



# NOTICE OF ANNUAL MEETING OF UNITHOLDERS

## AND INFORMATION CIRCULAR



**ANNUAL MEETING**  
THURSDAY, MAY 20, 2021





# CHARTWELL

retirement residences

March 31, 2021

Dear Unitholders,

On behalf of the Board of Directors we are pleased to present you with Chartwell Retirement Residences' annual meeting of unitholders materials.

Given the ongoing uncertainty surrounding the COVID-19 pandemic, and in order to mitigate the risks to the health and safety of our communities, unitholders, employees and other stakeholders, the annual meeting of unitholders will be held in a virtual only format via live audio webcast online at <https://web.lumiagm.com/211270463> at 4:30 p.m. (Eastern Time) on Thursday, May 20, 2021. Additional information regarding how to attend the virtual meeting is set out in the accompanying circular. In addition to the formal business of the meeting as described in the accompanying circular we will present a summary of Chartwell 2020 results and our plans for the future at the meeting.

Cultures are built over time and tested in crisis. In 2020 our culture and our people were tested by a global pandemic the likes of which our society has not seen in more than a century. We are extremely proud of our people and their response to this tremendous challenge. From our residences to corporate support teams, our people showed up, stepped up and demonstrated courage and resolve to do everything possible to keep our residents, their families and each other safe. They did it day after day since the start of the pandemic and they continue to this day. Their dedication to our vision of Making Peoples' Lives Better has been extraordinary. At all times the focus of our teams has been on keeping our residents and their families safe. Despite these extraordinary efforts the COVID-19 virus tragically claimed the lives of some of our residents and staff. Our thoughts are with those who lost loved ones to this disease.

The recognition and gratitude we have received from our residents and their families have been heartwarming and inspiring. We are especially proud of the fact that 96% of our residents and 95% of family members who responded to our "Listening to Serve you Better" surveys stated that they feel that Chartwell took important steps to keep them safe during the pandemic and 94% of family members stated that their loved one was safe living at a Chartwell residence. Various restrictions implemented by governments to protect the most vulnerable segment of our population have caused hardships for our residents. Our residences' teams responded with new ways of serving and caring for our residents - from the enhanced infection prevention and control protocols, to telehealth and virtual family visits, to modified dining, activity and entertainment programs. Even when distanced from their loved ones, even when in isolation, our residents were with our loving and caring staff, and never alone.

Our focus on Environmental, Social and Governance matters continued in 2020. Once again, we were recognized as a leader in corporate governance by the Globe and Mail's "Board Games" publication, which ranked us as the sixth best governed company among Canadian issuers. In 2020 we renewed our focus on Diversity and Inclusion, developing Chartwell's Diversity and Inclusion Framework and establishing a Diversity and Inclusion Leadership Council. We have also engaged with various unitholders in the areas of talent and risk management and board renewal.

The pandemic has had a significant impact on our business. Our occupancies have declined significantly as we were restricted in our ability to conduct personalized tours and although move-ins were permitted these came with restrictions to residents' freedoms. This decline in occupancy, as well as significant investments in staffing, personal protective equipment and supplies in excess of government pandemic funding negatively impacted our business. Over the years we built a company with a solid balance sheet, healthy liquidity and ready access to capital. This is helping us to weather the current unprecedented crisis as we continue to focus on prudent management of our capital resources.

While the impact of the pandemic on our business will likely continue to be felt in the near term, we remain optimistic about the long-term prospects of our business. We are primarily a needs-driven business, providing to our residents support, engagement and personal care. We believe the pandemic has further exacerbated these needs, and we are well positioned to fulfill them. The growth of the population of people over the age of 75 in Canada is accelerating significantly in 2022 and will continue this robust growth for the next 20+ years. This is expected to create a growing demand for our services. The slow down in new construction starts during the pandemic will result in fewer new residence openings in the short term, which will further support occupancy recovery. The most important factor that makes us optimistic about our prospects is our people. People who give their all to keep their residents safe, cared for and engaged during the pandemic. People who demonstrated tremendous drive, empathy and ingenuity in coming up with new ways of serving and caring for our residents in the most difficult circumstances. These Chartwell people are ready and excited to welcome new residents to our homes and create exceptional personalized experiences for them.

We thank our heroes from the bottom of our hearts.

Yours sincerely,

(signed) "MICHAEL D. HARRIS"

Michael D. Harris  
Chair

(signed) "VLAD VOLODARSKI"

Vlad Volodarski  
Chief Executive Officer

#### Head Office

7070 Derrycrest Drive, Mississauga, ON L5W 0G5  
tel. 905-501-9219 • fax. 905-501-0813 [CHARTWELL.COM](http://CHARTWELL.COM)

making people's lives **BETTER**



# TABLE OF CONTENTS

NOTICE OF ANNUAL MEETING OF UNITHOLDERS	i
CHARTWELL RETIREMENT RESIDENCES INFORMATION CIRCULAR	1
SOLICITATION OF PROXIES	1
MATTERS TO BE ACTED UPON AT THE MEETING	9
2020 VOTING RESULTS	27
COMPENSATION DISCUSSION AND ANALYSIS	27
SUMMARY COMPENSATION TABLE	48
INCENTIVE PLANS	49
TERMINATION AND CHANGE OF CONTROL BENEFITS	55
TRUSTEE AND DIRECTOR COMPENSATION	56
INDEBTEDNESS OF TRUSTEES, DIRECTORS AND OFFICERS OF CHARTWELL AND ITS AFFILIATES	60
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	61
STATEMENT OF CORPORATE GOVERNANCE PRACTICES	62
FORWARD-LOOKING INFORMATION AND OTHER MATTERS	80
SCHEDULE “A” - CHARTER OF THE BOARD OF DIRECTORS	A-1
SCHEDULE “B” - UNITHOLDER PROPOSALS	B-1

# NOTICE OF ANNUAL MEETING OF UNITHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual meeting (the “**Meeting**”) of holders of trust units and special voting units (collectively, the “**Unitholders**”) of Chartwell Retirement Residences (“**Chartwell**”) will be held **in a virtual format at 4:30 p.m. (Eastern Time) on Thursday, May 20, 2021, via live audio webcast online at <https://web.lumiagm.com/211270463>** for the following purposes:

- 1) to receive the financial statements of Chartwell for the fiscal period ended December 31, 2020 and the report of the auditors thereon;
- 2) to elect trustees of Chartwell (the “**Chartwell Trustees**”); to direct the Chartwell Trustees to cause the election of certain nominees as trustees of CSH Trust; and to direct the Chartwell Trustees to cause the election of certain nominees as directors of Chartwell Master Care Corporation;
- 3) to reappoint the auditors of Chartwell and to authorize the Chartwell Trustees to fix the remuneration of the auditors;
- 4) to consider and, if thought advisable, to pass a resolution (substantially in the form set forth in Appendix “A” to the accompanying information circular (the “**Circular**”)) to reconfirm and ratify Chartwell’s deferred unit plan adopted on July 1, 2008, as more particularly described in the accompanying Circular;
- 5) to consider and, if thought advisable, to pass a resolution (substantially in the form set forth in Appendix “B” to the accompanying Circular) to reconfirm and ratify Chartwell’s unitholder rights agreement, as more particularly described in the accompanying Circular;
- 6) to consider and, if thought advisable, to pass an advisory resolution on Chartwell’s approach to executive compensation;
- 7) to consider and vote on the Unitholder proposals set out in Schedule “B” of the Circular; and
- 8) to transact any such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Chartwell uses “notice and access” delivery to furnish proxy materials to registered and beneficial holders of trust units of Chartwell and holders of special voting units of Chartwell over the internet. This delivery process expedites Unitholders’ receipt of proxy materials and reduces the costs and environmental impact of the Meeting. On or around April 14, 2021, we will arrange to send to our Unitholders as of the Record Date a Notice and Access Notification (the “**Notification**”) containing instructions on how to access our proxy materials for the Meeting. The Notification will provide instructions on how to vote online and will include instructions on how to receive a paper copy of the proxy materials by mail.

This notice is accompanied by the Circular and form of proxy, which Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice. Should you have any questions, please feel free to contact our Proxy Solicitation Agent, D.F. King Canada toll free at 1 (800) 921-9376 or if outside North America, call direct at (416) 682-3825 or by Email at [inquiries@dfking.com](mailto:inquiries@dfking.com).

Due to the public health impact of COVID-19, and in order to mitigate the risks to the health and safety of our communities, Unitholders, employees and other stakeholders, the Meeting will be held in a virtual format conducted via live audio webcast. Regardless of geographic location, registered Unitholders and duly appointed proxyholders will have an equal opportunity to attend, participate and vote at the Meeting. Registered Unitholders and duly appointed proxyholders may

attend the Meeting virtually, submit questions and vote provided they are connected to the internet and comply with all of the requirements set out in the accompanying Circular. Non-registered Unitholders who have not appointed themselves as proxyholders may also virtually attend the Meeting as guests. Guests will be able to virtually attend and listen to the Meeting but will not be able to vote on the resolutions during the formal part of the Meeting. Detailed instructions on accessing the Meeting are set out on pages 2 to 5 of the accompanying Circular.

Proxies to be used at the Meeting must be received by Chartwell's transfer agent, Computershare Trust Company of Canada, Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 or by facsimile at 416-263-9524 (within the Toronto area) or toll-free at 1-866-249-7775 (outside the Toronto area), no later than 4:30 p.m. (Eastern Time) on May 19, 2021 and, if the Meeting is postponed or adjourned, no later than 24 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of any postponement or adjournment thereof.

Unitholders who wish to appoint and register a proxyholder to attend the Meeting on their behalf must carefully follow the instructions in the accompanying management information circular and their form of proxy or voting instruction form, as applicable. Failure to properly register a proxyholder with our transfer agent will result in the proxyholder not receiving a username to vote at the Meeting and only being able to attend as a guest.

DATED the 31<sup>st</sup> day of March, 2021.

**BY ORDER OF THE TRUSTEES OF CHARTWELL RETIREMENT RESIDENCES**

(signed) "MICHAEL D. HARRIS"

---

Chair

# CHARTWELL RETIREMENT RESIDENCES INFORMATION CIRCULAR

## SOLICITATION OF PROXIES

This information circular (the “Circular”) is furnished in connection with the solicitation of proxies by the trustees (the “Chartwell Trustees”) and management of Chartwell Retirement Residences (“Chartwell”) for use at the annual meeting (the “Meeting”) of the holders (“Chartwell Unitholders”) of units (“Trust Units”) of Chartwell and holders (“Special Voting Unitholders”) of special voting units (“Special Voting Units”) of Chartwell (Trust Units and Special Voting Units are collectively referred to as the “Units”, and Chartwell Unitholders and Special Voting Unitholders are collectively referred to as the “Unitholders”) to be held in a virtual format at 4:30 p.m. (Eastern Time) on Thursday, May 20, 2021 via live audio webcast online at <https://web.lumiagm.com/211270463> and at any postponement or adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting (the “Notice”). Any capitalized terms used in this Circular and not otherwise defined in this Circular shall have the meanings given to such terms in Chartwell’s sixteenth amended and restated declaration of trust dated May 14, 2020, which is available on our website (the “Declaration of Trust”).

The Chartwell Trustees have fixed March 30, 2021 as the record date for the Meeting (the “Record Date”). Only Unitholders of record on the books of Chartwell as at the Record Date are entitled to receive notice of and vote at the Meeting.

Unless otherwise stated, the information contained in this Circular is given as at March 31, 2020. In this Circular, references to “Chartwell” are to be read as references to Chartwell and/or its subsidiaries, as the context requires.

## Notice and Access

Chartwell uses the notice and access mechanism (“Notice and Access”) that allows Chartwell to furnish proxy materials over the internet to Unitholders instead of mailing paper copies. Under Notice and Access, Chartwell can deliver proxy-related materials by (i) posting the Circular (and other proxy related materials) on a website other than SEDAR (as defined below) and (ii) sending a notice informing Unitholders that the Circular and proxy related materials have been posted and explaining how to access them (the “Notification”). On or around April 14, 2021, Chartwell will arrange to send to Beneficial Unitholders (as defined below) a notice package containing the Notification and the relevant voting document (a form of proxy or voting instruction form), as further described below under “Voting of Units - Advice to Beneficial Holders of Trust Units”. Registered Unitholders will receive a notice package containing the Notification and a form of proxy (a “Form of Proxy”). In each case, the Notification will contain basic information about the Meeting and the matters to be voted on, explain the Notice and Access process, and explain how to obtain a paper copy of the Circular.

A paper copy of this Circular will be sent to you within three (3) business days of Chartwell receiving your request, if the request is received prior to the date of the Meeting. Therefore, to receive a paper copy of the Circular prior to the proxy deposit date, you should make your request before 5:00 p.m. (Eastern Time) on May 13, 2021.

**Unitholders with existing instructions on their account to receive paper materials will receive a paper copy of the Circular with the Notification.**

In accordance with the requirements of National Instrument 54-101—*Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), the Notification and form of proxy or voting instruction form will be sent indirectly

through intermediaries to Beneficial Unitholders. Chartwell will bear the cost for the delivery of the Notification and form of proxy or voting instruction form to all Unitholders.

## How to Attend and Vote at the Meeting

The Meeting will be held in a virtual format via live audio webcast. Unitholders will not be able to attend the Meeting in person.

Registered Unitholders and duly appointed proxyholders (including Beneficial Unitholders who have appointed themselves as proxyholders) will be entitled to attend virtually, participate and vote at the Meeting, all in real time. Guests and Beneficial Unitholders who do not appoint themselves as proxyholder may still access and listen to the Meeting but will not be able to vote.

If you are accessing and voting at the Meeting you must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting.

Registered Unitholders and duly appointed and registered proxyholders, including Beneficial Unitholders who have duly appointed themselves as proxyholder, can log into the Meeting as set out below. Attending the Meeting online enables registered Unitholders and duly appointed and registered proxyholders to participate at the Meeting and submit questions. If desired, registered Unitholders and duly appointed proxyholders can vote at the appropriate times during the Meeting.

Guests, including Beneficial Unitholders who have not duly appointed themselves as proxyholder, can log into the Meeting as set out below but are not able to vote during the formal part of the Meeting.

## Day of the Meeting

- Login online at <https://web.lumiagm.com/211270463>. It is recommended that you login at least 30 minutes before the Meeting starts. Please check in advance that your internet browser is compatible (see "Technical Requirements for virtual Meeting" below).
- If you are a registered Unitholder or duly appointed and registered proxyholder, including a Beneficial Unitholder who has appointed and registered yourself as proxyholder, click "I have a login" and then enter your 15-digit Control Number or username, as applicable (see below) and Password "chartwell2021" (case sensitive). Follow the instructions to view the Meeting and vote when prompted.  
OR
- If you are a Beneficial Unitholder who has not appointed and registered yourself as proxyholder, click "I am a guest" and then complete the online form.

## Control Numbers and Usernames

Registered Unitholders: Your Control Number is the control number located on the Form of Proxy or in the email notification you received.

Duly appointed proxyholders: Chartwell's transfer agent, Computershare Trust Company of Canada ("**Computershare**") will provide each proxyholder with a username by email after the proxy voting Deadline has passed and the proxyholder has been duly appointed AND registered as described in "Appointment of Proxies" below. You must register to receive a username prior to the proxy voting Deadline. Computershare will provide the proxyholder with a username by email after the proxy voting Deadline, provided the proxyholder has been duly appointed AND registered.

If you attend the Meeting online, it is important that you are connected to the internet at all times during the Meeting in order to vote when voting commences during the Meeting. It is your responsibility to ensure connectivity for the duration of to the Meeting online and complete the related procedures.

## Appointment of Proxies

The following applies to Unitholders who wish to appoint and register someone as their proxyholder to attend, participate and vote at the Meeting. This includes Beneficial Unitholders who wish to appoint and register themselves or a third party as proxyholder to attend, participate or vote at the Meeting.

Any Form of Proxy appointing a proxy must be in writing and must be executed by the registered Unitholder or his or her agent duly authorized in writing, and, if given by joint Unitholders, a proxy must be executed by all of them and, if the Unitholder is a corporation, by a person duly authorized in writing.

Forms of Proxy must be received by Chartwell's transfer agent, Computershare Trust Company of Canada, Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 or by facsimile at 416-263-9524 (within the Toronto area) or toll-free at 1-866-249-7775 (outside the Toronto area), no later than 4:30 p.m. (Eastern Time) on May 19, 2021 and, if the Meeting is postponed or adjourned, no later than 24 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of any postponement or adjournment thereof (the "**Deadline**").

The persons named in the enclosed Form of Proxy are officers of Chartwell or its subsidiaries. **A Unitholder desiring to appoint some other person (who need not be a Unitholder) to represent him or her at the Meeting may do so by inserting such person's name in the blank space provided in the Form of Proxy and striking out the names of the persons specified or by completing another proper form of proxy.**

**Unitholders who wish to appoint and register someone other than the Chartwell representatives as their proxyholder to attend and participate at the Meeting as their proxy and vote their Units must submit their Form of Proxy or voting instruction form, as applicable, appointing that person as proxyholder AND then register that proxyholder online, as described below.**

**Registering the proxyholder is an additional step to be completed AFTER the Unitholder has submitted the completed Form of Proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a username that is required to vote at the Meeting.**

### *Step 1: Appointing your Proxyholder*

#### Non-registered Unitholders (including Beneficial Unitholders)

All Chartwell Unitholders hold their Trust Units through an intermediary such as a clearing agency (i.e., CDS), bank, trust company, investment dealer, broker, trustee, plan administrator or other intermediary institution. As the beneficial holder of Units, you have the right to tell your intermediary how you want to vote your Units. The process varies by intermediary so be sure to follow the instructions your intermediary or its agent provides. See "Voting of Units - Advice to Beneficial Holders of Trust Units" below.

Whether or not you plan to attend the Meeting, you may vote by proxy in advance of the Meeting by submitting your Form of Proxy or voting instruction form and appointing the Chartwell representatives named therein.

Beneficial Unitholders who wish to appoint and register someone as their proxyholder other than the Chartwell representatives named in the Form of Proxy

or voting instruction form to attend, participate and vote at the Meeting must follow these steps before the proxy voting Deadline:

1. Print the name of your desired proxyholder (which may be yourself or some other person who need not be a Unitholder) in the blank space provided for appointing the proxyholder on the voting instruction form and follow the instructions provided by your intermediary for mailing your voting instructions. Your intermediary may allow you to do this online or by telephone instead. Do not complete the voting section because your proxyholder will vote in real time at the Meeting. You need to act promptly to allow enough time for your intermediary to receive the form, and provide your instructions to Computershare before the proxy voting Deadline.
2. Register your appointed proxyholder with Computershare by following the steps described below under “Step 2: Registering your Proxyholder” by no later than the proxy voting Deadline in order to vote at the Meeting.

Beneficial Unitholders who have not appointed themselves as proxyholder and registered with Computershare will not be able to vote at the Meeting, but will be able to attend the Meeting as a guest. Neither Chartwell nor Computershare have a record of the Beneficial Unitholders, and we will have no knowledge of your unitholdings or entitlement to vote, unless you appoint yourself as a proxyholder and register.

### **Registered Unitholders**

Whether or not you plan to attend the Meeting, you may vote by proxy in advance of the Meeting by submitting your Form of Proxy and appointing the Chartwell representatives named therein. The Chartwell representatives named in the proxy form have agreed to serve as your proxyholder.

Registered Unitholders who wish to appoint and register a person other than the Chartwell representatives identified in the Form of Proxy to attend, participate and vote at the Meeting must follow these steps before the proxy voting Deadline:

1. Print the name of your desired proxyholder (who need not be a Unitholder) in the blank space provided for appointing the proxyholder on the Form of Proxy and follow the instructions for submitting the Form of Proxy. Do not complete the voting section because your proxyholder will vote in real time at the Meeting.
2. Register your appointed proxyholder with Computershare by following the steps described below under “Step 2: Registering your Proxyholder” by no later than the proxy voting Deadline in order to vote at the Meeting.

If you vote by proxy in advance, be sure to choose “I am a guest” when you log in to the Meeting so as not to revoke your previously submitted proxy.

### **Step 2: Registering your Proxyholder**

To register a proxyholder, a Unitholder (including a Beneficial Unitholder who has appointed themselves or a third party as proxyholder) must visit <http://www.computershare.com/Chartwell> no later than 4:30 p.m. (Eastern time) on May 19, 2021 (or no later than 24 hours(excluding Saturdays, Sundays and holidays) prior to any adjournment or postponement of the Meeting) and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a username via email. **Registering the proxyholder is an additional step to be completed AFTER the Unitholder has submitted the completed Form of Proxy or voting form. Without a username, a proxyholder will not be able to vote at the Meeting but will be able to participate as a guest.**

## Attending the Meeting as a Guest

Unitholders who have not duly appointed themselves as proxyholders, as well as other guests, can log into the Meeting by logging in online at <https://web.lumiagm.com/211270463>, clicking “I am a guest” and then completing the online form. Unitholders who have already voted by proxy in advance of the Meeting and do not wish to revoke a previously submitted proxy must be sure to click “I am a guest” when logging in. Guests, including Unitholders logged in as guests, will not be able to vote during the Meeting. We recommend logging in 30 minutes before the Meeting to give yourself ample time for the process.

