the completion of an arrangement, consolidation, merger, amalgamation, recapitalization or other form of reorganization of the Company with or into any other person or company and the holders of Common Shares and any other voting securities of the Company immediately prior to the completion of the reorganization will hold 50% or less of the aggregate number of voting rights attaching to the outstanding voting securities of the continuing entity upon completion of the reorganization;

(3) the completion of a sale whereby all or substantially all of the undertakings and assets of the Company on a consolidated basis become the property of any other person or company and the holders of Common Shares and any other voting securities of the Company immediately prior to that sale hold 50% or less of the aggregate number of voting rights attaching to the outstanding voting securities of the other person or company immediately following the sale; or

(4) any other event which in the opinion of the Board constitutes a change of control of the Company;

"**CLO and CS**" means Chief Legal Officer and Corporate Secretary;

"**Common Shares**" means the common shares in the capital of Extendicare Inc.;

"**Combined Payout Percentage**" has the meaning set forth under the heading "Compensation Discussion and Analysis – Compensation for 2022 – PSU Performance Measures";

"**Computershare**" means Computershare Trust Company of Canada, the registrar and transfer agent of the Company;

"**DSU"** means a deferred share unit granted under the LTIP, representing the right to receive a cash payment equal to the LTIP FMV of a Common Share (determined in accordance with the LTIP), or its equivalent in fully paid Common Shares;

"**Extendicare**" or the "**Company**" means the corporation known as "Extendicare Inc.", which continued as one corporation as a result of the amalgamation of 8067929 Canada Inc., Extendicare Holding General Partner Inc., 8120404 Canada Inc. and Extendicare Inc. effective July 1, 2012, and which is the successor to Extendicare Real Estate Investment Trust;

"**GAAP**" means generally accepted accounting principles as recommended in the Chartered Professional Accountants of Canada Handbook at the relevant time;

"**GS Committee**" means the governance and sustainability committee of the Board of Directors;

"**HR Committee**" means the human resources committee of the Board of Directors;

"**Hugessen Consulting**" means Hugessen Consulting Inc.;

"**Information Circular**" means the management information and proxy circular of Extendicare Inc. dated April 17, 2023, together with all schedules thereto, distributed to Shareholders in connection with the Meeting;

"**INV Committee**" means the investment committee of the Board of Directors;

"**LMI**" has the meaning set forth under the heading "Business of the Meeting – Corporate Orders and Bankruptcies";

"**LTC**" means long-term care;

"**LTIP**" means the long-term incentive plan adopted and approved by Shareholders in 2016, as amended;

"**LTIP FMV**" means, on any particular date, the VWAP of a Common Share on the TSX during the last five (5) trading days prior to that particular date;

"**MD&A**" means management's discussion and analysis of financial condition and results of operations;

"**Meeting**" means the annual meeting of Shareholders to be held on May 29, 2023, commencing at 10:30 a.m. EDT and all postponements or adjournments thereof, to consider and vote on the matters set out in the Notice of Meeting;

"**Named Proxyholder**" has the meaning set forth under the heading "General Proxy Matters – Voting Instructions for Registered Shareholders – Voting by Proxy";

"**NEO**" means a named executive officer under National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators;

"**Non-registered Shareholder**" means a Shareholder who holds their Common Shares in the name of a "nominee", such as a bank, trust company, securities broker or other financial institution;

"**Notice of Meeting**" means the notice of the Meeting that accompanies this Information Circular;

"**ParaMed**" means ParaMed Inc., a corporation incorporated under the laws of Canada and a subsidiary of the Company, which provides home health care services in Canada under the business name ParaMed Home Health Care;

"**Plan**" has the meaning set forth under the heading "Business of the Meeting – Corporate Orders and Bankruptcies";

"**PSU**" means a performance share unit granted under the LTIP representing the right to receive a cash payment equal to the LTIP FMV of a Common Share (determined in accordance with the LTIP), or its equivalent in fully paid Common Shares;

"**QR Committee**" means the quality and risk committee of the Board of Directors;

"**Record Date**" has the meaning set forth under the heading "General Proxy Matters — Record Date and Voting Rights";

"**Registered Shareholder**" means a Shareholder who holds Common Shares in such Shareholder's own name;

"**Revera**" means Revera Inc. and its affiliates;

"**Sandpiper Group**" means collectively, Sandpiper Real Estate Fund 2 Limited Partnership, Sandpiper Real Estate Fund 3 Limited Partnership, Sandpiper Real Estate Fund 3 Limited Partnership, Sandpiper GP 2 Inc., Sandpiper GP 3 Inc., and Sandpiper GP 4 Inc.;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Shareholders**" means the holders of Common Shares from time to time;

"**STIP**" means the Company's short-term incentive program;

"**Transfer Agent**" means Computershare Trust Company of Canada, the registrar and transfer agent of the Company;

"**TDC**" has the meaning set forth under the heading "Compensation Discussion and Analysis – Performance Graph";

"**TSR**" means total shareholder return, which refers to the total return of a stock to an investor (the capital gain plus dividends);

"**TSX**" means the Toronto Stock Exchange;

"**TSXV**" means the TSX Venture Exchange; and

"**VWAP**" means the volume-weighted average trading price.

SCHEDULE A

EXTENDICARE INC.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

This statement of corporate governance practices sets out Extendicare Inc.'s ("**Extendicare**" or the "**Company**") overview of its corporate governance practices, as assessed in the context of National Instrument 58-101 – *Disclosure of Corporate* Governance *Practices* "**NI 58-101**") and National Policy 58-201 – *Corporate Governance Guidelines* of the Canadian Securities Administrators. This overview has been prepared by the Governance and Sustainability Committee (the "**GS Committee**") and has been approved by the board of directors (the "**Board of Directors**", the "**Board**" or "**Directors**") of the Company.

Overall Responsibilities of the Board

The Board of Directors is responsible for the overall stewardship of the business and affairs of the Company, including overseeing the Company's financial and strategic planning and direction, as well as management's implementation of the Company's plans. In fulfilling its responsibilities, the Board delegates the day-to-day authority to management of the Company, while reserving the ability to review management decisions and exercise final judgement on any matter. The Board reviews and approves on an annual basis the corporate objectives developed and adopted by the senior management team. The Board discharges its responsibilities directly and through committees. The Board and committee members operate under charters that clearly define their roles and responsibilities.

Independence of Directors

Independence of the Board of Directors is essential to fulfilling its role in overseeing the Company's business and affairs. Pursuant to a resolution of the Board of Directors, the number of directors of Extendicare to be elected at the May 29, 2023 annual meeting of holders of common shares ("**Common Shares**") of the Company (the "**Shareholders**") has been fixed at nine. Information relating to each of the nine nominees proposed for election as directors of Extendicare is set out in the "Business of the Meeting – Election of Directors" section of the management information circular (the "**Information Circular**") relating to such meeting. The Board of Directors have determined that eight of these nine individuals are "independent", as determined in accordance with NI 58-101. By virtue of Dr. Guerriere's current role as President and Chief Executive Officer, he is a non-independent Director. All committees of the Board are composed entirely of independent Directors.

Details of other reporting issuers on which Directors also sit as board members are disclosed under "Business of the Meeting – Election of Directors" in this Information Circular. At present seven of the nine nominees are independent board members of another publicly listed company, none of which exceed three such boards.

The roles of Extendicare's Chief Executive Officer (the "**CEO**") and Board Chairman are separate. The Board has implemented the practice of holding *in camera* non-management director meetings at each meeting of the Board to enable open and frank discussion.

