



... helping people live better

**Extendicare Inc.**

**(“Extendicare” or the “Company”)**

### **Majority Voting Policy of the Board of Directors**

In an uncontested election of directors of the Company held at a meeting of shareholders, any nominee for director who receives a greater number of votes “withheld” from his or her election than votes “for” such election (an “Affected Director”) shall promptly tender his or her resignation to the Chairman of the board of directors of the Company (the “Board”) following certification of the shareholder vote, to take effect upon acceptance by the Board.

The Governance and Sustainability Committee (the “Committee”) of the Board will promptly consider the Affected Director’s resignation and will recommend to the Board whether to accept or reject the Affected Director’s resignation. The Committee shall be expected to recommend to the Board that the Board accept the Affected Director’s resignation absent exceptional circumstances. In making its recommendation to the Board, the Committee will consider factors determined to be relevant by its members, including the reasons, if ascertainable, why shareholders “withheld” votes for election from the Affected Director. The Committee may adopt such procedures as it sees fit to assist it in making decisions under this policy.

The Board shall act on the Committee’s recommendation to accept or reject the Affected Director’s resignation within 90 days following the date of the applicable shareholders’ meeting. In considering the Committee’s recommendation, the Board will consider the factors considered by the Committee and such additional information and other factors which the Board determines to be relevant, and, absent exceptional circumstances, shall accept the Affected Director’s resignation. Promptly following the Board’s decision to accept or reject the Affected Director’s resignation, the Company shall disclose the decision in a press release, which will include an explanation of the process by which the decision was reached and, if applicable, the Board’s reasons for rejecting the Affected Director’s resignation. The Company shall provide a copy of the press release to the Toronto Stock Exchange.

The Affected Director will not participate in the Committee’s recommendation or the determination made by the Board. However, the Affected Director shall remain active and engaged in all other committee and Board activities, deliberations and decisions during the Committee and Board process.

If a quorum of the Committee cannot be obtained due to the service on the Committee of one or more Affected Directors, then the unaffected independent directors of the Board shall appoint a Board committee amongst themselves solely for the purpose of considering the Affected Director’s resignation and to make a recommendation to the Board.

If the Board accepts the resignation of the Affected Director, the Board may (subject to applicable law):

- leave the vacancy unfilled until the next annual meeting of the Company;
- fill the vacancy through the appointment of a new director (other than the Affected Director); or
- call a special meeting of shareholders at which a director nominee (other than the Affected Director) will be proposed for election by shareholders.

For greater certainty, this majority voting policy does not apply in any case where the number of individuals nominated for election as directors exceeds the number of directors to be elected, including as a result of a proxy contest.

Each of the current directors of the Company has agreed to abide by the provisions of this policy and any subsequent nominee for director will, as a condition to such nomination, be required to abide by this policy.