## Technical requirements for virtual meeting

In light of the ongoing challenges and restrictions posed by the COVID-19 pandemic, we are holding the Meeting in a virtual format via a live webcast.

An internet connection is needed to enable Unitholders and proxyholders to participate in real time at the Meeting by asking questions and/or voting. Unitholders can either appoint themselves as proxyholders to participate, or attend virtually as guests. Guests, while not able to vote, will be able to attend virtually, ask questions and listen to the Meeting. Detailed instructions on accessing the Meeting are set out above.

The Meeting website is accessible by computer, tablet or smartphone. The latest version of Firefox, Internet Explorer, Safari, Chrome or Edge must be on the device to be used. Reliable internet connection is required throughout the Meeting. A broken internet connection may result in your vote not being recorded. We recommend that you complete the log in and related procedures at least 30 minutes in advance of the Meeting to ensure you have ample time to complete set up prior to the Meeting beginning.

Unitholders and other interested parties should also regularly check our website at <http://www.investors.chartwell.com> for additional information and updates about the Meeting. A user guide with technical information about accessing the virtual Meeting through the web-based platform is also posted there.

## Voting of Units – Advice to Beneficial Holders of Trust Units

**The information set forth in this section is of significant importance to all Chartwell Unitholders, as the issued and outstanding Trust Units are not registered in the names of such holders (the “Beneficial Unitholders”).**

Beneficial Unitholders should note that only proxies deposited by Chartwell Unitholders whose names are on the records of Chartwell as the registered holders of Trust Units can be recognized and acted upon at the Meeting. All Trust Units are registered under the name CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms) (“**CDS**”). Trust Units held by CDS for brokers or their nominees can only be voted at the Meeting upon the instructions of the Beneficial Unitholder. Without specific instructions, brokers or their nominees are prohibited from voting Trust Units on behalf of their clients. The Chartwell Trustees do not know for whose benefit the Trust Units registered in the name of CDS are held; therefore, except as set forth below, Beneficial Unitholders cannot be recognized at the Meeting for purposes of voting their Trust Units themselves or by way of proxy.

Applicable regulatory policy requires intermediaries, brokers and their nominees to seek voting instructions from Beneficial Unitholders in advance of the Meeting. Every intermediary, broker and nominee has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Trust Units can be voted at the

Meeting. Often, the form of proxy or voting instruction form supplied to a Beneficial Unitholder by his or her broker is identical to that provided to registered Unitholders. However, its purpose is limited to instructing the registered Unitholder how to vote on behalf of the Beneficial Unitholder. The majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”).

Broadridge typically mails a scannable voting instruction form in lieu of the Form of Proxy. Beneficial Unitholders are requested to complete and return the voting instruction form to Broadridge by mail. Alternatively, Beneficial Unitholders can call a toll-free telephone number to vote the Trust Units held by them or access Broadridge’s dedicated voting website at [www.proxyvote.com](http://www.proxyvote.com) to deliver the Beneficial Unitholders’ voting instructions. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Trust Units to be represented at the Meeting or any adjournment or postponement thereof. A Beneficial Unitholder receiving a voting instruction form cannot use that voting instruction form to vote Trust Units directly at the Meeting or any adjournment or postponement thereof. The voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Trust Units voted. Although a Beneficial Unitholder may not be recognized directly at the Meeting for the purposes of voting Trust Units registered in the name of an intermediary, a Beneficial Unitholder may attend the Meeting as a proxyholder for the registered Chartwell Unitholder and vote his, her or its Trust Units in that capacity. To do this, a Beneficial Unitholder must enter his, her or its own name in the blank space on the form of proxy provided to him, her or it and return the form of proxy to his, her or its intermediary in accordance with the instructions provided by such intermediary well in advance of the Meeting AND then also register with Computershare by following the steps described above under “Appointment of Proxies – Step 2: Registering your Proxyholder” by no later than the proxy voting Deadline.

**IF YOU ARE A BENEFICIAL UNITHOLDER AND WISH TO VOTE AT THE MEETING, PLEASE CONTACT YOUR BROKER OR AGENT WELL IN ADVANCE OF THE MEETING TO DETERMINE HOW YOU CAN DO SO.**

## Revocation of Proxy

A registered Unitholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. **If you are a Beneficial Unitholder and wish to revoke your proxy, please contact your broker or agent well in advance of the Meeting to determine how you can do so.** To revoke a proxy, a registered Unitholder may deliver or fax a written notice to the registered office of Chartwell at 7070 Derrycrest Drive, Mississauga, Ontario L5W 0G5, Fax 905-501-9107, Attention: Secretary, or at the offices of Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8<sup>th</sup> floor, Toronto, Ontario M5J 2Y1 at any time up to 4:30 p.m. (Eastern Time) on May 19, 2021 and, if the Meeting is postponed or adjourned, no later than 24 hours prior to the commencement of any postponement or adjournment thereof. A proxy may also be revoked on the day of the Meeting or any postponement or adjournment of the Meeting by a registered Unitholder by delivering written notice to the chair of the Meeting. In addition, the proxy may be revoked by any other method permitted by applicable law. The written notice of revocation may be executed by the Unitholder or by an attorney who has the Unitholder’s written authorization and, if given on behalf of joint Unitholders, may be executed by any of them. If the Unitholder is a corporation, the written notice must be executed by its duly authorized officer or attorney. Only registered Unitholders have the right to revoke a proxy. Beneficial Unitholders who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf in accordance with any requirements of the intermediaries.

## Persons Making the Solicitation

**The solicitation of proxies is being made by the Chartwell Trustees and management of Chartwell.** The costs incurred in the preparation and mailing of the Notification, Form of Proxy, Notice and Circular relating to the Meeting will be borne by Chartwell. In addition to solicitation by mail, proxies may be solicited personally by telephone or other means of communication by the Chartwell Trustees, management or agents of Chartwell. The costs of soliciting proxies will be borne by Chartwell and are expected to be nominal. We have retained D.F. King Canada to solicit proxies at a customary fee. Any questions or queries can be directed to D.F. King Canada toll free at 1 (800) 921-9376 or if outside North America, call direct at (416) 682-3825 or by Email at [inquiries@dfking.com](mailto:inquiries@dfking.com).

## Exercise of Discretion by Holders of Proxies

Where a Unitholder specifies a choice in a proper form of proxy with respect to any matter to be acted upon, the Units represented by such proxy shall be voted in accordance with the specification so made. **In the absence of such specification, or if the specification is not certain, the Units will be voted in favour of the matters to be acted upon as specified in the Notice. The persons appointed under the Form of Proxy furnished by Chartwell are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Form of Proxy and Notice and on any other matter that may be properly brought before the Meeting. As of the date of this Circular, the Chartwell Trustees know of no such amendment, variation or other matters.**

## Voting Securities and Principal Holders Thereof

Each Trust Unit entitles the holder of record thereof to one vote at the Meeting. Special Voting Units are used solely for providing voting rights to persons holding Class B limited partnership units ("**Class B Master LP Units**") of Chartwell Master Care LP ("**Master LP**"), a limited partnership created under the laws of the Province of Manitoba as of September 30, 2003 and now subsisting under the eleventh amended and restated limited partnership agreement dated May 19, 2016 (the "**Partnership Agreement**"). Class B Master LP Units are exchangeable for Trust Units, and upon any such exchange, an equivalent number of the accompanying Special Voting Units will be cancelled. Each Special Voting Unit entitles the Special Voting Unitholder to a number of votes equal to the number of Trust Units into which the Class B Master LP Unit to which such Special Voting Unit relates are exchangeable, exercisable or convertible. Class B Master LP Units are exchangeable into Trust Units on a one-for-one basis.

The Chartwell Trustees have fixed the Record Date of March 30, 2021 for the purpose of determining Unitholders entitled to receive notice of and to vote at the Meeting. Only Unitholders of record on the books of Chartwell as of the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting.

As of the close of business on March 31, 2021, 215,971,177 Units carrying 215,971,177 votes and 1,530,360 Special Voting Units of Chartwell carrying 1,530,360 votes were issued and outstanding. To the knowledge of the Chartwell Trustees, as of the close of business on March 31, 2021, no person or company beneficially owned, or exercised control or direction, directly or indirectly, over more than 10% of voting rights attached to the Trust Units. To the knowledge of the Chartwell Trustees, as of the close of business on March 31, 2021, no person or company beneficially owned, or exercised control or direction, directly or indirectly, over more than 10% of voting rights attached to the Special Voting Units, except for 1027386 Ontario Inc., which holds 486,045 Special Voting Units representing approximately 31.76% of the voting rights attached to the Special Voting Units and JBG Management Inc., which holds

184,639 Special Voting Units representing approximately 12.07% of the voting rights attached to the Special Voting Units. The total number of voting rights attached to the Special Voting Units outstanding as at March 31, 2021 was 1,530,360 which represents approximately 0.7% of the aggregate 217,501,537 votes.

## Quorum

A quorum for the transaction of business at the Meeting consists of two or more individuals present at the Meeting either holding personally or representing as proxies not less in aggregate than 25% of the aggregate number of votes attached to all outstanding Units. If such quorum is not present within 30 minutes after the time fixed for the holding of the Meeting, the Meeting shall be adjourned to a day being not less than seven days later and to such place in Canada and time as may be appointed by the chairperson of the Meeting. If at such adjourned Meeting a quorum is not present, the Unitholders present, either personally or by proxy, shall form a quorum, and any business may be brought before or dealt with at such adjourned Meeting which might have been brought before or dealt with at the original Meeting in accordance with the notice calling same.

## Asking Questions at the Virtual Meeting

Chartwell believes that the ability to participate in the Meeting in a meaningful way, including asking questions, remains important for those accessing this year's Meeting virtually. Registered Unitholders, proxyholders and Beneficial Unitholders participating in the Meeting as guests will have an opportunity to ask questions at the Meeting in writing by sending a message to the chair of the Meeting online through the virtual meeting platform. It is anticipated that Unitholders will have substantially the same opportunity to ask questions on matters of business at the Meeting as in past years when the annual Unitholders' meeting was held in person.

Questions for the Meeting may also be submitted before the Meeting through [www.chartwell.com](http://www.chartwell.com).

The chair of the Meeting and other members of Chartwell management present will answer questions relating to matters to be voted on before a vote is held on each matter, if applicable. General questions will be addressed during a question and answer period following the conclusion of the Meeting. So that as many questions as possible are answered, registered Unitholders, proxyholders and Beneficial Unitholders are asked to be brief and concise and to address only one topic per question. Questions from multiple registered Unitholders, proxyholders and Beneficial Unitholders on the same topic or that are otherwise related may be grouped, summarized and answered together.

All Unitholder questions are welcome. However, we do not intend to address questions that:

- Are irrelevant to the business of the meeting or to Chartwell's operations;
- Are related to personal grievances;
- Are related to non-public information about Chartwell;
- Constitute derogatory references to individuals or that are otherwise offensive to third parties;
- Are repetitious or have already been asked by other Unitholders;
- Are in furtherance of a Unitholder's personal or business interest, or
- Are out of order or not otherwise appropriate as determined by the chair or secretary of the Meeting in their reasonable judgment.

The chair of the Meeting has broad authority to conduct the Meeting in an orderly manner. To ensure the Meeting is conducted in a manner that is fair to all Unitholders, the chair of the Meeting may exercise broad discretion with respect to, for example, the order in which questions are asked and the amount of time devoted to any one question. Chartwell will do its best to respond to questions during the Meeting. After the Meeting Chartwell will follow up on any questions not answered during the meeting with the Unitholder or proxyholder as appropriate.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **1. Election of Chartwell Trustees and Directors**

#### ***Election of Chartwell Trustees***

Unless otherwise directed, the persons named in the accompanying Form of Proxy intend to vote in favour of the election, as Chartwell Trustees, of each of the nominees whose names are set forth below. All of the nominees are currently Chartwell Trustees. Each Chartwell Trustee will hold office for a term expiring at the close of the next annual meeting of Unitholders, unless his or her office is vacated earlier due to death, removal, resignation or ceasing to be duly qualified. The Chartwell Trustees do not contemplate that any of the nominees will be unable to serve as a Chartwell Trustee, but should that circumstance arise for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee at their discretion. Each nominee will be voted on individually. The following persons are nominated for election as Chartwell Trustees:

Lise Bastarache  
V. Ann Davis  
Huw Thomas

#### ***Election of Trustees of CSH Trust***

The Declaration of Trust provides that Unitholders shall direct the Chartwell Trustees to vote the units of CSH Trust, a trust created under the laws of Ontario as of September 8, 2003 and now subsisting under the eleventh amended and restated declaration of trust dated May 19, 2016 (the “**CSH Trust Declaration**”), held by Chartwell in favour of the election of each of the nominees chosen by a vote of Unitholders as trustees of CSH Trust (the “**CSH Trustees**”). Unless otherwise directed, the persons named in the accompanying Form of Proxy intend to direct the Chartwell Trustees to vote the units of CSH Trust so as to elect such nominees whose names are set forth below. All of the nominees are currently CSH Trustees. Each CSH Trustee will hold office for a term expiring at the close of the next annual meeting of Unitholders, unless his or her office is vacated earlier due to death, removal, resignation or ceasing to be duly qualified. The Chartwell Trustees do not contemplate that any of the nominees will be unable to serve as a CSH Trustee, but should that circumstance arise for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee at their discretion. Each nominee will be voted on individually. The following persons are nominated for election as CSH Trustees:

Michael D. Harris  
André R. Kuzmicki  
Sharon Sallows

#### ***Election of Directors to the Board of Directors of Chartwell Master Care Corporation***

The Declaration of Trust provides that Unitholders shall direct the Chartwell Trustees to cause the common shares of Chartwell Master Care Corporation (the

“**Corporation**”) to be voted in favour of the election of each of the nominees chosen by a vote of Unitholders, as directors of the Corporation (the “**Directors**”). The Corporation is the sole trustee of GP M Trust, which is the general partner of Master LP, the entity that carries on the seniors housing business in which Chartwell has indirectly invested. Accordingly, the Directors may be considered the directing mind of the business of Chartwell. Unless otherwise directed, the persons named in the accompanying Form of Proxy intend to direct the Chartwell Trustees to cause the common shares of the Corporation to be voted so as to elect such nominees whose names are set forth below as Directors. All of the nominees are currently Directors. Each Director will hold office for a term expiring at the close of the next annual meeting of Unitholders, unless his or her office is vacated earlier due to death, removal, resignation or ceasing to be duly qualified. The Chartwell Trustees do not contemplate that any of the nominees will be unable to serve as Directors, but should that circumstance arise for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee at their discretion. Each nominee will be voted on individually. The following persons are nominated for election as Directors:

Lise Bastarache  
W. Brent Binions  
V. Ann Davis  
Michael D. Harris  
André R. Kuzmicki  
Sharon Sallows  
James Scarlett  
Huw Thomas  
Vlad Volodarski

The articles of the Corporation may be amended from time to time to allow the number of Directors to be changed. Such an amendment would not require the approval of Unitholders. The board of directors of the Corporation (the “**Board**”) may add new Directors to reflect Master LP’s geographic scope, client base and its overall business interests. However, consistent with corporate practice under both the *Canada Business Corporations Act* and the *Business Corporations Act* (Ontario), the size of the Board will not be increased by more than one-third without Unitholder approval.

The Chartwell Trustees have adopted a policy that entitles each Unitholder to vote for each nominee on an individual basis. In addition, the Chartwell Trustees have adopted a policy stipulating that if the votes in favour of the election of a Chartwell Trustee, CSH Trustee or Director nominee at the Meeting represent less than a majority of the Units voted and withheld, the nominee will submit his or her resignation promptly after the Meeting for the consideration of the Compensation, Governance and Nominating Committee of the Corporation (the “**Compensation Committee**”). The Compensation Committee will make a recommendation to the Chartwell Trustees after reviewing the matter, and the Chartwell Trustees’ decision to accept or reject the resignation offer will be disclosed to the public within 90 days of the Meeting. The nominee will not participate in any Compensation Committee or Chartwell Trustees deliberations on the resignation offer. The policy does not apply in circumstances involving contested elections.

Chartwell’s Declaration of Trust contains advance notice provisions which require a nominating Unitholder to provide notice to the Chartwell Trustees of proposed Chartwell Trustee, CSH Trustee and Director nominees not less than 30 days prior to the date of the applicable annual meeting (being not later than April 20, 2021 for purposes of the Meeting). This advance notice period is intended to give Chartwell and its Unitholders sufficient time to consider any proposed nominees. A copy of the Declaration of Trust, which sets out Chartwell’s advance notice provisions, is available on our website and may be viewed under Chartwell’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com).

The following tables set forth (a) the names of the persons proposed to be nominated for election as Chartwell Trustees, CSH Trustees and/or Directors; (b) their current positions with Chartwell, CSH Trust and/or the Corporation, as applicable; (c) their principal occupation(s) or employment(s) during at least the five preceding years; (d) the approximate number of Trust Units of Chartwell, deferred units issued pursuant to Chartwell's deferred unit plan (the "**Deferred Units**"), Class B Master LP Units and, in the case of Mr. Volodarski, Restricted Units (as defined below), beneficially owned or over which control or direction is exercised, directly or indirectly, by each of them, as of March 31, 2021 and December 31, 2020; (e) the total market value of securities held; and (f) minimum unitholding requirements. The Board skills matrix on page 80 of this Circular lists the relevant skills possessed by each Board member. Each of the current Chartwell Trustees, the CSH Trustees and the Directors proposed for re-election, were elected to their positions on May 14, 2020 and the terms of their appointment will expire at the close of the Meeting unless they are re-elected. Chartwell has developed a renewal plan for the Board. See "Statement of Corporate Governance Practices - Board Renewal and Diversity Policy".



## LISE BASTARACHE

Independent

### Principal Occupation During Past Five Years

Ms Bastarache is an economist and Corporate Director, and a former executive for RBC Financial Group. She is a member of the Board of Directors of Laurentian Bank of Canada (where she is a member of the Audit Committee) and is also a Director of Otéra Capital (where she is Chair of the Investment and Risk Management Committee and a member of the Audit Committee). She is a former member of the Board of The Jean Coutu Group (PJC) Inc. (where she was a member of the Audit Committee, Human Resources and Compensation Committee and the Governance and Nominating Committee). Ms Bastarache holds a bachelor's and a master's degree in Economics from l'Université du Québec à Montréal, and has pursued doctoral studies at McGill University, specializing in macroeconomics.

Age: 57  
Candiac, Québec, Canada  
Chartwell Trustee; Director  
Director Since:  
August 2005

Board/Committee Memberships at December 31, 2020:	Attendances	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2020 Unitholder Vote:
> Chartwell Trustee and Member of the Board	8 of 9 <sup>(1)(2)</sup>	17 of 18	> Laurentian Bank of Canada	Votes For Chartwell Trustee: 98,017,287 Units (83.7%)
> Member of the Audit Committee of Chartwell	5 of 5	94%		Votes For Director: 94,662,246 Units (80.8%)
> Member of the Investment Committee of the Corporation	4 of 4			Votes Withheld: 19,117,635 Units (16.3%) Votes Withheld: 22,472,676 Units (19.2%)

Securities Held (at a market value of \$11.71 per Trust Unit for March 31, 2021 and \$11.19 per Trust Unit for December 31, 2020)

Year	Trust Units (and Market Value) <sup>(3)</sup>	Deferred Units (and Market Value)	Class B Master LP Units (and Market Value)	Total Units and Equivalents	Total Market Value of Securities Held	Minimum Unitholding Requirements	Actual Unitholding as Multiple of Annual Retainer	Complies with Unit Ownership Guidelines
as at March 31, 2021	37,500 (\$439,125)	99,094 (\$1,160,391)	-	136,594	\$1,599,516	5 times annual retainer	15.2 times annual retainer	Yes
as at December 31, 2020	37,500 (\$419,625)	96,611 (\$1,081,077)	-	134,111	\$1,500,702	5 times annual retainer	14.3 times annual retainer	Yes

- (1) Attends meetings in her capacity as a Chartwell Trustee and as a member of the Board.
- (2) Ms Bastarache was unable to attend one board meeting, a telephone conference called on short notice, due to a scheduling conflict.
- (3) Includes Trust Units previously acquired under Chartwell's Executive Unit Purchase Plan, in which Directors no longer participate.



Age: 66  
 Woodbridge, Ontario,  
 Canada  
 Director  
 Non-Management Director  
 Since: March 2020<sup>(1)</sup>

### Principal Occupation During Past Five Years

Mr. Binions retired from his position as President and Chief Executive Officer of Chartwell on March 15, 2020, a position which he held since May 1, 2009. Prior to that he was appointed President of Chartwell in April 2008 and was Executive Vice-President of Chartwell from November 2003 to April 2008. Mr. Binions has over 38 years of experience in the seniors housing sector. Prior to joining Chartwell, Mr. Binions was President and Chief Executive Officer of JBG Management Inc., a family business which owned and operated three long-term care residences and two retirement residences, which were sold to Chartwell as part of its initial public offering. Mr. Binions is a past President of the Ontario Long-Term Care Association and a past Vice-President of the Ontario Residential Care Association. He holds an LL.B from Osgoode Hall Law School and practiced law prior to joining JBG Management as an executive.

