

**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, May 26, 2016
10:30 a.m. (Toronto time)
Fairmont Royal York
100 Front 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, 2015 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 approving the Company's Long Term Incentive Plan (the "**LTIP**"), which is more particularly described in the accompanying management information and proxy circular of the Company (the "**Information Circular**"); and
- (5) to approve an advisory (non-binding) resolution to accept the approach of the Company to executive compensation disclosed in the Information Circular; and
- (6) 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.

The Company has fixed Friday, April 8, 2016 as the record date, being the date for the determination of the Shareholders entitled to receive notice of and to vote at the Meeting and any adjournment thereof. 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 10:30 a.m. (Toronto time) on May 24, 2016, 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, please carefully follow the instructions provided by the intermediary, including those regarding when and where the voting instruction form is to be delivered, in order to provide 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 2015 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 April 8, 2016.

By order of the Board of Directors of Extendicare Inc.



Jillian E. Fountain
Corporate Secretary