NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF EXTENDICARE INC.

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the "**Meeting**") of the holders of common shares (collectively, the "**Shareholders**") of Extendicare Inc. ("**Extendicare**" or the "**Company**") will be held on:

Thursday, June 18, 2015
11:00 a.m. (Toronto time)
The Gallery, TMX Broadcast Centre
130 King Street West
Toronto, Ontario, Canada

for the following purposes:

(1) to receive the consolidated financial statements of the Company for the year ended December 31, 2014 and the report of the auditors thereon;

(2) to appoint the auditors of the Company;

(3) to elect directors of the Company;

(4) to consider and, if deemed advisable, pass, with or without variation, an ordinary resolution reconfirming the shareholder rights plan of the Company that was implemented on July 1, 2012, all as more particularly described and set forth in the accompanying management information and proxy circular of the Company (the "**Information Circular**");

(5) to consider and, if deemed advisable, pass, with or without variation, an ordinary resolution to confirm By-Law No. 3, a by-law relating to the advance notice requirements for the nomination of directors of the Company approved by the Board of Directors on March 27, 2015, all as more particularly described and set forth in the Information Circular;

(6) to approve an advisory (non-binding) resolution to accept the approach of the Company to executive compensation disclosed in the Information Circular; and

(7) to transact such further business as may properly come before the Meeting or any adjournment thereof.

The accompanying Information Circular contains additional information relating to the matters to be dealt with at the Meeting.

As a Shareholder, you are entitled to attend the Meeting and to cast one vote for each common share of the Company held by you.

Shareholders are cordially invited to attend the Meeting. Whether or not Shareholders are able to attend the Meeting, registered Shareholders and non-registered Shareholders are encouraged to provide voting instructions in accordance with the enclosed form of proxy or voting instruction form, respectively.

To be effective, proxies must be received by Computershare Trust Company of Canada, Stock Transfer Services, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, no later than 11:00 a.m. (Toronto time) on June 16, 2015, and if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the adjourned Meeting. In addition, the form of proxy provides instructions on how to vote by telephone or over the internet. If you are a non-registered Shareholder and receive the Meeting materials through an intermediary, you must provide your instructions as specified in the voting instruction form in sufficient time for the intermediary to act on them prior to that deadline. Additional information relating to the exercise of voting rights by registered and non-registered Shareholders is included in the accompanying Information Circular.

If you are a new Shareholder or a non-registered Shareholder who did not elect to receive our 2014 Annual Report, you can view this report on our website at www.extendicare.com. If you wish to receive a hard copy of this report, please contact the Corporate Secretary of the Company at 905-470-5534.

DATED at Markham, Ontario on May 7, 2015.

By order of the Board of Directors of Extendicare Inc.

Jillian E. Fountain
Corporate Secretary