Board/Committee Memberships at December 31, 2020:	Attendances	Attendances (Total):	Current Public Board Membership (other than Chartwell)	Result from May 2020 Unitholder Vote:
> Member of the Board	9 of 9	13 of 13	> None	Votes For Director: 91,819,323 Units (78.4%)  Votes Withheld: 25,315,599 Units (21.6%)
> Member of the Investment Committee of the Corporation	4 of 4	100%		

Securities Held (at a market value of \$11.71 per Trust Unit for March 31, 2021 and \$11.19 per Trust Unit for December 31, 2020)

Year	Trust Units (and Market Value) <sup>(2)</sup>	Deferred Units (and Market Value)	Class B Master LP Units (and Market Value)	Restricted Trust Units (and Market Value)	Total Units and Equivalents	Total Market Value of Securities Held	Minimum Unitholding Requirements	Actual Unitholding as Multiple of Base Salary / Annual Retainer	Complies with Unit Ownership Guidelines
as at March 31, 2021	497,243 (\$5,822,716)	11,565 (\$135,426)	184,639 <sup>(3)</sup> (\$2,162,123)	-	693,447	\$8,120,265	5 times retainer	77.3 times annual retainer	Yes
as at December 31, 2020	497,243 (\$5,564,149)	8,629 (\$96,559)	184,639 <sup>(3)</sup> (\$2,066,110)	-	690,511	\$7,726,818	5 times retainer	73.6 times annual retainer	Yes

- (1) Mr. Binions has been a non-management Director since March 2020. Prior to that, he was on the Board in his capacity as the President and Chief Executive Officer of Chartwell.
- (2) Includes Trust Units acquired under Chartwell's Executive Unit Purchase Plan.
- (3) Class B Master LP Units held by JBG Management Inc. These Class B Master LP Units were issued to JBG Management Inc. in connection with the sale by CEBY Management Limited and JBG Management Inc. of certain seniors housing residences to Chartwell.



## V. ANN DAVIS

Independent

### Principal Occupation During Past Five Years

Ms Davis is a Corporate Director. She retired from KPMG LLP in 2013, where she was a partner in the audit practice for over 25 years with a specialization in the financial services sector, and where she served as the lead audit engagement partner for some of the firm's largest financial services clients. Ms Davis is a Director and Chair of the Audit Committee of the Canada Guaranty Mortgage Insurance Company and is also a Director and on the Audit, Finance and Investment and the Industry Risk committees of Canadian Investor Protection Fund. She serves on the Board of Directors and is a past Chair of Women's College Hospital Foundation. Ms Davis is a former Director and Chair of the Audit and Risk Committee of Gluskin Sheff + Associates Inc, a former member of the Independent Review Committee of Questrade, Inc. related to their Exchange Traded Funds, and a former Director of Callidus Capital Corporation. Ms Davis became a Chartered Accountant in 1979 and was elected a Fellow of the Chartered Professional Accountants of Ontario in 1997. She graduated from Queen's University in 1976 with a Bachelor of Science (Honours) Degree.

Age: 68

Toronto, Ontario, Canada  
 Chartwell Trustee; Director  
 Director Since:  
 May 2017

Board/Committee Memberships at December 31, 2020:	Attendances	Attendances (Total):	Current Public Board Membership (other than Chartwell)	Result from May 2020 Unitholder Vote:
> Chartwell Trustee and Member of the Board	9 of 9 <sup>(1)</sup> 5 of 5	18 of 18 100%	> None	Votes for Chartwell Trustee: 117,008,631 Units (99.9%) Votes For Director: 117,023,207 Units (99.9%) Votes Withheld: 126,291 Units (0.1%) Votes Withheld: 111,715 Units (0.1%)
> Member of the Audit Committee of Chartwell (Chair)	4 of 4			
> Member of the Investment Committee of the Corporation				

Securities Held (at a market value of \$11.71 per Trust Unit for March 31, 2021 and \$11.19 per Trust Unit for December 31, 2020)

Year	Trust Units (and Market Value)	Deferred Units (and Market Value)	Class B Master LP Units (and Market Value)	Total Units and Equivalents	Total Market Value of Securities Held	Minimum Unitholding Requirements	Actual Unitholding as Multiple of Annual Retainer	Complies with Unit Ownership Guidelines
as at March 31, 2021	-	23,009 (\$269,435)	-	23,009	\$269,435	5 times annual retainer	2.1 times annual retainer <sup>(2)</sup>	Yes <sup>(2)</sup>
as at December 31, 2020	-	20,945 (\$234,375)	-	20,945	\$234,375	5 times annual retainer	1.8 times annual retainer <sup>(2)</sup>	Yes <sup>(2)</sup>

(1) Attends meetings in her capacity as a Chartwell Trustee and as a member of the Board.

(2) Pursuant to Chartwell policy, Ms Davis has five years, until May 2022, to meet the minimum unitholding requirement from the date of appointment.



## MICHAEL D. HARRIS

Independent

### Principal Occupation During Past Five Years

Mr. Harris is a senior business advisor at Fasken Martineau DuMoulin LLP, a law firm. Mr. Harris was the Premier of the Province of Ontario from 1995 to 2002. He is a member of the Board of Directors of Canaccord Genuity Group Inc., Route1 Inc. (Chair) and Voxtur Analytics Corp., and is a former Director of Colliers International Group Inc. and Magna International Inc. (former Chair). He holds the ICD.D designation. Mr. Harris was appointed to Order of Ontario in 2021.

Age: 76

Toronto, Ontario, Canada  
 CSH Trustee; Director  
 and Chair of the  
 Corporation  
 Director Since:  
 November 2003

#### Board/Committee Memberships at December 31, 2020:

	Attendances	Attendances (Total):	Current Public Board Membership (other than Chartwell)	Result from May 2020 Unitholder Vote:
> CSH Trustee and Member of the Board (Chair)	9 of 9 <sup>(1)</sup>	14 of 14	> Canaccord Genuity Group Inc.	Votes For CSH Trustee: 95,217,068 Units (81.3%)
> Member of the Compensation, Governance and Nominating Committee of the Corporation	5 of 5	100%	> Route1 Inc. > Voxtur Analytics Corp.	Votes For Director: 91,054,879 Units (77.7%) Votes Withheld: 21,917,854 Units (18.7%) Votes Withheld: 26,080,043 Units (22.3%)

Securities Held (at a market value of \$11.71 per Trust Unit for March 31, 2021 and \$11.19 per Trust Unit for December 31, 2020)

Year	Trust Units (and Market Value) <sup>(2)</sup>	Deferred Units (and Market Value)	Class B Master LP Units (and Market Value)	Total Units and Equivalents	Total Market Value of Securities Held	Minimum Unitholding Requirements	Actual Unitholding as Multiple of Annual Retainer	Complies with Unit Ownership Guidelines
as at March 31, 2021	201,171 (\$2,355,712)	338,519 (\$3,964,057)	-	539,690	\$6,319,769	5 times annual retainer	29.4 times annual retainer	Yes
as at December 31, 2020	201,171 (\$2,251,103)	332,716 (\$3,723,092)	-	533,887	\$5,974,195	5 times annual retainer	27.8 times annual retainer	Yes

(1) Attends meetings in his capacity as a CSH Trustee and as a member of the Board.

(2) Includes Trust Units previously acquired under Chartwell's Executive Unit Purchase Plan, in which Directors no longer participate.



Age: 69  
 Toronto, Ontario, Canada  
 CSH Trustee; Director  
 Director Since: May 2005

### Principal Occupation During Past Five Years

Mr. Kuzmicki is Executive in Residence at the Schulich School of Business, York University, and a Corporate Director. He is the former Executive Director of the Brookfield Centre in Real Estate and Infrastructure, Schulich and President of Excellent! Inc., a real estate consulting firm. Prior to entering academia in 1998, Mr. Kuzmicki managed the real estate investment portfolio for the Canadian arm of the Prudential Insurance Company of America. Mr. Kuzmicki currently serves on the board of Dorsay Development Corporation. He previously served on the boards of DREAM Unlimited Corp., RealNet Canada Inc., Bentall Group, Artis REIT and Bentall Corporation. He holds an MBA from McGill University.

Board/Committee Memberships at December 31, 2020:	Attendances	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2020 Unitholder Vote:
> CSH Trustee and Member of the Board	9 of 9 <sup>(1)</sup>	13 of 13	> None	Votes For CSH Trustee: 98,002,291 Units (83.7%)
> Member of the Investment Committee of the Corporation (Chair)	4 of 4	100%		Votes For Director: 94,693,103 Units (80.8%) Votes Withheld: 19,132,631 (16.3%) Votes Withheld: 22,441,819 Units (19.2%)

Securities Held (at a market value of \$11.71 per Trust Unit for March 31, 2021 and \$11.19 per Trust Unit for December 31, 2020)

Year	Trust Units (and Market Value) <sup>(2)</sup>	Deferred Units (and Market Value)	Class B Master LP Units (and Market Value)	Total Units and Equivalents	Total Market Value of Securities Held	Minimum Unitholding Requirements	Actual Unitholding as Multiple of Annual Retainer	Complies with Unit Ownership Guidelines
as at March 31, 2021	73,120 (\$856,235)	210,810 (\$2,468,585)	-	283,930	\$3,324,820	5 times annual retainer	25.6 times annual retainer	Yes
as at December 31, 2020	73,120 (\$818,213)	206,235 (\$2,307,770)	-	279,355	\$3,125,983	5 times annual retainer	24 times annual retainer	Yes

(1) Attends meetings in his capacity as a CSH Trustee and as a member of the Board.

(2) Includes Trust Units previously acquired under Chartwell's Executive Unit Purchase Plan, in which Directors no longer participate.



## SHARON SALLOWS

Independent

### Principal Occupation During Past Five Years

Ms Sallows is a Corporate Director. She is currently a member of the Board of Trustees, a member of the Human Resources and Compensation Committee and a member of the Audit Committee of RioCan REIT, and is a Director and Chair of the Human Resources and Compensation Committee of Home Capital Group Inc. and a Director and Chair of the Governance Committee of Alberta Investment Management Corporation (AIMCo). She is a former member of the Board of Directors and of the Human Resources and Compensation, Investment and Audit Committees of the Ontario Teachers' Pension Plan Board. Until 2009, Ms Sallows was a principal in Ryegate Capital Corporation, a company engaged in merchant banking as well as the provision of financial and strategic advisory services to institutional and corporate clients. Ms Sallows is a former Executive Vice-President of MICC Properties Inc. and previously held various positions at the Bank of Montreal, including Senior Vice-President, Real Estate, Corporate Banking. Ms Sallows received a B.A. from Carleton University, a M.Sc. from the London School of Economics, a Ph.D. from The Wharton School, University of Pennsylvania and holds the ICD.D designation.

Age: 71  
 Toronto, Ontario, Canada  
 CSH Trustee; Director  
 Director Since: August 2010

Board/Committee Memberships at December 31, 2020:	Attendances	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2020 Unitholder Vote:
> CSH Trustee and Member of the Board	9 of 9 <sup>(1)</sup>	18 of 18	> RioCan Real Estate Investment Trust	Votes For CSH Trustee: 116,615,329 Units (99.6%)
> Member of the Compensation, Governance and Nominating Committee of the Corporation	5 of 5	100%	> Home Capital Group Inc.	Votes For Director: 116,624,687 Units (99.6%)
> Member of the Investment Committee of the Corporation	4 of 4			Votes Withheld: 519,593 Units (0.4%) Votes Withheld: 509,578 Units (0.4%)

Securities Held (at a market value of \$11.71 per Trust Unit for March 31, 2021 and \$11.19 per Trust Unit for December 31, 2020)

Year	Trust Units (and Market Value) <sup>(2)</sup>	Deferred Units (and Market Value)	Class B Master LP Units (and Market Value)	Total Units and Equivalents	Total Market Value of Securities Held	Minimum Unitholding Requirements	Actual Unitholding as Multiple of Annual Retainer	Complies with Unit Ownership Guidelines
as at March 31, 2021	41,249 (\$483,026)	164,918 (\$1,931,190)	-	206,167	\$2,414,216	5 times annual retainer	23.0 times annual retainer	Yes
as at December 31, 2020	41,249 (\$461,576)	159,483 (\$1,784,615)	-	200,732	\$2,246,191	5 times annual retainer	21.4 times annual retainer	Yes

(1) Attends meetings in her capacity as a CSH Trustee and as a member of the Board.

(2) Includes Trust Units previously acquired under Chartwell's Executive Unit Purchase Plan, in which Directors no longer participate.



## JAMES SCARLETT

Independent

### Principal Occupation During Past Five Years

James Scarlett is a Corporate Director. He is the former Executive Vice-President and Chief Legal Officer at Hydro One Inc., an electricity transmission and distribution provider. Mr. Scarlett was a Senior Partner at Torys LLP, a law firm, having joined Torys in 2000 and holding a number of leadership roles at the firm, including head of Torys' Capital Markets Group, Mining Group and International Business Development strategy. Mr. Scarlett was also a member of the firm's Executive Committee from 2009-2015. Prior to joining Torys, he was a partner at another major Canadian law firm. While at that firm Mr. Scarlett held leadership roles as head of its Corporate Group, Securities Group and as a member of its Board. He was also seconded to the Ontario Securities Commission in 1987 and was appointed as the first Director of Capital markets in 1988, a position he held until his return to private law practice in 1990. Mr. Scarlett is a Director of Nouveau Monde Graphite Inc. He earned his law degree (J.D.) from the University of Toronto and his Bachelor of Commerce Degree from McGill University. Mr. Scarlett holds the ICD.D designation.

Age: 67  
Toronto, Ontario, Canada  
Director  
Director Since: May 2019

Board/Committee Memberships at December 31, 2020:	Attendances	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2020 Unitholder Vote:
> Member of the Board	9 of 9 <sup>(1)</sup>	14 of 14	> Nouveau Monde Graphite Inc.	Votes For Director: 117,001,088 Units (99.9%) Votes Withheld: 133,197 Units (0.1%)
> Member of the Compensation, Governance and Nominating Committee of the Corporation	5 of 5	100%		

Securities Held (at a market value of \$11.71 per Trust Unit for March 31, 2021 and \$11.19 per Trust Unit for December 31, 2020)

Year	Trust Units (and Market Value)	Deferred Units (and Market Value)	Class B Master LP Units (and Market Value)	Total Units and Equivalents	Total Market Value of Securities Held	Minimum Unitholding Requirements	Actual Unitholding as Multiple of Annual Retainer	Complies with Unit Ownership Guidelines
as at March 31, 2021	-	21,021 (\$246,156)	-	21,021	\$246,156	5 times annual retainer	2.3 times annual retainer <sup>(2)</sup>	Yes <sup>(2)</sup>
as at December 31, 2020	-	17,768 (\$198,824)	-	17,768	\$198,824	5 times annual retainer	1.9 times annual retainer <sup>(2)</sup>	Yes <sup>(2)</sup>

(1) Attends meetings in his capacity as a member of the Board.

(2) Pursuant to Chartwell policy, Mr. Scarlett has five years, until May 2024, to meet the minimum unitholding requirement from the date of appointment.



## HUW THOMAS

Independent

### Principal Occupation During Past Five Years

Mr. Thomas is a Corporate Director. He is the former President and Chief Executive Officer, and former Trustee and former Audit Committee Chair of SmartCentres Real Estate Investment Trust. He is a Director of Dollarama Inc. (where he is a member of the Audit Committee and Nominating and Governance Committee). Mr. Thomas holds a B.Sc., Economics from the University of London and became a Chartered Accountant in 1984. He is a Fellow of the Chartered Professional Accountants of Ontario.

Age: 68  
Oakville, Ontario, Canada  
Chartwell Trustee; Director  
Director Since: February 2012

Board/Committee Memberships at December 31, 2020:	Attendances	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2020 Unitholder Vote:
> Chartwell Trustee and Member of the Board	8 of 9 <sup>(1), (2)</sup> 5 of 5	18/19 95%	> Dollarama Inc.	Votes For Chartwell Trustee: 117,004,505 Units (99.9%)  Votes For Director: 116,566,012 Units (99.5%)  Votes Withheld: 130,417 Units (0.1%)  Votes Withheld: 568,273 Units (0.5%)
> Member of the Audit Committee of Chartwell	5 of 5			
> Member of the Compensation, Governance and Nominating Committee of the Corporation (Chair)				

Securities Held (at a market value of \$11.71 per Trust Unit for March 31, 2021 and \$11.19 per Trust Unit for December 31, 2020)

Year	Trust Units (and Market Value) <sup>(3)</sup>	Deferred Units (and Market Value)	Class B Master LP Units (and Market Value)	Total Units and Equivalents	Total Market Value of Securities Held	Minimum Unitholding Requirements	Actual Unitholding as Multiple of Annual Retainer	Complies with Unit Ownership Guidelines
as at March 31, 2021	32,500 (\$380,575)	138,199 (\$1,618,310)	-	170,699	\$1,998,885	5 times annual retainer	15.4 times annual retainer	Yes
as at December 31, 2020	32,500 (\$363,675)	135,174 (\$1,512,597)	-	167,674	\$1,876,272	5 times annual retainer	14.4 times annual retainer	Yes

- (1) Attends meetings in his capacity as a Chartwell Trustee and as a member of the Board.
- (2) Mr. Thomas was unable to attend one board meeting, a telephone conference called on short notice, due to a scheduling conflict.
- (3) Includes Trust Units previously acquired under Chartwell's Executive Unit Purchase Plan, in which Directors no longer participate.



## VLAD VOLODARSKI

Non-Independent

### Principal Occupation During Past Five Years

Mr. Volodarski was appointed CEO of Chartwell on March 16, 2020. He was the Chief Financial Officer of Chartwell from 2005 to March 2020 and had oversight of Chartwell's real estate portfolio from 2011 to March 2020 as Chartwell's Chief Investment Officer. Prior to joining Chartwell in 2003, Mr. Volodarski was a senior manager with KPMG LLP. Originally trained as a mechanical engineer in the Ukraine, he is a Certified Public Accountant (CA), holds an ICD.D designation from the Institute of Corporate Directors and is a graduate of Harvard Business School's Advanced Management Program.

Age: 49  
 Richmond Hill, Ontario,  
 Canada  
 Chief Executive Officer  
 ("CEO") of Chartwell;  
 Director and CEO of the  
 Corporation  
 Director Since:  
 March 2020

Board/Committee Memberships at December 31, 2020:	Attendances	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2020 Unitholder Vote:
> Member of the Board	9 of 9	9/9  100%	> None	Votes For Director: 98,291,554 Units (83.9%)  Votes Withheld: 18,842,731 Units (16.1%)

Securities Held (at a market value of \$11.71 per Trust Unit for March 31, 2021 and \$11.19 per Trust Unit for December 31, 2020)

Year	Trust Units (and Market Value) <sup>(1)</sup>	Deferred Units (and Market Value)	Class B Master LP Units (and Market Value)	Restricted Trust Units (and Market Value)	Total Units and Equivalents	Total Market Value of Securities Held	Minimum Unitholding Requirements	Actual Unitholding as Multiple of Base Salary	Complies with Unit Ownership Guidelines
as at March 31, 2021	348,639 (\$4,082,563)	-	-	167,593 (\$1,962,514)	516,232	\$6,045,077	3 times base salary	8.6 times base salary	Yes
as at December 31, 2020	288,030 (\$3,223,056)	-	-	113,410 (\$1,269,058)	401,440	\$4,492,114	3 times base salary	6.4 times base salary	Yes

(1) Includes Trust Units acquired under Chartwell's Executive Unit Purchase Plan.

Except as disclosed below, no Chartwell Trustee, CSH Trustee or Director or proposed Director is, or within the ten years prior to the date hereof has (a) been a director or executive officer of any company (including Chartwell, CSH Trust or the Corporation) that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

On February 9, 2017, Home Capital Group Inc. ("**Home Capital**") received an enforcement notice from the staff of the OSC relating to its disclosure in 2015 regarding the impact of Home Capital's findings that income information that had been submitted on loan applications had been falsified and the subsequent remedial steps taken by Home Capital. In February 2017, a proposed class action against Home Capital, Gerald Soloway, Martin Reid and Robert Morton was commenced by Claire R. McDonald relating to the allegations (the "**Class Action**"). On April 29, 2017, the OSC issued a Statement of Allegations and Notice of Hearing relating to that disclosure against Home Capital. On June 14, 2017, Home Capital announced that it had reached two settlement agreements which together comprised a global settlement with the OSC and with respect to the Class Action. The OSC settlement was approved on August 9, 2017. Ms Sallows joined Home Capital's board of directors on May 8, 2017, after initiation of the proceedings.

## 2. Reappointment of KPMG LLP as Auditor

It is intended that the Units represented by proxies in favour of the persons shown in the enclosed Form of Proxy will be voted in favour of the reappointment of KPMG LLP, Chartered Accountants, Toronto, Ontario, as auditors of Chartwell to hold office until the next annual meeting of Unitholders, at a remuneration to be determined by the Chartwell Trustees. KPMG LLP has been the auditor of Chartwell since August 16, 2003.

