EXTENDICARE INC.

and

COMPUTERSHARE TRUST COMPANY OF CANADA

FOURTH SUPPLEMENTAL INDENTURE

Dated as of April 17, 2018

Providing for the issue of up to $126,500,000 Principal Amount of
Series 2018-1 5.00% Convertible Unsecured Subordinated Debentures

Due April 30, 2025
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FOURTH SUPPLEMENTAL INDENTURE

THIS FOURTH SUPPLEMENTAL INDENTURE is made as of the 17th day of April, 2018.

BETWEEN:

EXTENDICARE INC.,
a corporation amalgamated under the laws of Canada

(hereinafter called the "Corporation")

-and-

COMPUTERSHARE TRUST COMPANY OF CANADA,
a trust company existing under the laws of Canada

(hereinafter called the "Trustee")

WHEREAS:

A. Extendicare Real Estate Investment Trust (the "REIT") and the Trustee entered into the trust indenture dated as of June 21, 2007 (the "Original Trust Indenture") providing for the issuance and certification of debentures, notes or other evidence of indebtedness of the REIT, including without limitation, debentures designated as "5.70% Convertible Unsecured Subordinated Debentures";

B. The REIT and the Trustee entered into a first supplemental indenture dated as of June 19, 2008 providing for the issuance and certification of debentures designated as "Series 2008-1 7.25% Convertible Unsecured Subordinated Debentures";

C. In connection with the Plan of Arrangement, the Corporation and the Trustee entered into a second supplemental indenture dated as of July 1, 2012 (the "Second Supplemental Indenture") pursuant to which the Corporation succeeded to, and was substituted for, and is now entitled to exercise every right and power of the REIT under the Original Trust Indenture, as supplemented, as though the Corporation had been named as the REIT therein and pursuant to which the Corporation confirmed that it is liable for all of the covenants, liabilities and obligations of the REIT under the Original Trust Indenture, as supplemented;

D. The Original Trust Indenture, as supplemented by the Second Supplemental Indenture, is referred to herein as the “Master Trust Indenture”;

E. The Corporation and the Trustee entered into a third supplemental indenture dated as of September 25, 2012 providing for the issuance and certification of debentures designated as "Series 2012-1 6.00% Convertible Unsecured Subordinated Debentures";
This fourth supplemental indenture (the "Fourth Supplemental Indenture") is entered into for the purpose of providing for the issuance of up to $126,500,000 aggregate principal amount of Debentures designated as "Series 2018-1 5.00% Convertible Unsecured Subordinated Debentures" (the "Series 2018-1 Debentures") under the Master Trust Indenture and establishing the terms, provisions and conditions of the Series 2018-1 Debentures;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Trustee;

NOW THEREFORE THIS FOURTH SUPPLEMENTAL INDENTURE WITNESSES and
it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Supplemental Indenture

This Fourth Supplemental Indenture is a "supplemental indenture" within the meaning of the Master Trust Indenture. The Master Trust Indenture and this Fourth Supplemental Indenture will be read together and have effect so far as practicable as though all of the provisions of the Master Trust Indenture and the Fourth Supplemental Indenture were contained in one instrument.

1.2 Fourth Supplemental Indenture

The terms "this Fourth Supplemental Indenture", "this Indenture", "herein", "hereof", "hereby", "hereunder", and similar expressions, unless the context otherwise specifies or requires, refer to the Master Trust Indenture as supplemented by this Fourth Supplemental Indenture and not to any particular Article, section or other portion, and include every instrument supplemental or ancillary to this Fourth Supplemental Indenture.

1.3 Definitions

All terms used but not defined in this Fourth Supplemental Indenture and in the Series 2018-1 Debentures shall have the meanings ascribed to them in the Master Trust Indenture. In the event of any inconsistency between the terms in the Master Trust Indenture and this Fourth Supplemental Indenture, the terms in this Fourth Supplemental Indenture shall prevail.

For the purpose of this Fourth Supplemental Indenture, the recitals hereto and in the Series 2018-1 Debentures, the following terms have the following meanings:

"90% Redemption Right" has the meaning ascribed thereto in Section 2.2(j)(iv);

"Change of Control" means the acquisition by any Person, or group of Persons acting jointly or in concert, of voting control or direction over 66⅔% or more of the votes attaching, collectively, to (i) outstanding Common Shares; and (ii) Common Shares issuable upon the conversion or exercise of securities convertible into or carrying the right to acquire Common Shares in accordance with their terms, but for greater certainty for the purposes of this Fourth Supplemental
Indenture and the Series 2018-1 Debentures a Change of Control specifically excludes any transaction or series of transactions in which a new parent entity is established, created, or adopted for, or in replacement of, the Corporation and subsequent thereto voting control of or direction over the equity interests in the new parent entity are held by the holders of Common Shares immediately prior to such transaction or series of transactions, provided that immediately upon consummation or completion of any such transaction or series of transactions, the acquisition by any Person or group of Persons acting jointly or in concert of voting control or direction over 66⅔% or more of the votes attaching, collectively, to the outstanding equity interests in the new parent entity shall constitute a Change of Control;

"Change of Control Notice" has the meaning ascribed thereto in Section 2.2(j)(ii);

"Maturity Date" has the meaning ascribed thereto in Section 2.2(c);

"Maturity Notice" has the meaning ascribed thereto in Section 2.2(g);

"Plan of Arrangement" means the Plan of Arrangement under Section 192 of the Canada Business Corporations Act effective 12:01 a.m. (Toronto time) on July 1, 2012 relating to the conversion of the REIT from an income trust structure to a corporate structure under the Corporation;

"Prospectus" means the (final) short form prospectus of the Corporation (in both the English and French languages) dated April 10, 2018 qualifying the distribution of up to $126,500,000 aggregate principal amount of Series 2018-1 Debentures in each of the provinces of Canada;

"Put Date" has the meaning ascribed thereto in Section 2.2(j)(i);

"Put Price" has the meaning ascribed thereto in Section 2.2(j)(i);

"Put Right" has the meaning ascribed thereto in Section 2.2(j)(i);

"Redemption Date" has the meaning ascribed thereto in Section 4.3 of the Master Trust Indenture;

"Redemption Notice" has the meaning ascribed thereto in Section 4.3 of the Master Trust Indenture;

"Redemption Price" means, in respect of a Series 2018-1 Debenture, the amount, excluding interest, payable on the Redemption Date fixed for such Series 2018-1 Debenture (which amount may be payable, in whole or in part, by the issuance of Freely Tradeable Common Shares as provided for in Section 4.6 of the Master Trust Indenture), as determined in Section 2.2(c);

"SEC" has the meaning ascribed thereto in Section 3.3;

"Subsidiary" has the meaning ascribed thereto in the Securities Act (Ontario), as amended from time to time;

"Time of Expiry" has the meaning ascribed thereto in Section 2.2(f); and

"Total Put Price" has the meaning ascribed thereto in Section 2.2(j)(i).
1.4 Schedules

The following Schedules form part of this Fourth Supplemental Indenture:

Schedule A - Form of Series 2018-1 Debenture
Schedule B - Form of Redemption Notice
Schedule C - Form of Maturity Notice
Schedule D - Form of Change of Control Notice
Schedule E - Form of Put Exercise Notice
Schedule F - Form of Notice to Redeem all Remaining Outstanding Debentures

ARTICLE 2
THE SERIES 2018-1 DEBENTURES

2.1 Creation and Designation

The Corporation is authorized to issue under this Fourth Supplemental Indenture a series of Debentures designated as "Series 2018-1 5.00% Convertible Unsecured Subordinated Debentures" due April 30, 2025, that will have the terms set out herein.

2.2 Terms of Series 2018-1 Debentures

(a) The Series 2018-1 Debentures authorized for issue is limited to an aggregate principal amount of up to $126,500,000.

