

EXTENDICARE[®]

... helping people live better

CODE OF BUSINESS

CONDUCT

October 2019

Contents

- 1. GENERAL..... 3
- 2. APPLICATION 3
- 3. COMPLIANCE WITH LAWS 3
- 4. FINANCIAL TRANSACTION INTEGRITY 3
- 5. TRADING IN EXTENDICARE SECURITIES 4
- 6. CONFLICT OF INTEREST..... 4
- 7. CONFIDENTIALITY 5
- 8. COMMUNICATION 6
- 9. POLITICAL AND CHARITABLE CONTRIBUTIONS..... 6
- 10. WORKPLACE HARASSMENT, VIOLENCE AND DISCRIMINATION POLICIES 6
- 11. EMPLOYMENT OF RELATIVES..... 7
- 12. IMPLEMENTING THE CODE..... 7
- APPENDIX A 9
 - Standards of Conduct..... 9
- APPENDIX B 15
 - Insider Trading Policy..... 15
- APPENDIX C 22
 - Certification & Acknowledgement..... 22

1. GENERAL

The following overriding principles guide Extendicare in the conduct of its business:

- Honesty is characterized by truthfulness and the absence of deception and fraud. These qualities are unchanging, not relative and should not vary.
- Obeying the law, both in letter and in spirit, is a core principle of Extendicare and is critical to its reputation and continued success.
- Individuals should
 - question and seek clarification when they are unclear about the applicability of these principles; and
 - report and cooperate in the investigation of breaches.
- There is no conflict between attention to financial performance and attention to conduct; the two go hand-in-hand.

2. APPLICATION

This Code of Business Conduct applies to all directors, officers and employees of Extendicare and its subsidiary corporations including ParaMed and, as applicable, to employees of third-parties that have agreed to adopt this Code (collectively “Team Members”).

Extendicare’s divisional operations and/or corporate functions may establish additional standards of conduct described in documents that supplement (but not conflict) with this Code. Such additional standards include those Standards of Conduct established and maintained by the People and Culture function the most current version of which is attached as Appendix A hereto (which may be amended from time to time), all of which are included in this Code by reference.

In instances where other standards, policies or guidelines apply to the same issue, Team Members are bound by the one with the highest standard.

3. COMPLIANCE WITH LAWS

All Team Members must respect and obey the laws of the various jurisdictions in which Extendicare operates and avoid even the appearance of impropriety. Although Team Members are not expected to know the details of these laws, it is important to know enough to determine when to seek advice from their supervisor or other appropriate personnel available to assist in determining applicable legal requirements and to seek the advice of legal counsel where appropriate.

4. FINANCIAL TRANSACTION INTEGRITY

No payment by or on behalf of Extendicare shall be made without adequate supporting documentation. No undisclosed or unrecorded fund or asset of Extendicare shall be established or maintained for any purpose. Team Members must comply with legal requirements, generally accepted accounting principles and Extendicare’s accounting

controls. Complete and accurate information is to be given in response to inquiries from Extendicare's internal and outside independent auditors.

5. TRADING IN EXTENDICARE SECURITIES

Securities legislation of the provinces of Canada prohibit insiders and others from:

- (a) trading in securities of Extendicare on the basis of undisclosed material information relating to Extendicare; and
- (b) disclosing such information to another person or company, other than in the ordinary course of business.

Contravention of the insider trading rules exposes insiders to civil liability and to substantial fines and imprisonment.

In addition to the prohibitions on insiders described above, certain insiders are subject to additional insider reporting obligations. Attached as Appendix B hereto is the Extendicare Insider Trading Policy setting out the details of these prohibitions and reporting obligations in more detail.

6. CONFLICT OF INTEREST

Each Team Member owes primary business loyalty to Extendicare and shall avoid engaging in any business or other interest which may conflict with the duties and responsibilities owed to Extendicare.