## 3. Deferred Unit Plan

Chartwell established the deferred unit plan (the "**Deferred Unit Plan**") in 2008 to provide Chartwell Trustees, CSH Trustees and non-management Directors (each a "**DUP Participant**") with the opportunity to acquire Deferred Units. "Deferred Units" represent the right to receive a Trust Unit. The Deferred Unit Plan was approved by Unitholders at Chartwell's annual and special meeting in 2009, was amended in 2010, was subsequently ratified in 2012 and every three years thereafter, and was amended again in 2020. In accordance with the policies of the Toronto Stock Exchange (the "**TSX**"), the Deferred Unit Plan must be ratified by Unitholders every three years.

The Deferred Unit Plan allows DUP Participants to participate in the long-term success of Chartwell and promotes a greater alignment of interests between DUP Participants and Unitholders, while reducing the cash requirements of Chartwell.

A more detailed description of the Deferred Unit Plan is provided at page 57 of this Circular, and the full text of the plan can be accessed under Chartwell's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The text of the resolution, which sets out the specific terms of the ratification, is set forth in Appendix "A" to this Circular (the "**Deferred Unit Plan Resolution**").

To be effective the resolution must be passed by a majority of the votes cast by Unitholders present personally or represented by proxy at the Meeting.

**The Chartwell Trustees have concluded that the Deferred Unit Plan Resolution outlined above is in the best interests of Chartwell and Unitholders, and unanimously recommend that Unitholders vote FOR the Deferred Unit Plan Resolution, as set out in Appendix "A" to this Circular. The persons named in the enclosed Form of Proxy intend to vote at the Meeting in favour of the Deferred Unit Plan Resolution, unless the Unitholder has specified in the Form of Proxy that his or her Units are to be voted against the Deferred Unit Plan Resolution.**

## 4. Unitholder Rights Plan

At the Meeting, Unitholders will be asked to reconfirm and ratify Chartwell's unitholder rights agreement, as more fully described below.

### *Background*

Chartwell's existing unitholder rights agreement dated May 17, 2018 (the "**Rights Plan**") was approved by Unitholders at the Annual and Special Meeting of Unitholders of Chartwell in 2018. The Rights Plan has a term of nine years subject to approval by the Unitholders at Chartwell's annual general meetings in 2021 and 2024.

The Chartwell Trustees, as discussed below, have considered and concluded that the continuation of the Rights Plan would be in the best interests of Chartwell and the Unitholders. Many public companies in Canada have shareholder/unitholder rights plans in effect similar to the Rights Plan.

A summary of the terms of the Rights Plan is set out below. The complete text of the Rights Plan is available under Chartwell's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The text of the resolution which sets out the specific terms of the reconfirmation is set forth in Appendix "B" to this Circular (the "**Rights Plan Resolution**"). To be effective, the resolution must be passed by a majority of the votes cast by Unitholders present personally or by proxy at the Meeting.

### *Objectives of the Rights Plan*

A rights plan is a common mechanism used by public companies to encourage the fair and equal treatment of all securityholders in the face of a take-over bid.

The Rights Plan encourages a potential acquirer who makes a take-over bid to proceed either by way of a "Permitted Bid" (described below), which generally requires a take-over bid to satisfy certain minimum standards designed to promote fairness, or with the concurrence of the Chartwell Trustees. If a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by the Chartwell Trustees, the Rights Plan provides that holders of Units, other than the acquirer, will be able to purchase additional Units at a significant discount to market, thus exposing the person acquiring Units to substantial dilution of its holdings.

As at the date hereof, the Chartwell Trustees are not aware of any pending or threatened take-over bid for Chartwell and the Rights Plan is not being adopted in response to any proposal to acquire control of Chartwell.

In adopting the Rights Plan, the Chartwell Trustees considered certain amendments to the legislative framework governing take-over bids in Canada adopted on May 9, 2016. The amendments, among other things, lengthen the minimum bid period to 105 days (from the previous 35 days), require that all non-exempt take-over bids meet a minimum tender requirement of more than 50% of the outstanding securities held by disinterested securityholders, and require a ten day extension after the minimum tender requirement is met. Regarding the minimum bid period, a target issuer will have the ability to voluntarily reduce the period to not less than 35 days. Additionally, the minimum bid period may be reduced due to the existence of certain competing take-over bids or alternative change in control transactions.

As the legislative amendments do not apply to exempt take-over bids, there continues to be a role for rights plans in protecting issuers and preventing the unequal treatment of Unitholders. Some remaining areas of concern include:

- protecting against “creeping bids” (the accumulation of more than 20% of the Units through purchases exempt from Canadian take-over bid rules, such as (i) purchases from a small group of Unitholders under private agreements at a premium to the market price not available to all Unitholders, (ii) acquiring control through the slow accumulation of shares over a stock exchange without paying a control premium, or (iii) through other transactions outside of Canada that may not be formally subject to Canadian take-over bid rules), and requiring the bid to be made to all Unitholders; and
- preventing a potential acquirer from entering into lock-up agreements with existing Unitholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan.

By applying to all acquisitions of 20% or more of the Units, except in limited circumstances including Permitted Bids (as defined in the Rights Plan), the Rights Plan is designed to ensure that all Unitholders receive equal treatment. In addition, there may be circumstances where bidders request lock-up agreements that are not in the best interest of Chartwell or its Unitholders. Unitholders may also feel compelled to tender their Units to a take-over bid, even if they consider such bid to be inadequate, out of a concern that failing to do so may result in a Unitholder being left with illiquid or minority discounted Units in Chartwell. This is particularly so in the case of a partial bid for less than all the Units.

As a result, the Chartwell Trustees have determined that it is advisable and in the best interests of Chartwell and its Unitholders that Chartwell has in place a unitholder rights plan in the form of the Rights Plan.

It is not the intention of the Chartwell Trustees, in recommending the reconfirmation and approval of the Rights Plan to either secure the continuance of the trustees or management of Chartwell or to preclude a take-over bid for control of Chartwell. The Rights Plan provides that Unitholders may tender to take-over bids which meet the Permitted Bid criteria. Furthermore, even in the context of a take-over bid that does not meet the Permitted Bid criteria, the Chartwell Trustees are always bound to consider any take-over bid for Chartwell and consider whether or not it should waive the application of the Rights Plan in respect of such bid. In discharging such responsibility, the Chartwell Trustees will be obligated to act honestly and in good faith with a view to the best interests of Chartwell.

In recent years, unsolicited bids have been made for a number of Canadian public companies, many of which had securityholder rights plans. The Chartwell Trustees believe this demonstrates that the existence of a securityholder rights plan does not prevent the making of an unsolicited bid. Further, in a number of these cases, a change of control ultimately occurred at a price in excess of the original bid price. There can be no assurance, however, that Chartwell’s Rights Plan would serve to bring about a similar result.

The Rights Plan does not preclude any Unitholder from utilizing the mechanisms of the Declaration of Trust to promote a change in the management or direction of Chartwell, and will have no effect on the rights of holders of Chartwell's Units to requisition a meeting of Unitholders in accordance with the provisions of the Declaration of Trust.

The Rights Plan is not expected to interfere with the day-to-day operations of Chartwell. Neither the existence of the outstanding Rights (as defined in the Rights Plan) nor the issuance of additional Rights in the future will in any way alter the financial condition of Chartwell, impede its business plans, or alter its financial statements. In addition, the Rights Plan is initially not dilutive. However, if a "Flip-in Event" (described below) occurs and the Rights separate from the Units as described below, reported earnings per Unit and reported cash flow per Unit on a fully-diluted or non-diluted basis may be affected. In addition, holders of Rights not exercising their Rights after a Flip-in Event may suffer substantial dilution.

## ***Summary of Rights Plan***

The material terms of the Rights Plan are summarized below. The summary is qualified in its entirety by reference to the actual provisions of the Rights Plan, a copy of which is available under Chartwell's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Capitalized terms which are not defined, have the meanings attributed to them in the Rights Plan.

### **Effective Date and Term**

The effective date of the Rights Plan (the "**Effective Date**") is May 17, 2018. The Rights Plan will remain in effect until the date of Chartwell's annual and general meeting in 2027. As a result of the rules of the TSX, the Rights Plan must be approved by Unitholders every three years.

### **Issuance of Rights**

At the record time on the Effective Date, one right (a "**Right**") will be issued and attached to each outstanding Unit and has and will attach to each Unit subsequently issued.

### **Rights Exercise Privilege**

The Rights will separate from the Units and will be exercisable ten trading days (the "**Separation Time**") after a person has acquired, or commences a take-over bid to acquire, 20% or more of the Units, other than by an acquisition pursuant to a take-over bid permitted by the Rights Plan (a "**Permitted Bid**"). The acquisition by any person (an "**Acquiring Person**") of 20% or more of the Units, other than by way of a Permitted Bid, is referred to as a "Flip-in Event". Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Ten trading days after the occurrence of the Flip-in Event, each Right (other than those held by the Acquiring Person), will permit the purchase of \$100 worth of Units for \$50.

### **Certificates and Transferability**

Prior to the Separation Time, the Rights are evidenced by the registered ownership of the Units (whether or not evidenced by a certificate representing Units) issued from and after the Effective Time and are not to be transferable separately from the Units. From and after the Separation Time, the Rights will be evidenced by separate certificates that will be transferable and traded separately from the Units.

## Permitted Bid Requirements

The requirements for a Permitted Bid include the following:

- (a) the take-over bid must be made to all holders of record of Units, other than the bidder;
- (b) the take-over bid must contain the following irrevocable and unqualified conditions:
  - (i) no Units shall be taken up or paid for;
    - (A) prior to the close of business on a date which is not less than 105 days following the date of the bid, or such shorter minimum period as determined in accordance with section 2.28.2 or section 2.28.3 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (“**NI 62-104**”) for which a take-over bid (that is not exempt from any of the requirements of Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104; and
    - (B) unless, at the close of business on the date Units are first taken up or paid for under such bid, more than 50% of the then outstanding Units held by Unitholders other than the bidder, its affiliates and persons acting jointly or in concert with other persons (the “Independent Unitholders”) shall have been tendered or deposited pursuant to the bid and not withdrawn;
  - (c) unless the take-over bid is withdrawn, Units may be tendered or deposited at any time during the period which applies pursuant to the clause summarized in (b)(i)(A) above, and any Units tendered or deposited pursuant to the take-over bid may be withdrawn until taken up and paid for; and
  - (d) if the condition summarized in (b)(i)(B) above is satisfied, the Offeror must make a public announcement of that fact and the Take-over Bid must be extended for a period of not less than ten days from the date of such public announcement.

## Waiver

The Chartwell Trustees, acting in good faith, may, prior to the occurrence of a Flip-in Event, waive the application of the Rights Plan to a particular Flip-in Event (an “**Exempt Acquisition**”) where the take-over bid is made by a take-over bid circular to all the holders of Units. Where the Chartwell Trustees exercise the waiver power for one take-over bid, the waiver will also apply to any other take-over bid for Chartwell made by a take-over bid circular to all holders of Units prior to the expiry of any other bid for which the Rights Plan has been waived.

## Redemption

The Chartwell Trustees with the approval of a majority vote of the votes cast by Unitholders (or the holders of Rights if the Separation Time has occurred) voting in person and by proxy, at a meeting duly called for that purpose, may redeem the Rights at \$0.0001 per Unit. Rights may also be redeemed by the Chartwell Trustees without such approval following completion of a Permitted Bid, Competing Permitted Bid or Exempt Acquisition.

## Amendment

The Chartwell Trustees may amend the Rights Plan with the approval of a majority vote of the votes cast by Unitholders (or the holders of Rights if the Separation

Time has occurred) voting in person and by proxy at a meeting duly called for that purpose. The Chartwell Trustees without such approval may correct clerical or typographical errors and, subject to approval as noted above at the next meeting of the Unitholders (or holders of Rights, as the case may be), may make amendments to the Rights Plan to maintain its validity due to changes in applicable legislation.

### Exemptions for Investment Advisors

Investment advisors (for fully managed accounts), mutual funds, trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds and administrators of registered pension plans acquiring greater than 20% of the Units are exempted from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a take-over bid.

**For the reasons indicated above, the Chartwell Trustees have concluded that the Rights Plan is in the best interests of Chartwell. Accordingly, the Chartwell Trustees unanimously recommend that Unitholders vote FOR the Rights Plan Resolution set out in Appendix “B” of this Circular. Unless the Rights Plan is approved by a majority of the votes cast at the Meeting by Unitholders voting personally and by proxy it will cease to be of any force or effect. The persons named in the enclosed Form of Proxy intend to vote the Units represented by such proxy in favour of the Rights Plan Resolution unless the Unitholder has directed in the proxy that such Units are to be voted against the Rights Plan Resolution.**

## 5. Advisory Vote on Approach to Executive Compensation

Chartwell’s executive compensation program has the objectives of attracting and retaining highly qualified executives, motivating their performance and aligning the interests of executives with the interests of Unitholders. Compensation under the program is linked to achieving both current and longer-term goals of Chartwell and to optimizing long-term total Unitholder return through sustaining and growing Chartwell’s distributions. Chartwell believes that its compensation program is consistent with those objectives, and is in the best interests of Unitholders. Detailed disclosure of Chartwell’s executive compensation program is provided in the “Compensation Discussion and Analysis” section starting on page 27 of this Circular.

In 2014, the Board adopted a policy to hold a non-binding advisory vote on the approach to executive compensation as disclosed in the management information circular at each annual meeting. This Unitholder vote forms an important part of the ongoing process of engagement between Unitholders and the Board on executive compensation.

At the Meeting, Unitholders will have an opportunity to vote on Chartwell’s approach to executive compensation through consideration of the following advisory resolution:

“Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board, that the Unitholders accept the approach to executive compensation disclosed in the management information circular delivered in advance of the 2021 annual meeting of unitholders of Chartwell.”

To be effective, the resolutions must be passed by a majority of the votes cast by Unitholders present personally or represented by proxy at the Meeting. Because the vote is advisory, it will not be binding upon the Board. However, the Compensation Committee will take into account the results of the vote when considering future executive compensation arrangements.

**The Chartwell Trustees have concluded that Chartwell’s approach to executive compensation disclosed in this Circular is in the best interests of Chartwell and**

Unitholders, and unanimously recommend that Unitholders vote FOR the above advisory resolution. The persons named in the enclosed Form of Proxy intend to vote at the Meeting in favour of the advisory resolution, unless the Unitholder has specified in the Form of Proxy that his or her Units are to be voted against the advisory resolution.

## 6. Unitholder Proposals

Unitholders will be asked to vote on the two Unitholder proposals set out in Schedule “B” of this Circular. The proposals and supporting statements have been printed as submitted.

For the reasons explained in the Board’s response in Schedule “B”, the Board recommends that the Unitholders vote AGAINST each of the Unitholder proposals for the reasons described in Schedule “B” to this Circular. Unless a proxy specifies that the units it represents should be voted for any of the Unitholder proposals, the persons named in the form of proxy intend to vote AGAINST each of the proposals.

## 2020 VOTING RESULTS

The following matters were voted on at the 2020 annual Unitholder meeting held on May 14, 2020. Each of the matters voted on is more fully described in Chartwell’s 2020 management information circular dated March 30, 2020.

	Votes For		Votes Withheld	
Reappointment of Auditors	117,189,276	99.16%	996,501	0.84%

	Votes For		Votes Against	
Amendments to Deferred Unit Plan	116,826,310	99.74%	308,612	0.26%
Amendments to Declaration of Trust	116,942,499	99.84%	192,423	0.16%
Advisory Resolution on Executive Compensation	95,689,890	81.69%	21,445,032	18.31%

The voting results for the election of Trustees, CSH Trustees and Directors at the 2020 annual Unitholder meeting held on May 14, 2020 are reported in the applicable proposed nominee table on pages 12-20 of this Circular.

## COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Discussion and Analysis provides information regarding all significant elements of compensation paid, payable, awarded, granted, given or otherwise provided by Chartwell to Chartwell’s Chief Executive Officer, Chief Financial Officer, and the three other most highly compensated executive officers who were serving as executive officers of Chartwell on December 31, 2020 (the “**Named Executive Officers**” or “**NEOs**”) and, as applicable, the former President and CEO. Effective March 15, 2020, Brent Binions retired as President and CEO (the “**Former CEO**”). Effective March 16, 2020, Vlad Volodarski was appointed CEO, Karen Sullivan was appointed President and Chief Operating Officer (“**COO**”), Sheri Harris was appointed Chief Financial Officer (“**CFO**”) and Jonathan Boulakia was appointed Chief Investment Officer and Chief Legal Officer (“**CIO/CLO**”) (the “**2020 Executive Appointments**”). Unless otherwise noted, the compensation discussion and analysis below relates to the structure put in place following the 2020 Executive Appointments.

## Compensation Objectives and Strategy

Compensation of the NEOs is established by the Compensation Committee and, in the case of the CEO, approved by the Board of Directors. Chartwell's executive compensation program has the objectives of attracting and retaining highly qualified executives, motivating their performance and aligning the interests of executives with the interests of Unitholders. Compensation under the program is linked to achieving both current and longer-term goals of Chartwell and to optimizing long-term total Unitholder return through sustaining and growing Chartwell's distributions and unit price appreciation. Accordingly, a significant portion of executive compensation is based upon the Corporation's success in meeting performance goals designed to create long-term sustainable value for Unitholders.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic (the "**pandemic**"). The pandemic continues to this date. The spread of COVID-19 adversely affected Chartwell's business in 2020. The impact of the pandemic on Chartwell's business was largely out of Management's control. For example, Chartwell's business was significantly impacted by federal, provincial and local regulatory directives which prevented or delayed the acceptance of new residents into Chartwell residences as well as by the costs on the business to provide additional staffing in Chartwell residences and to provide appropriate personal protective equipment to Chartwell's employees. In determining the compensation packages of the NEOs and of Chartwell employees more generally, the Compensation Committee and the Board considered Management's efforts to minimize the impact of the pandemic on Chartwell's business, and, most importantly, to safeguard the health and wellbeing of Chartwell's residents, their families and its employees. See "COVID-19 Considerations".

## *Risk Management Policies Relating to Executive Compensation*

The Compensation Committee considers the implications of the risks associated with Chartwell's compensation policies and practices, and Chartwell has adopted the following policies and practices to mitigate such risks.

### Unit Ownership Requirements

In order to align further the interests of executives with the interests of Unitholders, Chartwell has Unit ownership guidelines for certain senior officers. Under these guidelines, identified executives are required to acquire Units (including, for this purpose, Units acquired under Chartwell's Executive Unit Purchase Plan ("**EUPP**") and Restricted Units) with a value equal to a multiple of their base salary as determined by their position. The guidelines range from three times base salary for the CEO to two times base salary for the President and Chief Operating Officer, the Chief Financial Officer and the Chief Investment Officer and Chief Legal Officer (who, collectively with the CEO, are referred to herein as the "**C-Line**" executives). Executives are expected to attain their ownership requirements within three years of becoming an executive officer within these categories. Each NEO currently exceeds these Unit ownership guidelines.

### Holding Period for CEO's Units

Chartwell and its CEO have agreed that, for a period of 12 months following his retirement or the termination of his employment from Chartwell, he will personally hold at least \$500,000 worth of Units (based on the then-current market value of Trust Units). The Compensation Committee believes that this provides an appropriate performance tail to the CEO's work and acts as an incentive to the CEO to make good long-term decisions prior to departing from Chartwell.

## Addressing Inappropriate or Excessive Risk Taking and Prohibition on Hedging

Chartwell's executive compensation program has been designed to reward performance of senior executives, while ensuring such senior executives are not encouraged to take inappropriate or excessive risks. This is accomplished by ensuring such senior executives comply with Chartwell's Unit ownership guidelines, permitting EUPP Trust Unit purchases annually, and incorporating resident satisfaction and employee engagement in each senior executive's corporate goals and objectives. Further, the amount payable on the vesting of Restricted Units for the senior executives of Chartwell is based on the extent to which Chartwell achieves certain "IFFO"<sup>(1)</sup> targets during the three-year Vesting Period (as defined below). See "Incentive Plans – Restricted Unit Plan".

Chartwell policy prohibits at all times Chartwell employees and Directors from any kind of personal hedging (such as short sales, puts, calls, exchange contracts, derivatives, prepaid variable forward contracts, equity swaps, collars and exchange funds and loans where recourse is limited to pledged securities) that may reasonably be expected to have the effect of hedging or offsetting the impact of a decline in the market value of Chartwell securities on their holdings of Chartwell securities, Trust Units acquired under the EUPP and Restricted Units.

## Claw-Back Policy

In order to further align management's interests with those of its Unitholders, Chartwell has instituted a claw-back policy. Under such policy, (a) in the event of a restatement of Chartwell's financial results (other than a restatement caused by a change in applicable accounting rules or interpretations) or a discovered error in the calculation of the achievement of a Chartwell Goal (as defined below), or (b) if a NEO commits fraud, theft, embezzlement or serious misconduct, whether or not there is a financial restatement (a "Wrongdoing"), the result of either of which is that any performance-based compensation paid to the relevant NEO would have been a lower amount had it been calculated based on such restated results or the corrected calculation of the achievement of the Chartwell Goal, or with the benefit of knowledge of such Wrongdoing, as applicable, the Compensation Committee shall review such performance-based compensation. If the Compensation Committee determines that the amount of any such performance-based compensation actually paid or awarded to any such executive (the "**Awarded Compensation**") would have been a lower amount had it been calculated based on such restated financial statements, corrected calculation of the achievement of the Chartwell Goal, or with the benefit of knowledge of such Wrongdoing, as applicable, (the "**Adjusted Compensation**"), then the Board shall, except as provided below, seek to recover for the benefit of Chartwell the after-tax portion of the difference between the Awarded Compensation and the Adjusted Compensation (such difference, the "**Excess Compensation**"). In determining the after-tax portion of the Excess Compensation, the Board, in consultation with the Compensation Committee, shall take into account its good faith estimate of the value of any tax deduction available to such executive in respect of such payment.