(b) The Series 2018-1 Debentures shall be dated as of April 17, 2018, regardless of their actual date of issue, shall mature on April 30, 2025 and shall bear interest from and including April 17, 2018 at the rate of 5.00% per annum, payable in arrears in equal semi-annual payments of $25.00 per $1,000 principal amount of Series 2018-1 Debentures (less any taxes required to be withheld) on April 30 and October 31 in each year during the term of the Series 2018-1 Debentures (with the last such interest payment to fall due on April 30, 2025), except for the first interest payment on October 31, 2018 which will include accrued and unpaid interest for the period from and including the date of issue to but excluding October 31, 2018, payable after as well as before maturity and after as well as before default, with interest on amounts in default at the same rate, compounded semi-annually. The first interest payment will be equal to $26.78082191 per $1,000 principal amount of the Series 2018-1 Debentures comprising the regular equal semi-annual interest payment of $25.00 per $1,000 principal amount of Series 2018-1 Debentures for the semi-annual period from April 30, 2018 to October 31, 2018, plus interest at the rate of 5.00% per annum for the period from and including April 17, 2018 to but excluding April 30, 2018 based on the actual number of days elapsed during such period and a year of 365 days. Not less than five Business Days prior to the date any interest payment is to be made, the Corporation shall provide the Trustee with a Written Direction of the Corporation specifying the payments to be made. The Trustee shall not be responsible for calculating the amount of interest owing, but shall be entitled
to rely absolutely on the Written Direction of the Corporation specifying the payments to be made.

(c) The Series 2018-1 Debentures will be redeemable by the Corporation in accordance with the terms of Article 4 of the Master Trust Indenture, provided that the Series 2018-1 Debentures will not be redeemable on or prior to April 30, 2021. From May 1, 2021 to April 30, 2023, the Series 2018-1 Debentures may be redeemed in whole at any time or in part from time to time at the option of the Corporation on notice as provided for in Section 4.3 of the Master Trust Indenture at a Redemption Price for the Series 2018-1 Debentures equal to their principal amount provided that the Current Market Price immediately preceding the date on which such notice of redemption is given is not less than 125% of the Conversion Price and the Corporation shall have provided to the Trustee an Officer's Certificate confirming such Current Market Price. On and after May 1, 2023 and prior to April 30, 2025 (the "Maturity Date"), the Series 2018-1 Debentures may be redeemed by the Corporation in whole at any time or in part from time to time at the option of the Corporation on notice as provided for in Section 4.3 of the Master Trust Indenture at a Redemption Price for the Series 2018-1 Debentures equal to their principal amount. The Redemption Notice for the Series 2018-1 Debentures shall be in the form of Schedule B attached hereto. Holders of the Series 2018-1 Debentures being redeemed shall be entitled to receive, in addition to the Redemption Price, accrued and unpaid interest in respect thereof for the period up to but excluding the Redemption Date from and including the last Interest Payment Date. The Series 2018-1 Debentures will also be redeemable by the Corporation in the event of the satisfaction of certain conditions after a Change of Control has occurred as outlined herein.

(d) The Series 2018-1 Debentures will be subordinated to the Senior Indebtedness of the Corporation in accordance with the provisions of Article 5 of the Master Trust Indenture; provided, however, that nothing contained in this Indenture shall in any way or manner restrict the Corporation or any of its Subsidiaries from incurring, directly or indirectly, any additional indebtedness, including indebtedness that ranks senior to the Series 2018-1 Debentures, or from mortgaging, pledging or charging their respective real or personal property or properties of the Corporation or any of its Subsidiaries to secure any indebtedness.

(e) The Series 2018-1 Debentures will, effective as of the issue date thereof, be listed and posted for trading on the TSX and the Corporation will take all reasonable steps to cause such listing to be maintained so long as any such Series 2018-1 Debentures remain outstanding and to maintain its status as a reporting issuer (or the equivalent thereof) not in default of Applicable Securities Legislation.

(f) Upon and subject to the provisions and conditions of Article 6 of the Master Trust Indenture, the holder of each Series 2018-1 Debenture shall have the right, at such holder's option, at any time prior to 4:00 p.m. (Toronto time) on the earlier of the Maturity Date and the last Business Day immediately preceding the date specified by the Corporation for redemption of the Series 2018-1 Debentures by notice to the holders of Series 2018-1 Debentures in accordance with Section 2.2(c) above and
Section 4.3 of the Master Trust Indenture (the earlier of which will be the "Time of Expiry" for the purposes of Article 6 of the Master Trust Indenture in respect of the Series 2018-1 Debentures), to convert the whole or, in the case of a Debenture of a denomination in excess of $1,000, any part which is $1,000 or an integral multiple thereof, of the principal amount of such Debenture into Freely Tradeable Common Shares at the Conversion Price for the Series 2018-1 Debentures in effect on the Date of Conversion.

The Conversion Price for the 2018-1 Debentures in effect on the date hereof for each Common Share to be issued upon the conversion of Series 2018-1 Debentures shall be equal to $12.25 such that approximately 81.6327 Common Shares shall be issued for each $1,000 principal amount of Series 2018-1 Debentures so converted. No adjustment to the Conversion Price will be made for distributions on Common Shares issuable on conversion or for accrued and unpaid interest on the Series 2018-1 Debentures surrendered for conversion, however holders converting their Series 2018-1 Debentures shall be entitled to receive, in addition to the applicable number of Freely Tradeable Common Shares, accrued and unpaid interest, if any, in respect thereof for the period from and including the last Interest Payment Date, up to and including the last record date in respect of the Common Shares set by the Corporation prior to the Date of Conversion for determining the Shareholders entitled to receive a dividend on the Common Shares; provided that, in the event the Corporation has suspended regular dividends or an announcement has been made giving notice of the suspension of regular dividends to holders of Common Shares prior to the date on which a holder of Debentures converts the Series 2018-1 Debentures held by such holder and such suspension is in effect on the Date of Conversion, then a holder of Debentures, in addition to the applicable number of Common Shares to be received on conversion, will be entitled to receive accrued and unpaid interest for the period from and including the last Interest Payment Date prior to the Date of Conversion to but excluding the Date of Conversion. The Conversion Price applicable to, and the Common Shares, securities or other property receivable on the conversion of the Series 2018-1 Debentures, is subject to adjustment pursuant to the provisions of Section 6.4 of the Master Trust Indenture.

(g) On redemption or on maturity of the Series 2018-1 Debentures, the Corporation may, at its option and subject to the provisions of Section 4.6 of the Master Trust Indenture and Section 4.10 of the Master Trust Indenture, as applicable, and subject to regulatory approval, if required, elect to satisfy its obligation to pay the principal amount of the Series 2018-1 Debentures, in whole or in part, by issuing and delivering Freely Tradeable Common Shares to the holders of Series 2018-1 Debentures. If the Corporation elects to exercise such option, it shall deliver a Redemption Notice or a maturity notice (the "Maturity Notice"), as the case may be, to the holders of the Series 2018-1 Debentures in the form of Schedule B attached hereto or Schedule C attached hereto, as applicable.

(h) The Series 2018-1 Debentures shall be issued as one or more Global Debentures in denominations of $1,000 and integral multiples of $1,000 and the Trustee is hereby appointed as registrar and transfer agent for the Series 2018-1 Debentures. Each Series 2018-1 Debenture and the certificate of the Trustee endorsed thereon shall be
issued in substantially the form set out in Schedule A attached hereto, with such insertions, omissions, substitutions or other variations as shall be required or permitted by this Indenture and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform with general usage, all as may be determined by the directors or officers of the Corporation executing such Global Debentures in accordance with Section 2.3, as conclusively evidenced by their execution of a Global Debenture. Each Series 2018-1 Debenture shall additionally bear such distinguishing letters and numbers as the Trustee shall approve. Notwithstanding the foregoing, a Series 2018-1 Debenture may be in such other form or forms as may, from time to time, be approved by a resolution of the directors or as specified in an Officer's Certificate. The Series 2018-1 Debentures may be engraved, lithographed, printed, mimeographed or typewritten or partly in one form and partly in another.

The Series 2018-1 Debentures shall be issued as Global Debentures and the Depository or Depositories for such Global Debentures in whose name the Global Debentures will be registered (and the Global Debentures may be registered in the name of a nominee of the Depository), and any circumstances other than or in addition to those set forth in Section 3.2 of the Master Trust Indenture in which any such Global Debenture may be exchanged for Debentures in registered form that are not Global Debentures, or transferred to and registered in the name of a Person other than the Depository for such Global Debentures or a nominee thereof, shall be determined by the Corporation at the time of issue.

(i) Upon and subject to the provisions and conditions of Article 11 of the Master Trust Indenture, the Corporation may elect, from time to time, to satisfy its Interest Obligation, in whole or in part, on the Series 2018-1 Debentures on any Interest Payment Date by delivering to the Trustee the proceeds from the sale, through Brokers, of Freely Tradeable Common Shares.

(j) Upon the occurrence of a Change of Control, and subject to the provisions and conditions of this Section 2.2(j), holders of Series 2018-1 Debentures have a right to require the Corporation to purchase their Series 2018-1 Debentures. The terms and conditions of such right are set forth below:

(i) Upon the occurrence of a Change of Control, each holder of Series 2018-1 Debentures shall have the right (the "Put Right") to require the Corporation to purchase, on the date (the "Put Date") which is 30 days following the date upon which the Trustee delivers a Change of Control Notice (as defined below) to the holders of Series 2018-1 Debentures, all or any part of such holder's Series 2018-1 Debentures in accordance with the requirements of Applicable Securities Legislation at a price equal to 101% of the principal amount thereof (the "Put Price") plus accrued and unpaid interest on such Series 2018-1 Debentures up to, but excluding, the Put Date (collectively, the "Total Put Price").
The Corporation will, as soon as practicable after the occurrence of a Change of Control and in any event no later than five Business Days thereafter, give written notice to the Trustee of the Change of Control. Such written notice of the Corporation shall state whether the Total Put Price will be payable in cash or satisfied, in whole or in part, by the issuance of Freely Tradeable Common Shares as contemplated in Subsection 2.2(j)(xiii). The Trustee will, as soon as practicable thereafter, and in any event no later than two Business Days after receiving notice from the Corporation of the occurrence of a Change of Control, provide written notice to the holders of Series 2018-1 Debentures of a Change of Control (the "Change of Control Notice"). The Change of Control Notice shall be prepared by the Corporation, shall be in the form of Schedule D attached hereto, and shall include: (A) a description of the Change of Control; (B) details of the Put Right under the terms of this Indenture; (C) details regarding whether the Total Put Price is to be paid in cash or, in whole or in part, in Freely Tradeable Common Shares; (D) a statement that each holder will be entitled to withdraw its election to require the Corporation to purchase such Series 2018-1 Debentures if the Trustee receives, no later than the close of business on the third Business Day immediately preceding the Put Date, a facsimile transmission or letter setting forth the name of such holder, the principal amount of the Series 2018-1 Debentures delivered for purchase and a statement that such holder is withdrawing his election to have such Series 2018-1 Debentures purchased; and (E) a description of the rights of the Corporation to redeem untendered Series 2018-1 Debentures in accordance with Section 2.2(j)(iv).

To exercise the Put Right, the holder of Series 2018-1 Debentures must deliver to the Trustee, not less than five Business Days prior to the Put Date, written notice of the holder's exercise of such right in the form of Schedule E attached hereto together with (a) the Series 2018-1 Debentures with respect to which the right is being exercised, duly endorsed for transfer, or (b) if the Series 2018-1 Debentures have been issued as Global Debentures, a duly endorsed form of transfer.

If 90% or more in aggregate principal amount of Series 2018-1 Debentures outstanding on the date the Corporation provides notice of a Change of Control to the Trustee have been tendered for purchase pursuant to the Put Right in accordance with Section 2.2(j)(iii), the Corporation has the right (but not the obligation) upon written notice in the form attached as Schedule F attached hereto provided to the Trustee prior to the Put Date, or as soon as reasonably possible thereafter, to redeem all the remaining outstanding Series 2018-1 Debentures effective as of the Put Date at the Total Put Price (the "90% Redemption Right").

Upon receipt of a written notice from the Corporation that the Corporation shall exercise the 90% Redemption Right and acquire the remaining Series 2018-1 Debentures, the Trustee shall, as soon as reasonably possible,
forward such written notice to all holders of Series 2018-1 Debentures that did not previously exercise the Put Right that:

A. the Corporation has exercised the 90% Redemption Right and will purchase all outstanding Series 2018-1 Debentures effective as of the Put Date at the Total Put Price, including a calculation of such holder's Total Put Price;

B. such holders must transfer their Series 2018-1 Debentures to the Trustee on the same terms as those holders that exercised the Put Right and must send their respective Series 2018-1 Debentures, duly endorsed for transfer, or their duly endorsed form of transfer, as applicable, to the Trustee within 10 days after the sending of such notice; and

C. subject to Subsection 2.2(j)(viii), the rights of such holders under the terms of the Series 2018-1 Debentures cease as of the Put Date provided the Corporation has either paid the Total Put Price to, or to the order of, the Trustee and/or deposited with the Trustee Freely Tradeable Common Shares in lieu thereof as contemplated in Subsection 2.2(j)(xiii), and thereafter the Series 2018-1 Debentures shall not be considered to be outstanding and the holder shall not have any right except to receive the Total Put Price upon surrender and delivery of such holders' Series 2018-1 Debentures in accordance with this Indenture.

(vi) Subject to Section 2.2(j)(xiii), the Corporation shall, on or before 11:00 a.m. (Toronto time) on the Business Day immediately prior to the Put Date, deposit with the Trustee or any paying agent to the order of the Trustee by an electronic funds transfer of such sums of money on the Put Date, such sums of money as may be sufficient to pay the Total Put Price of the Series 2018-1 Debentures to be purchased or redeemed by the Corporation on the Put Date. The Trustee shall disburse such payments only upon receiving the required funds. To the extent requested by the Trustee, the Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such purchase and/or redemption, as the case may be. Every such deposit shall be irrevocable. From the sums so deposited, the Trustee shall pay or cause to be paid to the holders of such Series 2018-1 Debentures, the Total Put Price (less any taxes required to be withheld), to which they are entitled on the Corporation's purchase or redemption. The Trustee shall not be responsible for calculating the amount owing but shall be entitled to rely on the Written Direction of the Corporation specifying the payments to be made.

(vii) In the event that one or more of such Series 2018-1 Debentures being purchased in accordance with this Section 2.2(j) becomes subject to purchase in part only, upon surrender of such Series 2018-1 Debentures for
payment of the Total Put Price, the Corporation shall execute and the Trustee shall certify and deliver without charge to the holder thereof or upon the holder's order, one or more new Series 2018-1 Debentures for the portion of the principal amount of the Series 2018-1 Debentures not purchased.

(viii) Series 2018-1 Debentures for which holders have exercised the Put Right and Series 2018-1 Debentures which the Corporation has elected to redeem in accordance with this Section 2.2(j) shall become due and payable at the Total Put Price on the Put Date, in the same manner and with the same effect as if it were the date of maturity specified in such Series 2018-1 Debentures, anything therein or herein to the contrary notwithstanding, and from and after such Put Date, if the money and/or Freely Tradeable Common Shares, as applicable, necessary to purchase or redeem the Series 2018-1 Debentures shall have been deposited as provided in this Section 2.2(j) and affidavits or other proof satisfactory to the Trustee as to the publication and/or mailing of such notices shall have been lodged with it, interest on the Series 2018-1 Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

(ix) In case the holder of any Series 2018-1 Debenture to be purchased or redeemed in accordance with this Section 2.2(j) shall fail on or before the Put Date to so surrender such holder's Series 2018-1 Debenture or duly endorsed form of transfer or shall not within such time accept payment of the moneys payable, or take delivery of certificates representing any Common Shares issuable in respect thereof, or give such receipt therefor, if any, as the Trustee may require, such moneys may be set aside in trust, or such certificates may be held in trust, without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum so set aside and, to that extent, such Series 2018-1 Debenture shall thereafter not be considered as outstanding hereunder and the Debentureholder shall have no other right except to receive payment out of the moneys so paid and deposited, or to take delivery of the certificates so deposited, upon surrender and delivery of such holder's Series 2018-1 Debenture, of the money set aside plus accrued and unpaid interest to but excluding the Put Date and subsequent distributions and accretions, on such Common Shares, if any, as the case may be (less any taxes required to be withheld). Subject to Applicable Law, in the event that any money, or certificates, required to be set aside or deposited hereunder with the Trustee or any depository or paying agent and not claimed shall remain so set aside or deposited for a period of ten years from the Put Date, then such moneys, or certificates, together with accrued and unpaid interest thereon, if any, shall at the end of such period be paid over or delivered over by the Trustee or such depository or paying agent to the Corporation on its written demand, and thereupon the Trustee shall not be responsible to holders of Debentures for any amounts
owing to them and, subject to Applicable Law, thereafter the holder of a Series 2018-1 Debenture in respect of which such money or Common Shares, if applicable, was so repaid to the Corporation shall have no rights in respect thereof except to obtain the payment of the money or certificates due from the Corporation, subject to any limitation period provided by the laws of Ontario. Notwithstanding the foregoing, the Trustee will pay any remaining funds deposited hereunder prior to the expiry of ten years after the Put Date to the Corporation upon receipt from the Corporation of an unconditional letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining funds. If the remaining funds are paid to the Corporation prior to the expiry of ten years after the Put Date, the Corporation shall reimburse the Trustee for any amounts required to be paid by the Trustee to a holder of a Series 2018-1 Debenture pursuant to the Put Right after the date of such payment of the remaining funds to the Corporation but prior to ten years after the Put Date and such letter of credit shall be reduced to the extent of the amount of such reimbursement. If the Corporation fails to so reimburse the Trustee, the Trustee may draw on the letter of credit.

(x) Subject to the provisions above related to Series 2018-1 Debentures purchased in part, all Series 2018-1 Debentures redeemed and paid under this Section 2.2(j) shall forthwith be delivered to the Trustee and cancelled and no Series 2018-1 Debentures shall be issued in substitution therefor.

(xi) The Corporation will publicly announce the results of the purchases made pursuant to this Section 2.2(j) as soon as practicable after the Put Date.

(xii) The Corporation will comply with all Applicable Securities Legislation in the event that the Corporation is required to repurchase Series 2018-1 Debentures pursuant to this Section 2.2(j).

(xiii) Notwithstanding any other provision of this Indenture (other than Section 7.1 of the Master Trust Indenture), the Corporation shall be entitled at its option, subject to regulatory approval, to deposit with the Trustee or any paying agent to the order of the Trustee, in lieu of all or any portion of the moneys which would otherwise be required to be deposited with the Trustee hereunder, Freely Tradeable Common Shares for purposes of making payment of all or any portion of the Total Put Price, the number of such Freely Tradeable Common Shares to be obtained by dividing the Total Put Price by 95% of the Current Market Price in effect on the Put Date. No fractional Common Shares shall be issued as payment of the Total Put Price but in lieu thereof the Corporation shall satisfy fractional interests by a cash payment equal to the Current Market Price in effect on the Put Date. In all other respects, in paying the Total Put Price the Corporation shall be subject to the requirements of Subsection 2.2(j)(vi) and the Trustee shall, in making payment to holders of such Series 2018-1 Debentures pursuant to Subsection 2.2(j)(vi) of the Total Put Price, make payment using such Freely Tradeable Common Shares. In the event the Corporation exercises
its right pursuant to this Subsection 2.2(j)(xiii) to deliver Freely Tradeable Common Shares, the provisions of paragraphs (c) to (k), inclusive, of Section 4.10 of the Master Trust Indenture shall apply, *mutatis mutandis*.

**(xiv)** If the Corporation elects to satisfy its obligation, in whole or in part, to pay the Total Put Price by issuing Freely Tradeable Common Shares in accordance with this Section 2.2(j), and if the Total Put Price (or any portion thereof) to which a holder is entitled is subject to withholding taxes, the Corporation for the account of the holder, shall sell, through Brokers selected by the Corporation, out of the Freely Tradeable Common Shares issued by the Corporation for this purpose, such number of Freely Tradeable Common Shares that is sufficient to yield net proceeds (after payment of all costs) to cover the amount of taxes required to be withheld, and shall remit same to the Trustee on behalf of the Corporation and the Trustee shall remit the same to the proper tax authorities within the period of time prescribed for this purpose under Applicable Law.

**(k)** The Corporation shall not, directly or indirectly (through a Subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Common Shares, dividend or other distribution on the Common Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

(i) the number of securities to be issued;

(ii) the price at which securities are to be issued, converted or exchanged; or

(iii) any property or cash that is to be distributed or allocated,

is, in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly, (y) the exercise or potential exercise of the Common Share Redemption Right or the Common Share Repayment Right, or (z) the Current Market Price determined in connection with the exercise or potential exercise of the Common Share Redemption Right or the Common Share Repayment Right.

**(l)** The Trustee shall be provided with the documents and instruments referred to in Sections 2.5(b), (c) and (d) of the Master Trust Indenture with respect to the Series 2018-1 Debentures, *mutatis mutandis*, prior to the issuance of the Series 2018-1 Debentures.

### 2.3 Issue of Global Debentures

The Series 2018-1 Debentures shall be issued in whole or in part as one or more Global Debentures registered in the name of CDS & Co., or in the name of such other entity as requested by CDS Clearing and Depository Services Inc., as Depository, or in such other name as may be designated by the Corporation in the Written Direction of the Corporation delivered to the Trustee at the time of issue of such Series 2018-1 Debentures, and the Corporation shall execute, and the Trustee shall certify and deliver, one or more Global Debentures that shall:
(a) represent an aggregate amount equal to the principal amount of the outstanding Series 2018-1 Debentures;

(b) be delivered by the Trustee to such Depository or pursuant to such Depository's instructions; and

(c) bear a legend substantially to the following effect:

"This Series 2018-1 Debenture is a Global Debenture within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depository or a nominee thereof. This Series 2018-1 Debenture may not be transferred to or exchanged for Series 2018-1 Debentures registered in the name of any Person other than the Depository or a nominee thereof and no such transfer may be registered except in the limited circumstances described in the Indenture. Every Series 2018-1 Debenture authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, this Series 2018-1 Debenture shall be a Global Debenture subject to the foregoing, except in such limited circumstances described in the Indenture."

2.4 Contractual Right of Rescission

(a) If the Prospectus, or any amendment thereto, contains a misrepresentation (as defined under Applicable Securities Legislation), original purchasers of the Series 2018-1 Debentures that have exercised the conversion privilege described in Section 2.1(f) hereof and converted Series 2018-1 Debentures acquired under the Prospectus into Common Shares shall have a contractual right of rescission against the Corporation entitling such original purchasers to receive from the Corporation, upon surrender to the Corporation of the Common Shares issued upon such conversion, the amount paid for such Series 2018-1 Debentures, provided that such contractual right of rescission is exercised within 180 days from the date of purchase of the Series 2018-1 Debentures under the Prospectus.

(b) In no event shall the Corporation be liable under this Section 2.4 if the original purchaser purchased the Series 2018-1 Debentures with knowledge of the misrepresentation. The Corporation shall also have available to it any other defence or defences available to it under applicable laws.

ARTICLE 3

MISCELLANEOUS

3.1 Trustee Accepts Trusts

The Trustee hereby accepts the trusts in this Fourth Supplemental Indenture declared and provided for and agrees to perform the same upon the terms and conditions set out in this Fourth Supplemental Indenture and in accordance with the Master Trust Indenture and agrees to hold all rights, privileges and benefits conferred hereby and by law in trust for the various Persons who shall from time to time be holders of Debentures, subject to all the terms and conditions set forth in this Fourth Supplemental Indenture and the Master Trust Indenture.
3.2 **Trustee Not Bound to Act**

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment, determines that such act would reasonably be expected to cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. The Trustee shall provide written notice to the Corporation describing the circumstances of such non-compliance or the acts not performed. Further, should the Trustee, in its sole judgment, determine at any time that its acting under this Fourth Supplemental Indenture or the Master Trust Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Corporation, provided (i) that such written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Trustee's satisfaction within such 10 day period, then such resignation shall not be effective.

3.3 **Securities and Exchange Commission Matters**

The Corporation represents and warrants to the Trustee that, as at the date hereof, it is not filing with the U.S. Securities and Exchange Commission ("SEC") as a Foreign Private Issuer (as such term is defined in the Securities Exchange Act of 1934) and covenants that, in the event that it shall begin to file as a Foreign Private Issuer, the Corporation shall promptly deliver to the Trustee, a certificate (in a form provided by the Trustee and acceptable to the Corporation, acting reasonably) certifying such "reporting issuer" status and such other information as the Trustee may require, acting reasonably, at such given time including, but not limited to, the Central Index Key that has been assigned for filing purposes. The Corporation understands that the Trustee is relying upon the foregoing representation, warranty and covenant in order to meet certain obligations to the SEC with respect to those clients who are filing with the SEC.

3.4 **Force Majeure**

Neither party shall be liable to the other, or held in breach of this Fourth Supplemental Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental or regulatory action, earthquakes, or any other similar extreme causes in each case affecting the general population (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures which in each case affect the general population). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is properly excusable under this Section, but such extension is not cumulative and shall not apply in circumstances where performance was not due at the relevant time.

3.5 **Language**

Each of the parties hereto hereby acknowledges that it has consented to and requested that this Fourth Supplemental Indenture and all documents relating thereto, including, without limiting the generality of the foregoing, the form of Series 2018-1 Debenture attached as Schedule A hereto, be drawn up in the English language only. *Chacune des parties aux présentes reconnaît qu'elle a*
demandé que la présente convention et tous les documents s'y rattachant, notamment le texte des débentures joint aux présentes à titre d'annexe A, soient rédigés en anglais seulement.

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ARTICLE 4
EXECUTION AND FORMAL DATE

4.1 Execution

This Fourth Supplemental Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

4.2 Formal Date

For the purpose of convenience, this Fourth Supplemental Indenture may be referred to as bearing the formal date of April 17, 2018 irrespective of the actual date of execution hereof.

IN WITNESS whereof the parties hereto have executed this Fourth Supplemental Indenture.

EXTENDICARE INC.

Per: "Elaine E. Everson"
Name: Elaine E. Everson
Title: Vice-President and Chief Financial Officer

Per: "Jillian E. Fountain"
Name: Jillian E. Fountain
Title: Corporate Secretary

COMPUTERSHARE TRUST COMPANY OF CANADA

Per: "Lisa M. Kudo"
Name: Lisa M. Kudo
Title: Corporate Trust Officer

Per: "Robert Morrison"
Name: Robert Morrison
Title: Corporate Trust Officer
SCHEDULE A
FORM OF SERIES 2018-1 GLOBAL DEBENTURE

THIS SERIES 2018-1 DEBENTURE IS A GLOBAL DEBENTURE WITHIN THE MEANING OF THE INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS SERIES 2018-1 DEBENTURE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR DEBENTURES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. EVERY SERIES 2018-1 DEBENTURE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS SERIES 2018-1 DEBENTURE SHALL BE A GLOBAL DEBENTURE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO EXTENDICARE INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

EXTENDICARE INC.
(A corporation amalgamated under the laws of Canada)

SERIES 2018-1 5.00% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES
DUE APRIL 30, 2025

No. 1

CUSIP/ISIN: 30224TAD5/CA30224TAD50

EXTENDICARE INC. (the "Corporation") for value received hereby acknowledges itself indebted and, subject to the provisions of the Trust Indenture dated as of June 21, 2007 between Extendicare Real Estate Investment Trust (the "REIT"), the predecessor of the Corporation, and Computershare Trust Company of Canada (the "Trustee"), as supplemented by the Second Supplemental Indenture dated as of July 1, 2012 between the Corporation and the Trustee and the Fourth Supplemental Indenture dated as of April 17, 2018 between the Corporation and the Trustee (collectively, the "Indenture"), promises to pay to the registered holder hereof on April 30, 2025
(the "Maturity Date") or on such earlier date as the principal amount hereof may become due in
accordance with the provisions of the Indenture the principal sum of [●] MILLION DOLLARS
([$●]) in lawful money of Canada on presentation and surrender of this Series 2018-1 Debenture
at the main branch of the Trustee in Toronto, Ontario, in accordance with the terms of the Indenture
and, subject as hereinafter provided, to pay interest on the principal amount hereof from and
including the date hereof, or from and including the last Interest Payment Date on which interest
shall have been paid or made available for payment hereon, whichever is later, at the rate of 5.00%
per annum, in like money in arrears in equal semi-annual instalments (less any taxes required to
be withheld) on April 30 and October 31 in each year during the term of this Series 2018-1
Debenture (with the last such interest payment to fall due on April 30, 2025), except for the first
interest payment on October 31, 2018 which will include accrued and unpaid interest for the period
from and including April 17, 2018 to but excluding October 31, 2018, payable after as well as
before maturity and after as well as before default, with interest on amounts in default at the same
rate, compounded semi-annually.

Interest hereon shall be payable by electronic funds transfer to the registered holder hereof
and, subject to the provisions of the Indenture, the making of such transfer of funds shall, to the
extent of the sum represented thereby (plus the amount of any tax withheld), satisfy and discharge
all liability for interest on this Series 2018-1 Debenture.

This Series 2018-1 Debenture is one of the Debentures of the Corporation issued or
issuable in one or more series under the provisions of the Indenture. Reference is hereby expressly
made to the Indenture for a description of the terms and conditions upon which the Series 2018-1
Debentures are or are to be issued and held and the rights and remedies of the holders of the Series
2018-1 Debentures and of the Corporation and of the Trustee, all to the same effect as if the
provisions of the Indenture were herein set forth to all of which provisions the holder of this Series
2018-1 Debenture by acceptance hereof assents.

The Series 2018-1 Debentures are issuable only in denominations of $1,000 and integral
multiples thereof. Upon compliance with the provisions of the Indenture, Series 2018-1
Debentures of any denomination may be exchanged for an equal aggregate principal amount of
Series 2018-1 Debentures in any other authorized denomination or denominations.

The whole, or if this Series 2018-1 Debenture is in a denomination in excess of $1,000,
any part of which is $1,000 or an integral multiple thereof, of the principal of this Series 2018-1
Debenture is convertible, at the option of the holder hereof, upon surrender of this Series 2018-1
Debenture at the Designated Office, at any time prior to 4:00 p.m. (Toronto time) on the earlier of
the Maturity Date and the last Business Day immediately preceding the date specified by the
Corporation for redemption of this Series 2018-1 Debenture, into Freely Tradeable Common
Shares of the Corporation (without adjustment to the Conversion Price for distributions on
Common Shares issuable on conversion or for accrued and unpaid interest on the Series 2018-1
Debentures surrendered for conversion, however holders converting their Series 2018-1
Debentures shall be entitled to receive, in addition to the applicable number of Freely Tradeable
Common Shares, accrued and unpaid interest, if any, in respect thereof as provided in the
Indenture) at a conversion price of $12.25 (the "Conversion Price") per Common Share, being a
rate of approximately 81.6327 Common Shares for each $1,000 principal amount of Series 2018-
1 Debentures, all subject to the terms and conditions and in the manner set forth in the Indenture.
The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Common Shares will be issued on any conversion but in lieu thereof, the Corporation will satisfy such fractional interest by a cash payment equal to the Conversion Price of such fractional interest determined in accordance with the Indenture.

This Series 2018-1 Debenture may be redeemed at the option of the Corporation on the terms and conditions set out in the Indenture at the redemption price therein set out. This Series 2018-1 Debenture is not redeemable on or prior to April 30, 2021. From May 1, 2021 to April 30, 2023, this Series 2018-1 Debenture is redeemable in whole at any time or in part from time to time, at the option of the Corporation, provided that the Corporation files with the Trustee on the day that the Redemption Notice in respect of this Series 2018-1 Debenture is first given, an Officer's Certificate of the Corporation certifying that the volume-weighed average trading price per Common Share on the Toronto Stock Exchange (or elsewhere in accordance with the Indenture) for the 20 consecutive trading days ending on the fifth trading day preceding the date on which such notice is given, is not less than 125% of the Conversion Price then in effect. On and after May 1, 2023 and prior to the Maturity Date, this Series 2018-1 Debenture may be redeemed by the Corporation in whole at any time or in part from time to time at a Redemption Price equal to the principal amount thereof plus accrued and unpaid interest in respect thereof for the period up to but excluding the Redemption Date from and including the last Interest Payment Date. This Series 2018-1 Debenture may also be redeemed at the option of the Corporation in the event of the satisfaction of certain conditions after a Change of Control has occurred.

This Series 2018-1 Debenture is a Global Debenture within the meaning of the Indenture and is registered in the name of a Depository or a nominee thereof. This Series 2018-1 Debenture may not be transferred to or exchanged for Debentures registered in the name of any Person other than the Depository or a nominee thereof and no such transfer may be registered except in the limited circumstances described in the Indenture. Every Debenture authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, this Debenture shall be a Global Debenture subject to the foregoing, except in such limited circumstances described in the Indenture.

Upon the occurrence of a Change of Control, each holder of Series 2018-1 Debentures has the right (the "Put Right") to require the Corporation to purchase on the date (the "Put Date") which is 30 days following the giving of notice by the Trustee of the Change of Control the whole or any part of such holder's Series 2018-1 Debentures at a price equal to 101% of the principal amount of such Series 2018-1 Debentures plus accrued and unpaid interest up to, but excluding, the Put Date. The Corporation, at its option, may elect to satisfy such purchase price either by payment in cash or by the issuance of Freely Tradeable Common Shares of the Corporation. If 90% in aggregate principal amount of Series 2018-1 Debentures outstanding on the date the Corporation provides written notice of a Change of Control to the Trustee have been tendered for purchase pursuant to the Put Right, the Corporation has the right (but not the obligation) to purchase all the remaining outstanding Series 2018-1 Debentures effective as of the Put Date at the same price.

As more specifically provided in the Indenture, if an offer is made to acquire all outstanding Debentures issued under the Indenture (including the Series 2018-1 Debentures) where, as of the date of the offer to acquire, the Debentures that are subject to the offer to acquire, together with
the Offeror's Debentures, constitute in the aggregate 20% or more of the outstanding principal amount of the Debentures, and not less than 90% of the outstanding principal amount of such Debentures (other than Debentures held at the date of the take-over bid by or on behalf of the Offeror or Associates or Affiliates of the Offeror or any Person acting jointly or in concert with the Offeror) are taken up and paid for by the Offeror, then the Offeror will be entitled to acquire the outstanding Debentures (including the Series 2018-1 Debentures) held by holders thereof who did not accept the offer on the terms offered by the Offeror.

The Corporation may, on notice as provided in the Indenture, at its option and (subject to any applicable regulatory approval), elect to satisfy the obligation to repay the principal amount of this Series 2018-1 Debenture on the Maturity Date, on redemption or in satisfaction of the Put Right, by the issue of that number of Freely Tradeable Common Shares obtained by dividing the principal amount of this Series 2018-1 Debenture by 95% of the Current Market Price on the Maturity Date, the date fixed for redemption or the Put Date, as the case may be.

The Corporation shall not, directly or indirectly (through a Subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Common Shares, dividend or other distribution on the Common Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

(a) the number of securities to be issued;
(b) the price at which securities are to be issued, converted or exchanged; or
(c) any property or cash that is to be distributed or allocated,

is, in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly, (i) the exercise or potential exercise of the Common Share Redemption Right or the Common Share Repayment Right, or (ii) the Current Market Price determined in connection with the exercise or potential exercise of the Common Share Redemption Right or the Common Share Repayment Right.

The indebtedness evidenced by this Series 2018-1 Debenture, and by all other Debentures now or hereafter certified and delivered under the Indenture, is a direct unsecured obligation of the Corporation, and is subordinated in right of payment, to the extent and in the manner provided in the Indenture, to the prior payment of all Senior Indebtedness, as defined in the Indenture, whether outstanding at the date of the Indenture or thereafter created, incurred, assumed or guaranteed. This Series 2018-1 Debenture is subordinate to claims or creditors of the Corporation's Subsidiaries, except to the extent the Corporation is a creditor of such Subsidiaries ranking at least pari passu with such other creditors.

The principal hereof may become or be declared due and payable before the stated maturity in the events, in the manner, with the effect and at the times provided in the Indenture.

The Indenture contains provisions making binding upon all holders of Debentures outstanding hereunder (or in certain circumstances, specific series of Debentures) resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Debentures outstanding (or specific series), which
resolutions or instruments may have the effect of amending the terms of this Series 2018-1 Debenture or the Indenture.

This Series 2018-1 Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal office of the Trustee in Toronto, Ontario and in such other place or places as the Corporation with the approval of the Trustee may designate. No transfer of this Series 2018-1 Debenture shall be valid unless made on the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee, and upon compliance with such reasonable requirements as the Trustee may prescribe and upon surrender of this Series 2018-1 Debenture for cancellation. Thereupon a new Series 2018-1 Debenture or Series 2018-1 Debentures in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Series 2018-1 Debenture shall not become obligatory for any purpose until it shall have been certified by the Trustee under the Indenture.

The Indenture is, and this Series 2018-1 Debenture shall be, governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Capitalized words or expressions used in this Series 2018-1 Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture. **In the event that the terms and conditions stated in this Series 2018-1 Debenture conflict, or are inconsistent with, the terms and conditions of the Indenture, the Indenture shall prevail and take priority.**

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IN WITNESS WHEREOF EXTENDICARE INC. has caused this Debenture to be signed by its authorized signatory as of the 17th day of April, 2018.

EXTENDICARE INC.

By: 
Name: Elaine Everson
Title: Vice-President and Chief Financial Officer

By: 
Name: Jillian E. Fountain
Title: Corporate Secretary

TRUSTEE'S CERTIFICATE

This Series 2018-1 Debenture is one of the 5.00% Convertible Unsecured Subordinated Debentures due April 30, 2025 referred to in the Indenture within mentioned.

Date: April 17, 2018
Computershare Trust Company of Canada
By: 
(Authorized Officer)

REGISTRATION PANEL
(No writing hereon except by Trustee)

<table>
<thead>
<tr>
<th>Date of Registration</th>
<th>In Whose Name Registered</th>
<th>Signature of Trustee</th>
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<td>April 17, 2018</td>
<td>CDS &amp; CO.</td>
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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto ____________________________, whose address and social insurance number, if applicable, are set forth below, this Series 2018-1 Debenture (or $________ principal amount hereof) of EXTENDICARE INC. (the "Corporation") standing in the name(s) of the undersigned in the register maintained by the Corporation with respect to such Series 2018-1 Debenture and does hereby irrevocably authorize and direct the Trustee to transfer such Series 2018-1 Debenture in such register, with full power of substitution in the premises.

Date:

Address of Transferee:

(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable:

If less than the full principal amount of this Series 2018-1 Debenture is to be transferred, indicate in the space provided the principal amount (which must be $1,000 or an integral multiple thereof, unless you hold a Series 2018-1 Debenture in a non-integral multiple of $1,000, in which case such Series 2018-1 Debenture is transferable only in its entirety) to be transferred.

1. The signature(s) to this assignment must correspond with the name(s) as written upon the face of this Series 2018-1 Debenture in every particular without alteration or any change whatsoever. The signature must be guaranteed by an authorized officer of a Schedule I Canadian chartered bank, or by a medallion signature guarantee from a member of a recognized Medallion Signature Guarantee Program.

   The signature(s) must be guaranteed by one of the following methods:

   (a) Canada and the USA: A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed".

   (b) Canada: A Signature Guarantee obtained from a major Canadian Schedule 1 chartered bank. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisses Populaires unless they are members of a Medallion Signature Guarantee Program.

   (c) Outside North America: For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

2. The registered holder of this Series 2018-1 Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Series 2018-1 Debenture.

CONVERSION NOTICE

TO: EXTENDICARE INC.

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture, unless otherwise indicated.

The undersigned registered holder of Series 2018-1 5.00% Convertible Unsecured Subordinated Debentures bearing Certificate No. irrevocably elects to convert such Debentures (or principal $________ amount thereof) in accordance with the terms of the Indenture and tenders herewith the Debentures, and, if applicable, directs that the Common Shares of Extendicare Inc. issuable upon a conversion be issued and delivered to the person indicated below.

Dated: ____________________________

Signature of Registered Holder

If less than the full principal amount of this Series 2018-1 Debenture is being converted, indicate in the space provided the principal amount (which must be $1,000 or integral multiples thereof) to be converted.

NOTE: If Common Shares are to be issued in the name of a person other than the holder, the signature must be guaranteed by an authorized officer of a Schedule 1 Canadian chartered bank, or by a medallion signature guarantee from a member of a recognized Medallion Signature Guarantee Program.

The registered holder of this Series 2018-1 Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the conversion of this Series 2018-1 Debenture.

(Print name in which Common Shares are to be issued, delivered and registered)

Name:

(Address) (City, Province and Postal Code)

Name of guarantor:

Authorized signature:

Signature of Guarantor

Authorized Officer

Signature of transferring registered holder

Name of Institution
EXHIBIT "1"
Form of Principal Amount Grid

EXTENDICARE INC.

SERIES 2018-1 5.00% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES DUE APRIL 30, 2025

CERTIFICATE NO.: 1 CUSIP/ISIN: 30224TAD5/CA30224TAD50

PRINCIPAL AMOUNT GRID

The following grid reflects the principal amount outstanding on the Series 2018-1 5.00% Convertible Unsecured Subordinated Debentures due April 30, 2025 of Extendicare Inc. (the "Debentures") and shall be adjusted at such time as the Debentures are converted, redeemed or repurchased in accordance with the terms of the Indenture. In no such event shall the outstanding principal amount under the Debentures exceed $126,500,000.

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<tr>
<th>DATE</th>
<th>AMOUNT REDUCED</th>
<th>REMAINING PRINCIPAL AMOUNT</th>
<th>AUTHORIZED SIGNATORY OF TRUSTEE</th>
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- 8 -
EXTENDICARE INC.
SERIES 2018-1 5.00% CONVERTIBLE UNSECURED SUBORDINATED
DEBENTURES
REDEMPTION NOTICE

To: Holders of Series 2018-1 5.00% Convertible Unsecured Subordinated Debentures (the "Debentures") of Extendicare Inc. (the "Corporation")

Note: All capitalized terms used herein have the meanings ascribed thereto in the Trust Indenture dated as of June 21, 2007 (the "Original Trust Indenture") between Extendicare Real Estate Investment Trust, the predecessor to the Corporation, and Computershare Trust Company of Canada, as trustee (the "Trustee"), as supplemented by the Second Supplemental Indenture dated as of July 1, 2012 (the "Second Supplemental Indenture"; the Second Supplemental Indenture together with the Original Trust Indenture, the "Master Trust Indenture") between the Corporation and the Trustee and the Fourth Supplemental Indenture dated as of April 17, 2018 (the "Fourth Supplemental Indenture") between the Corporation and the Trustee (the Master Trust Indenture, as supplemented by the Fourth Supplemental Indenture, the "Indenture").

Notice is hereby given pursuant to Section 2.2(c) of the Fourth Supplemental Indenture and Section 4.3 of the Master Trust Indenture, that [●] aggregate principal amount of Debentures outstanding will be redeemed as of [●] (the "Redemption Date"), upon payment of a redemption amount of [●] for each $1,000 principal amount of Debentures, being equal to the aggregate of (i) [●], and (ii) all accrued and unpaid interest thereon to, but excluding, the Redemption Date (collectively, the "Redemption Price").

The Redemption Price (less any taxes required to be withheld) will be payable upon presentation and surrender of the Debentures called for redemption at the following corporate trust office:

Computershare Trust Company of Canada
100 University Avenue
11th Floor, North Tower
Toronto, Ontario M5J 2Y1
Attention: Manager, Corporate Trust Services

The interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the Redemption Date, unless payment of the Redemption Price (less any taxes required to be withheld), shall not be made on presentation for surrender of such Debentures at the above-mentioned corporate trust office on or after the Redemption Date or prior to the setting aside of the Redemption Price, plus accrued and unpaid interest, pursuant to the Indenture.

[Pursuant to Section 2.2(g) of the Fourth Supplemental Indenture and Section 4.6 of the Master Trust Indenture, the Corporation hereby irrevocably elects to satisfy its obligation]
to pay to holders of Debentures the Redemption Price, [in whole/in part.] by issuing and delivering or causing to be delivered to the holders that number of Freely Tradeable Common Shares obtained by dividing the aggregate principal amount of Debentures being redeemed by 95% of the Current Market Price of the Common Shares on the Redemption Date. [●] aggregate principal amount of Debentures will be redeemed by the Corporation pursuant to its Share Redemption Right. In the event that the Corporation elects to issue and deliver Common Shares as aforesaid, the Corporation shall send to the Trustee the Freely Tradeable Common Shares (in book-based or certificated form) to which the holder is entitled.]

[No fractional Common Shares shall be delivered upon the exercise by the Corporation of the Share Redemption Right but, in lieu thereof, the Corporation shall pay the cash equivalent thereof determined on the basis of the Current Market Price of Common Shares on the Redemption Date (less any taxes required to be withheld).]

[In this connection, upon presentation and surrender of the Debentures for payment on the Redemption Date, the Corporation shall, on the Redemption Date, make delivery to the Trustee, at the above-mentioned corporate trust office, for delivery to and on account of the holders, the number of Freely Tradeable Common Shares (in book-based or certificated form) to which holders are entitled and cash equal to all accrued and unpaid interest to but excluding the Redemption Date together with the cash equivalent in lieu of all fractional Common Shares.] [Delete as appropriate.]

DATED: [●]

EXTENDICARE INC.

Per: ________________________________
Name: ______________________________
Title: ______________________________

Per: ________________________________
Name: ______________________________
Title: ______________________________
EXTENDICARE INC.
SERIES 2018-1 5.00% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

MATURITY NOTICE

To: Holders of Series 2018-1 5.00% Convertible Unsecured Subordinated Debentures (the "Debentures") of Extendicare Inc. (the "Corporation")

Note: All capitalized terms used herein have the meanings ascribed thereto in the Trust Indenture dated as of June 21, 2007 (the "Original Trust Indenture") between Extendicare Real Estate Investment Trust, the predecessor to the Corporation, and Computershare Trust Company of Canada, as trustee (the "Trustee"), as supplemented by the Second Supplemental Indenture dated as of July 1, 2012 (the "Second Supplemental Indenture"; the Second Supplemental Indenture together with the Original Trust Indenture, the "Master Trust Indenture") between the Corporation and the Trustee and the Fourth Supplemental Indenture dated as of April 17, 2018 (the "Fourth Supplemental Indenture") between the Corporation and the Trustee (the Master Trust Indenture, as supplemented by the Fourth Supplemental Indenture, the "Indenture").

Notice is hereby given pursuant to Section 2.2(g) of the Fourth Supplemental Indenture and Section 4.10(b) of the Master Trust Indenture that the Debentures are due and payable as of April 30, 2025 (the "Maturity Date") and the Corporation hereby advises the holders of Debentures that, pursuant to Section 4.10 of the Master Trust Indenture, the Corporation hereby irrevocably elects to satisfy its obligation to repay, [in whole/in part,] by issuing and delivering to the holders that number of Freely Tradeable Common Shares equal to the number obtained by dividing the aggregate principal amount of such Debentures by 95% of the Current Market Price of the Common Shares on the Maturity Date. [$●] aggregate principal amount of Debentures will be repaid by the Corporation pursuant to its Share Repayment Right. Upon presentation and surrender of the Debentures, the Corporation shall pay or cause to be paid in cash to the holder all accrued and unpaid interest to the Maturity Date, together with the cash equivalent representing fractional Common Shares (less any taxes required to be withheld), and shall, on the Maturity Date, send to the Trustee the Freely Tradeable Common Shares (in book-based or certificated form) to which the holder is entitled.

DATED: [●]

EXTENDICARE INC.

Per: ________________________________
Name: ________________________________
Title: ________________________________

Per: ________________________________
Name: ________________________________
Title: ________________________________
CHANGE OF CONTROL NOTICE

To: Holders of Series 2018-1 5.00% Convertible Unsecured Subordinated Debentures (the "Debentures") of Extendicare Inc. (the "Corporation")

Note: All capitalized terms used herein have the meanings ascribed thereto in the Trust Indenture dated as of June 21, 2007 (the "Original Trust Indenture") between Extendicare Real Estate Investment Trust, the predecessor to the Corporation, and Computershare Trust Company of Canada, as trustee (the "Trustee"), as supplemented by the Second Supplemental Indenture dated as of July 1, 2012 (the "Second Supplemental Indenture"; the Second Supplemental Indenture together with the Original Trust Indenture, the "Master Trust Indenture") between the Corporation and the Trustee and the Fourth Supplemental Indenture dated as of April 17, 2018 (the "Fourth Supplemental Indenture") between the Corporation and the Trustee (the Master Trust Indenture, as supplemented by the Fourth Supplemental Indenture, the "Indenture").

Notice is hereby given pursuant to Section 2.2(j) of the Fourth Supplemental Indenture, that:

- a Change of Control occurred on [●], 20[●] details of which are the following: [Insert details of Change of Control];

- each holder of Debentures shall have the right (the "Put Right") to require the Corporation to purchase, on [●], 20[●], [being the date which is 30 days following the date upon which the Trustee has delivered this Change of Control Notice to the holders] (the "Put Date"), all or any part of your Debentures in accordance with Applicable Securities Legislation at a price equal to 101% of the principal amount of your Debentures (the "Put Price") plus accrued and unpaid interest thereon up to, but excluding, the Put Date (collectively, the "Total Put Price");

- the Corporation shall satisfy the Total Put Price [in cash or in whole or in part, in Freely Tradeable Common Shares] [details to be inserted];

- you are entitled to withdraw your election to require the Corporation to purchase your Debentures by providing notice to the Trustee by facsimile transmission or letter advising the Trustee of such withdrawal no later than the close of business on the third Business Day immediately preceding the Put Date, such notice to the Trustee shall include your name, the principal amount of the Debentures delivered for purchase and a statement that you are withdrawing your election to have such Debentures purchased.
Be advised that if 90% or more in aggregate principal amount of Debentures outstanding on [●], 20[●] (being the date on which the Corporation delivered to the Trustee this Change of Control Notice) have been tendered for purchase pursuant to the Put Right, the Corporation has the right (but not the obligation) upon written notice to the Trustee prior to the Put Date, or as soon as reasonably possible thereafter, to redeem all remaining outstanding Debentures effective as of the Put Date at the Total Put Price.

[In the event that the Corporation elects to issue and deliver Common Shares as aforesaid, upon presentation and surrender of the Debentures, the Corporation shall pay or cause to be paid in cash to the holder all accrued and unpaid interest to the Maturity Date, together with the cash equivalent representing fractional Common Shares (less any taxes required to be withheld), and shall, on the Maturity Date, send to the Trustee Freely Tradeable Common Shares (in book-based or certificated form) to which the holder is entitled.] [Delete as appropriate.]

DATED: [●]

EXTENDICARE INC.

Per: __________________________
Name: __________________________
Title: __________________________

Per: __________________________
Name: __________________________
Title: __________________________
SCHEDULE E
FORM OF PUT EXERCISE NOTICE

To: EXTENDICARE INC.

The undersigned registered holder of Series 2018-1 5.00% Convertible Unsecured Subordinated Debentures bearing Certificate No. [●] irrevocably elects to put such Debentures (or [S●] principal amount thereof*) to Extendicare Inc. (the "Corporation") to be purchased by the Corporation on [●] (the "Put Date") in accordance with the terms of the Trust Indenture dated as of June 21, 2007 between Extendicare Real Estate Investment Trust, the predecessor to the Corporation, and Computershare Trust Company of Canada, as trustee (the "Trustee"), as supplemented by the Second Supplemental Indenture dated as of July 1, 2012 between the Corporation and the Trustee and the Fourth Supplemental Indenture dated as of April 17, 2018 between the Corporation and the Trustee (collectively, the "Indenture"), at a price of $1,010 for each $1,000 principal amount of Debentures plus all accrued and unpaid interest thereon to, but excluding, the Put Date (collectively, the "Total Put Price") and tenders herewith the Debentures.

Dated: ___________________________ ___________________________
(Signature of Registered Holder)

* If less than the full principal amount of the Debentures, indicate in the space provided the principal amount which must be $1,000 or integral multiples thereof.

The Total Put Price will be payable either in cash, by Freely Tradeable Common Shares or any combination thereof at the option of the Corporation in accordance with the Indenture upon presentation and surrender of the Debentures with this form on the Put Date at the following corporate trust office:

Computershare Trust Company of Canada
100 University Avenue
11th Floor, North Tower
Toronto, Ontario M5J 2Y1
Attention: Manager, Corporate Trust Services

The interest upon the principal amount of Debentures put to the Corporation shall cease to be payable from and after the Put Date unless payment of the Total Put Price (less any taxes required to be withheld) shall not be made on presentation for surrender of such Debentures at the above mentioned corporate trust office on the Put Date or prior to the setting aside of the Total Put Price pursuant to the Indenture.
FORM OF NOTICE TO REDEEM ALL REMAINING OUTSTANDING DEBENTURES

EXTENDICARE INC.
SERIES 2018-1 5.00% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

REDEMPTION OF REMAINING OUTSTANDING DEBENTURES NOTICE

To: Holders of Series 2018-1 5.00% Convertible Unsecured Subordinated Debentures (the "Debentures") of Extendicare Inc. (the "Corporation")

And To: Computershare Trust Company of Canada (the "Trustee")

Note: All capitalized terms used herein have the meanings ascribed thereto in the Trust Indenture dated as of June 21, 2007 (the "Original Trust Indenture") between Extensions Real Estate Investment Trust, the predecessor to the Corporation, and Computershare Trust Company of Canada, as trustee (the "Trustee"), as supplemented by the Second Supplemental Indenture dated as of July 1, 2012 (the "Second Supplemental Indenture"; the Second Supplemental Indenture together with the Original Trust Indenture, the "Master Trust Indenture") between the Corporation and the Trustee and the Fourth Supplemental Indenture dated as of April 17, 2018 (the "Fourth Supplemental Indenture") between the Corporation and the Trustee (the Master Trust Indenture, as supplemented by the Fourth Supplemental Indenture, the "Indenture").

Notice is hereby given pursuant to Section 2.2(j)(iv) of the Fourth Supplemental Indenture, that 90% or more in aggregate principal amount of Debentures outstanding on the date the Corporation provided notice of a Change of Control pursuant to Section 2.2(j)(ii) of the Fourth Supplemental Indenture have been tendered for purchase by the Corporation pursuant to the Put Right in Section 2.2(j)(iii) of the Fourth Supplemental Indenture, and the Corporation hereby advises the holders of Debentures that it has exercised its right to redeem all of the remaining outstanding Debentures as of [●] (the "Put Date") [insert the same date as in the Put Exercise Notice] at a price equal to 101% of the principal amount of your Debentures plus accrued and unpaid interest thereon to but excluding the Put Date (collectively, the "Total Put Price").

The Total Put Price will be payable either in cash, by Freely Tradeable Common Shares or any combination thereof at the option of the Corporation in accordance with the Debentures upon presentation and surrender of the Debentures at the following corporate trust office:
Computershare Trust Company of Canada
100 University Avenue
11th Floor, North Tower
Toronto, Ontario
M5J 2Y1

Attention: Manager, Corporate Trust Services

The interest upon the principal amount of Debentures so called for redemption shall cease to be payable from and after the Put Date, unless payment of the Total Put Price (less any taxes required to be withheld) shall not be made on presentation for surrender of such Debentures at the above-mentioned corporate trust office on the Put Date or prior to the setting aside of the Total Put Price pursuant to the Indenture.

DATED: [●]

EXTENDICARE INC.

Per: __________________________________________
    Name: 
    Title: 

Per: __________________________________________
    Name: 
    Title: 