



**EXTENDICARE REAL ESTATE INVESTMENT TRUST  
AND EXTENDICARE INC.**

**JOINT HUMAN RESOURCES, GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

*Approved as of February 21, 2008*

**1. Purpose**

The Human Resources, Governance and Nominating Committee (the "Committee") is a joint committee of the board of trustees of Extendicare Real Estate Investment Trust (the "REIT") and the board of directors of Extendicare Inc. (Extendicare). The primary function of the Committee shall be to assist the board of trustees of the REIT (the "Board of Trustees") and the board of directors of Extendicare (the "Board of Directors") in fulfilling their respective obligations relating to human resources and governance matters.

On issues related to human resources, the Committee shall enable the Board of Trustees and Board of Directors (collectively the "Boards") to recruit, retain and motivate senior executives and ensure conformity between compensation and other corporate objectives. The Committee will review, create and recommend policy and strategy with respect to salaries, benefits, incentive compensation and succession planning of senior management.

On issues related to corporate governance and nominating, the Committee shall assist the Boards regarding their effectiveness and to recruit, appoint and provide ongoing development for trustees and directors.

**2. Composition**

The Committee shall be comprised of at least three (3) members who are both independent trustees of the REIT and independent directors of Extendicare. The members of the Committee shall be appointed annually. Unless a Chair is elected by the Boards, the members of the Committee may designate a Chair by a majority vote of the full Committee.

**3. Meetings and Procedures**

- (a) The Committee shall meet as often as it deems appropriate in order to discharge its responsibilities and in any event at least two (2) times per year. Additional meetings may be held as deemed necessary by the Chair of the Committee or as requested by any member of the Committee. A majority of the members of the Committee shall constitute a quorum for the transaction of business.
- (b) Oral reports by the Chair of the Committee on recent matters shall be provided to the Board of Trustees or the Board of Directors, as appropriate in circumstances, at the next meeting of such Board following the meeting of the Committee and as otherwise requested by such Board.
- (c) The Committee, as it deems necessary in the exercise of its business judgement, may conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee is authorized to retain and determine funding for independent professionals to assist in the conduct of any investigation.

**4. Responsibilities and Duties**

The following are activities of the Committee designed to promote the fulfillment of its duties as described in this Charter (these functions are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances):

- (a) annually, review and reassess the adequacy of this Charter and report thereon to the Boards;
- (b) annually, review and evaluate the performance of the Committee's responsibilities and duties; and

(c) **Human Resource Matters**

- (i) review and approve goals and objectives relevant to CEO compensation;
- (ii) develop, and update as necessary, the position description for the CEO;
- (iii) evaluate the CEO's performance in light of the goals and objectives set forth in the position description of the CEO;
- (iv) recommend an overall Board-appointed officers compensation policy to be administered by the CEO;
- (v) review the application of the compensation policy and methods by which the CEO evaluates the performance of senior management;
- (vi) review with the CEO existing management resources and plans, including recruitment and training programs, to ensure that qualified personnel will be available for succession to executive positions within the REIT, Extencicare and its major subsidiaries and report on this matter to the Board at least once each year;
- (vii) review and endorse, if appropriate, major changes in the organizational structure of management as proposed by the CEO;
- (viii) select and recommend the nominee for the CEO office;
- (ix) recommend the appointment of officers for the ensuing fiscal year;
- (x) annually review and recommend remuneration, including options, for the trustees of the REIT and directors of Extencicare;
- (xi) recommend the salary, benefits, bonus, options and other compensation to be given to the CEO, officers of the REIT and Extencicare, and senior officers of Extencicare's major subsidiaries, for the ensuing fiscal year;
- (xii) review and approve all aspects of the executive pension plan investments, including the investment policy and procedures; and
- (xiii) review and recommend any reports on compensation that may be required or considered advisable;

(d) **Responsibilities and Duties – Governance and Nominating Matters**

- (i) select and recommend nominees to the Boards (nominees for the position of Chair of the Board are the responsibility of the full Board);
- (ii) recommend committees, members and chair appointments, and review the need for those committees and make recommendations as required;
- (iii) ensure the Boards are able to, and in fact do, function independently of management;
- (iv) annually, assess the effectiveness of the Boards and their various committees;
- (v) develop governance practices and recommending amendments where appropriate;
- (vi) review and approve requests from individual trustees and directors to engage an external consultant to advise the Board member in the execution of his/her duties as a Board member; and
- (vii) review and recommend any reports on governance that may be required or considered advisable.