The Board shall not seek recovery to the extent it determines that (i) to do so would be unreasonable, or (ii) it would be in Chartwell's best interest not to do so. In making such determination, the Compensation Committee shall take into account such considerations as it deems appropriate, including, without limitation, (A) the likelihood of success under governing law versus the cost and effort involved, (B) whether the assertion of a claim may prejudice the interests of Chartwell, including in any related proceeding or investigation, (C) the passage of time since the occurrence of the act in respect of the applicable Wrongdoing, and (D) any pending legal proceeding relating to the applicable Wrongdoing.

<sup>(1)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 81 of this Circular.

## ***Role of the Compensation, Governance and Nominating Committee***

The Compensation Committee was comprised of four Directors in 2020, all of whom were outside and independent Directors. No member of the Compensation Committee is an officer, employee or former officer or employee of Chartwell or any of its affiliates. The members of the Compensation Committee in 2020 were Michael D. Harris, Sharon Sallows, James Scarlett and Huw Thomas (Chair). All of the members of the Compensation Committee, with the exception of Mr. Scarlett, have participated in the EUPP and have obligations in respect of the unpaid portion of the purchase price paid for Trust Units purchased under the EUPP; however, since May 2014, participation in the EUPP is no longer available to any Directors or Trustees other than the CEO. Such obligations are disclosed in the table entitled "Table of Indebtedness of Chartwell Trustees, CSH Trustees, Directors and Executive Officers of Chartwell and its Affiliates under the EUPP" on page 61 of this Circular.

The Compensation Committee assists the Board and the Chartwell Trustees in determining and administering the compensation and assessing the performance of the NEOs.

The Compensation Committee conducts an annual review of Chartwell's executive compensation program, including the performance, related salary level and any incentive bonus for each of the NEOs. This review compares Chartwell's program with those of selected comparable companies. The Compensation Committee believes that this review process provides an effective, ongoing evaluation of the program relative to current industry practice and facilitates appropriate and timely adjustments to the program. The Compensation Committee establishes annual goals and targets to assist in evaluating executive performance and determining compensation, administers the EUPP and the Restricted Unit Plan and meets with each NEO annually to conduct a performance evaluation.

The Board conducts periodic internal and third-party reviews of itself and its committees (see "Statement of Corporate Governance Practices"). Such reviews have concluded that the Compensation Committee is working effectively. The Board believes each member of the Compensation Committee brings relevant experience to his or her responsibilities with respect to executive compensation. For example, Mr. Thomas, the Chair of the Compensation Committee, is a director and a member of the Nominating and Governance Committee of Dollarama Inc. As Chief Financial Officer of Canadian Tire, he actively worked with its head of human resources and its Compensation Committee on all compensation matters for nine years, and, as the former President and Chief Executive Officer of SmartCentres Real Estate Investment Trust, had oversight of the human resources function of that organization. He is also a Chartered Accountant. Mr. Harris is the former Premier of the Province of Ontario, advises numerous companies on corporate governance and sits on a number of boards of directors. He also has an ICD.D designation, granted by the Institute of Corporate Directors. Ms Sallows is a former senior executive and is the Chair of the Human Resources and Compensation Committee of Home Capital Group Inc., a member of the Human Resources and Compensation Committee of RioCan REIT, the Chair of the Governance Committee of Alberta Investment Management Corporation, and the former Chair of the Human Resources and Compensation Committee of the Ontario Teacher's Pension Plan Board. She also has an ICD.D designation and in 2014 attended a three-day course at the Rotman School of Business on compensation committee governance. Mr. Scarlett has experience as an executive, being the former Executive Vice-President and Chief Legal Officer of Hydro One Inc. He also held leadership roles at Torys LLP, including being a member of the firm's Executive Committee. Mr. Scarlett has a (J.D.) law degree, a Bachelor of Commerce Degree and also an ICD.D designation.

## *Role of Executive Officers in Executive Compensation Decisions*

The CEO assists the Compensation Committee by providing information and analysis for review and by making recommendations regarding compensation decisions, except as such recommendations relate specifically to his own compensation. Any proposed change to the compensation of the CEO is reviewed by the Compensation Committee and approved by the Board without the participation of the CEO.

## *Independent Compensation Consultant*

In fulfilling its responsibilities, the Compensation Committee has periodically retained external compensation consultants for assistance in the evaluation of executive officer and Director compensation. Hugessen Consulting Inc. was retained by the Compensation Committee first in 2013 and retained every two years thereafter, most recently in 2019, as an independent compensation consultant (the “**Consultant**”). The Consultant was engaged by the Compensation Committee to (a) develop appropriate comparison groups for Chartwell in light of Chartwell’s real estate portfolio and its complex customer-facing service business; (b) assess the competitiveness of the compensation arrangements for the NEOs; and (c) assess the competitiveness of the compensation arrangements for the Directors (the “**Consultant’s Report**”). The Consultant’s Report, along with recommendations from the CEO, were presented to the Compensation Committee, and these recommendations are taken into account when setting the compensation levels of the executives referred to in the Consultant’s Report.

The Consultant also assisted the Chair of the Compensation Committee in 2020 in light of the impact of the pandemic on Chartwell’s results and the discretion required to be exercised by the Compensation Committee and the Board with respect to compensation matters. The Consultant did not otherwise provide any services to Chartwell. Chartwell’s management was not involved in the preparation of the Consultant’s Report, except to provide the Consultant with information requested by the Consultant regarding the then current compensation of the executives and Directors under review.

See “Statement of Corporate Governance Practices” on page 62 of this Circular.

## *Executive Compensation-Related Fees*

The aggregate fees paid in 2019 and 2020 to the Consultant, or any of its affiliates, for services related to determining compensation for any of Chartwell’s directors and executive officers, as described above, were \$84,894 and \$38,060 (including taxes), respectively. No other fees were paid to consultants or advisors in this regard.

## *Setting Executive Officer Compensation*

In setting compensation for the NEOs and other executive officers, the Compensation Committee considers all factors it deems relevant, including Chartwell’s performance (and relative Unitholder return), the value of similar incentive awards to those with similar responsibilities at comparable organizations and the awards given by Chartwell in prior years.

In determining the total compensation of any NEO, the Compensation Committee considers all elements of compensation in total rather than any one element in isolation. The Compensation Committee compares these compensation elements to those of a relevant competitive “**comparison group**”.

Two comparison groups were established by the Consultant in 2019. The comparison groups consist of 13 autonomous Canadian organizations (the “**General Comparison Group**”) and 12 select real estate industry organizations (the “**Real Estate Investment Trust Comparison Group**”). Chartwell and the Consultant established the General Comparison Group because the Compensation Committee considers Chartwell to be an operating entity, managing a complex customer-facing service business, with over 16,500 employees, many of whom are skilled and/or unionized, in a highly regulated industry. Chartwell also considered the Real Estate Investment Trust Comparison Group data when setting NEO compensation because of the importance of Chartwell’s real estate portfolio to its operations, as well as to address the fact that many of Chartwell’s investors and other stakeholders consider Chartwell to be a real estate investment. In light of these competing factors, the Compensation Committee used each comparison group data as a reference point in setting executive compensation rather than as a definitive guide.

The General Comparison Group is comprised of 13 Canadian public issuers that met the following criteria at the time the report was prepared (the “**Criteria**”): (a) revenue or market capitalization approximately within 1/2x to 2x Chartwell’s size (with the exception of two issuers in the seniors housing sector, which fell below the 1/2x threshold); and (b) over 1,000 employees (the “**Employee Criteria**”). The Employee Criteria was used in order to capture similarly service-oriented entities in the General Comparison Group. Issuers in certain industries (for example, mining, utilities and trading), issuers that are not service providers or “customer facing”, and issuers that are uniquely organized, owned or structured were excluded from the General Comparison Group, despite meeting the Criteria. The nature of Chartwell’s complex operations in a regulated, high risk and specialized industry was considered in establishing the General Comparison Group.

The Real Estate Investment Trust Comparison Group is comprised of 12 Canadian real estate industry organizations that generally had approximately 1/2x to 2x Chartwell’s total enterprise value and market capitalization at the time the report was prepared. As noted above, the Real Estate Investment Trust Comparison Group was considered by the Compensation Committee because of the importance of Chartwell’s real estate portfolio to its operations, as well as to address the fact that many of Chartwell’s investors and other stakeholders consider Chartwell to be a real estate investment. It is noteworthy that many of Chartwell’s peers, particularly in the U.S., do not combine the operations of their businesses with the real estate investment holdings, but rather separate these two functions as two separate public entities. Although many of Chartwell’s comparators are in the U.S., the Compensation Committee did not include any of those companies in Chartwell’s General Comparison Group.

The 13 entities that were included in the General Comparison Group are:

Canadian Western Bank	Cineplex Inc.	Cogeco Communications Inc.
Colliers International Group Inc.	Extendicare Inc.	First Service Corporation
Great Canadian Gaming Corporation	Laurentian Bank of Canada	North West Company Inc.
Recipe Unlimited Corporation	Sienna Senior Living Inc.	TMX Group Limited
Westjet Airlines Ltd.		

The 12 entities that were included in the Real Estate Investment Trust Comparison Group are:

Allied Properties REIT	Artis REIT	Boardwalk REIT
Canadian Apartment Properties REIT	Choice Properties REIT	Cominar REIT
Crombie REIT	CT REIT	First Capital Realty Inc.
Granite REIT	Killam Apartment REIT	SmartCentres REIT

The table below summarizes the relevant criteria and market data relating to the General Comparison Group and the Real Estate Investment Trust Comparison Group.

	Last Twelve Months' Revenue (\$Ms)	Market Capitalization (\$Ms)	Total Employees
<b>Chartwell<sup>(1)</sup></b>	\$1,005 <sup>(1)</sup>	\$2,443 <sup>(2),(4)</sup>	16,674 <sup>(4)</sup>
<b>General Comparison Group<sup>(3)</sup></b>			
75 <sup>th</sup> Percentile	\$2,069 <sup>(3)</sup>	\$3,581 <sup>(3)</sup>	13,927 <sup>(3)</sup>
Median	<b>\$1,303<sup>(3)</sup></b>	<b>\$2,503<sup>(3)</sup></b>	11,905 <sup>(3)</sup>
25 <sup>th</sup> Percentile	\$1,036 <sup>(3)</sup>	\$1,500 <sup>(3)</sup>	4,574 <sup>(3)</sup>
<b>Real Estate Comparison Group<sup>(3)</sup></b>			
75 <sup>th</sup> Percentile	\$734 <sup>(3)</sup>	\$4,847 <sup>(3)</sup>	
Median	<b>\$502<sup>(3)</sup></b>	<b>\$3,106<sup>(3)</sup></b>	
25 <sup>th</sup> Percentile	\$433 <sup>(3)</sup>	\$2,184 <sup>(3)</sup>	

(1) Last twelve months' revenue data for the year ended December 31, 2020, including Chartwell's share of revenues from joint ventures.

(2) Outstanding Units of 218,321,025 includes Trust Units, Class B Units, Deferred Units and Trust Units issued under EUPP, with a December 31, 2020 closing price of \$11.19.

(3) Comparison group data was provided by the Consultant and was compiled using data sourced from S&P Capital IQ as at June 13, 2019.

(4) As at December 31, 2020.

## Elements of Compensation

The key elements included in determining the total compensation of NEOs and other executive officers during 2020 were annual salary, short term incentives and long-term incentives. The Compensation Committee's policies with respect to each of these elements for 2020 and for compensation of the NEOs are described below. The compensation framework is structured to provide NEOs and other executives with the opportunity for a competitive level of compensation based on Chartwell's performance.

The table below provides a summary of the components of Chartwell's NEO compensation for 2020 following the 2020 Executive Appointments.

Key Features	Annual Salary	Short Term Incentive Award	Restricted Unit Plan	Perquisites and Other Benefits
<b>Performance Period</b>	Set annually for year.	12 months.	3 years.	Set annually for the year.
<b>Grant/Award Determination and Information Regarding Program</b>	Set by the Compensation Committee.	A maximum percentage of Annual Salary determined based on achievement of Chartwell Goals and Individual Goals.  Maximum entitlement (as percentage of Annual Salary): CEO - 100%; President & COO - 70%; other NEOs - 65%.  Minimum entitlement for all NEOs: 0%.  Subject to claw-back policy.	A set percentage of Annual Salary, subject to three-year vesting.  Entitlement (as percentage of Annual Salary): CEO - 125%; President & COO - 90%; other NEOs - 85%.  Subject to claw-back policy.	Set by the Compensation Committee.  Includes car allowance, RRSP matching program (up to 4% of Annual Salary), wellness program and health benefits allowance.
<b>Performance Measures</b>	N/A.	Blend of Chartwell Goals and Individual Goals. Chartwell Goals are financial, relative total unitholder return, resident satisfaction, and employee engagement and account for 65% to 100% of NEO Bonus Award (depending on NEO). Individual Goals are set annually and are specific to strategic and operational priorities relevant to the NEO. All subject to the discretion of the Compensation Committee.	On the vesting date, the payout is determined as follows, subject to the discretion of the Compensation Committee:  -100% payout if the average IFFOPU <sup>(1)</sup> for the vesting period is equal to targeted IFFOPU.  -reduction in payout for each percentage point that IFFOPU is less than targeted IFFOPU, to a maximum 50% reduction.  -increase in payout for each percentage point that IFFOPU is greater than targeted IFFOPU, to a maximum 50% increase.	N/A.
<b>Vesting</b>	N/A.	N/A.	Three years.	N/A.

(1) IFFO per Unit. IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 81 of this Circular.

## Annual Salary

Salaries for NEOs are determined by evaluating the responsibilities of each executive's position, as well as the individual's experience and knowledge, with a view to internal equity and the competitive marketplace. Adjustments are made periodically to maintain salary levels that are consistent with the foregoing. Effective March 16, 2020, each NEO received a salary adjustment to reflect his or her new role in the organization.

The competitive marketplace, personal performance and corporate performance are among the factors that are considered by the Compensation Committee prior to making a decision to increase or decrease an NEO's compensation.

## Short Term Incentives

In order to relate executive compensation to Chartwell's performance, NEOs, executive officers and senior management of the Corporation and certain of its subsidiaries participate in a short term incentive plan (the "**Short Term Incentive Plan**") under which cash awards have been made based primarily on certain corporate and individual performance goals for the given year (see below). It is possible, therefore, that in the event that corporate performance goals and an NEO's individual performance goals were not achieved, such NEO would not receive any short term incentive payout for that year, subject to the discretion of the Compensation Committee. For 2020, under the Short Term Incentive Plan, NEOs were eligible to receive cash awards based on Chartwell and the individual achieving certain annual targets in an amount up to a set percentage of each NEO's base salary. The Compensation Committee annually establishes the minimum standards required to qualify for such awards, together with the criteria used to determine such awards, the participants and their respective rates of participation.

## Performance Goals

An NEO's compensation under the Short Term Incentive Plan is based on a mix of reaching particular goals, as outlined below, in connection with the NEO's individual sphere of managerial control (his or her "**Individual Goals**") and Chartwell achieving the goals and targets also outlined below (the "**Chartwell Goals**"), except for Mr. Volodarski, whose Short Term Incentive Plan compensation was based solely on the achievement of Chartwell Goals.

The Chartwell Goals for 2020, which were established before the declaration by the World Health Organization of the pandemic, and which were developed through a consultative process by the Board, the Compensation Committee, the CEO and the Consultant, consistent with past practice, were as follows:

### A. FINANCIAL AND UNITHOLDER RETURN GOALS

1. Achieve IFFO of \$0.98 per Unit ("**Achieve IFFO**")<sup>(1)</sup>.
2. Exceed the average total return to unitholders of the Real Estate Investment Trust Comparison Group over the current year and the prior two years ("**Total Unitholder Return**").

### B. ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") GOALS

3. Enhance Chartwell's position as an employer of choice by improving employee engagement and achieving a score of 49% *strongly agree* or *strongly engaged* on an employee engagement survey conducted by an independent third party ("**Employee Engagement**").
4. Maintain Chartwell's excellent reputation with residents and families by achieving a score of 64% *very satisfied* on a resident/family survey conducted by an independent third party, and managing risk and maintaining a positive media profile ("**Customer Satisfaction and Reputation**").

## COVID-19 Considerations

As noted in "Compensation Objectives and Strategy" above, the spread of COVID-19 adversely affected Chartwell's business in the last three quarters of 2020.

<sup>(1)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 81 of this Circular.

Chartwell's IFFO<sup>(\*)</sup> per Unit in the first quarter of 2020 was higher than budget for that period. The Compensation Committee therefore awarded 100% achievement of the Achieve IFFO Goal for the period January 1, 2020 to March 15, 2020.

Chartwell's annual IFFO<sup>(\*)</sup> per Unit for 2020 was \$0.814, substantially lower than the \$0.98 budgeted for the year. The Compensation Committee exercised its discretion to award a 50% achievement of the Achieve IFFO<sup>(\*)</sup> Goal for the period March 16, 2020 to December 31, 2020, guided by the 2020 Principles and the 2020 Considerations (see below).

In 2020, due to the pandemic and Chartwell's focus on mitigating its impact on Chartwell's residents, Chartwell did not conduct its regular annual customer satisfaction and employee engagement surveys, but rather conducted modified surveys focused on Chartwell's handling of the pandemic. As such, Chartwell does not have comparable Employee Engagement and Customer Satisfaction and Reputation results. In these surveys, 96% of Chartwell residents and 95% of residents' families and friends responded that Chartwell took important steps to keep them safe. Further, 94% of residents' families responded in the modified customer survey that their loved ones were safe living at Chartwell. In the modified employee survey, 44% of employees in Chartwell residences and 58% of employees in Chartwell's corporate offices responded as strongly agreeing to the statement "I am satisfied with Chartwell as a place to work" in 2020, up from 43% and 52%, respectively, in 2019.

Based on these results and the consideration of direct feedback from residents, their families and Chartwell employees, the Compensation Committee awarded 100% achievement of the Customer Satisfaction and Reputation and Employee Engagement Goals.

Chartwell did not achieve the Total Shareholder Return Goal, in part due to the severe impact of the pandemic on Chartwell's Unit price. No discretion was applied with respect to this goal.

The Compensation Committee resolved to apply its discretion with respect to measuring achievement of the Corporate Goals, taking into account the following principles (the "**2020 Principles**"):

1. The need to recognize the exceptional efforts of Chartwell staff and executives in mitigating the effects of the pandemic on Chartwell's business operations and residents.
2. The need to incent Chartwell staff and executives to remain with Chartwell.
3. The need to be viewed as fair and reasonable in the circumstances by all of Chartwell's stakeholders.
4. The need to balance executive compensation with the impact the pandemic has had on Chartwell's Unitholders.
5. The potential implications to attracting executive talent in the future.
6. Payouts of short term and long-term incentives in prior years.

In applying its discretion, the Compensation Committee considered the following (the "**2020 Considerations**"):

1. Chartwell had the fourth lowest same property occupancy decline and the second lowest same property net operating income ("NOI") decline in 2020 as against its measured public peers in Canada and the U.S. (based on public filings). (See table below.)

<sup>(\*)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 81 of this Circular.

2. Chartwell effectively responded to the many challenges presented by the pandemic. This response included: rapid initiation of critical incident command centres (operations and corporate), sourcing of sufficient quantities of personal protective equipment, providing meaningful and frequent communication to residences, residents, families and employees, and advocacy through industry associations and supporting sector peers.
3. None of Chartwell's long-term care residences in Ontario required regulatory intervention in the operation of the residences.
4. Chartwell responded effectively to the financial challenges resulting from the pandemic, including by maintaining liquidity and reducing capital spending on discretionary projects, while maintaining critical investments in safety measures and property maintenance and by focusing on general and administrative cost control.
5. Chartwell moved a number of important projects forward during the pandemic which will benefit the business in the future, including the completion of its payroll conversion to a new human capital management system and the implementation of new communication technologies in the residences to facilitate communication with families, health care providers and sales representatives.
6. Chartwell's business and results were severely impacted by regulatory directives which prevented or delayed the acceptance of new residents into Chartwell residences as well as by the increased costs on the business for additional staffing and to provide appropriate personal protective equipment to Chartwell's employees, much of which was outside of Management's control.

The table below sets out Chartwell's occupancy and NOI results for 2020 and 2019 as compared to other seniors housing operators, based on publicly-available information.

	Retirement Same Property Occupancy			Retirement Same Property NOI			
	2020	2019	Year-over-Year	2020	2019	Year-over-Year	%
Chartwell	84.1%	88.8%	(4.7 pp)	243,943	266,508	(22,565)	(8.5%)
Sienna	82.7%	87.9%	(5.2 pp)	125,539	157,048	(31,509)	(20.1%)
Extendicare	85.0%	83.5%	1.5 pp	11,520	11,938	(418)	(3.5%)
Welltower	81.2%	87.4%	(6.2 pp)	679,275	780,300	(101,025)	(12.9%)
Ventas	82.6%	86.8%	(4.3 pp)	497,300	589,200	(91,900)	(15.6%)
HealthPeak	86.2%	90.5%	(4.3 pp)	33,349	36,827	(3,478)	(9.4%)
<b>Average</b>	<b>83.6%</b>	<b>87.5%</b>	<b>(3.9 pp)</b>	<b>265,154</b>	<b>306,970</b>	<b>(41,816)</b>	<b>(13.6%)</b>

Having weighed the 2020 Principles and the 2020 Considerations, the Compensation Committee decided to exercise its discretion in awarding achievement of the Chartwell Corporate Goals as follows:

Chartwell Goals	Jan.1-Mar.15 Achievement	Mar.16-Dec.31 Achievement
<b>A. FINANCIAL AND UNITHOLDER RETURN GOALS</b>		
Achieve IFFO <sup>(1)</sup>	100%	50%
Total Unitholder Return	0%	0%
<b>B. ESG GOALS</b>		
Employee Engagement	100%	100%
Customer Satisfaction and Reputation	100%	100%

<sup>(1)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 81 of this Circular.

The goals established for each NEO prior to and following the 2020 Executive Appointments and the weighting and percentage achievement thereof were as follows:

For Mr. Vlad Volodarski, Chartwell's CEO,

<b>Corporate Goals</b>	<b>Jan.1-Mar.15 Weighting</b>	<b>Jan.1-Mar.15 Achievement</b>	<b>Mar.16-Dec.31 Weighting</b>	<b>Mar.16-Dec.31 Achievement</b>
Achieve IFFO <sup>(*)</sup>	40%	40%	60%	30%
Total Unitholder Return	15%	0%	20%	0%
Employee Engagement	7.5%	7.5%	10%	10%
Customer Satisfaction and Reputation	7.5%	7.5%	10%	10%
<b>Individual Goals</b>				
<b>Strategy</b>	7.5%	7.5%	0%	n/a
<ul style="list-style-type: none"> <li>Continue to drive improved alignment of corporate activities and initiatives with strategy particularly in the areas of development, acquisitions/ dispositions and corporate organizational structure</li> </ul>				
<b>Finance and Investor Relations</b>	10%	10%	0%	n/a
<ul style="list-style-type: none"> <li>Continuous improvements in quality of regulatory filings and financial processes</li> <li>Continuous improvement in identifying, forecasting and managing tax risks</li> <li>Review and refresh Chartwell's investor relations program</li> </ul>				
<b>Real Estate</b>	10%	10%	0%	n/a
<ul style="list-style-type: none"> <li>Continue to build a pipeline of new growth opportunities</li> <li>Execute divestiture of non-core properties, subject to market conditions and operating results</li> <li>Execute completion and lease up of development projects in construction, as scheduled</li> <li>Execute planned acquisitions</li> </ul>				
<b>People Development and Succession Planning</b>	2.5%	2.5%	0%	n/a
<ul style="list-style-type: none"> <li>Direct reports development plans</li> <li>Succession planning</li> </ul>				
<b>Total</b>	<b>100%</b>	<b>85%</b>	<b>100%</b>	<b>50%</b>

**Note:** Mr. Volodarski became CEO on March 16, 2020, at which time the Chartwell Corporate Goals became 100% of his goals for the year.

<sup>(\*)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 81 of this Circular.

For Ms Karen Sullivan, Chartwell's President and Chief Operating Officer,

<b>Corporate Goals</b>	<b>Jan.1-Mar.15 Weighting</b>	<b>Jan.1-Mar.15 Achievement</b>	<b>Mar.16-Dec.31 Weighting</b>	<b>Mar.16-Dec.31 Achievement</b>
Achieve IFFO <sup>(1)</sup>	40%	40%	37.5%	18.8%
Total Unitholder Return	15%	0%	17.5%	0%
Employee Engagement	7.5%	7.5%	12.5%	12.5%
Customer Satisfaction and Reputation	7.5%	7.5%	12.5%	12.5%
<b>Individual Goals</b>				
<b>Customer Experience</b> • Develop and implement effective strategies to continue to establish customer experience as Chartwell's unique value proposition	10%	10%	10%	10%
<b>Property Management</b>	5%	5%	0	n/a
<b>Enhanced Assisted Living Program</b>	7.5%	7.5%	0	n/a
<b>Strategic Planning</b> • Provide leadership to enhance the outcomes of strategic planning	0	n/a	5%	5%
<b>Develop Leaders</b> • Develop and deliver effective programs to ensure that Chartwell's key operations leaders are prepared for success and are continuously improving • Prepare appropriate candidates for more senior responsibilities	7.5%	7.5%	5%	5%
<b>Total</b>	<b>100%</b>	<b>85%</b>	<b>100%</b>	<b>63.8%</b>

**Note:** Ms Sullivan became President in addition to Chief Operating Officer on March 16, 2020.

<sup>(1)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 81 of this Circular.

For Ms Sheri Harris, Chartwell's Chief Financial Officer,

<b>Corporate Goals</b>	<b>Jan.1-Mar.15 Weighting</b>	<b>Jan.1-Mar.15 Achievement</b>	<b>Mar.16-Dec.31 Weighting</b>	<b>Mar.16-Dec.31 Achievement</b>
Achieve IFFO <sup>(1)</sup>	40%	40%	35%	17.5%
Total Unitholder Return	15%	0%	15%	0%
Employee Engagement	7.5%	7.5%	10%	10%
Customer Satisfaction and Reputation	7.5%	7.5%	10%	10%
<b>Individual Goals</b>				
<b>Improve Chartwell's Strategic Planning Process</b>	7.5%	7.5%	7.5%	7.5%
<ul style="list-style-type: none"> <li>• Continue to increase Board involvement and feedback</li> <li>• Continue to improve quality and timelines of Board presentations with input from the Board</li> <li>• Continuous refinement of corporate strategic planning processes</li> <li>• Effective executive strategic planning sessions</li> <li>• Continue to maintain/build processes to align resources to strategy</li> </ul>				
<b>Finance and Investor Relations</b>	0	n/a	10%	10%
<ul style="list-style-type: none"> <li>• Continue to build my profile and foster strong relationships with debt and equity investors</li> <li>• Review and refresh Chartwell's investor relations program</li> <li>• Improve collaboration of finance team</li> <li>• Continued improvement in regulatory filings and financial processes</li> <li>• Work with the Audit Committee Chair to ensure Audit Committee meetings run smoothly</li> </ul>				
<b>Information Technology</b>	15%	15%	7.5%	7.5%
<ul style="list-style-type: none"> <li>• Continue to develop Chartwell's senior information technology ("IT") professionals in business operations to expand scope and ability to assume delegated responsibilities</li> <li>• Identify operational efficiency and revenue optimization projects</li> <li>• Continue to improve IT security and IT risk management</li> </ul>				
<b>Succession Planning</b>	2.5%	2.5%	5%	5%
<ul style="list-style-type: none"> <li>• Prepare appropriate candidates as determined in succession planning reviews for more senior responsibilities</li> <li>• Support people development programs through training focused on business and investment skills</li> </ul>				
<b>Mitigate Risk</b>	5%	5%	0	n/a
<b>Total</b>	<b>100%</b>	<b>85%</b>	<b>100%</b>	<b>67.5%</b>

**Note:** Ms Harris became the Chief Financial Officer on March 16, 2020.

<sup>(1)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 81 of this Circular.

For Mr. Jonathan Boulakia, Chartwell's Chief Investment Officer, Chief Legal Officer and Secretary,

<b>Corporate Goals</b>	<b>Jan.1-Mar.15 Weighting</b>	<b>Jan.1-Mar.15 Achievement</b>	<b>Mar.16-Dec.31 Weighting</b>	<b>Mar.16-Dec.31 Achievement</b>
Achieve IFFO <sup>(1)</sup>	40%	40%	35%	17.5%
Total Unitholder Return	15%	0%	15%	0%
Employee Engagement	7.5%	7.5%	10%	10%
Customer Satisfaction and Reputation	7.5%	7.5%	10%	10%
<b>Individual Goals</b>				
<b>Legal</b> • Effective oversight for all legal matters affecting Chartwell, including the execution of various strategic initiatives	8%	8%	10%	10%
<b>ESG</b> Ensure proper corporate governance for Chartwell and oversight on reputational, privacy and risk management matters, including oversight of Internal Audit and Compliance Department and Insurance Department	14%	14%	5%	5%
<b>Real Estate</b> • Effective oversight for all real estate matters (effective March 16, 2020), including the execution of various strategic initiatives, including: - Continuing to build a pipeline of new growth opportunities. - Continuing divestiture of non-core properties, subject to market conditions and operating results. - Execution of completion and lease up of development projects in construction, as scheduled. - Effective transition into CIO role with appropriate development plans for direct reports	0	n/a	10%	10%
<b>Hub</b> Successfully move to the Chartwell head office and ensure the building operates smoothly and effectively.	8%	8%	5%	5%
<b>Total</b>	<b>100%</b>	<b>85%</b>	<b>100%</b>	<b>67.5%</b>

**Note:** Mr. Boulakia became Chief Investment Officer in addition to Chief Legal Officer and Secretary on March 16, 2020.

<sup>(1)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 81 of this Circular.

The Chartwell Goals (as a percentage of target bonus), Individual Goals (as a percentage of target bonus) and the target bonuses (as a percentage of base salary) for each NEO for the period January 1<sup>st</sup> to March 16<sup>th</sup>, 2020 were as follows:

	Chartwell Goals as a Percentage of Target Bonus	Individual Goals as a Percentage of Target Bonus	Target Bonus as a Percentage of Base Salary	Minimum Bonus as a Percentage of Base Salary	Level of Achievement of Individual and Chartwell Goals	Cash Bonus Payout (as Percentage of Base Salary)
Vlad Volodarski CEO	70%	30%	60%	0%	85%	51%
Karen Sullivan President and Chief Operating Officer	70%	30%	60%	0%	85%	51%
Sheri Harris Chief Financial Officer	70%	30%	60%	0%	85%	51%
Jonathan Boulakia Chief Investment Officer, Chief Legal Officer and Secretary	70%	30%	60%	0%	85%	51%

The Chartwell Goals (as a percentage of target bonus), Individual Goals (as a percentage of target bonus) and the target bonuses (as a percentage of base salary) for each NEO for the period March 15<sup>th</sup> to December 31<sup>st</sup>, 2020 were as follows:

	Chartwell Goals as a Percentage of Target Bonus	Individual Goals as a Percentage of Target Bonus	Target Bonus as a Percentage of Base Salary	Minimum Bonus as a Percentage of Base Salary	Level of Achievement of Individual and Chartwell Goals	Cash Bonus Payout (as Percentage of Base Salary)
Vlad Volodarski CEO	100%	0%	100%	0%	50%	52.4%
Karen Sullivan President and Chief Operating Officer	80%	20%	70%	0%	63.8%	44.6%
Sheri Harris Chief Financial Officer	70%	30%	65%	0%	67.5%	43.9%
Jonathan Boulakia Chief Investment Officer, Chief Legal Officer and Secretary	70%	30%	65%	0%	67.5%	43.9%

### **Restricted Unit Plan**

Under Chartwell's restricted unit plan, implemented in 2009, (the "**Restricted Unit Plan**"), qualifying employees of the Corporation are granted notional Trust Units ("**Restricted Units**") on an annual basis, which vest three years after the date of a grant and are paid out in cash. Restricted Unit grants are intended to supplement awards under the Short Term Incentive Plan, while providing a retention incentive

for employees and alignment with the interests of Chartwell and Unitholders. Amounts payable on vesting of Restricted Unit awards granted to NEOs are based on the extent to which Chartwell achieves IFFO<sup>(\*)</sup> targets over the vesting period. Grants to all other employees are based on an individual's performance and Chartwell achieving its corporate goals. See "Incentive Plans - Restricted Unit Plan" at page 50 of this Circular. Restricted Units granted to NEOs are subject to Chartwell's claw-back policy.

In March 2020, the following grants of Restricted Units were made to NEOs:

	Restricted Units Granted (dollar value)	Restricted Units Maximum Entitlement as Percentage of Base Salary	Restricted Units Granted as Percentage of Base Salary
Vlad Volodarski CEO	\$875,000	125%	125%
Karen Sullivan President and Chief Operating Officer	\$409,500	90%	90%
Sheri Harris Chief Financial Officer	\$361,250	85%	85%
Jonathan Boulakia Chief Investment Officer, Chief Legal Officer and Secretary	\$357,000	85%	85%

**Note:** Payout of Restricted Units granted is determined based on the extent to which Chartwell has achieved certain IFFO<sup>(\*)</sup> targets during the vesting period and, as such, represents "at risk" compensation for NEOs.

<sup>(\*)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 81 of this Circular.

In March 2021, the following payouts were made to NEOs with respect to Restricted Units granted in 2018, and in the case of the Former President and CEO, 2018 and 2019:

	Issue Date	Issue Price (\$)	Restricted Units Granted	Total Value at Time of Grant (\$)	Vesting Date	Total Restricted Units Vested (including Reinvested Distributions)	5-day Volume Weighted Average Price at Vesting Date (\$)	Restricted Unit Payout Achieved (%)	Restricted Units Total Payout (\$) <sup>(1)</sup>
Vlad Volodarski CEO	March 5, 2018	15.29	20,600	315,000	March 4, 2021	23,627	11.05	50	130,581
Karen Sullivan President and Chief Operating Officer	March 5, 2018	15.29	20,600	315,000	March 4, 2021	23,627	11.05	50	130,581
Sheri Harris Chief Financial Officer	March 5, 2018	15.29	16,938	259,000	March 4, 2021	19,427	11.05	50	107,370
Jonathan Boulakia Chief Investment Officer, Chief Legal Officer and Secretary	March 5, 2018	15.29	16,938	259,000	March 4, 2021	19,427	11.05	50	107,370
Brent Binions <sup>(2)</sup> Former President and CEO	March 5, 2018	15.29	73,573	1,125,000	March 14, 2020	79,461	12.23	100	972,046
	March 11, 2019	14.84	77,693	1,153,125	March 14, 2020	80,647	12.23	100	986,558

(1) Targeted average pre-tax AFFO of \$1.0334 for the vesting period was set in March 2018. Chartwell achieved an average pre-tax AFFO of \$0.8135 during such period, resulting in the 50% payout, pursuant to the terms of the Restricted Unit Plan. AFFO is a non-GAAP (generally accepted accounting principles) measure that does not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and therefore is not necessarily comparable to similar measures presented by other income trusts or other companies. AFFO should not be construed as an alternative to net earnings or cash flow from operating activities as determined by IFRS. Chartwell believes AFFO is useful in the assessment of its operating performance and that this measure is also useful for valuation purposes and is a relevant and meaningful measure of its ability to earn and distribute cash to Unitholders. Chartwell calculates AFFO by adding or subtracting certain items measured at Chartwell's interest to or from net income. For a full reconciliation to IFRS, please refer to Chartwell's MD&A for the year ended December 31, 2020.

(2) These payouts were made to the Former President and CEO on his retirement from Chartwell pursuant to the terms of the Restricted Unit Plan.

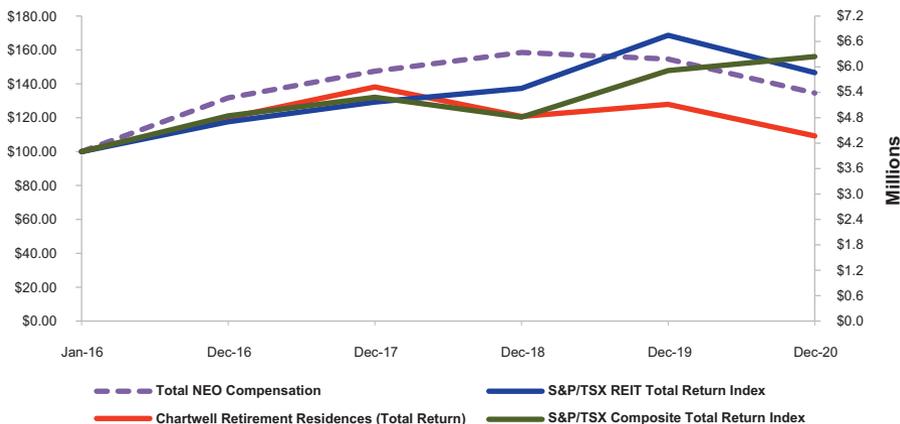
## Perquisites

Master LP has entered into employment agreements with each of the NEOs. The employment agreements, as amended, provide each NEO with the base salary disclosed in the "Summary Compensation Table" with respect to 2020, on page 48 of this Circular.

Each NEO is entitled to a car allowance and payment of any dues to maintain a professional designation, certain wellness fees and medical benefits. Such perquisites received by any one Named Executive Officer are not in the aggregate worth more than \$50,000 and do not constitute 10% or more of any Named Executive Officer's total salary. See also "Termination and Change of Control Benefits" on page 55 of the Circular.

## Performance Graph

The following graph compares the percentage change in the cumulative Unitholder return for \$100 invested in Trust Units with the total cumulative return of the S&P/TSX REIT Total Return Index and the S&P/TSX Composite Total Return Index for the periods from January 1<sup>st</sup> to December 31<sup>st</sup> in each of 2016, 2017, 2018, 2019 and 2020. On December 31, 2020, the closing price of a Trust Unit was \$11.19. The graph also plots total NEO compensation during those same periods.



## NEO Compensation for Past Five Years

The aggregate compensation for Chartwell's NEOs in 2016, 2017, 2018, 2019 and 2020 was \$5,269,158, \$5,898,411, \$6,339,681, \$6,185,244 and \$5,356,193, respectively.

## Trends Between NEO Compensation and Total Unitholder Return

The trend analysis of the total compensation of NEOs as compared to Chartwell's total cumulative Unitholder return for the five years ended December 31, 2020 demonstrates that, generally, as Chartwell's Unit performance has appreciated, aggregate NEO compensation has appreciated in a corresponding fashion. NEO compensation has also reflected Chartwell's strong financial performance in 2016 and 2017. Adjustments to NEO compensation were made in 2018 to reflect the Compensation Committee's determination that Chartwell's long-term incentive compensation was under-market, in part based on advice received from the Consultant. In 2020, NEO Compensation was lower than in 2019, largely because the executive team size was reduced from five to four upon the retirement of the prior President and CEO. This reduction in NEO compensation corresponds to Chartwell's Unit price, which decreased over the course of 2020 as a result of the impact of the pandemic on Chartwell.

Given that compensation under Chartwell's executive compensation program is linked to achieving both current and longer-term goals of Chartwell and to optimizing returns to Unitholders, a significant portion of the executives' compensation is based upon Chartwell meeting its corporate targets (including financial targets).

The aggregate total compensation for the NEOs and the total compensation of the NEOs as a percentage of IFFO<sup>(1)</sup> for the three years ended December 31, 2020 and as a percentage of market capitalization for the three years ended December 31, 2020 are shown below:

	2020	2019	2018
Total Compensation of the NEOs <sup>(1)</sup>	\$5,356,193	\$6,185,244	\$6,339,681
IFFO <sup>(1)</sup>	\$177,712,142	\$208,962,875	\$201,326,345
Total Compensation of the NEOs as a percent of IFFO <sup>(1)</sup>	3.0%	3.0%	3.2%
Total Compensation of the NEOs as a percent of market capitalization <sup>(2)</sup> (as at December 31 of each year)	0.2%	0.2%	0.2%

(1) Total compensation is calculated in the same manner as in the Summary Compensation Table and includes the NEOs for each respective year.

(2) Includes Class B Master LP Units, Trust Units issued under the EUPP and Deferred Units.

## CEO Performance Compensation Over Time

The following table compares the grant date value of compensation awarded to Chartwell's current CEO, Vlad Volodarski, and to the Former CEO, Brent Binions, in 2020 in respect of their performance as CEO with the actual value received from compensation awards.

Year	Total Direct Compensation Awarded (\$) <sup>(1)</sup>	Actual Total Direct Compensation Value as of December 31, 2020 (\$)	Value of \$100		
			Period	CEO <sup>(2)</sup>	Unitholder <sup>(3)</sup>
2016	2,011,417	2,650,358 <sup>(4)</sup>	1/1/16 to 12/31/20	\$131.77	\$109.27
2017	2,314,120	1,962,037 <sup>(4)</sup>	1/1/17 to 12/31/20	\$84.79	\$91.13
2018	2,446,303	2,293,348 <sup>(5)</sup>	1/1/18 to 12/31/20	\$93.75	\$79.11
2019	2,333,270	2,166,703 <sup>(5)</sup>	1/1/19 to 12/31/20	\$92.86	\$90.48
2020	1,940,570	1,753,167 <sup>(5)</sup>	1/1/20 to 12/31/20	\$90.34	\$85.46
			<b>Weighted Average</b>	<b>\$98.01</b>	<b>\$91.09</b>

(1) The total direct compensation awarded includes all compensation set out in the Summary Compensation Table on page 48, with the exception of distributions on Restricted Units.

(2) Represents the actual value of CEO compensation for each \$100 awarded in total direct compensation during the fiscal year indicated. For years 2016 to 2019, this column reflects the Former CEO's compensation, and in 2020 the first 2.5 months the Former CEO's compensation and the latter 9.5 months the current CEO's compensation.

(3) Represents the cumulative value of a \$100-investment in Trust Units made on the first day of the period indicated, assuming reinvestment of distributions.

(4) Includes the value of Restricted Unit Plan payouts on vesting three years after grant.

(5) Includes the value of unvested Restricted Units.

## Option-Based Awards

Chartwell does not have an option plan, so there were no option-based awards made in or in respect of the 2020 fiscal year.

<sup>(1)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 81 of this Circular.

## SUMMARY COMPENSATION TABLE

The following table provides a summary of the compensation earned in respect of each of the last three fiscal years by NEOs.

Summary Compensation Table

NEO Name and Principal Position <sup>(1)</sup>	Year	Salary <sup>(5)</sup> (\$)	Share-Based Awards <sup>(2),(6)</sup> (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value <sup>(3)</sup> (\$)	All Other Compensation <sup>(4)</sup> (\$)		Total Compensation (\$)
					Annual Incentive Plans <sup>(5)</sup>	Long-term Incentive Plans		Restricted Unit Distributions	Other Compensation	
<b>Vlad Volodarski</b> CEO of Chartwell, CSH Trust and the Corporation	2020 <sup>(8)</sup>	621,097	875,000	-	323,967	-	10,000	56,506	34,993	1,921,563
	2019	430,500	322,875	-	160,146	-	8,610	34,396	34,707	991,233
	2018	420,000	315,000	-	199,080	-	15,533	30,520	33,470	1,013,603
<b>Karen Sullivan</b> President and Chief Operating Officer of Chartwell, CSH Trust and the Corporation	2020 <sup>(8)</sup>	452,138	409,500	-	207,627	-	18,085	43,412	34,993	1,165,757
	2019	430,500	322,875	-	162,729	-	17,220	34,373	34,707	1,002,404
	2018	420,000	315,000	-	201,600	-	14,000	30,325	33,470	1,014,395
<b>Sheri Harris</b> Chief Financial Officer of Chartwell, CSH Trust and the Corporation	2020 <sup>(8)</sup>	417,444	361,250	-	188,924	-	16,698	36,695	29,887	1,050,898
	2019	379,250	265,475	-	143,357	-	15,170	29,388	34,707	867,347
	2018	370,000	259,000	-	175,380	-	14,800	26,897	33,470	879,546
<b>Jonathan Boulakia</b> Chief Investment Officer, Chief Legal Officer and Secretary of Chartwell, CSH Trust and the Corporation	2020 <sup>(8)</sup>	413,486	357,000	-	187,187	-	10,939	36,551	34,993	1,040,156
	2019	379,250	265,475	-	143,357	-	15,170	29,352	34,707	867,310
	2018	370,000	259,000	-	175,380	-	12,333	26,590	33,470	876,773
<b>Brent Binions<sup>(7)</sup></b> Former President and CEO of Chartwell, CSH Trust and the Corporation; Director of the Corporation	2020 <sup>(8)</sup>	164,160	0	-	0	-	3,283	0	10,376	177,820
	2019	768,750	1,153,125	-	361,313	-	15,375	123,681	34,707	2,456,950
	2018	750,000	1,125,000	-	525,000	-	12,833	109,061	33,470	2,555,364

(1) Titles reflect new appointments in March 2020.

(2) The figures in this column relate to Restricted Unit Plan grants received by participants in each respective year. They do not include any value attributed to Trust Units purchased by NEOs under the EUPP. Restricted Unit Plan grants are valued at the market price of the Trust Units at the time of the grant. Chartwell's financial statements account for such grants differently. Under IFRS, they are marked-to-market as at December 31st of each year. See "Restricted Unit Plan".

(3) This figure equals Chartwell's RRSP match of employee contributions (up to 4%, subject to annual statutory maximum).

(4) This amount includes car allowances, executive wellness (health) programs and medical benefits. It also includes distributions earned on Restricted Units that were reinvested in more Restricted Units.

(5) Represents short-term compensation.

(6) Represents long-term, at risk, compensation.

(7) Mr. Binions received no compensation in connection with being a Director from January 1<sup>st</sup> to March 15<sup>th</sup>, 2020.

(8) Reflects previous position compensation from January to March 2020 and new position compensation from March to December 2020.

# INCENTIVE PLANS

## Outstanding Share-Based Awards and Option-Based Awards

The following table provides a summary, in respect of each NEO, of all share-based awards and option-based awards outstanding at the end of Chartwell's most recently completed fiscal year ended December 31, 2020.

Name	Option-Based Awards				Share-Based Awards <sup>(4)</sup>		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)	Number of Shares or Units of Shares That Have Not Vested (#) <sup>(1)</sup>	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$) <sup>(2),(3)</sup>
<b>Vlad Volodarski</b> CEO of Chartwell, CSH Trust and the Corporation	-	-	-	-	113,410	1,269,058	2,866,422
<b>Karen Sullivan</b> President and Chief Operating Officer of Chartwell, CSH Trust and the Corporation	-	-	-	-	78,163	874,644	1,903,013
<b>Sheri Harris</b> Chief Financial Officer of Chartwell, CSH Trust and the Corporation	-	-	-	-	66,126	739,950	1,752,047
<b>Jonathan Boulakia</b> Chief Investment Officer, Chief Legal Officer and Secretary of Chartwell, CSH Trust and the Corporation	-	-	-	-	65,804	736,347	1,697,364

(1) The figures in this column relate to Restricted Unit Plan grants received by participants plus distributions received over time. See "Restricted Unit Plan".

(2) These figures represent Trust Units under the EUPP. See "Executive Unit Purchase Plan" on page 52 of this Circular.

(3) The values set out above are based on the market value of the Trust Units as of December 31, 2020 even though, with respect to EUPP, participants have made an initial non-refundable cash payment and have a balance of the purchase price outstanding that is paid using distributions on the Trust Units.

(4) Mr. Binions' share-based awards are disclosed in the Directors share-based awards and option-based awards table, on page 59.

## Incentive Plans - Value Vested or Earned During the Year

The following table provides a summary, in respect of each NEO, of the value vested or earned during Chartwell's fiscal year ended December 31, 2020.

Name	Option-Based Awards - Value Vested During the Year (\$)	Share-Based Awards - Value at Time of Grant in 2017 (\$)	Share-Based Awards - Value Vested in 2020 (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
<b>Vlad Volodarski</b> CEO of Chartwell, CSH Trust and the Corporation	-	237,500	141,934	-
<b>Karen Sullivan</b> President and Chief Operating Officer of Chartwell, CSH Trust and the Corporation	-	237,500	141,934	-
<b>Sheri Harris</b> Chief Financial Officer of Chartwell, CSH Trust and the Corporation	-	218,750	130,730	-
<b>Jonathan Boulakia</b> Chief Investment Officer, Chief Legal Officer and Secretary of Chartwell, CSH Trust and the Corporation	-	218,750	130,730	-
<b>W. Brent Binions</b> Former President and CEO of Chartwell, CSH Trust and the Corporation; Director of the Corporation	-	3,153,125 <sup>(2)</sup>	2,481,520 <sup>(2)</sup>	-

(1) These figures represent Restricted Units. See "Restricted Unit Plan" below.

(2) Mr. Binions' figure also includes the 2018 and 2019 grants.

(3) The figures above do not include EUPP grants which represent purchases of Trust Units by NEOs. The following purchases were made in 2020: Mr. Volodarski, 89,020 Trust Units, Ms Sullivan 44,338 Trust Units, Ms Harris 40,900 Trust Units, Mr. Boulakia 40,900 Trust Units and Mr. Binions, 51,525 Units.

## Restricted Unit Plan

Chartwell implemented the Restricted Unit Plan in 2009 to provide certain employees of the Corporation (each, a "**RUP Participant**") with the opportunity to receive Restricted Units. The Restricted Unit Plan was amended effective January 1, 2010 to include vice-presidents and regional vice-presidents as RUP Participants, and was amended again effective January 1, 2014 to also include management of Chartwell properties as well as corporate employees with a title of director or more senior. The purpose of the Restricted Unit Plan is to enhance the ability of Chartwell and the Corporation to attract and retain senior employees and to allow RUP Participants to share in Chartwell's long-term success. The Restricted Unit Plan promotes a greater alignment of interests between RUP Participants and Unitholders.

The Restricted Unit Plan is administered by the Compensation Committee. Under the Restricted Unit Plan, Chartwell may award Restricted Units to any RUP Participant for services rendered in a particular year. In determining grants of Restricted Units, past grants to RUP Participants are taken into consideration. Each

Restricted Unit is equivalent in value to a Trust Unit, credited on Chartwell's books. Unless otherwise specified by the Compensation Committee when granting an award to an RUP Participant, each Restricted Unit will vest immediately prior to the third anniversary (the "**Vesting Period**") of the date the award is granted (the "**Vesting Date**"). As soon as practicable after each Vesting Date, or on the Final Date (as such term is defined in the Restricted Unit Plan), Chartwell or the Corporation will pay an RUP Participant an amount in cash equal to the volume weighted average trading price of the Trust Units on the TSX for the five trading days prior to the Vesting Date, multiplied by the number of Restricted Units held by an RUP Participant (the "**Payment Amount**"), less any applicable tax and other legal withholdings.

The amounts payable to C-Line executives on the vesting of Restricted Units will be determined based on the extent to which Chartwell has achieved certain IFFO<sup>(1)</sup> per Unit ("**IFFOPU**") targets during the Vesting Period.

On the Vesting Date, the Payment Amount payable to a C-Line executive is determined as follows: (a) if the average IFFOPU for the Vesting Period is equal to targeted IFFOPU, the C-Line executive will be entitled to receive 100% of the Payment Amount for a particular award of Restricted Units; (b) if the average IFFOPU for the Vesting Period is less than targeted IFFOPU, the Payment Amount for a particular grant will be reduced for each percentage point that average IFFOPU for the Vesting Period is less than targeted IFFOPU, subject to a maximum 50% reduction; and (c) if the average IFFOPU for the Vesting Period is greater than targeted IFFOPU, the Payment Amount for a particular grant will be increased for each percentage point that average IFFOPU for the Vesting Period is greater than targeted IFFOPU, subject to a maximum 50% increase. Targeted IFFOPU is calculated by the Compensation Committee as the average amount of IFFOPU of Chartwell in respect of a particular Vesting Period, as follows: (x) in respect of the first year of a Vesting Period, as the budgeted amount of IFFOPU in respect of that year; and (y) in respect of the second and third year of a Vesting Period, as a forecast of IFFOPU in respect of that year (as forecasted before the start of a Vesting Period), and is subject to the discretion of the Compensation Committee.

An RUP Participant's account is credited with distribution equivalents in the form of additional Restricted Units upon the payment of any distributions by Chartwell to Unitholders in the ordinary course of business. Restricted Units are non-transferable, except to a permitted assign of an RUP Participant.

Upon the resignation of an RUP Participant or the termination of an RUP Participant's employment for cause, any unvested Restricted Units will terminate without payment, effective as of the termination or resignation date. Upon the termination of an RUP Participant's employment without cause, such RUP Participant will continue to participate in the Restricted Unit Plan and Restricted Units previously granted will continue to vest until the end of the period of reasonable notice that the Participant is entitled to at law or by agreement. In the event that an RUP Participant becomes disabled, such RUP Participant will continue to participate in the Restricted Unit Plan and Restricted Units previously granted will continue to vest during the period of disability. Upon the retirement or death of an RUP Participant, any unvested Restricted Units of such RUP Participant shall vest at the discretion of the Compensation Committee as of 10 days after the date of retirement or the business day before the date of death, as applicable.

Unless otherwise determined by the Compensation Committee in its sole discretion, upon the occurrence of a change of control, all outstanding Restricted Units shall become conditionally vested upon (or prior to) the completion of the transaction resulting in the change of control. Upon the occurrence of a change of control, the distribution value of the Restricted Units shall be the greater of (a) the volume

<sup>(1)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 81 of this Circular.

weighted average trading price of the Trust Units on the TSX for the five trading days immediately preceding the effective date of the change of control; or (b) the value ascribed to the Trust Units pursuant to the transaction which is the subject of the change of control.

The Restricted Unit Plan may be amended or suspended from time to time or terminated by Chartwell. If Chartwell amends, suspends or terminates the Restricted Unit Plan, such amendment, suspension or termination will not adversely affect previously granted Restricted Units without the consent of the affected RUP Participant. If the Restricted Unit Plan is terminated or suspended, no new Restricted Units (other than those issued as credit for distributions) will be credited to the account of an RUP Participant. If the Restricted Unit Plan is terminated, all unvested Restricted Units will immediately vest and RUP Participants will receive the applicable Payment Amount, less any applicable tax and other legal withholdings.

Currently, 838,074 Restricted Units are outstanding under the Restricted Unit Plan, including reinvested distributions.

## Pension Plan Benefits

Chartwell has in place a group retirement savings plan for its corporate employees. Chartwell matches employee contributions into the plan up to 4% of each employee's annual salary, subject to the statutory contribution maximum.

## Executive Unit Purchase Plan

The opportunity to purchase Trust Units is provided annually to C-Line executives of Chartwell under the EUPP, based on individual and corporate performance as compared to goals set at the beginning of a given year. In determining the number of Trust Units a C-Line executive may purchase, past grants to such individual are also taken into consideration. The Chartwell Trustees believe that participation in the EUPP creates further alignment of participants with the interests of Chartwell and Unitholders. The Compensation Committee decided that, with respect to the EUPP participation relating to 2020, NEOs would be provided with the opportunity to purchase up to 100% of their respective entitlements in Trust Units pursuant to the EUPP. This decision was made in order to help with the retention of the NEOs, to create further alignment with Unitholders and having considered the 2020 Principles and the 2020 Considerations.

As of December 31, 2020, 1,734,202 Trust Units were outstanding under the EUPP, which represent approximately 0.80% of the issued and outstanding Trust Units on December 31, 2020. As of December 31, 2020, there remain 2,306,391 Trust Units which are reserved for issuance, which represents, as of December 31, 2020, approximately 1.07% of the outstanding Trust Units.

The burn rate for the EUPP (being the total number of Trust Units acquired, divided by the weighted average number of Trust Units outstanding) was as follows:

Year	Burn Rate
2020	0.12%
2019	0.05%
2018	0.05%

The EUPP is administered by the Compensation Committee, which has the power to determine, among other things, (a) which eligible persons may subscribe for Trust Units under the EUPP; (b) the number of Trust Units allocated to each such eligible person; and (c) the market price for the Trust Units at the time such Trust Units are issued under the EUPP. A person who participates in the EUPP is referred to as a

**“EUPP Participant”**. The **“market price”** for Trust Units is equal to the volume weighted average trading price of Trust Units on the TSX for the 20 trading days immediately preceding their issue. The EUPP prohibits any reduction or other change in the price paid for Trust Units, except to reflect a consolidation or split of the Trust Units or similar capital reorganization.

The maximum number of Trust Units issuable to insiders of Chartwell under all security-settled compensation arrangements, including the EUPP, at any time cannot exceed 10% of the issued and outstanding Trust Units, and the number of securities to be issued to insiders of Chartwell pursuant to such arrangements within any one-year period cannot exceed 10% of the issued and outstanding Trust Units. The purchase price for Trust Units, other than the initial payment, if applicable, is paid down from the proceeds of distributions, with any resulting balance to be paid by the EUPP Participant at the end of the 10- or 20-year term, as applicable. The initial payment is an amount equal to 5% of the market price for Trust Units on the date of issue. EUPP Participants are required to pay interest to Chartwell on the outstanding balance of the unpaid purchase price at a fixed rate not less than the prescribed rate under the *Income Tax Act* (Canada) applicable at the time the Trust Units are issued, pursuant to an agreement entered into between Chartwell and EUPP Participants. All distributions paid on the Trust Units are applied first to pay such interest and the balance to reduce the unpaid purchase price such that, following all such payments, the EUPP Participants will have paid the full market price for the Trust Units.

Upon the later of due payment of all unpaid purchase price and vesting (which is only applicable to purchases made on or prior to August 13, 2013), the Trust Units will be released to the EUPP Participants. Until all of the unpaid purchase price has been paid, EUPP Participants will not be allowed to vote or transfer or dispose of their Trust Units issued under the EUPP, other than a transfer to a registered retirement savings plan, registered retirement income fund, or other entity approved by Chartwell.

Participants in the EUPP are not entitled to any incremental benefits in the event of a change of control of Chartwell. Under the terms of the EUPP, in the event of a change of control of Chartwell, the Board may accelerate any remaining instalment payments which are outstanding in respect of Trust Units issued under the EUPP. Any proceeds from the disposition of Trust Units held in the EUPP pursuant to a change of control transaction will first be applied to satisfy the amount of a participant’s unpaid purchase price, including accrued interest, if any.

If a EUPP Participant is terminated for any of the following reasons, the unpaid purchase price relating to his or her Trust Units acquired under the EUPP must be paid for in full on the earlier of (i) the date such payments were otherwise payable, and (ii) the date as set out below:

- (a) upon death or disability of such participant - the third anniversary of such death or disability;
- (b) upon termination for cause, voluntary resignation or retirement from Chartwell - 30 days following such event;
- (c) upon termination other than for cause or any of the reasons set out in (a) and (b) - 180 days following such termination.

The term for payment of the unpaid purchase price of Trust Units purchased under the EUPP prior to April 1, 2014 is 20 years. Any purchases made under the EUPP on or subsequent to April 1, 2014 must be paid in full within 10 years. If an EUPP Participant fails to make any required payment of unpaid purchase price, the Trust Units may, at the option of Chartwell and subject to applicable law, (a) be acquired by Chartwell for cancellation, or (b) be sold by the custodian in the market and that portion of the proceeds equal to remaining unpaid purchase price owing delivered to Chartwell, in each case in full satisfaction of the obligations of the EUPP Participant.

Effective April 1, 2014, only C-Line executives of Chartwell are entitled to purchase Trust Units pursuant to the EUPP. Such participants are better able to understand and accept the complexities and risks associated with the EUPP, including the risk and potential costs associated with an EUPP purchase maturing with a remaining unpaid purchase price, and to address any tax planning issues which may arise in connection with participation in the EUPP. The EUPP is no longer available to Directors of Chartwell, the Chartwell Trustees or the CSH Trustees, other than the CEO of Chartwell, however existing participants in the EUPP who are Chartwell Directors, Chartwell Trustees or CSH Trustees will continue to participate in the EUPP with respect to previously acquired Trust Units.

The Chartwell Trustees may, subject to the receipt of the required regulatory approval, where required, in their sole discretion, make all of the following amendments to the EUPP:

- (a) amendments of a technical, clerical or “housekeeping” nature, or to clarify any provision of the EUPP;
- (b) termination of the EUPP;
- (c) amendments to respond to changes in legislation, regulations, stock exchange rules or accounting or auditing requirements;
- (d) amendments to termination provisions of the EUPP or any outstanding Trust Units acquired under the EUPP; and
- (e) adjustments to reflect any Trust Unit splits, Trust Unit distributions, or other alterations in the capital of Chartwell.

Other than in respect of the foregoing amendments, no other amendments to the EUPP may be made by the Chartwell Trustees without the approval of Unitholders of Chartwell.

A copy of the EUPP is available under Chartwell’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The table below sets out the total number of Trust Units authorized and issued pursuant to the EUPP.

Plan Category	Number of Trust Units Issued Pursuant to the EUPP	Weighted Average Purchase Price of Trust Units	Number of Trust Units Remaining Available for Future Issuance Under EUPP
Equity Compensation plans not approved by Unitholders <sup>(1)</sup>	1,593,000	\$12.40	0
Equity Compensation plans approved by Unitholders	3,813,644 <sup>(2)</sup>	\$11.22	2,148,138
<b>Total</b>	5,406,644	\$11.56	2,148,138

(1) The terms and conditions of the EUPP were settled through arm’s length negotiations between Chartwell and the underwriters in connection with Chartwell’s initial public offering.

(2) On May 25, 2005, Unitholders approved an increase in the number of Trust Units issuable under the EUPP by 867,080 Trust Units, and on May 24, 2006, Unitholders approved an additional increase in the number of Trust Units issuable under the EUPP by 748,865 Trust Units. On May 22, 2007, Unitholders approved an increase in the number of Trust Units issuable under the EUPP by 2,691,945 Trust Units.

(3) The number of units remaining available for future issuance under the EUPP is based on the maximum number of Trust Units reserved for issuance, less the number of Trust Units issued and outstanding under the EUPP net of cancellations as at March 31, 2021.

# TERMINATION AND CHANGE OF CONTROL BENEFITS

## Termination Benefits

Each C-Line executive is subject to a non-competition agreement which restricts him or her from certain activities in the seniors housing industry so long as they are Directors, officers and/or employees of Chartwell and for one year thereafter. Further, each C-Line executive is entitled to a separation package in an amount equal to two times his or her annual salary and average bonus for the three preceding years (in each case less any deductions required by laws and any amounts owing to Master LP for any reason).

The following table shows the potential estimated incremental payouts and benefits that the NEOs would have received as a separation package under the terms of their employment agreements, assuming that termination without cause occurred on the Corporation's last business day prior to its fiscal year ended December 31, 2020.

Description	Mr. Volodarski (\$)	Ms Sullivan (\$)	Ms Harris (\$)	Mr. Boulakia (\$)
Base Salary	1,400,000	910,000	850,000	840,000
Average Bonus	391,484	394,886	352,491	352,491
Pension	54,600	36,400	34,000	33,600
Benefits <sup>(1)</sup>	70,041	70,041	59,788	70,041

(1) Only life, health and dental benefits have been included.

A payout of \$1,958,604 was made to Mr. Binions on his retirement from Chartwell, such payment representing the vesting of 160,108 Restricted Trust Units (inclusive of distribution reinvestments) upon his retirement pursuant to the terms of the Restricted Unit Plan.

## Change of Control Benefits

If a C-Line executive is terminated (a) by Chartwell without cause within 12 months of a Change of Control or (b) by the executive for Good Reason within 24 months of a Change of Control, such executive will be entitled to a separation package in an amount equal to two times his or her annual salary plus such executive's average bonus for the preceding three years (in each case less any deductions required by law), and to the extent not already vested upon such Change of Control, all unvested Restricted Units granted to such executive will vest. "Good Reason" means any one of the following events following the Change of Control without the executive's written consent: (i) any reduction of annual base salary, bonus or equity based compensation opportunity; (ii) any material reduction in medical, health and dental benefits and incentives; (iii) any material adverse change in position or responsibilities; or (iv) a required relocation to any place outside of a 50 kilometer driving distance of Chartwell's current headquarters, except for reasonably required business travel that is not materially greater than such travel requirements prior to the Change of Control. Upon the occurrence of a Change of Control of Chartwell, all Restricted units held by NEOs would vest immediately, subject to Board approval.

For purposes of such agreements, "change of control" generally means the acquisition of the beneficial ownership of or the right to exercise control or direction over securities of the Corporation or Chartwell representing 50% or more of the then issued and outstanding voting securities of the Corporation by a person or group of persons (as defined in the *Canada Business Corporations Act*). A change

of control would include, but is not limited to, an amalgamation of the Corporation with another entity, an acquisition by take-over bid, an issuance or exchange of securities or the sale or assignment of all or substantially all of the assets of Chartwell. However, none of the foregoing events, or those set out in the employment agreements, will constitute a change of control where such event occurs as a result of an internal reorganization or restructuring of the Corporation and a majority of the Board approves a resolution providing expressly that such event shall not constitute a change of control.

The following table shows the potential estimated payouts and benefits that the NEOs would receive under various plans and arrangements, assuming the individual chose to terminate his or her employment with Chartwell on the last business day prior to its fiscal year ended December 31, 2020 following a change of control of Chartwell.

Description	Mr. Volodarski (\$)	Ms Sullivan (\$)	Ms Harris (\$)	Mr. Boulakia (\$)
Base Salary	1,400,000	910,000	850,000	840,000
Average Bonus	391,484	394,886	352,491	352,491
Pension	54,600	36,400	34,000	33,600
Benefits <sup>(1)</sup>	70,041	70,041	59,788	70,041

(1) Only life, health and dental benefits have been included.

## TRUSTEE AND DIRECTOR COMPENSATION

The Compensation Committee assists the Board in determining compensation of Directors. The Compensation Committee reviews Director compensation regularly and recommends appropriate adjustments to the Board. The Compensation Committee periodically retains an external compensation consultant for assistance in assessing the competitiveness of the compensation arrangements for the Directors, most recently in 2019, and intends to do so again on a regular basis.

The table below provides a summary of the components of Chartwell's Director compensation (for non-management Directors):

Annual Retainer	Meeting Fees	Travel Fees	Board Chair Retainer	Committee Chair Retainer	Deferred Unit Plan
\$105,000 Set by the Board on the advice of the Compensation Committee. Compensation reviewed every year (with external consultant engaged every two years).	\$2,200	\$750 for travel longer than three hours on a non-meeting day.	\$110,000	\$25,000	Directors may elect to receive their fees in the form of Deferred Units in lieu of cash. Each Director is required to invest a minimum of \$52,500 in Chartwell Units per calendar year. Distributions on Deferred Units are re-invested and the total number of Deferred Units are paid out after a Director's Retirement.

## Compensation of Directors of the Corporation, Chartwell Trustees and CSH Trustees

Each Director, other than an officer or employee of Chartwell or its subsidiaries, is paid an annual fee of \$105,000 and \$2,200 per meeting for attending meetings of Directors or any committee meetings thereof and is reimbursed for his or her expenses in connection therewith. The Chair of the Board, in addition to his compensation as a Director, receives an annual fee of \$110,000 and is reimbursed for his expenses in such capacity. Directors receive an additional \$750 for travel time longer than three hours for travel occurring on a day other than a day set for a meeting. The chairperson of each committee receives an additional annual fee of \$25,000 and is reimbursed for his or her expenses incurred in such capacity.

Since each Chartwell Trustee and each CSH Trustee is also a Director, each of them will receive compensation as set out above for acting in his or her capacity as a Director and will not receive any additional compensation for acting in his or her capacity as a Chartwell Trustee or a CSH Trustee. The compensation received by the Directors in 2020 is shown in the table below.

The table below provides a summary of the compensation earned in respect of Chartwell's fiscal year ended December 31, 2020 by the Chartwell Trustees, CSH Trustees and Directors.

Name	Fees Earned (\$) <sup>(1), (2)</sup>	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Lise Bastarache	117,400	-	-	-	-	-	117,400
W. Brent Binions	84,525 <sup>(3)</sup>	-	-	-	-	-	84,525
V. Ann Davis	144,600	-	-	-	-	-	144,600
Michael D. Harris	223,000 <sup>(3)</sup>	-	-	-	-	-	223,000
André R. Kuzmicki	135,800 <sup>(3)</sup>	-	-	-	-	-	135,800
Sharon Sallows	119,600	-	-	-	-	-	119,600
James Scarlett	113,000 <sup>(3)</sup>	-	-	-	-	-	113,000
Huw Thomas	144,600	-	-	-	-	-	144,600

### Notes:

- (1) Pursuant to the Deferred Unit Plan, described below, directors are entitled to elect to receive part or all of their fees in the form of Deferred Units in lieu of cash (as described below). For the purposes of this disclosure, such grants are included under "Fees Earned" above rather than "Share-Based Awards". In 2020, the directors elected to take their fees in the form of Deferred Units, as follows: Mr. Harris and Ms Bastarache, 50% of their annual Board retainer; Ms Davis and Mr. Kuzmicki, 50% of their total fees; Ms Sallows and Messrs. Binions, Scarlett and Thomas, 100% of their total fees.
- (2) Each of the Directors waived \$25,000 of their fees earned in 2020 and Chartwell donated the total amount waived to the CaRES Fund. The figures above are net of these waived fees.
- (3) Received fees for attending an Audit Committee meeting as a guest in 2020.

## Deferred Unit Plan

Chartwell established the Deferred Unit Plan in 2008 to provide Chartwell Trustees, CSH Trustees and non-management Directors (each a "**DUP Participant**") with the opportunity to acquire Deferred Units. The Deferred Unit Plan allows DUP Participants to participate in the long-term success of Chartwell and promotes a greater alignment of interests between the DUP Participants and Unitholders, while reducing the cash requirements of Chartwell to the extent DUP Participants elect to receive their fees in the form of Deferred Units in lieu of cash.

The Deferred Unit Plan is administered by the Compensation Committee. The Compensation Committee has the authority to (a) determine eligibility for participation and awards of Deferred Units under the Deferred Unit Plan; (b) determine whether any election or notice requirement or other administrative procedure under the Deferred Unit Plan has been adequately observed; (c) remedy possible ambiguities, inconsistencies or omissions by general rule or particular decision; (d) determine the fair market value of the Trust Units on any date; (e) prescribe, amend and rescind rules and regulations relating to the Deferred Unit Plan; (f) interpret the Deferred Unit Plan; and (g) make any and all other determinations deemed necessary or advisable for the administration of the Deferred Unit Plan

Under the Deferred Unit Plan, a DUP Participant has the right to elect to receive all or a portion of his or her retainer and meeting fees for the calendar year paid in whole or in part in Deferred Units. Deferred Units are each equivalent in value to a Trust Unit and are credited on the books of Chartwell. With respect to any portion of the fees that such DUP Participant is to be paid in Deferred Units, Chartwell will credit to the DUP Participant's account the number of Deferred Units equal to the amount of the fees deferred, if any, divided by the fair market value of the Trust Units as determined in accordance with the Deferred Unit Plan on the date of the award. The DUP Participant's account is credited with distribution equivalents in the form of additional Deferred Units in respect of normal cash distributions. Deferred Units are non-transferable, except to a DUP Participant's estate in the event of his or her death, as provided for in the Deferred Unit Plan.

For the above purpose, "**fair market value**" with respect to a Trust Unit, as at any date, means the volume weighted average of the prices at which the Trust Units traded on the TSX (or, if the Trust Units are not then listed and posted for trading on the TSX or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the Trust Units are then listed and posted for trading as may be selected for such purpose by the Board in its sole and absolute discretion) for the five trading days on which the Trust Units traded on the said exchange immediately preceding such date. In the event that the Trust Units are not listed and posted for trading on any stock exchange, the fair market value shall be the fair market value of the Trust Units as determined by the Board in its sole and absolute discretion.

Deferred Units vest immediately. The Deferred Units are exercisable by a DUP Participant upon delivery of a notice(s) of exercise to the secretary of the Corporation, specifying the exercise date(s), which shall be (a) the date the DUP Participant ceases to be a Director, Chartwell Trustee or CSH Trustee, as applicable, for any reason whatsoever (the "**Cessation Date**"); or (b) such later date(s) as the DUP Participant may elect, provided that any such date is not later than December 1<sup>st</sup> of the second calendar year following the calendar year in which the Cessation Date occurred.

Upon the exercise of Deferred Units under the Deferred Unit Plan, a DUP Participant will receive the number of Trust Units equal to the number of Deferred Units recorded in the DUP Participant's account on the exercise date. Upon the issuance of such Trust Units, the Deferred Units will be cancelled.

A DUP Participant may not assign, sell, transfer, pledge or charge any Deferred Units, whether voluntary or involuntary, by operation of law or otherwise.

The number of Deferred Units reserved for issuance under the Deferred Unit Plan cannot exceed 2% of the aggregate number of issued and outstanding Trust Units. If, upon the exercise of Deferred Units, the number of Trust Units reserved for issuance is insufficient to satisfy the number of Trust Units to be issued to the DUP Participant, the remaining Deferred Units will be surrendered for cancellation in consideration of a cash payment equal to the fair market value of a Trust Unit multiplied by the number of surrendered Deferred Units.

The number of Trust Units issuable to insiders, at any time, under all security based compensation arrangements of Chartwell, including under the Deferred Unit Plan, cannot exceed 10% of the issued and outstanding Trust Units. Within any one-year period, the number of Trust Units issued to insiders under all security based compensation arrangements of Chartwell, including under the Deferred Unit Plan, cannot exceed 10% of the issued and outstanding Trust Units.

The Deferred Unit Plan may be amended from time to time by Chartwell. Any such amendments are subject to the prior approval of any applicable regulatory bodies, including the TSX. If Chartwell amends or suspends the Deferred Unit Plan, such amendment or suspension will not affect previously granted Deferred Units without the consent of Chartwell and the DUP Participant to whom such awards have been made. The Deferred Unit Plan may also be terminated by Chartwell or the Corporation at any time. If the Deferred Unit Plan is terminated, no new Deferred Units (other than those issued as credit for distributions) will be issued but previously credited Deferred Units shall be paid out in accordance with the terms of the Deferred Unit Plan. Pursuant to the rules of the TSX, the Deferred Unit Plan must be reapproved by Unitholders every three years.

As of December 31, 2020, 977,742 Trust Units were outstanding under the Deferred Unit Plan, which represents approximately 0.45% of the issued and outstanding Trust Units on December 31, 2020. As of December 31, 2020, there remained 3,303,832 Trust Units reserved for issuance, which represents approximately 1.54% of the outstanding Trust Units on December 31, 2020.

The burn rate for the Deferred Unit Plan (being the total number of Deferred Units granted and distributions on all accumulated Deferred Units, divided by the weighted average number of Trust Units outstanding) was as follows:

Year	Burn Rate
2020	0.06%
2019	0.05%
2018	0.05%

A copy of the Deferred Unit Plan is available under Chartwell's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

The following table provides a summary, in respect of each Director, of all share-based awards and option-based awards outstanding at the end of Chartwell's most recently completed fiscal year ended December 31, 2020.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$) <sup>(1)</sup>
Lise Bastarache	-	-	-	-	-	-	419,625
W. Brent Binions	-	-	-	-	-	-	4,061,439
V. Ann Davis	-	-	-	-	-	-	-
Michael D. Harris	-	-	-	-	-	-	447,600
André R. Kuzmicki	-	-	-	-	-	-	643,425
Sharon Sallows	-	-	-	-	-	-	307,725
James Scarlett	-	-	-	-	-	-	-
Huw Thomas	-	-	-	-	-	-	363,675

(1) The figures included above represent Trust Units purchased under the EUPP, which is no longer available to Directors. Each participant in the plan must make a non-refundable cash payment for Trust Units purchased, with the balance paid down from the proceeds of monthly distributions on such Trust Units, with any resulting balance to be paid by the EUPP Participant at the end of the 20 year term. Deferred Units are not included above because they are only granted to those Directors who choose to allocate part or all of their fees to Deferred Units in lieu of cash. They are included in the Directors' fees disclosure on page 56 of this Circular.

## INDEBTEDNESS OF TRUSTEES, DIRECTORS AND OFFICERS OF CHARTWELL AND ITS AFFILIATES

The following table sets out, as at March 31, 2021, the aggregate of all obligations relating to Trust Unit purchases under the EUPP by all present and former Chartwell Trustees, CSH Trustees, Directors, officers and employees (collectively the “**Obligors**”) of Chartwell or any of its subsidiaries. Other than obligations for the balance of the purchase price of Trust Units issued under the EUPP, there is no other indebtedness of the Obligors to Chartwell or its subsidiaries.

### Aggregate Indebtedness (\$)

Purpose	To Chartwell or its Subsidiaries	To Another Entity
Unpaid Purchase Price for Trust Units issued under EUPP	15,073,605	None
Other	None	None

The following table sets out the Chartwell Trustees, CSH Trustees, Directors and executive officers of Chartwell and its subsidiaries who have purchased Trust Units under the EUPP and in respect of which there is an outstanding balance of the purchase price payable to Chartwell. As at March 31, 2021, the aggregate amount of obligations, consisting of the unpaid purchase price for Trust Units under the EUPP, to Chartwell by Chartwell Trustees, CSH Trustees, Directors and executive officers of Chartwell and its subsidiaries in connection with the EUPP was \$15,073,605. The rate of interest is fixed at the then current prescribed rate of interest as set by Revenue Canada.

## Table of Indebtedness of Chartwell Trustees, CSH Trustees, Directors and Executive Officers of Chartwell and its Affiliates under the EUPP

Name and Principal Position	Involvement of Chartwell or Subsidiary	Largest Amount Outstanding During 2020 <sup>(1)</sup> (\$)	Amount Outstanding as at March 31, 2021 <sup>(1)</sup> (\$)	Financially Assisted Securities Purchased (Number of Trust Units) During 2020	Security for Unpaid Purchase Price (Number of Trust Units and Market Value) as at March 31, 2021 <sup>(2)</sup>	Amount Forgiven During 2020 (if any)
<b>Lise Bastarache</b> Chartwell Trustee; Director	Obligee	210,137	184,019	None	37,500 Trust Units (\$439,125)	None
<b>W. Brent Binions</b> Director	Obligee	3,814,515	3,664,591	51,526	362,953 Trust Units (\$4,250,175)	None
<b>Michael D. Harris</b> CSH Trustee; Director and Chair of the Corporation	Obligee	201,566	173,424	None	40,000 Trust Units (\$468,400)	None
<b>André R. Kuzmicki</b> CSH Trustee; Director	Obligee	345,943	306,194	None	57,500 Trust Units (\$673,325)	None
<b>Sharon Sallows</b> CSH Trustee; Director	Obligee	140,218	120,891	None	27,500 Trust Units (\$322,025)	None
<b>Huw Thomas</b> Chartwell Trustee; Director	Obligee	177,878	155,190	None	32,500 Trust Units (\$380,575)	None
<b>Vlad Volodarski</b> CEO of Chartwell, CSH Trust and the Corporation; Director of the Corporation	Obligee	2,385,330	2,940,947	89,021	316,768 Trust Units (\$3,709,353)	None
<b>Karen Sullivan</b> President and Chief Operating Officer of Chartwell, CSH Trust and the Corporation	Obligee	1,493,554	1,809,363	44,338	205,520 Trust Units (\$2,406,635)	None
<b>Sheri Harris</b> Chief Financial Officer of Chartwell, CSH Trust and the Corporation	Obligee	1,348,283	1,623,578	40,900	187,851 Trust Units (\$2,199,731)	None
<b>Jonathan Boulakia</b> Chief Investment Officer, Chief Legal Officer and Secretary of Chartwell, CSH Trust and the Corporation	Obligee	1,311,959	1,585,642	40,900	182,596 Trust Units (\$2,138,197)	None

(1) These amounts represent the then unpaid purchase price of Trust Units purchased under the EUPP. Since May 2014, the EUPP is no longer available to any Directors or Trustees, other than the CEO. Each participant in the plan must make a non-refundable cash payment for Trust Units purchased, with the balance paid from monthly distributions.

(2) Values are based on closing price of Trust Units on March 31, 2021. Recourse is limited to the value of the Trust Units acquired under the EUPP.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Chartwell Trustees there are no material interests, direct or indirect, of the Chartwell Trustees, CSH Trustees, Directors, any Unitholder who beneficially owns, directly or indirectly, or exercises control or direction over more

than 10% of the outstanding Trust Units, any other insider of Chartwell or any known associate or affiliate of such persons, in any transactions since the commencement of Chartwell's last completed financial year or in any proposed transaction which has materially affected or would materially affect Chartwell.

The Chartwell Trustees, CSH Trustees and Directors will, from time to time, in their individual capacities deal with parties with whom Chartwell may be dealing, or may be seeking investments similar to those desired by Chartwell. The relevant constating documents of Chartwell, CSH Trust and Master LP contain conflict of interest provisions requiring the Chartwell Trustees, CSH Trustees and Directors to disclose material interests in material contracts and transactions and to refrain from voting thereon. The Board has oversight of managing any such conflicts. Chartwell's Code of Conduct and Vendor Code of Conduct, each of which is available at [www.chartwell.com](http://www.chartwell.com), addresses conflicts of interest and related party transactions. Annually, the Board has each Director complete and certify an in-depth questionnaire which addresses actual, perceived and potential conflicts of interest. See "Ethical Business Conduct" on page 67.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Chartwell is in the business of providing services and care for Canada's seniors. Our Vision is Making Peoples' Lives Better. We are passionate about what we do because we know we are positively impacting the lives of many. We are committed to providing a safe and fulfilling environment for our residents, peace of mind for their families, and an engaging and rewarding place to work for our employees.

Chartwell's Trustees and management are committed to maintaining a high standard of corporate governance, and believe that sound corporate governance practices will contribute to the effective management of Chartwell and the achievement of its strategic and operational goals and objectives.

The following description of Chartwell's governance practices is made with reference to National Policy 58-201—*Corporate Governance Guidelines* and NI 58-101. Pursuant to NI 58-101, Chartwell is required to disclose certain information with respect to its governance practices. This information is set out below.

Significant efforts are made by Chartwell to address issues of corporate governance and to establish structures and recruit directors to meet applicable corporate governance requirements and standards. Chartwell's corporate governance practices also reflect the ownership structure for its investments which is common in Canada and known as a "trust on a trust on a limited partnership" structure. This structure is described in more detail in Chartwell's Annual Information Form ("**AIF**") (available under Chartwell's profile on SEDAR at [www.sedar.com](http://www.sedar.com)). In summary, the business of operating and managing seniors housing facilities is carried on by Master LP. The Board supervises the management of the general partner of Master LP and assists the Chartwell Trustees and the CSH Trustees. Chartwell owns all the units of CSH Trust, which in turn owns 52.0% of the Class A limited partnership units of Master LP. Chartwell owns the remaining 48.0% of the Class A limited partnership units of Master LP.

For the purposes of this discussion of corporate governance practices, the focus is on Chartwell and its consolidated entities. In particular, since governance of the underlying business activities is primarily exercised through the Board, the disclosure provided herein is given in respect of the Board, with reference to Chartwell and CSH Trust where appropriate.

## Board of Directors

Seven of the nine Directors during 2020 were independent of and unrelated to management of Master LP and Chartwell. The independent Directors during 2020 were Messrs. Harris, Kuzmicki, Scarlett and Thomas and Ms Bastarache, Ms Davis and Ms Sallows. Mr. Binions was not independent as he was an executive officer of the Corporation until his retirement on March 15, 2020. