

**EXTENDICARE REAL ESTATE INVESTMENT TRUST
AND EXTENDICARE INC.
JOINT QUALITY AND COMPLIANCE COMMITTEE CHARTER**

1. Purpose

The Compliance and Quality 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”)(the Board of Trustees and the Board of Directors, collectively the “Boards”) in fulfilling their respective responsibilities in overseeing and monitoring:

- i) Extendicare REIT, Extendicare and their affiliates (collectively “Extendicare”) Code of Conduct, reports, programs, policies and procedures that support and enhance the quality of care provided by Extendicare; and
- ii) Extendicare’s Code of Conduct, reports, programs, policies and procedures that support and enhance compliance with applicable health care laws, regulations, policies, professional standards and industry guidelines.

2. Composition

The Committee shall be comprised of at least three (3) members, as determined by the Boards, each of whom has experience, in the business judgment of the Boards, that would be helpful in addressing the matters delegated to the Committee. In addition, advisory members may include the Extendicare Health Services, Inc.’s Vice President, Chief Compliance Officer (“Chief Compliance Officer”), and the Vice President, Corporate Quality Officer (“Corporate Quality Officer”). The members of the Committee shall be appointed annually. Unless a Chair is designated by the Boards, the members of the Committee may designate a Chair by a majority vote of the full Committee.

3. Meetings, Procedures and Reporting

- a) The Committee shall meet as often as it deems appropriate to discharge its responsibilities and in any event at least four (4) 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 or written reports by the Chair of the Committee on recent matters shall be provided to the Board of Trustees and/or the Board of Directors, as appropriate in the circumstances, at the next meeting of such Board following the meeting of the Committee and as otherwise requested by such Board or as deemed necessary by the Chair of the Committee. Notwithstanding the foregoing, oral or written reports by the Chair of the Committee shall be provided at least annually to the Board of Trustees.

- c) The Committee, as it deems necessary in the exercise of its business judgment, 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 duties;
- c) provide oversight of Extendicare's clinical, compliance and quality programs through summaries of programmatic standards;
- d) establish a system for management to provide timely reports to the Committee regarding quality improvement and compliance efforts in a manner that gives the Committee appropriate and timely information as a matter of ordinary operations. At a minimum, the Committee shall require periodic reports from the Chief Compliance Officer regarding the status of Extendicare's Compliance Program, resources required for the Compliance Program and Extendicare's response to identified compliance deficiencies and periodic reports from the Corporate Quality Officer regarding the status of the Quality Program, resources required for Extendicare's Quality Program and Extendicare's response to identified quality of care or patient safety deficiencies;
- e) receive management updates and information regarding significant changes in industry and the regulatory environment that impact the provision of quality of care, patient safety and/or compliance with applicable laws and regulations;
- f) monitor Extendicare's performance on established internal and external benchmarking regarding clinical performance and outcomes;
- g) review policies, procedures and standards of conduct designed to provide the appropriate quality of care, patient safety and compliance with applicable laws, regulations, standards and guidelines;
- h) monitor the development of internal systems and controls to carry out Extendicare's policies with regard to providing the appropriate quality of care, patient safety and compliance with applicable laws, regulations, standards and guidelines;
- i) take any other actions that the Committee deems necessary or advisable to comply with Extendicare's policies, procedures and standards of conduct relative to quality of care, patient safety and compliance with applicable laws, regulations, standards and guidelines.