It is the Team Member's responsibility to identify and to report any possible or actual conflict of interest regardless of whether the Team Member derives benefit. Conflict includes the following:

- Engaging in any business or other interest outside Extendicare, which creates a demand upon the time and effort of the Team Member on the job or a conflict of interest in the form of an obligation, interest, distraction or participation, which would interfere with the independent exercise of judgment and efforts in Extendicare's best interests.
- Serving as directors, officers, or employees of, or performing services or consulting work for, any organization, which has or may have dealings with, or competes with, Extendicare, unless authorized.
- Controlling, directly or indirectly, including any material interest in an organization which might supply goods and/or services to, or compete with, Extendicare unless authorized.
- Influencing negotiations or transactions between Extendicare and its suppliers, contractors, customers, or other outside parties, where there is a personal, commercial, or financial interest in the outcome of the negotiations.
- Seeking, accepting or offering, whether directly or indirectly, any payments, commissions or fees, that are excessive in relation to the services rendered, discounts, gifts, excessive entertainment, services, valuable privileges, loans (other than conventional loans from lending institutions) or other favours from/to any public official, any person or business organization that does, or seeks to do, business with, or is a competitor of, Extendicare.

- Fees received for taking part in a public speaking engagement or a public radio/television performance, to which a Team Member is invited, either as a result of their position or because of knowledge the Team Member had derived from employment with Extendicare, must be remitted to Extendicare.
- Modest favours, gifts or entertainment may be accepted or furnished by Team Members whose duties permit them to do so, provided that of the following criteria are met:
 - The public disclosure of the facts would not embarrass Extendicare, the Team Member, or the recipient;
 - The practice does not contravene any law and is in accordance with generally accepted business practice;
 - The items in question are not in the form of cash or securities and are of sufficiently limited value so as to be incapable of being construed by an impartial observer as a bribe, payoff, or other improper incentive; and,
 - The items in question are accepted or furnished in compliance with any gift and entertainment or other similar policy in place from time to time.
- Team Members are not to accept any money or gifts from residents/clients. Bequests left to Team Members in a will from a resident/client are a contravention of this policy. Any such bequests must be disclosed immediately to the Chief Executive Officer of Extendicare.

7. CONFIDENTIALITY

Team Members shall not disclose Extendicare's systems, operations, records, strategies, or business plans to any person other than as directed by Extendicare. Also, Team Members shall not use, for their own purposes or for the purposes of others, any such information they may acquire in relation to the business or operation of Extendicare.

Team Members shall return all materials, which contain such confidential information to Extendicare immediately upon the cessation of their employment or upon request by Extendicare at any time.

Confidential information about Extendicare, its customers, clients, suppliers, or employees should not be divulged to anyone other than persons who are authorized to receive such information. When a Team Member is in doubt as to whether certain information is confidential, such Team Member should not disclose without first seeking clarification from their supervisor. The foregoing extends to both external and internal disclosure.

Care must be taken to safeguard the confidentiality of internal information. For example, sensitive documents should not be left lying on desks. Visitors should not be left unattended in offices containing internal Extendicare documents. Confidential material should not be discussed in common places where one may be overheard.

Confidential information obtained as a result of employment with Extendicare shall not be used by a Team Member for the purpose of furthering any private interest, or as a means of making personal gains. Use or disclosure of such information can result in civil or criminal penalties, both for the individuals involved and for Extendicare.

In the course of any job, a Team Member may become aware of personal and confidential information. Extendicare depends on the integrity and loyalty of each Team Member to keep private all such information. Each Team Member may also depend on their supervisor to keep confidential any personal matters discussed.

The health information of individuals receiving services from Extendicare must be treated with strict confidentiality. Extendicare Team Members who have access to such information shall use and disclose it only in accordance with applicable legal requirements.

Team Members shall comply with privacy legislation in jurisdictions where applicable.

8. COMMUNICATION

Communication on behalf of Extendicare with the media, securities analysts, and investors must be made only by specifically designated representatives of Extendicare. If a Team Member receives any inquiry relating to Extendicare from a securities analyst or an investor, it should be referred to the Vice President, General Counsel, the Chief Financial Officer or the Investor Relations lead of Extendicare. If a Team Member receives any inquiring relating to Extendicare from the media, it should be referred to the Communications Department.

9. POLITICAL AND CHARITABLE CONTRIBUTIONS

Contributions to charitable organizations, political parties, candidates or campaigns (including dinners, donations and all other fundraising activities) shall not be made on behalf of Extendicare unless approved by the Chief Executive Officer of Extendicare and/or in accordance with any gift or entertainment policy in place from time-to-time.

