



EXTENDICARE INC.

QUALITY AND RISK COMMITTEE CHARTER

1. Purpose

The Quality and Risk Committee (the “Committee”) is a committee of the board of directors of Extendicare Inc. (the “Board”). The primary functions of the Committee shall be to review and make recommendations to the Board in order to assist the Board in fulfilling its responsibilities in overseeing and monitoring:

- i) Extendicare Inc. and its affiliates’ (collectively “Extendicare”) Code of Conduct, reports, programs, policies and procedures that support and enhance the quality of care provided by Extendicare;
- 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; and
- iii) Extendicare Inc.’s enterprise risk management (ERM) framework, overall risk profile and the effectiveness of risk management policies, procedures and programs.

2. Composition

The Committee shall be comprised of at least three (3) members, as determined by the Board, each of whom has experience, in the business judgment of the Board that would be helpful in addressing the matters delegated to the Committee. In addition, advisory members may include Extendicare Inc.’s Vice President, Quality, Risk and Innovation (“Corporate Quality Officer”). The members of the Committee shall be appointed annually. Unless a Chair is designated by the Board, 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 at the next meeting of the Board following the meeting of the Committee and as otherwise requested by the Board or as deemed necessary by the Chair of the Committee.
- 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 Board;
- b. annually, review and evaluate the performance of the Committee's duties;
- c. annually, review and assess the effectiveness of the Company's enterprise-wide risk assessment processes and recommend improvements to the Board, where appropriate;
- d. coordinate the activities of standing committees with respect to risk oversight, including processes for ongoing identification, reporting and management of critical enterprise risks;
- e. quarterly, monitor the Company's overall risk profile and make recommendations to the Board as needed;
- f. provide oversight of Extendicare's clinical, compliance and quality programs and enterprise risks not explicitly assigned to other committees;
- g. 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;
- h. monitor Extendicare's performance on established internal and external benchmarking regarding clinical performance and outcomes; and
- 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.