



EXTENDICARE INC.

(“Extendicare” or the “Company”)

HUMAN RESOURCES COMMITTEE CHARTER

1. Purpose

The Human Resources 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 fulfilling its obligations relating to organizational strength and executive compensation, and overseeing risks related thereto. The Committee shall enable the Board 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.

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. The Committee and the Company have adopted a policy that any compensation consultant used by the Committee to advise on executive compensation will not at the same time advise the Company on any human resource matter.

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, and update as necessary, the position description for the CEO;
- (d) select and recommend the nominee for the CEO office;
- (e) review and approve on an annual basis the corporate goals and objectives relevant to the compensation of the CEO, and at least annually evaluate the CEO’s performance in light of these goals and objectives;
- (f) evaluate the CEO’s performance in meeting his or her goals and objectives;
- (g) recommend an overall senior executive compensation policy to be administered by the CEO;
- (h) review the application of the senior executive compensation policy and methods by which the CEO evaluates the performance of senior management;

- (i) review the senior executive incentive programs to confirm that such programs do not encourage unnecessary risk taking and to review and discuss, at least annually, the relationship between risk management policies and practices, corporate strategy and senior executive compensation;
- (j) 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 Company and report on this matter to the Board at least annually;
- (k) review and endorse, if appropriate, major changes in the organizational structure of senior management as proposed by the CEO;
- (l) recommend to the Board for approval the appointment of officers for the ensuing fiscal year;
- (m) recommend to the Board for approval on an annual basis the annual compensation, including salary, benefits, bonus, equity-based and other compensation to be given to the CEO and officers of the Company, including its major subsidiaries;
- (n) review and approve all aspects of the executive pension plan investments, including the investment policy and procedures; and
- (o) review and recommend any reports on compensation that may be required or considered advisable.