10. WORKPLACE HARASSMENT, VIOLENCE AND DISCRIMINATION POLICIES

Extendicare is committed to providing and sustaining an environment that recognizes the dignity and worth of all Team Members and contributes to personal productivity and quality of working life.

Each Team Member has the right to work in a professional environment that is free from harassment, violence and discrimination including race, national or ethnic origin, colour, religion, age, sex, sexual orientation, gender identity or expression, marital status, family status, genetic characteristics, disability and more generally any violation of applicable law.

Copies of Extendicare's policies regarding workplace harassment, violence and discrimination may be obtained from a supervisor or the People and Culture Department.

11. EMPLOYMENT OF RELATIVES

(the term “relative” includes individuals who are related by blood to or in-laws of or who are in any relationship with an Extendicare Team Member that may be perceived as creating a conflict of interest)

Team Members may have the ability or perceived ability to influence employment decisions including hiring, promotions, salary increases, etc.

In order to ensure the utmost objectivity and to protect Team Members from charges of nepotism, no manager will make an offer of employment to a relative or to a person who is a relative of a manager to whom they report, directly or indirectly. No person will be employed at Extendicare within the line management span of control of a relative unless an exception is obtained from the Chief Executive Officer of Extendicare prior to an offer of employment being made.

The approval of the Chief Executive Officer of Extendicare shall also be obtained in respect of any promotion or other change in the terms of employment of an employee who is a relative of a senior Team Member (being an individual with a level of seniority at or above Vice President).

Where a relative of a senior Team Member works for a company that provides goods and/or services to Extendicare, and where the relative provides a service, benefits directly, receives a commission, a fee, or a bonus, or enters into contractual agreements, such arrangements must be approved by the Chief Executive Officer of Extendicare and entered into in accordance with, and otherwise guided by the principles of, the Code.

Employment terms for summer students related to Team Members must be disclosed to and have the pre-approval of the head of the division or function in which the summer student shall be engaged and, if the head of that division/function is the relative, the Chief Executive Officer.

It is not the intent of this Code to preclude relatives being employed by Extendicare; however, situations where Team Members are within the span of control of a relative are to be avoided wherever possible, and, where unavoidable, the Chief Executive Officer shall have approved it.

12. IMPLEMENTING THE CODE

There are two broad actions we can take to ensure that the Code is carried out in practice:

- The first action is to provide an environment that supports open dialogue about issues.
 - Team Members are encouraged to seek counsel from their supervisor for help handling difficult judgment decisions – those “grey areas” where it is often hard to pinpoint what is required. Never hesitate to talk to a supervisor about the Code, no matter how small or insignificant the question may seem. Remember the time to bring up a question regarding the Code is before rather than after the fact.

- The second action is to establish a process that will make this Code an integral part of managing our business. This process is as follows:
 - Any Team Member who knows of a violation or a potential violation must report it immediately. The normal report would be to the person to whom he/she reports or, as applicable, a facility or department head. In situations where a Team Member is uncomfortable doing so, reports can be made through Extendicare's Whistleblower Policy – which, in addition to establishing certain processes and procedures for reporting, prohibits retaliation or retribution for any report of an alleged violation that is submitted.
 - Supervisors, facility administrators and department heads are to maintain an “open door” policy with regard to questions about the Code. No one should be uncomfortable handling a question concerning the Code.
 - Supervisors who receive reports of alleged violations are to investigate any alleged violation of the Code and otherwise support their staff in handling difficult judgment decisions in “grey areas”, including, as necessary, directing staff to other internal or external resources and, as applicable, to report same to their supervisor or, if they are uncomfortable doing so, via the processes and procedures established in the Whistleblower Policy.
- Team Members who violate the Code may be subject to discipline up to and including termination and depending on the seriousness of the violation, risk criminal charges. Team Members may also be subject to discipline for being aware of a violation and failing to report it. Further discipline may be appropriate where a responsible Team Member's failure to detect a violation is attributable to his/her negligence or reckless conduct.
- All Team Members shall sign a certification and acknowledgement in the form appended hereto as Appendix C upon the Code applying to them in which they certify and acknowledge that: (1) they have read the Code and understand its contents, (2) they will comply with the Code for as long as it applies to them, (3) they will neither encourage nor condone instances of non-compliance on the part of any employee reporting to them, (4) they will report and investigate, in accordance with the Code, all violations or potential violations that they become aware of, and (5) they understand that failure to comply with the Code could result in discipline, as applicable, up to and including termination of employment, and could also result in criminal charges, and shall, on a regular basis determined by the Company, provide confirmation of the foregoing.

APPENDIX A

Standards of Conduct

INTRODUCTION

These Standards of Conduct have been developed to set out job performance expectations of Extencicare employees and, as applicable, employees of third parties that have elected to adopt these Standards. These Standards are not all inclusive, however, and if specific situations arise which are not outlined in these Standards, employees should conduct themselves in accordance with the general principles and standards established by this document.

As an employee to whom these Standards apply you are expected to:

- Know, understand and adhere to these Standards.
- Understand how these Standards apply to your specific job responsibilities.
- Understand that these Standards supplement other requirements that must also be adhered to including:
 - legislation regarding employee conduct
 - collective agreements and employee handbooks
 - Extencicare codes, policies and procedures
 - the Code of Business Conduct (in which these Standards are included by reference).
- Raise any questions or concerns you have with your supervisor or otherwise in accordance with the Code of Business Conduct.

To demonstrate the importance of these Standards, this document sets out the range of consequences for failing to comply with the expectations.

We encourage you to discuss these Standards with your supervisors and co-workers. These Standards and adherence to them helps us work together to provide services that promote the well-being of residents/clients and families.

EXPECTATIONS

JOB PERFORMANCE

Professional/Technical Registration/Designation

Employees hired with a professional/technical registration/designation required for their job classification will maintain current practicing status with their registering/designating body and will adhere to their practice standards and code of ethics and other regulations, including, relating to training and education.

Orientation and Training

Employees will attend orientation and education and training sessions required by Extencicare.

Job Knowledge

Employees will review, be knowledgeable of, and comply with, all current standards, rules, policies, procedures and work routines.

Employees will identify and communicate any gaps in their knowledge to their immediate supervisor as well as any ongoing learning needs.

Safe, Competent and Ethical Care

Employees will provide safe, competent and ethical care to those they serve. All employees will adhere to the standards of safety, care and ethics provided for in Extendicare policies, these Standards or applicable rules and regulations governing the provision of the relevant service.

Following Instructions/Policies/Procedures

Employees will comply with instructions given by a supervisor and will comply with Extendicare policies and procedures.

Communication

Employees will be accurate, timely and complete in reports, documentation and other communication with residents/clients, other employees/supervisors, Extendicare and others.

Confidentiality

Employees will maintain the confidentiality of verbal, written, electronic and observed information which comes to their attention during employment. Confidential information will only be released with proper authorization. This expectation survives termination of employment.

Confidential information includes all information relating to current and former Extendicare employees, residents/clients, their families, health records and Extendicare's specialized procedures, systems, records and manuals.

Privacy

Employees will respect the privacy of fellow employees, clients and the personal information that is collected in the course of providing services to clients and will adhere to Extendicare's privacy policies at all times.

Respect for Others

Employees will conduct themselves in a positive and cooperative manner and demonstrate respect for residents/clients, their families, co-workers and managers. Kindness, courtesy and concern for others are important parts of this standard.

Threats, Intimidation, Harassment and Violence

Employees will not threaten, intimidate, harass or engage in any violent behaviours towards residents/clients, their families, co-workers, managers or others – either in or out of the workplace.

Resident/Client Abuse

Employees will not abuse residents/clients physically, verbally, psychologically, financially, by neglect or otherwise. Employees will comply with all Extendicare policies and procedures relating to same.

Extendicare has a zero-tolerance policy for resident/client abuse and will not condone any action or behaviour on the part of an employee which results in resident/client abuse.

Employees who learn of incidents or suspected incidents of abuse will immediately report same to their manager or otherwise in accordance with the Extendicare Whistleblower Policy.

Resident's/Client's Right to Choose and Informed Consent

Employees will be aware of resident's/client's rights to choose and to provide informed consent and will take steps to ensure that such rights are exercised and honoured, in all cases in accordance with Extendicare policies and procedures.