Director Attendance

Board members are expected to attend all Board meetings and meetings of committees on which they serve. The Board met on 14 occasions during 2022, with full attendance at each meeting. Each Director's attendance record at Board meetings held during the 2022 financial year is described under the "Business of the Meeting – Election of Directors" section of this Information Circular.

Board Mandate

The mandate of the Board of Directors is attached as Schedule B to this Information Circular.

Position Descriptions

The Board of Directors has developed a written position description for its Chairman and for the chair of each of its committees.

The Board of Directors has developed a written position description for the CEO that outlines the basic functions and responsibilities of the CEO. The CEO's responsibilities include, among other things: leading the business with the objective of providing quality care and service excellence to clients and customers; providing maximum profit and return on invested capital; establishing current and long-range objectives, plans and policies; representing Extendicare with its major clients, and the public, and building an industry leading management team.

Orientation and Continuing Education

A handbook has been developed that contains Board of Directors and committee mandates, codes of conduct, policies and other relevant information. Materials are updated annually, or more frequently as necessary. To ensure that the members of the Boards remain fully informed about Extendicare's operations on a continuing basis, management reports on Extendicare's and its subsidiaries' activities and on various aspects relevant to the business on an on-going basis, during regularly scheduled Board meetings and through periodic mailings. Management from the main operating divisions are invited to Board of Directors meetings to provide the Directors with an overview of the current issues and business strategies. In addition, meetings are periodically combined with tours of the senior care centers of Extendicare so that the Directors can gain greater insight into the business operations.

Ethical Business Conduct

Extendicare maintains an approved Business Conduct Policy for its directors, officers and employees, for which no waivers have currently been sought or granted. The Business Conduct Policy addresses conflicts of interest, confidentiality, protection of the assets, fair dealing, and compliance with laws, rules and regulations, and it encourages reporting of any illegal or unethical business practices. Anyone may obtain a copy of the Business Conduct Policy on SEDAR at www.sedar.com under Extendicare's issuer profile or on Extendicare's website at www.extendicare.com.

In circumstances in which the Board of Directors must consider transactions and agreements in respect of which a Director or executive officer has a material interest, the nature of such interest is declared, and the affected individual does not participate in the vote on the matter.

Nomination and Compensation of Directors

Extendicare's GS Committee is composed of three members who are all independent Directors. On issues relating to the nomination of directors to the Board, the GS Committee makes recommendations as to the size and composition of the Board; reviews qualifications of potential candidates for election to the Board; recommends for the approval of the Board the nominees for the Board of Directors for presentation to each annual meeting of Shareholders; and makes recommendations with respect to the membership of committees. The GS Committee assesses the effectiveness of the Board, the committees and the contributions of individual Directors. These assessments include the use of formal surveys (see "Assessment of Directors"). The GS Committee identifies individuals who it believes bring the attributes necessary to ensure the Board consists of individuals with strengths in a number of different areas required to meet Extendicare's needs.

The GS Committee also oversees issues of governance as it applies to Extendicare and recommends amendments to governance procedures where appropriate. Any Director who wishes to engage outside advisors with respect to the affairs of Extendicare, at the expense of the Company, may do so by submitting a request through the GS Committee.

The GS Committee is also responsible for annually revising and recommending to the Board the compensation of the Board and committee members. In arriving at its recommendations, the GS Committee reviews external and internally prepared surveys to compare the compensation paid by the Company with compensation paid to directors in other organizations.

The GS Committee met on five occasions during 2022, with full attendance at each meeting.

Assessment of Directors

The GS Committee is responsible for and has established a formal process for assessing the effectiveness of the Board and its committees and the contributions of individual directors.

The process for the assessment of board effectiveness as well as the contributions of individual directors, which includes peer review, is conducted over a three-year period and then repeated. In the first year of the process, as was the case in 2023, each director is interviewed, which may be facilitated by an external consultant, and asked to assess (i) the performance of every other board member and (ii) the overall performance of the Board as a whole and identify areas of improvement. The goal of the peer assessment is to provide candid feedback to individual Directors and to stimulate insight and motivate developmental action and enable Directors to enhance their individual contributions to Board and committee work. Directors are also asked to complete a short questionnaire on key dimensions of board effectiveness. The feedback is consolidated and a report developed for each director. The Chair then meets with each director to review results and develop an action plan specific to each director. The process concludes with the Board having a working session to review the results of the assessment and finalize a Board action plan. Both individual director plans and the board action plan are then tracked and augmented in each of the subsequent two years through surveys and one-on-one interviews with the Chair.

Diversity Among the Board and Executives

Extendicare believes that a Board and senior management team comprised of highly qualified individuals that reflect the diverse populations of the communities in which Extendicare operates results in effective decision making and supports Extendicare's commitment to strong corporate governance. The Board has adopted a written diversity policy (the "**Diversity Policy**") by which Extendicare will promote diversity on the Board and senior management team. In support of the Diversity Policy, the GS Committee, in recommending future nominees for election to the Board and the President and CEO, in recruiting and hiring senior management, considers diversity criteria such as gender, race, religion, ethnicity, sexual orientation, physical ability, geographic representation, age and other characteristics of the communities in which Extendicare operates.

Board Diversity

The Board strongly believes in the benefits of a diverse Board, which include accessing a broader pool of qualified candidates and different perspectives, experiences and ideas which enhance decision making and provide the opportunity for innovation. Accordingly, consideration of the number of women who are directors, along with consideration of other diversity criteria, are important components of the selection process for nominees. In support of the Diversity Policy, when recommending nominees to the Board, the GS Committee develops and recommends strategies for identifying and attracting diverse candidates. Further, the Board has established that Extendicare will maintain a Board composition in which at least 30% of its directors are women.

As of the date hereof, three of the Company's nine Directors (33%) are women. Two of the Company's nine Directors (22%) self-identify as a visible minority, and none self-identify as a person with disabilities or as an Indigenous person. Adherence to the Diversity Policy will be assessed by the Board and the GS Committee on an annual basis. As part of the GS Committee's assessment, it will consider the level of representation on the Board of the various diversity criteria outlined in the Diversity Policy, including the representation of women. The Board will also have the opportunity to evaluate the Board's effectiveness, including effectiveness of the Diversity Policy, through the Board's self-assessment process, see "Statement of Corporate Governance Practices – Assessments of Directors", for more information. The GS Committee will review the Diversity Policy at least annually and may recommend changes in order to achieve the goals outlined in the Diversity Policy.

Executive Diversity

Extendicare employs a mix of formal and informal policies and practices, including the Diversity Policy and Business Conduct Policy, aimed at promoting a diverse workforce. The Company also focuses on the development and advancement of women, along with consideration of other diverse individuals, as an integral part of the senior management team, which includes both executive officers and senior positions reporting directly to executive officers. Extendicare considers many factors, including necessary skills and experience required when recruiting and hiring senior management. Diversity criteria, including level of representation of women in senior management, is also considered during recruitment and hiring. While there are currently no targets with respect to diversity in executive officer positions, Extendicare recognizes that in order to achieve a representative balance in senior management it must develop strategies for identifying and attracting candidates with diversities for recruitment. Such strategies include engaging the services of external advisors where necessary to help identify future candidates who possess the necessary skills and experience as well as developing its internal talent to ensure that where possible, there will be highly qualified persons within Extendicare available to fill vacancies. To that end, Extendicare has made it an organizational goal to identify and address obstacles that may hinder the progression of individuals with diversities into senior management.

As of the date hereof, nine out of nineteen executive officers (47%), including Extendicare's Senior Vice President and Chief Human Resources Officer, are women. Three out of nineteen executive officers (16%) self-identify as a visible minority, and none self-identify as a person with disabilities or as an Indigenous person.

As part of the GS Committee's assessment of the Diversity Policy, it will consider the level of diversity, including gender diversity, visible minorities, persons with disabilities and Indigenous persons, in the senior management team. The GS Committee will also review the Diversity Policy at least annually and may recommend changes to achieve Extendicare's diversity goals for senior management.

The commitment to diversity, as well as its promotion, expressed in the Diversity Policy also applies to Extendicare's recruitment, hiring and advancement practices in respect of all of its employees.

Environmental, Social and Governance ("ESG") Responsibility

The Company has a stated mission to help people live better, an important pillar of which is ESG. The Board's GS Committee has oversight of ESG, along with the Audit Committee in respect of ESG related financial information disclosure, with support and engagement from the Board and management. Extendicare is proud to share its latest ESG report attached as Schedule C to this Information Circular. Although this is only the Company's second formal ESG report, Extendicare has always been committed to ESG and ESG conscious practices have long been interwoven throughout the Company's strategy and operations, from the way the Company powers and retrofits its long-term care homes to the diversity of Extendicare's personnel.

Majority Voting Policy

The Board's majority voting policy is summarized in this Statement of Corporate Governance Practices, a full copy of which is posted on the Company's website at www.extendicare.com. The policy stipulates that in an uncontested election of Directors held at a meeting of Shareholders, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election (an "**Affected Director**") shall promptly tender his or her resignation to the Chairman of the Board following certification of the Shareholder vote, to take effect upon acceptance of the Board.

The GS Committee will promptly consider the Affected Director's resignation and will recommend to the Board whether to accept or reject the Affected Director's resignation. The GS Committee shall be expected to recommend to the Board that it accept the Affected Director's resignation absent exceptional circumstances. In making its recommendation to the Board, the GS Committee will consider factors determined to be relevant by its members, including the reasons, if ascertainable, why Shareholders "withheld" votes for election from the Affected Director. The GS Committee may adopt such procedures as it sees fit to assist it in making decisions under the policy.

The Board shall act on the GS Committee's recommendation to accept or reject the Affected Director's resignation within 90 days following the date of the applicable Shareholders' meeting. In considering the GS Committee's recommendation, the Board will consider the factors considered by the GS Committee and such additional information and other factors which the Board determines to be relevant, and, absent exceptional circumstances, shall accept the Affected Director's resignation. Promptly following the Board's decision to accept or reject the Affected Director's resignation the Company shall disclose the decision in a press release, which will include an explanation of the process by which the decision was reached and, if applicable, the Board's reasons for rejecting the Affected Director's resignation. The Company shall provide a copy of the press release to the Toronto Stock Exchange.

The Affected Director will not participate in the GS Committee's recommendation or the determination made by the Board. However, the Affected Director shall remain active and engaged in all other committee and Board activities, deliberations and decisions during the GS Committee and Board process.

Board Renewal

Extendicare is committed to Board refreshment. To strike a balance between retaining directors with deep knowledge of the Company and adding directors with a fresh perspective, the Board will seek to maintain an average tenure of 12 years or less for its independent directors as a group. As of April 6, 2023, the average tenure is six years. In addition, the Board believes that its robust Board evaluation and peer review process described above also assists in achieving the appropriate level of renewal of the Board's membership. As part of that process, the Board periodically reviews its composition to ensure that it continues to have the ideal mix of skills, perspectives, experience and expertise to effectively oversee management, and provide fresh ideas and viewpoints while not losing the insight and experience of longer serving directors and in particular their in-depth knowledge of the Company. The Company believes that it is important to achieve an appropriate balance of both to ensure the effectiveness of the Board. In addition, the Board assessment and peer review process encompasses an assessment of the independence of directors, including any impacts on a Directors' independence as a result of his or her tenure on the Board.

Compensation of Senior Management

Extendicare's Human Resources Committee (the "**HR Committee**") is composed of four members who are all independent Directors. The HR Committee reviews the compensation of senior management with a view to ensuring that the level of compensation reflects performance. The HR Committee recommends to the Board of Directors for its approval the compensation to be given to the CEO and other senior executives of Extendicare and its subsidiaries. The HR Committee is responsible for planning succession to the position of the CEO and for reviewing the performance of the CEO on an annual basis, and for monitoring the development of senior management. Further information on how the HR Committee determines the compensation of the CEO and senior officers can be found under "Compensation Discussion and Analysis" in this Information Circular.

Executive Succession Planning

Extendicare has established an ongoing review of, and succession plans for, members of its senior leadership team, including the President and CEO. The results culminate in an executive management succession plan and talent management plan which is reported to and discussed at least annually with the HR Committee. The Board monitors the development and performance of the President and CEO and other senior management against such plans and determines hiring, internal moves and development in support of the plans.

Extendicare recognizes that successful succession planning requires adequate talent management, including strategies for both identifying and attracting future candidates who possess the necessary skills and experience, as well as developing its internal talent to ensure that, where possible, there will be highly qualified candidates within Extendicare to fill vacancies.

Say on Pay

Since 2010, Shareholders have participated in an annual non-binding advisory vote on Extendicare's approach to executive compensation, commonly known as "Say on Pay", which gives Shareholders the opportunity to endorse or not endorse Extendicare's approach to its executive compensation program.

At the annual meeting of Extendicare held in May 2022, 86.89% of the Shareholders voted in favour of Extendicare's approach to executive compensation.

The Board of Directors' policy on "Say on Pay", as adopted in 2010, is summarized in this Statement of Corporate Governance Practices, a full copy of which is posted on the Company's website at www.extendicare.com, and on SEDAR at www.sedar.com under Extendicare's issuer profile. The Board of Directors believes that this policy is meaningful to its Shareholders and is substantially consistent with that proposed by the Canadian Coalition for Good Governance and with other issuers.

The Board of Directors believes that Shareholders should have the opportunity to fully understand the objectives, philosophy and principles the Board of Directors has used in its approach to executive compensation decisions and to have an advisory vote on the Board's approach to executive compensation.

The result of the advisory vote will be disclosed as part of the Company's report on voting results for its annual meeting. The HR Committee and the Board will take the results of the vote into account, as appropriate, together with feedback received from Shareholders, when considering future compensation policies, procedures and decisions. In the event that a significant number of Shareholders oppose the resolution, the Board will consult with its Shareholders (particularly those who are known to have voted against it) to understand their concerns and will review the Company's approach to compensation in the context of those concerns. Shareholders are encouraged to contact the Board of Directors to discuss their specific concerns.

Shareholder Engagement

The Board of Directors believes that active engagement with Shareholders and other stakeholders is important to facilitating open, informed and constructive dialogue with Shareholders and accordingly has a adopted a Shareholder Engagement Policy. In addition to the Company's annual Shareholder meeting and quarterly results presentations, all of which are webcast and broadly available, senior management also meet with Shareholders through investor conferences and individual meetings.

The Board appreciates that active communication and engagement with Shareholders is an important part of its oversight of the Company.

Management is principally responsible for Shareholder communications and engagement, and Shareholders may communicate their views to management through Extendicare's investor relations group by contacting:

In writing: Extendicare Inc.
Attention: Vice President, Investor Relations
3000 Steeles Avenue East, Suite 400
Markham, ON L3R 4T9

By email: investor.relations@extendicare.com

At the same time, the Board wishes to ensure there is the opportunity for direct dialogue between Directors and Shareholders. Shareholders are encouraged to initiate communications directly with the Board. To do so, Shareholders should deliver a sealed envelope or email, in each case marked "Confidential", to:

In writing: Extendicare Inc.
Attention: Chairman of the Board
3000 Steeles Ave. East, Suite 400
Markham, Ontario L3R 4T9

By email: chairman@extendicare.com

The Board also reaches out to key shareholders periodically, either directly or with the assistance of Extendicare's Investor Relations team, and offers to meet with them to discuss any matters of interest.

The GS Committee will ensure that shareholder engagement is considered annually and discussed in the Committee's annual report to the Board.

Other Board Committees

In addition to the HR Committee and the GS Committee described above, Extendicare's other standing committees are the Audit Committee, the Quality and Risk Committee (the "**QR Committee**") and the Investment Committee (the **"INV Committee"**). From time to time, the Board may also establish special committees to review and make recommendations on specific matters. Copies of each of the committee's mandates may be found on the Company's website at www.extendicare.com.

Information on the Audit Committee, required by National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, is disclosed in the Company's 2022 Annual Information Form under "Audit Committee Information", which is available on SEDAR at www.sedar.com under Extendicare's issuer profile.

Quality and Risk Committee

Extendicare's QR Committee is composed of four independent Directors. The primary objective of the QR Committee is to assure that Extendicare and its operations have in place the programs, policies and procedures, including an enterprise-wide risk management framework and action plan, to support and enhance the quality of care provided and compliance with applicable health care laws and regulations. The QR Committee's responsibilities include providing oversight of Extendicare's clinical, compliance and quality programs; monitoring Extendicare's clinical performance and outcomes against internal and external benchmarks; reviewing policies, procedures and standards of conduct designed to provide the appropriate quality of care, client safety and compliance with applicable laws and regulations; and overseeing and monitoring the Company's enterprise risk management framework, overall risk profile and risk management policies, procedures and programs. The QR Committee met on four occasions during 2022, with full attendance at each meeting.

Investment Committee

Extendicare's INV Committee is composed of four independent Directors. The primary objective of the INV Committee is to review and, if deemed advisable, recommend to the Board acquisition, investment and divesture transaction proposed by senior management of the Company. The INV Committee's responsibilities include reviewing such transactions with management and periodically reviewing the execution, financial results and integration of completed acquisition and investment transactions.

SCHEDULE B

EXTENDICARE INC.

MANDATE OF THE BOARD OF DIRECTORS

The board of directors (the "**Board**") of Extendicare Inc. ("**Extendicare**" or the "**Company**") is responsible for the stewardship of the business and affairs of the Company, including the strategic planning process, approval of the strategic plan, the identification of principal risks and implementation of systems to manage these risks.

The Board has the responsibility to oversee the conduct of the business of the Company and to supervise management, which is responsible for the day-to-day conduct of the business. The Board's fundamental objectives are to enhance and preserve the business of the Company and its underlying value. In performing its functions, the Board should consider the legitimate interests its stakeholders, such as employees, customers and communities, may have in the Company. In supervising the conduct of the business, the Board, through the Chief Executive Officer of the Company (the "**CEO**"), shall set the standards of conduct for the enterprise.

The following points outline the key principles or guidelines governing how the Board will operate to carry out its overall stewardship responsibility.

Number of Directors

The articles of the Company provide that the Board may have a minimum of one director and a maximum of twenty directors, with the number of directors from time to time within such range being fixed by resolution of the Board. The ideal size of the Board will provide a diversity of expertise and opinion, as well as efficient operation and decision-making. At least 25% of the directors of the Company shall be resident Canadians.

The governance and sustainability committee of the Board (the "**GS Committee**") will review the size of the Board annually and make a recommendation to the Board if it believes a change in the size of the Board would be in the best interests of the Company. The Board should have an appropriate mix of skills, knowledge and experience in the business and an understanding of the industry in which the Company operates. Directors are required to commit the requisite time for all of the business of the Board and to demonstrate integrity, accountability and informed judgement. At least a majority of the Board will be comprised of directors who are determined to be "independent", as defined in applicable securities laws and the rules or guidelines of any stock exchange upon which the securities of the Company are listed for trading.

Director Nomination

The GS Committee shall be responsible for recommending to the Board suitable candidates for nominees for election as directors.

Election and Term

Directors shall be elected by the shareholders at each annual meeting of shareholders to hold office for a term expiring at the close of the next annual meeting. The directors may, between annual meetings of shareholders, appoint one or more additional directors for a term to expire (subject to further appointment) at the close of the next annual meeting of shareholders, but the number of additional directors so appointed shall not at any time exceed one-third of the number of directors who held office immediately after the expiration of the immediately preceding annual meeting of shareholders.

Vacancy

A quorum of directors may fill a vacancy among the directors, except a vacancy resulting from an increase in the minimum and maximum number of directors or from a failure to elect the minimum number of directors provided for in the articles. If there is not a quorum of directors, or if there has been a failure to elect the minimum number of directors provided for in the articles, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder. A director appointed or elected to fill a vacancy shall hold office for the unexpired term of his or her predecessor.

Review of Independence of Outside Directors

The GS Committee will review on an annual basis any relationship between outside directors and the Company which might be construed in any way to compromise the designation of any director as being independent or unrelated to the Company. The objective of such review will be to determine the existence of any relationships, to ensure that the composition of the Board remains such that at least a majority of the directors are independent and unrelated and that where relationships exist, the director is acting appropriately. A director should bring to the attention of the Chairman and the GS Committee any potential conflicts of interest as they arise.

Directors shall disclose all actual or potential conflicts of interest and refrain from voting on matters in which the director has a conflict of interest. In addition, a director should excuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest or which otherwise affects his or her personal, business or professional interests.

Board Meetings

Meetings of the directors shall be called and held in accordance with By-Law No. 1 of the Company. The Board may invite any of Extendicare's officers, employees, advisors or consultants or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board. Attendees will be excused for any agenda items that are reserved for discussion among directors only.

Committees

The directors may appoint from their number one or more committees of directors and, subject to By-Law No. 1 of the Company, may grant or delegate to the committees such authority and such powers as the directors may in their sole discretion deem necessary or desirable. Unless otherwise determined by the directors, a quorum for meetings of any committee shall be a majority of its members and each committee shall have the power to appoint its chairman. Each member of a committee shall serve during the pleasure of the directors and, in any event, only so long as he or she shall be a director.

The Board shall appoint from among the directors an audit committee of the Board (the "**Audit Committee**") to consist of not less than three members. The composition of the Audit Committee shall comply with applicable securities laws, including National Instrument 52-110 – Audit Committees.

Board and Committee Meeting Agendas and Information

The Chairman and the CEO, in consultation with the Secretary, will develop the agenda for each Board and committee meeting. Agendas will be distributed to the Board or committee members before each meeting, and all members shall be free to suggest additions to the agenda in advance of the meeting.

Whenever practicable, information and reports that are important to the Board's or committee's understanding of meeting agenda items will be circulated to the directors and committee members in advance of the meeting. Reports may be presented during the meeting by members of the Board, management and/or staff, or by invited outside advisors. It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it may not be prudent or appropriate to distribute written materials in advance.

External Advisors

Each director shall have the authority to retain outside counsel and any other external advisors as appropriate with the approval of the GS Committee.

As well, the Board or any of its committees may conduct or authorize investigations into any matters within their respective scope or responsibilities. As such, the Board or any of its committees are authorized to retain and determine funding for independent professionals to assist in the conduct of any such investigation.

Contacts with Senior Management

All of the directors shall have open access to senior management of Extendicare. It is expected that directors will exercise judgement to ensure that such contact is not disruptive to the operations of Extendicare. Written communications from directors to members of management shall be copied to the Chairman and CEO of the Company.

Board/Committee Assessment

The Board, through the GS Committee, shall establish and conduct orientation and education programs for new directors through which the performance expectations for members of the Board shall be communicated. The GS Committee shall implement a process for assessing the effectiveness of the Board as a whole, the committees and the contributions of individual directors, which may include the use of periodic formal surveys.

Senior Management Succession Planning

The Board shall have responsibility for the appointment and evaluation of the performance of the CEO and senior officers of the Company and its subsidiaries and shall require the human resources committee of the Board (the "**HR Committee**") to make recommendations with respect to such matters. The HR Committee shall monitor, review and provide guidance in respect of executive management training, development and succession planning.

Directors' and Senior Management Compensation

The GS Committee shall be responsible for making recommendations to the Board concerning the compensation of directors, and the HR Committee shall be responsible for making recommendations concerning the CEO and senior officers of the Company and its subsidiaries. The recommendations of the HR Committee shall include the adequacy and form of compensation, including the use of incentive programs and awards made pursuant thereto. The HR Committee shall review senior management's performance against the objective of maximizing shareholder value, measuring their contribution to that objective, and overseeing compensation policies.

Strategic Planning

The Board will adopt a strategic planning process to establish the objectives and goals for Extendicare's business, approve the strategic plans and monitor corporate performance against those plans.

Managing Risk

The Board shall have overall responsibility for assessing the principal risks facing the Company, ensuring the implementation of the appropriate strategies and systems to manage such risks, and reviewing any material legal matters relating to the Company as a whole or its investment in any major operating business.

Communications Policy

The Board shall approve Extendicare's core public disclosure documents disseminated to shareholders and the investing public, including the annual report, management information and proxy circular, annual information form, interim quarterly reports and any prospectuses. The Audit Committee shall review and recommend for approval to the Board the quarterly and annual financial statements, including the related management's discussion and analysis, press releases relating to financial matters and any other financial information contained in core public disclosure documents. The Board requires that Extendicare make accurate, timely and effective communication to shareholders and the investment community.

The Board shall have responsibility for reviewing the Company's policies and practices with respect to disclosure of financial and other information, including insider reporting and trading. The Board shall approve and monitor the disclosure policies designed to assist the Company in meeting its objective of providing timely, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities law. The Board shall review the Company's policies relating to communication and disclosure on an annual basis.

Generally, communications from shareholders and the investment community will be directed to either of the Chief Executive Officer, Chief Financial Officer, Director of Investor Relations, or Corporate Secretary of Extendicare to provide an appropriate response depending on the nature of the communication. It is expected that, if communications from stakeholders are made to the Chairman or to other individual directors, management will be informed and consulted to determine any appropriate response.

Internal Control and Management Information Systems

The Board shall review the reports of management of Extendicare and the Audit Committee concerning the integrity of the Company's internal control and management information systems. Where appropriate, the Board shall require management of Extendicare and the Audit Committee to implement changes to such systems with a view to ensuring integrity of such systems.

Corporate Governance Policy

The Company shall make full and complete disclosure of its system of corporate governance on an annual basis in its annual shareholder documents and/or securities commission filings where required, and on its website. The Board, through the GS Committee, shall have the responsibility for developing the Company's approach to governance issues, including the responsibility for this disclosure.

Environmental, Social and Governance ("ESG")

The Board, through the GS Committee, shall oversee and monitor the Company's ESG strategy, including execution against the ESG strategy by management. The GS Committee is accountable for public ESG reporting, along with the Audit Committee in respect of ESG related financial information disclosure, and it is expected that the GS Committee will regularly review general ESG trends and internal Company reports regarding ESG impacts. Where appropriate, the GS Committee may implement processes required to ensure the integration of ESG priorities into the Company's business practices. Ultimately, the GS Committee is responsible for making recommendations to the Board in respect of ESG and ensuring the Company's continuing commitment to ESG.

SCHEDULE C

EXTENDICARE INC.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") INSIGHTS

Advancing progress for seniors' care in Canada

Introduction

Extendicare is pleased to share its second annual Environmental, Social and Governance ("ESG") Insights, detailing activities and initiatives we undertook in 2022 to advance areas of critical importance for the long-term care and home care communities where we live and work to achieve our mission to help people live better, every day.

This report highlights the progress we have made since our inaugural 2021 ESG report. It reflects the collective effort of thousands of people across Extendicare – from the dedicated teams who provide exceptional, compassionate care, to our Executive Leadership Team and Board of Directors who set the course as we navigate an ever-changing health-care landscape.

While the health sector continued to face system-wide challenges that were amplified by the ongoing COVID-19 pandemic, Extendicare continued to advance ESG initiatives over the past year to make the systems around us stronger for the communities we serve. These ESG strategies support our continued work as part of our national, multi-year Improving Care Plan (https://improvingcare.ca/) to reimagine seniors' care in Canada.

As we remain focused on what we can do today to make life better for those in our care, we also have our eyes on the road ahead — how we can be a significant part of the solution to create more capacity and strengthen care quality for the growing number of seniors and individuals who will need our services and support in the future.

Our ESG Insights are overseen by the Board's Governance and Sustainability Committee, with ongoing support and engagement from the rest of the Board and management.

In the year ahead, we look forward to continued partnership with our residents, their families, patients, clients and our team members, to help people live better.

OUR CARE

Welcoming Chief Nursing Executive at ParaMed

ParaMed welcomed Chief Nursing Executive Katarina Busija last year. She is responsible for setting clinical standards and partnering with our caregivers to ensure the quality of care we provide is the best in the home care sector. Among her priorities, Katarina ensures that our clinical team members continue to develop their careers and skills.

"Home care is an incredibly important part of the health care system," said Katarina. "The demand for our services and expertise is growing rapidly and will only continue to grow as the population ages. As we work to meet this demand, we must prioritize patient experiences."

Accreditation reflects commitment to excellence

Extendicare, and its home health care subsidiary ParaMed, have a long history of pursuing regular accreditation surveys to support our commitment to continuous improvement. Accreditation is an independent process of assessing health care and social service organizations against standards of excellence to identify what is being done well and what needs to be improved.

- In an organization-wide evaluation in 2022, ParaMed was evaluated as a nationally accredited provider with Exemplary Standing – the highest level of performance achievable in the Accreditation Canada program. Attaining this level of standard reflects our dedicated people, commitment to high-quality care and clinical excellence.
- Following our successful accreditation of all long-term care homes in 2021, Extendicare is carrying out work on a number of fronts as part of our next cycle of accreditation. We are following Accreditation Canada's new Qmentum Long-Term Care Accreditation Program, which involves standards implementation and survey activities on an annual basis rather than once every four years.

- For 2023, all owned long-term care homes will complete self-assessments and develop quality improvement action plans. Supported by our central quality team, homes will implement their quality improvement action plans through the balance of 2023 and into 2024.

Long-term care nurses enhance skin, wound training

Our owned homes in Ontario have been providing specialized skin and wound training to our nursing team members through the Skin Wellness Associated Nurse ("SWAN") program.

Across all regions of Ontario, graduates from the SWAN program have expanded our advanced practice capacity in this critical area of seniors' health care, providing specialized care to residents in need of skin, hair, nail, wound and ostomy care. Graduates from this program play an important role in coaching and sharing their expertise with their nurse peers across Extendicare.

Shannon, a Registered Practical Nurse at Extendicare Laurier Manor, has been a wound care champion at the home for years. The SWAN program has deepened her knowledge with further training that allows her to confidently recognize various skin, wound, continence and ostomy issues and make treatment recommendations for residents. "Residents benefit by not having to wait to see a nurse specialized in wound, ostomy, and continence for impaired skin issues. Now staff nurses can consult with me, and I am able to make recommendations immediately. My residents benefit from my knowledge and, more importantly, the knowledge has made me more confident in my practice," she said.

More hands-on training through ParaMed's skills labs

ParaMed has expanded its skills labs to provide more hands-on training and practical education supports to all community caregivers in their regions.

Through the labs, care providers can practice their skills and develop additional clinical expertise in a safe and supportive environment. Nurses are offered training in areas such as infection prevention and control, infusion therapy and wound management. All other front-line team members have access to hands-on training specific to their roles, including circulation, and medication support.

New team members complete all skills lab modules as part of their onboarding process, and existing team members refresh their skills on an annual basis.

Organization-wide leadership development together

For the first time since the onset of the pandemic, we brought together leaders from across Extendicare for our in-person National Conference in 2022. After a successful virtual conference the previous year, more than 350 leaders from all divisions attended to reconnect in person, learn from each other's experiences and share best practices as we continue to advance pandemic recovery and execute on our strategy.

The conference provided our leaders with support, knowledge and training opportunities on key priorities. Together, we celebrated successes, discussed sector-wide challenges and renewed our commitment to lead the sector in renewing and reimagining seniors' care.

Enhancing palliative care

To support and improve the care we provide, Extendicare has advanced enhancements to palliative care delivery with new training for interdisciplinary long-term care teams.

In partnership with Pallium Canada, Canada's leading palliative care educators, Extendicare introduced comprehensive palliative care training education at all owned homes in Ontario. Interprofessional palliative care core teams within each home received Learning Essential Approaches to Palliative Care ("LEAP") Long-Term Care certification.

This year, this training will be offered to our teams in Manitoba and Alberta, through online LEAP education alongside continued team-based in-person training opportunities.

“Palliative care is a journey that needs to be identified as early as possible so we can support people at the start, to live their best life while making the transition into end-of-life care,” said Kim, Assistant Director of Care at Extendicare Medex. “It’s critical we get the palliative approach right, so we can truly improve quality of life for residents, at each and every stage of their experience.”

Exploring a neighbourhood model of home health care delivery

Most seniors want to live at home as long as possible, close to their families and friends. Through a pilot initiative, in Waterloo, Ontario, the ParaMed team operates an Integrated Assisted Living Program (“IALP”), driven by a neighborhood model of care.

Through the IALP, a dedicated team of personal support workers (“PSWs”) serve approximately 168 patients in five distinct neighbourhoods. Care is delivered in neighbourhoods with a congregate setting serving as the hub. This model of home care delivers a broader scope of services and supports than traditional models.

The IALP better enables more frequent visits for patients who require enhanced care. By better managing patients’ needs, these targeted, expanded care services help prevent transfers to hospitals. The IALP serves as a launch point with which we can further evolve and test new neighbourhood models of care.

Continued emphasis on vaccination

Vaccines continue to be highly effective in limiting the impact of COVID-19, influenza and other respiratory viruses, and remain a critical component of our program to prevent viral illnesses and their complications as the impacts of the pandemic continue to wane. As these viruses circulated in the communities we served in 2022, we prioritized ongoing vaccination to help protect our teams and those in our care.

With fewer COVID-19 safety restrictions in place late last year, the 2022 flu season was expected to be particularly challenging. Under the leadership of our Chief Medical Officer, Dr. Matthew Morgan, we led an organization-wide campaign – “Get it, don’t spread it” – to promote the importance of frontline team members getting the flu vaccine.

Embracing the cultural diversity of our long-term care residents

Our teams work diligently to create a warm, welcoming environment where our long-term care residents feel at home, including celebrating the many different cultures represented in our communities. Throughout the year, long-term care homes across our network regularly adjust their ongoing resident programming and engagement activities to reflect the cultural backgrounds of their resident populations, tailoring meals, holiday celebrations and religious activities to make them feel at home.

Throughout the sacred month of Ramadan, program aides Rafiqul, Razina and Zahra support Muslim communities at Extendicare Guildwood and Extendicare Bayview by leading daily prayers and hosting regular readings of the Quran. Muslim communities at each home mark the month in different ways. Many team members choose to fast daily. For long-term care residents who are elderly or have chronic illnesses, focus shifts to prayer, charity and kindness instead.

Partnership and innovation to create a stronger system of care for seniors

Over the past year we have deepened partnerships across the health system to break down barriers and bridge care gaps.

- We doubled the capacity of the Transitional Care Unit at Extendicare West End Villa in partnership with The Ottawa Hospital to provide restorative and rehabilitative care to patients in a home-like setting better suited for their long-term wellbeing and recovery needs. The unit’s success has been widely recognized, and in early September, it was expanded to serve a total of 105 patients.
- We opened a Behavioural Support Unit (“BSU”) at Extendicare Rouge Valley in Scarborough in October to provide specialized care for 32 residents with responsive behaviours. The BSU provides compassionate care for residents with a primary diagnosis of dementia, who can no longer be cared for in their current environment.
- Supporting research that can benefit the entire long-term care sector, beyond Extendicare alone, is important to us. In collaboration with Dr. Michael Fralick and team of researchers from Sinai Health System, The Ottawa Hospital, Carleton University and others, seven Extendicare homes participated in

the Coronavirus in the Urban Built Environment Study over a 14-month period. The promising results could help improve early identification of COVID-19, before an outbreak is detected at the home level.

- We also work closely with government, public service, and sector partners in all regions where we operate. On an ongoing basis, we partner with governments to share insights and data. For example, Andrea Thompson, Extendicare Senior Director, Operational Quality and Resident experience, provides expertise as a member of the Ontario Ministry of Long-Term Care's Technical Advisory Board.

"No two residents are the same, and as the population ages, we are seeing more residents living with dementia and other complex conditions," said Chief Medical Officer, Dr. Matthew Morgan. "These people deserve a level of support that is tailored to them and their unique care needs. With the doors open at Extendicare Rouge Valley's new Behavioural Support Unit, our team now provides specialized care for residents presenting with complex behaviours. We are proud to do our part in support of the government's commitment to long-term care residents in Ontario, no matter how unique their needs may be."

Increasing dementia care and support

We continue to prepare and invest to meet the increasing care needs of seniors living with dementia, and those who love them.

Since 2013, Extendicare has been honoured to support the Alzheimer Society of Canada ("ASC"), a nationwide charitable health organization supporting people living with all forms of dementia, including Alzheimer's disease, as well as their families and caregivers. The number of Canadians living with dementia is expected to triple over the next 30 years, according to the ASC.

To date, we have raised more than $1.2M in support of the ASC Research Program which seeks to improve the quality of life for those living with dementia today and aims to find a cure for the future. This past summer, we were pleased to host our 9th annual Charity Golf Classic in support of the ASC and their research programs. The event added $160,000 to our history of ongoing contributions.

"Anyone who has had a close look at the impact of Alzheimer's on a loved one knows the devasting toll of this illness. Today, it is by far the most common reason a person must leave their home and enter long-term care. It is a privilege to be entrusted by families dealing with the impacts of dementia and Alzheimer's, and to alleviate their stress with the help of our skilled, compassionate care professionals at Extendicare and ParaMed. We want them to know they don't have to navigate this journey alone." — Dr. Michael Guerriere, Extendicare President and CEO

Improving resident and family satisfaction

Resident and family feedback is crucial to our commitment to improve care, every day. That's why each year we conduct satisfaction surveys with residents and their families in every long-term care home we operate. Offered in eight languages, the survey seeks input from our residents and family members on the services we provide, including activity programming, cleanliness, maintenance and meals.

We're encouraged by the strong participation in our 2022 Resident and Family Satisfaction Survey, which generated 6,150 responses and represented approximately 73.1% of eligible long-term care residents and 29.5% of families. Our teams in individual homes and leadership staff are analyzing the latest results to assess respondents' experiences, our performance and identify opportunities for improvement.

ParaMed amplifies patient, family voices

To improve collaboration with those we serve, last year ParaMed established a Patient and Family Advisory Council.

The council was established in the fall of 2022 with a mandate to ensure that the voices of patients, families and caregivers are at the centre of our decision making, in collaboration with our new Chief Nursing Executive.

Patient and family advisors representing a range of regions where we operate meet regularly to provide first-hand perspectives. The council has provided insight on enhancements to our Patient Handbook and continues to advise on other projects that impact patient and family experiences.

OUR PEOPLE

Extendicare is fortunate to count some of the best care practitioners and support workers in the country among our team. Their work is critical as we strive to improve the overall experience for the people in our care and support their physical, psychological, emotional, and social needs. The compassion, dedication and professionalism displayed by our people are at the heart of the safe, caring environments we create in our long-term care communities and everywhere we provide home health care.

We act in multiple ways to support teams at all levels to prioritize safety and wellness, build workplace culture, and create a strong and diverse leadership team.

We continue to take action to recruit and retain more team members, amid a shortage of health workers that has caused significant challenges for the health sector throughout Ontario and across Canada.

Celebrating team members who go above and beyond

Our team members take pride in delivering exceptional care on a daily basis. Their dedication improves quality of life for countless people in our care and their families.

Two years ago, we launched our national Care Champion program to recognize team members who make extraordinary contributions through their commitment, compassion and professionalism, to support our mission to help people live better.

All Care Champions are nominated by fellow team members, residents, patients, or families for going above and beyond in their work. In 2022, we received a total of 191 nominations from families, residents and patients – 85 across ParaMed and 106 across Extendicare. 24 nominees were selected as Care Champions and recognized with awards and a celebration with their peers.

Care Champion Vijin's career journey took him from Bangalore, India to Sault Ste. Marie in northern Ontario where he first worked as a COVID screener at Extendicare Maple View. More recently, he moved to our Head Office in Markham, Ontario, as a new member of our Human Resources team, following a congratulatory phone call from our CEO. "That conversation changed the course of my life," said Vijin.

Investing in scholarships to support our teams

As part of our ongoing work to strengthen our teams, each year we invest in scholarships for Extendicare employees and in 2022, we created a new scholarship to invest in team members interested in being certified as nurses.

- In January 2023, we awarded 21 scholarships through a program to support Extendicare and ParaMed team members who are pursuing a Practical Nursing diploma or Bachelor of Science degree in Nursing.
- Our Livergant Scholarship is named after Extendicare Canada's founder, Harold Livergant, who dedicated his life to improving the Canadian health-care system with a focus on long-term care. This scholarship program is awarded to the children of Extendicare team members who are pursuing full-time, post-secondary education in health care. In 2022, we awarded scholarships to 10 worthy recipients.
- Through our Bertrand Scholarship, we supported an additional five children of Extendicare team members last year to pursue post-secondary education at an accredited college or university.

With the help of funding through our nursing scholarship, Jennifer, a team member at Extendicare Kirkland Lake in Ontario, is now studying to become a Registered Practical Nurse after working in housekeeping at the home for 14 years.

Supporting team members through higher education

The Senior Living CaRES fund was established in the early stages of the pandemic to provide support to individuals working in the senior living sector who faced personal hardship as a result of the acute impacts of COVID-19 at the time. Now, as the pandemic wanes, the CaRES fund continues to operate in support of these frontline heroes and offers educational bursaries to seniors' living sector workers across Canada to support their career development.

In 2022, 100 bursaries of $2,500 each were distributed to front-line employees of various senior living operators in Canada to pursue career-relevant post-secondary educational opportunities.

Leveraging insights from our workforce

Engaged team members are committed to our goals and are driven to help further our mission.

In 2022, we conducted an organization-wide employee engagement survey to learn more about our teams' perspectives and shape our ongoing response to their insights. The overall engagement score increased by ten percentage points from the previous survey, aligning with global workforce engagement trends showing increased levels when compared with before the pandemic's onset.

The results indicate that our team members are highly motivated to put in their best efforts and feel rewarded by making a difference in the lives of those in our care.

We will continue to focus on enhancing communication with our team members and partnering with them to ensure inclusion in decisions that impact their work as we advance improvements to seniors' care both within our organization and in the broader sectors in which we operate.

Developing leadership from within at ParaMed

Our ParaMed Leadership Academy develops people leaders in home care from within our workforce. The program is available to any people leader within ParaMed and offers dedicated training for career growth and sharing of best practices across operational regions. We were proud to graduate 175 leaders through the program last October.

Liz, from Toronto, Ontario, enrolled in the ParaMed Leadership Academy after 27 years as a ParaMed team member. She says the ongoing training continues to have a major impact on her ability to motivate teams to succeed. "Participating in the program has really made a positive impact on our team culture."

Partnering with unions to create more full-time roles

Working with a subset of our union partners over the course of the last year, we conducted a successful pilot project with the goals of providing our workforce with more scheduling flexibility, while increasing the number of full-time positions on our care teams.

Beginning at five homes in Sudbury, Ottawa, the Greater Toronto Area and eastern Ontario, we created new, voluntary full-time schedules for Registered Practical Nurses ("RPNs") who wished to participate.

Responses from our teams were overwhelmingly positive, resulting in the creation of 92 new full-time roles filled by both internal and external candidates, and 86% of RPNs across the participating homes are now full-time, compared to 50% before the pilot.

Based on this success, we are now working to expand this program to other roles and other homes, and to transition this from a pilot project to a permanent scheduling offering, as we work to strengthen recruitment and retention, in the context of national talent shortages for health care staff.

Paid training for home support worker students

ParaMed provides a complimentary, paid training program for new Home Support Worker students, helping them start a career in home health care. We offer immediate full- and part-time hours to all graduates of the program. In 2022, the program provided training to 160 cohorts of students, with 682 graduates now working at ParaMed in communities across Ontario.

Student mentorship in long-term care

The Preceptor Resources and Education Program provides Ontario long-term care homes with online education and mentoring to equip them with the necessary skills to support positive and successful clinical placements and build capacity for student mentorship.

Extendicare has provided placements to approximately 2,000 students since the inception of the preceptorship program in 2021.

Helping internationally trained nurses gain Ontario experience

Our long-term care homes hosted 40 internationally trained nurses through the Supervised Practice Experience Program, enabling them to demonstrate their nursing knowledge, skill and judgement and language proficiency skills. The program is a partnership between the College of Nurses of Ontario, Ontario Health and health care organizations, including Extendicare.

