

EXTENDICARE

3000 Steeles Avenue East, Markham, Ontario L3R 9W2

NOTICE OF THE ANNUAL AND SPECIAL MEETING OF HOLDERS OF SUBORDINATE VOTING SHARES AND MULTIPLE VOTING SHARES

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the "Meeting") of the holders of Subordinate Voting Shares and Multiple Voting Shares of Extendicare Inc. (the "Company") will be held at the TSX Auditorium, 130 King Street West, Toronto, Ontario, Canada, on Monday, May 8, 2006, at 4:00 p.m. (Toronto time) for the following purposes:

- (1) receiving and considering the financial statements of the Company for the year ended December 31, 2005, and the report of the auditors thereon;
- (2) appointing auditors;
- (3) electing directors;
- (4) considering a resolution to approve the Company's Amended and Restated Stock Option and Tandem SAR Plan;
- (5) considering a resolution to reserve an additional 3,400,000 Subordinate Voting Shares for the granting of stock options under the Company's Amended and Restated Stock Option and Tandem SAR Plan;
- (6) considering a special resolution to authorize the Company to amend the articles of the Company to conform certain provisions of the articles to the current requirements of the *Canada Business Corporations Act*;
- (7) considering a shareholder proposal;
- (8) considering a resolution to confirm By-law No. 2 of the Company, to conform certain provisions of By-law No. 1 of the Company to the current requirements of the *Canada Business Corporations Act*; and
- (9) transacting such further business as may properly come before the Meeting or any adjournment thereof.

A description of the matters to be submitted to the Meeting is contained in the Management Information and Proxy Circular accompanying this Notice of Meeting.

Holders of Subordinate Voting Shares and Multiple Voting Shares who are unable to attend the Meeting in person are requested to date, sign and return the enclosed appropriate form of proxy in the envelope provided for that purpose. To be valid, shareholders' proxies must be deposited with the Company's registrar and transfer agent, Computershare Trust Company of Canada, Stock Transfer Services, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 no later than 5:00 p.m. (Toronto time) on Thursday, May 4, 2006. In addition, the proxy forms provide instructions on how to vote by telephone or over the internet.

DATED at Markham, Ontario this 3rd day of March 2006.

On behalf of the Board of Directors,

By:/s/ Jillian E. Fountain

Jillian E. Fountain
Corporate Secretary