HONESTY AND INTEGRITY

Honesty

Employees will be honest in their dealings with residents/clients, their families, co-workers, managers, Extendicare and others.

Money and Gifts

Employees will not seek or accept money or gifts from current or former residents/clients or their families.

Damage to Property

Employees will take care not to damage the property of residents/clients, their families, co-workers, Extendicare and others.

Removal/Use of Property

Employees will not remove, borrow or use the property, equipment or information of Extendicare without the prior authorization from an authorized representative of Extendicare nor will they remove, borrow or use the property of residents/clients/families.

Theft and Fraudulent Behaviour

Employees will not steal or misappropriate money, property, equipment or information from residents/clients/families, co-workers, Extendicare or others.

HEALTH AND SAFETY

Employees will perform their work in a safe manner, follow instructions given by a supervisor and comply with Extendicare policies and procedures concerning health and safety. Employees will comply with all legislated health and safety requirements including the completion of standardized training, and conduct themselves in accordance with that training.

Employees will immediately report incidents and hazardous working conditions to their supervisor.

Fit Condition

Employees are expected to arrive to work fit for duty, physically and cognitively, and able to perform their duties safely and to a reasonable standard. Employees under the influence of drugs or alcohol on the job can pose serious health and safety risks to themselves and their fellow employees and compromise resident/client care. As a result, employees are prohibited from reporting to work while under the influence of non-prescribed substances or alcohol.

Employees must remain fit for duty, physically and cognitively, during working hours.

Smoking

Employees are permitted to smoke tobacco products or electronic cigarettes during rest periods or meal breaks in designated smoking areas only if available.

Legal Intoxicants

Employees will not be under the influence of, smell of, be in possession of or consume alcohol or other legal intoxicants on Extendicare's premises.

If alcohol or other legal intoxicants are being served at any business-related event where the employee is representing Extendicare (whether during business hours or otherwise), he/she must not consume same to the point that they risk damaging Extendicare's professional reputation or risk harm or injury to themselves or others.

Employees must remain professional at all times when conducting business on behalf of Extendicare, and as such, judgment must be exercised when consuming alcohol or other legal intoxicants during company-related meetings. Impairment, whether behavioural, cognitive or physical, is never acceptable conduct.

Extendicare has a zero-tolerance policy for recreational cannabis use on Extendicare grounds except in the case of medically prescribed cannabis.

Employees on medically approved medication must communicate to management any potential risk, limitation, or restriction resulting from the medication that requires modification of duties or temporary reassignment.

Where an employee uses medical cannabis, they will provide a copy of their medical documentation to use cannabis, including, if requested, documentation regarding fitness to work, to Extendicare and abide by the Extendicare accommodation policy. If an employee must consume medical cannabis while on duty, they must:

- smoke in designated smoking areas;
- take reasonable efforts to reduce or eliminate odours to avoid exposing scent-sensitive patients to the smell of cannabis;
- notify management if the employee suspects he/she will be or is impaired, including physical, behavioural or cognitive, from the use of cannabis.

Employees are expected to abide by all governing legislation pertaining to the possession and use of cannabis.

Illegal Intoxicants and Illicit Substances

Employees will not be under the influence of, in possession of or consume illegal drugs or illicit substances while working, including paid and unpaid breaks.

Weapons

Employees will not use weapons on, or be in possession of or bring weapons onto, company property, client residences or anywhere that company business is conducted. Weapons include but are not limited to guns, knives or other forms of blade, explosives and any chemical whose purpose is to cause harm. For clarity, employees who possess a concealed weapon permit or are otherwise allowed by law to possess a weapon are not exempt from this policy.

General

To help ensure a safe and healthy workplace Extencicare reserves the right to prohibit certain items and substances from being brought on to or being present on company premises or premises of clients.

ATTENDANCE

Individuals will fulfill their scheduled work hours and will notify their supervisor of anticipated absences or lateness in accordance with Extencicare policy.

Promptness

Individuals will be available to fulfill their work duties, either in person or remotely as determined by the terms of their employment contract and in accordance with Extencicare policies and procedures.

Leaves of Absence

Leaves of absence shall be governed by Extencicare policies relating to same and those policies shall be complied with.

Outside Employment

Employees who participate in outside employment will ensure that it does not interfere with their job duties, job performance or scheduled shifts.

MISCELLANEOUS

Name Tags

Employees will, if and as required by the nature of their employment and/or Extencicare policies and procedures, wear an appropriately placed name tag while on duty.

Telephones/Electronic Devices

Employees:

- will not take photos or movies of residents/clients or record conversations with residents/clients, staff or management without the express consent of management and otherwise in accordance with Extencicare policies and procedures;
- will not make personal calls in the presence of residents/clients or families;
- will restrict personal calls to issues of an urgent nature; and

- will not use telephones or other communication devices belonging to residents/clients or families for personal reasons.

Breaks

When employees take their scheduled breaks, they will take them in such spaces and in such manner as is applicable to the nature of their employment and in accordance with Extendicare policies and procedures, including, as applicable, at designated times and in designated areas.

Personal Appearance

Employees' work attire will conform to Extendicare dress code, meet safety requirements and convey a professional image.

Employees may wear jewelry, accessories or other ornaments which do not pose a safety or infection control hazard.

Employees will maintain proper hygiene, arrive for work neat and clean.

Social Media

The use of social media shall be governed by Extendicare policies relating to same and those policies shall be complied with.

CONSEQUENCES OF FAILURE TO COMPLY

Employees who violate these Standards may be subject to discipline up to and including termination and depending on the seriousness of the violation, risk criminal charges. Employees may also be subject to discipline for being aware of a violation and failing to report it. Further discipline may be appropriate where a responsible employee's failure to detect a violation is attributable to his/her negligence or reckless conduct.

APPENDIX B

Insider Trading Policy

Introduction

"**Extendicare**", as used in this Policy, means Extendicare Inc. ("**EI**") and all of its subsidiaries. An "**Extendicare Team Member**", as used in this Policy, means any person who is a director, officer or employee of EI or any subsidiary of EI.

Every Extendicare Team Member is expected to fully comply with this Policy and all applicable legal requirements relating to insider trading and tipping. Failure to comply with this Policy could result in termination of employment. This Policy should be viewed as the minimum criteria for compliance with insider trading and tipping laws. Additional guidance should be sought from the Vice President, General Counsel where any uncertainty exists regarding your legal obligations or any contemplated transaction.

Insider Trading Liability

Securities legislation prohibiting insider trading is designed to protect the integrity of the capital markets by attempting to ensure that buyers and sellers have equal access to information about public companies, such as Extendicare, that may affect their investment decisions.

Persons subject to the Insider Trading Rules

The prohibitions against insider trading apply to persons and companies "**in a special relationship**" with a public company. Persons in a "**special relationship**" with EI include:

- every Extendicare Team Member; and
- a person or company ("**tippee**") that learns of a material fact or material change with respect to EI from any person described above (e.g. spouses, children and friends) or another tippee and knows or ought reasonably to have known that the other person or company was a person or company in a special relationship with EI.

Prohibition Against Trading on Inside Information

A person in a special relationship with EI must not trade in securities of EI with knowledge of a "**material fact**" or "**material change**" (hereinafter collectively referred to as "**material information**") about a security of EI or EI that has not been generally disclosed. (The offence is hereinafter referred to as "insider trading".)

A "**material fact**" is a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price of the securities of EI.

A "**material change**" is a change in the business, operations or capital of EI that would reasonably be expected to have a significant effect on the market price or value of the securities of EI and includes a decision to implement such a change made by the board of directors of EI or by senior management of EI who believe that confirmation of the decision by the board of directors is probable. Actual or proposed developments relating to EI that are likely to give rise to material information include changes in corporate structure, changes in capital structure, changes in financial results, changes in business and operations, and acquisitions and dispositions. See

Schedule A hereto for further details on the type of events or information which may constitute "**material information**".

For purposes of insider trading, a security of EI is deemed to include: (i) a put, call, option or other right or obligation to purchase or sell securities of EI; (ii) a security, the market price of which varies materially with the market price of the securities of EI; or (iii) a related derivative.

It is important to note that, with a few exceptions, mere knowledge, when trading, of material information that has not been generally disclosed, whether used in connection with that trading, is sufficient to constitute insider trading. Material information is non-public until it is generally disclosed by news release disseminated through a news wire service and public investors have been given a reasonable amount of time to analyze the information (generally 24 hours following the issuance of the material information). An insider may not trade simultaneously with or shortly after the release of material information so as to beat the market.

Securities legislation generally exempts a person or company who participates in certain non-discretionary trades with knowledge of undisclosed material information from the insider trading rules provided that the person or company did not participate in the decision to trade. Exempt trades include:

- trades made pursuant to participation in an automatic dividend reinvestment plan or other similar automatic plan that was entered into by the person or company prior to the acquisition of knowledge of the material information; and
- trades made to fulfil a legally binding obligation entered into by the person or company prior to the acquisition of knowledge of the material information.

Prohibition Against Tipping

Tipping is also prohibited. Tipping occurs when a person or company in a special relationship with a public company informs, other than in the necessary course of business, another person or company of material information with respect to the public company before the material information has been generally disclosed.

The "**necessary course of business**" exception exists so as not to unduly interfere with EI's ordinary business activities. The "necessary course of business" exception would generally cover communications with:

- vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts;
- employees, officers, and board members of EI;
- lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to EI;
- parties to negotiations;
- labour unions and industry associations;
- government agencies and non-governmental regulators; and
- credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available).

If material information that has not been generally disclosed is given in the "**necessary course of business**", the recipient should be advised that it cannot pass the information onto anyone else (other than in the necessary course of business), or trade on the information until it has been generally disclosed. Generally, a written confidentiality agreement should be entered into with the recipient. The Vice-President, General Counsel or his/her designee can assist in the preparation of a suitable form of confidentiality agreement.

Prohibitions Against Short Selling, Hedging and Certain Other Transactions

Certain types of trades of securities of EI by Extendicare Team Members can raise particular concerns about potential breaches of particular securities laws and/or concerns that the interests of the Extendicare Team Member making the trade are not aligned with EI. Extendicare Team Members are prohibited from engaging in the following transactions with respect to securities of EI:

- short sales,
- monetization of equity awards (e.g. performance share units and deferred share units issued under the long-term incentive plan of EI (the "**LTIP**"));
- transactions in derivatives on securities of EI, such as put and call options, or
- any other hedging or equity monetization transactions where the Extendicare Team Member's economic interest and risk exposure in the securities of EI are changed, such as collars or forward sale contracts.

The prohibitions in this section do not apply to trades associated with the redemption of performance share units or deferred share units issued under the LTIP in accordance with EI approved procedures.

Restrictions Apply to all Extendicare Team Members

The above prohibitions on insider trading, tipping and short selling, hedging and certain other transactions apply to all Extendicare Team Members whether or not an Extendicare Team Member has not been designated as a blacked-out employee as described in the following section. These prohibitions also apply to former Extendicare Team Members until the material information they have knowledge of has been generally disclosed.

Please contact the Vice President, General Counsel or his/her designee if you are unsure if information is undisclosed material information or if you have any questions about the foregoing prohibitions. See also EI's Disclosure Policy for further information.

Restrictions on Blacked-out Employees

Additional restrictions are imposed on Extendicare Team Members who are described in this section.

For the purposes of this section, "**regularly scheduled black-out periods**" begin on the first day of each fiscal quarter and end two business days following the time at which EI publicly discloses its quarterly or annual financial results. "**Discretionary black-out periods**" are black-out periods that may be imposed from time to time on certain Extendicare Team Members, in addition to the regularly scheduled black-out periods, as a result of special or extraordinary circumstances

relating to EI. All Extencicare Team Members with knowledge of such special or extraordinary circumstances will be covered by the discretionary black-out.

During regulatory scheduled black-out periods and discretionary black-out periods, the affected Extencicare Team Members must not trade in securities of EI.

The following Extencicare Team Members are blacked-out employees for the purposes of regularly scheduled black-out periods:

- all directors and officers of EI;
- all Extencicare Team Members who are at or above the Vice President level or who regularly attend Senior Leadership Team meetings;
- all EI corporate accounting team members involved in the preparation of EI's consolidated financial statements and related management's discussion and analysis; and
- all other Extencicare Team Members who receive notice from the Vice President, General Counsel or his/her designee that they are designated blacked-out employees during such periods.

Securities of Other Companies

In the course of EI's business, Extencicare Team Members may obtain material information about another public company that has not been generally disclosed. The restrictions set out in this Policy apply to all such Extencicare Team Members and extend to both trading in the securities of the public company while in the possession of such material undisclosed information and communicating such material undisclosed information, whether the public company's securities are publicly traded in Canada or otherwise.

Civil Liability for Insider Trading and Tipping

A person who engages in insider trading may be liable to compensate the seller or the purchaser for damages as a result of the trade. A person who has engaged in tipping may be liable to compensate any person for damages who thereafter sells securities of the reporting issuer or purchases securities of the reporting issuer from a tippee. In addition to potential damages to the other party to a trade made with insider information, every insider of a public company that engages in insider trading or tips, may be accountable to the public company for any benefit or advantage received or receivable by the insider as a result of the trading or tipping, as the case may be.

Penal Sanctions

- In addition to civil liability, a person or company that engages in insider trading or tipping is liable on conviction to a fine in an amount not less than any profit made and not more than the greater of \$5,000,000 and an amount equal to triple the profit made by such person or company by reason of the contravention;
- to imprisonment for a term of not more than five years less a day; or
- to a fine and imprisonment.

Additional Obligations on Reporting Insiders

Additional obligations are imposed on Extencicare Team Members who are "**Reporting Insiders**" of EI.

The Vice President, General Counsel or his/her designee maintains a list of "Reporting Insiders" of EI. The persons on that list shall remain a Reporting Insider of EI until the earlier of the date that he/she has been informed by the Vice President, General Counsel or his/her designee that he/she is no longer a Reporting Insider of EI or until he/she ceases to be a director of EI or an employee of EI, as the case may be.

Obligation to File Insider Reports

Under securities laws, Reporting Insiders are required to file a report (the "**Insider Report**") with the securities regulatory authorities any time they trade in, or there is any change in their beneficial ownership of, or control or direction over, any securities of EI (including the grant or redemption of deferred share units and performance share units under the LTIP), including certain derivative based transactions and equity monetization transactions related thereto. Insiders must file an Insider Report electronically through the "System for Electronic Disclosure by Insiders" ("**SEDI**") if they have beneficial ownership of, or control or direction over, any securities or related financial instruments of EI within 10 calendar days of becoming a Reporting Insider and, thereafter, within 5 calendar days after each trade or any other change in EI securities or related financial instruments.

It is the responsibility of each Reporting Insider to set up and maintain their SEDI profile and to make the necessary filings. However, EI assists Reporting Insiders in making such filings, provided such persons provide the necessary information to the Vice President, General Counsel or his/her designee, in a timely manner.

For those subject to "Insider Reporting Requirements", we request that you notify the Chief Executive Officer or his / her delegate prior to completing any trade in the Company securities.

Schedule A: Examples of information that could be material

The following list is reproduced from the Canadian Securities Administrators' **National Policy 51-201**, which provides examples of the types of events or information that may be material to a public company. The list is not exhaustive and not all may be relevant in the context of EI.

Changes in Corporate Structure

- changes in share ownership that may affect control of the company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

Changes in Capital Structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

Changes in Financial Results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company's assets
- any material change in the company's accounting policy

Changes in Business and Operations

- any development that affects the company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the board of directors or executive management, including the departure of the company's CEO, CFO, COO or president (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another

Acquisitions and Dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

Changes in Credit Arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

APPENDIX C

Certification & Acknowledgement

I have received a copy of the Extencicare Code of Business Conduct (the “**Code**”). I certify and/or acknowledge that:

- I have read the Code and understand its contents;
- I will comply with the Code;
- I will neither encourage nor condone instances of non-compliance on the part of any Extencicare Team Member or third-party; and
- I will report and investigate, in accordance with the Code, all violations or potential violations that I become aware of; and,
- I understand that failure to comply with the Code could result in discipline, as applicable, up to and including termination of employment, and could also result in criminal charges; and,
- Except as listed below I am not, to my knowledge, a relative of any Team Member of Extencicare giving rise to the CEO approval requirement in Section 11 of the Code:

_____.

I acknowledge that the Code is only a statement of principles for individual and business conduct and does not constitute an employment contract nor does the provision of this Certification and Acknowledgment assure continued employment.

Name:

Date:

Title: