

Oxford Park Group Announces Requisition for the Calling of a Special Meeting of Shareholders of Extendicare Inc.

- *Oxford Park Group is Extendicare's largest shareholder with over 5% of shares*
- *Extendicare has invested almost all of the proceeds from the U.S. sale inefficiently*
- *The interests and compensation of Extendicare's board of directors and management are not aligned with shareholders*
- *The seven individuals named below, to be nominated to the Board of Directors by Oxford Park Group, are highly qualified to become independent directors of Extendicare with the ability to create value and transform Extendicare into the premier senior care provider in Canada*

November 16, 2015 – Oxford Park Group, Extendicare Inc.'s ("**Extendicare**" or the "**Company**") largest shareholder with over 5% of the outstanding shares, announced today that it has formally requisitioned Extendicare's Board of Directors to call a special meeting of shareholders for the purpose of reconstituting the Board with seven new, experienced and independent Board members. Oxford Park Group commented, "The decision by Extendicare to acquire the retirement homes announced on November 11, 2015 and on October 1, 2015, together with the three retirement development projects underway, validates our concern that the direction of the Company is not consistent with the interests of its shareholders. These acquisitions:

- Are in a sector (retirement homes) in which Extendicare has limited experience and competencies and even management admits is a work in progress
- Have depleted almost all of the Company's U.S. sale proceeds
- Materially increase enterprise risk as many of the acquired assets have significant occupancy and refinancing risk and will not generate meaningful cashflow for 2 to 3 years."

When Oxford Park Group announced on July 14, 2015 that it had become a significant investor, it reached out to Extendicare in an effort to work co-operatively with the Company, including providing input into investment decisions. Instead of being receptive to a dialogue,

Extendicare responded by asking us to mail in our views. Oxford Park Group commented, “Amongst other issues, we were concerned, at the time, with the Company’s capital allocation strategy. The recently announced capital commitments indicate that our concerns were well founded”.

Under Canadian law, the existing Board of Directors of Extendicare must, within 21 days, call a shareholders meeting. Given continuing concerns regarding the utilization of the Company’s capital, Oxford Park Group has requested that the meeting be held no later than January 20, 2016.

Oxford Park Group believes it is time for new stewardship at Extendicare’s Board. Over the past 7 years, Extendicare has underperformed its peer group, reduced dividends, exhibited weak operational performance and invested the Company’s capital with little regard for shareholder interests.

The nominees put forward today will give Extendicare a revitalized Board which has the focus and expertise to maximize shareholder value by guiding Extendicare in:

1. Focusing Capital Investment on Cashflow Positive Acquisitions

- The Company’s investing strategy has to be refocused away from over-valued properties with occupancy and refinancing risk
- In addition to the \$83 million invested in the home care sector, there is now \$180 million allocated to higher risk, longer-term retirement home investments, many of which have 2 to 3 year time horizons before reaching full occupancy and the prospect of a refinancing

2. Optimizing Capital and Initiating a Substantial Issuer Bid

- The new Board will immediately assess a small substantial issuer bid of up to \$50 million, representing less than 17% of the U.S. sale net proceeds. This represents the highest return investment given the current environment
- Following the U.S. sale, the Company had the opportunity to redeploy \$288 million of cash into highly financeable properties, allowing for a total and immediate investment capacity,

under modest leverage, of more than \$800 million. This potential has been severely diminished through the Company's recent capital commitments

3. Improving Cost Structure

- The Company's Net Operating Income and EBITDA margins are currently the lowest amongst its Canadian peers in the long-term care sector
- The new Board will conduct a thorough review of operating costs in order to identify savings initiatives and institute measures to bring the Company's margins in line with the best service providers in its peer group

4. Overhauling Board Compensation

- None of the Company's executives or Board members receive any meaningful amount of their compensation in Company equity
- The new Board will overhaul the compensation plan such that a substantial portion of the compensation of the Company's key decision makers is directly tied to shareholder returns

Frederic Waks, who will serve as Chairman of the new Board of Extendicare said, "Under the current Board and management, Extendicare is committing much of its capital to assets at valuations that are typical of mature, fully occupied properties. The fact is, they are engaging in forward purchases based on pro-forma financials that are 2-3 years out. They are venturing into higher risk, unproven properties, in a sector where the Company lacks the necessary experience and competencies. Our new Board will manage the capital of its shareholders thoughtfully and will strive to transform Extendicare into the premier senior care provider in Canada. We intend to drive operational improvement, optimize the Company's capital structure and realign management and board interest with the creation of shareholder value," said Waks. "We believe a renewed Board and a clear strategy can materially improve resident care and create significant value for Extendicare clients, employees and shareholders."

Oxford Park Group will vote in favour of the new Board at the meeting of shareholders. Each of the proposed new directors is wholly independent of both Oxford Park Group and Extendicare. Oxford Park Group is not seeking a Board seat for any of its principals.

The proposed nominees bring necessary Canadian healthcare, public company, real estate, operational and financial expertise required to create significant value for all shareholders.

The independent nominees for consideration to the Board of Directors of Extendicare include:

Frederic Waks

Mr. Waks is currently President and Chief Executive Officer of Trinity Development Group Inc., an Ottawa-based real estate development firm. Mr. Waks most recently held the position of President and Chief Operating Officer at RioCan Real Estate Investment Trust, where he gained national recognition for transforming the company into the largest retail operator in Canada. During his tenure, RioCan grew from \$100 million to \$15 billion in assets. Mr. Waks is also the Chair of the Campus Redevelopment Committee for Baycrest Health Centre and the Vice-Chair of Sunnybrook Hospital Foundation and is the incoming Chair for the Foundation.

Derek Watchorn

Mr. Watchorn, a lawyer by training, has extensive experience in the real estate industry and is presently consulting on several real estate projects. Mr. Watchorn was President and Chief Executive Officer of Revera Inc. (formerly Retirement Residences Real Estate Investment Trust) from October 2004 until June 2009. Prior to that, he served in London, England as Executive Vice President of Canary Wharf plc from January 2003 until June 2004 and as Executive Director of TrizecHahn plc from January 1999 until June 2001. Mr. Watchorn is a past Chairman of ORTEC (formerly the Ontario Research Foundation) and Hospital for Sick Children Research Development Corporation.

Salim Manji

Since 2003, Mr. Manji has served as co-founder and board member of Amica Mature Lifestyles Inc. which announced a sale to BayBridge Seniors Housing Inc., a wholly owned subsidiary of the Ontario Teachers' Pension Plan Board in September 2015. Mr. Manji has also served as President of Barney River Investments Limited, a privately owned real estate investment and management company based in Toronto, Ontario, since 1997. Mr. Manji joined the Board of the Mount Sinai Hospital Foundation in October 2015.

Gail Paech

Ms. Paech has extensive experience in the Ontario health care sector and currently serves as Chief Executive Officer of Associated Medical Services Inc., a Canadian charitable organization that supports health professional education, compassionate care and bioethics. Ms. Paech served as Interim Chief Executive Officer of the Ontario Long-Term Care Association from August 2011 to June 2012. Previously, Ms. Paech served as Associate Deputy Minister of Economic Development and Trade in Ontario from 2009 until 2011, and Assistant Deputy Minister of Health and Long-Term Care in Ontario from 1998 until 2009. Between 1991 and 1998 she was the President and Chief Executive Officer of Toronto East General Hospital.

Alan Hibben

Mr. Hibben is currently a director of Hudbay Minerals Inc. and the Mount Sinai Hospital Foundation. Mr. Hibben recently retired as a Managing Director in the Mergers and Acquisitions Group of RBC Capital Markets. Up until 2007, he held the position of Head, Strategy & Development at RBC Financial Group. In this role, he was responsible for corporate strategy as well as merger, acquisition and development activities for the bank. Since December 2014, Mr. Hibben has been a volunteer advisor to the Province of Ontario as part of the Premier's Advisory Council on Government Assets, including working with Ed Clark on the privatization of Hydro One.

Graham Savage

Mr. Savage is an experienced director, and serves or has served on numerous high profile boards, including Sears Canada Inc., Cott Corporation, Canadian Tire Corporation, Postmedia Network Canada Corp., Whistler Blackcomb Holdings Inc., Rogers Communications Inc., Hollinger International, Inc., Alias Corp., Lions Gate Entertainment Corp. and Royal Group Technologies Limited, among others. Mr. Savage served as co-founder and Chairman of Callisto Capital L.P., a Toronto-based private equity firm, from 2002 to 2007. Between 1975 and 1996, Mr. Savage was with Rogers Communications Inc. in various positions culminating in being appointed the Senior Vice President, Finance and Chief Financial Officer, a position he held for seven years.

Michael Brown

Mr. Brown has been a Portfolio Manager at Scale Capital Management Inc. (previously Ballast Healthcare Partners Inc.) since 2014. Previously, Mr. Brown worked at Spartan Fund Management Inc. Prior to that, Mr. Brown was a Managing Director and Partner of Enterprise Capital Management Inc., an asset management firm with a catalyst-driven approach.

About Oxford Park Group

Oxford Park Group, through Oxford Park Capital, invests in companies where it is able to work in a collaborative manner with management to enhance shareholder value. Oxford Park Group invests on behalf of its Founders and third party investors.

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Additional Information

The information contained in this press release does not and is not meant to constitute a solicitation of a proxy within the meaning of applicable corporate and securities laws. Although Oxford Park Group has requisitioned the Board of Directors of Extendicare to call a special meeting of Extendicare's shareholders, there is currently no record date or meeting date set for such meeting and shareholders are not being asked to execute a proxy in favour of the matters set forth in this press release at this time. Oxford Park Group intends to send to Extendicare's shareholders and file a dissident information circular in due course in compliance with applicable law. Notwithstanding the foregoing, Oxford Park Group is voluntarily providing the disclosure required under section 9.2(4) of National Instrument 51-102 – *Continuous Disclosure Obligations* in accordance with corporate and securities laws applicable to public broadcast solicitations.

Any solicitation made by Oxford Park Group following the sending and filing of a dissident information circular will be made by or on behalf of Oxford Park Group and not by or on behalf of management of Extendicare. Oxford Park Group may engage a solicitation agent to make any such solicitations. All costs incurred for any solicitation will be borne by Oxford Park Group, provided that, subject to applicable law, Oxford Park Group may seek reimbursement from Extendicare of Oxford Park Group's out-of-pocket expenses, including proxy solicitation expenses and legal fees, incurred in connection with a successful result at any meeting of Extendicare's shareholders.

Any solicitations of proxies by or on behalf of Oxford Park Group may be made by mail, telephone, fax, email or other electronic means, by public announcement and in person by representatives of Oxford Park Group, proxy advisors retained by Oxford Park Group or by Oxford Park Group's nominees. Any proxies solicited by Oxford Park Group may be revoked by instrument in writing by the shareholder giving the proxy or by its duly authorized officer or attorney, or in any other manner permitted by law.

Extendicare's registered office address is Suite 700, 3000 Steeles Avenue East, Markham, Ontario, L3R 9W2, Canada. A copy of this press release may be obtained on Extendicare's SEDAR profile at www.sedar.com.