



EXTENDICARE INC.

(“Extendicare” or the “Company”)

GOVERNANCE AND NOMINATING COMMITTEE CHARTER

1. Purpose

The Governance and Nominating Committee (the “Committee”) is a committee of the board of directors of Extendicare (the “Board”). The primary function of the Committee shall be to assist the Board in developing and implementing the Company’s corporate governance principles and practices, in overseeing risks related to the Company’s governance structure and processes, in identifying qualified individuals to become board members, in determining the composition of the board of directors and its committees, and in ensuring board effectiveness.

2. Composition

The Committee shall be comprised of at least three (3) independent directors of the Company. The members of the Committee shall be appointed annually. Unless a Chair is elected by the Board, 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 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 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 Board;
- (b) annually, review and evaluate the performance of the Committee’s responsibilities and duties;
- (c) develop, recommend and review annually criteria for new directors, in consultation with the Board;
- (d) oversee and monitor an appropriate orientation education program for new directors and continuing education for directors;
- (e) identify and recommend qualified new directors;
- (f) recommend to the Board the director nominees for the next annual meeting of shareholders (nominees for the position of Chair of the Board are the responsibility of the full Board);
- (g) at least annually, review the size and composition of the Board and committee structure, and recommend to the Board the committees, members, and chair appointments;
- (h) annually, review and recommend to the Board appropriate compensation for the Board and committee members;
- (i) ensure the Board is able to, and in fact does, function independently of management;
- (j) annually, assess the effectiveness of the Board, the performance of its committees and individual directors;

- (k) develop, recommend and review annually position descriptions for the chair of the Board and chairpersons of the committees;
- (l) develop, recommend and review annually appropriate governance practices;
- (m) review and recommend any reports on governance that may be required or considered advisable; and
- (n) review and approve requests from individual directors to engage an external consultant to advise the Board member in the execution of his/her duties as a Board member.