Community Commitment Program for Nurses

We have leveraged the Community Commitment Program for Nurses to grow our nursing team. The program provides $25,000 in grant funding to eligible nurses in exchange for a two-year commitment to an eligible employer. We added 41 nurses to our workforce during the first round of funding through the program (up to January 15, 2022), followed by 46 nurses in the latest round (from February 1, 2022 to present).

Personal Support Worker Return of Service

We have expanded our team of PSWs through the Personal Support Worker Return of Service Program. This initiative provides a $5,000 incentive to recent PSW graduates in exchange for a six-month commitment to an eligible long-term care home or home care district, which resulted in more than 100 new team members.

OUR COMMUNITIES

Modernizing long-term care homes nationwide

We continue to make progress on our plans to redevelop our older long-term care home in our network to modern design standards to enhance resident quality of life and add capacity to care for more residents.

In Ontario, we plan to modernize 20 older homes, building 4,248 new and upgraded spaces for residents and those in need of long-term care on the province’s waitlist.

Construction is underway on three projects in Sudbury, Ottawa, and Kingston. These homes are on track to open in the next 12 months. We are targeting to break ground on up to four new projects in 2023, in Peterborough, St. Catharines, Ottawa (Orleans) and London, Ontario, with tendered construction costs and receipt of regulatory approvals largely determining if and when they proceed.

Integrated environmental design

As we redevelop our older long-term care homes, we have taken a number of steps to improve their environmental impact.

Our new buildings are designed to include the following energy-saving initiatives:

- Low flow toilets
- Heat recovery mechanical units
- Ozone friendly refrigeration units and air conditioners
- High insulation values in walls and roofs
- Energy monitoring
- Occupancy sensors for lighting in service rooms and areas
- Operable windows in all resident areas to provide natural ventilation and light
- Variable air flow systems in all non-resident areas for energy conservation
- On-site bike parking

As we replace our oldest homes, we are also investing in energy-efficient retrofits to existing homes, including replacing lighting with LED fixtures and installing high-efficiency boilers.

Furthering our commitment to long-term care leadership

In March 2022, Extendicare announced agreements with Revera and Axium Infrastructure to take on the operations of their existing 56 long-term care homes in Manitoba and Ontario and acquire a 15% managed interest in 24 of those homes.

Separately, we announced a joint-venture with Axium Infrastructure to provide capital to support our own redevelopment program. While regulatory approvals are still pending for both transactions, we are developing a comprehensive integration plan to ensure a smooth and expeditious transition once approvals are received.

Together with Revera, we aim to build more than 50 modern long-term care homes in Ontario in the coming years. These projects replace old facilities and add more beds, helping to build much needed capacity to meet the growing needs of seniors as our population ages.

Continued investment in sustainable infrastructure

To create a more socially connected and sustainable environment today and in the future, we continue to make significant investments to upgrade our technological capabilities organization-wide, improve connectivity between our team members, residents, patients, and family members, and increase operational efficiency.

Over the past year, we:

- Progressed with internet upgrades in all owned long-term care homes;
- Advanced upgrades to communication systems across ParaMed to facilitate better connections between patients and our team members;
- Launched new internal communications tools and online hubs for team members across Extendicare and ParaMed to easily locate information and services they need to succeed in their roles; and
- Implemented Workday – an industry leading, cloud-based software that provides unified human resources, finance, and lifecycle management support to users. This self-service, online platform, gives team members access to better tools to free up more of their time for our residents and patients.

An independent board committed to transparency

As a leading provider of seniors' care, we value trust and transparency. We are committed to the principles of open disclosure, the value of a strong, independent board of directors and the delivery of quality services.

Our Extendicare Board is composed of nine directors, eight of whom are independent, including the Chairman of the Board.

Our diversity is our strength

The diversity of our workforce – from caregivers on the frontlines to administrative leaders in our regional and head offices, and directors at our board table – is at the core of what makes us so effective caring for Canadians from diverse backgrounds across the country.

A major focus at Extendicare is the development and advancement of women in our workforce, as well as for other individuals who come from an array of diverse backgrounds. This kind of advancement is integral to the development and strength of our leadership team, including both executive officers and senior positions that report directly into them. We also consider many factors, including skills and experience — both lived and professional — when recruiting and promoting senior management.

Extendicare uses a mix of formal and informal policies and practices, including the Diversity Policy and Business Conduct Policy, to promote a diverse workforce. Our Statement of Governance Practices is updated annually to ensure our efforts are current and reflect the needs of our approach year-over-year.

The Board is committed to female representation among its members of at least 30%. Currently, three of Extendicare's nine Board Directors (33.3%) are women.

As of December 1, 2022, Extendicare had increased the number of women in executive roles - Vice President and above - by seven percentage points compared to end of 2021. Women now hold 47% of all executive roles.

While there is still more work to do, it is a priority across Extendicare to identify and close the gaps that may be a barrier to women and people from diverse backgrounds to enter roles in senior management.

With that in mind, in 2022, we supported a research project to increase awareness of the challenges facing gender diversity in workplaces outside our organization. Extendicare was among 98 organizations across the country to share workplace data with The Prosperity Project in 2022 for its annual report card on representation of women in leadership roles. The Prosperity Project is a charitable organization dedicated to promoting awareness of the challenges to reaching gender equality in corporate Canada. By participating in the initiative, we hope to help women of all cultural backgrounds overcome these challenges and rise to their potential.

In this year's Annual Report Card, the Prosperity Project found that in comparison to all industries included in the study, representation of women at leadership levels at Extendicare is more than 23% higher than the average.

We are proud of our continued work to support and advance the careers of women from a variety of diverse backgrounds.

For the second consecutive year, Extendicare has been recognized in the Globe and Mail's 2023 Women Lead Here ranking, for representation of women in leadership roles. Whether they provide compassionate support to residents in our long-term care homes, connect patients in the community with essential home health care, or serve in an executive role, women lead at Extendicare and ParaMed.

At every level of our organization, the dedication and drive of our teams is helping to make seniors' health care better every day, for the thousands of people who rely on us.

Fostering ethical operations

Our Code of Business Conduct guides ethical operations across our organization by providing rigorous policies that address:

- Conflicts of Interest
- Privacy and Confidentiality
- Workplace Harassment and Discrimination
- Fair Dealing
- Compliance with Laws, Rules and Regulations

The policy encourages all team members to report any violations or potential violations.

Whistleblower program increasing accountability

Our Whistleblower program continues to provide confidential and anonymous channels for team members, residents, clients, families, and other community stakeholders to share concerns with us regarding:

- Potential violations of any company policies or laws and regulations
- Health and safety and resident/client/patient care
- Accounting, internal controls or audit matters
- Potential violations of our Code of Business Conduct

Our team responds quickly to any concern submitted, and engages in an independent investigation if needed, and works directly with teams to provide tools for expedited resolution.

We are committed to investigating every concern brought to our attention about potential wrongdoing responsibly, openly, and professionally.

We appreciate every opportunity to improve and meet the expectations of the people we employ, serve and care for.

Looking ahead

As pandemic recovery continues to take shape in the broader health system, our resolve to improve quality of care, strengthen supports for our own team members and the health care workforce nationwide, and advance innovation to benefit the sectors in which we operate, is stronger than ever.

We continued to deliver progress on ESG initiatives over the past year, enabling us to deliver ongoing improvement for residents, patients, families and our team member communities.

Our commitment to Extendicare's ESG journey is a priority for the Board and the senior leadership team and is an integral part of our entire organization. We look forward to sharing further updates on our progress next year.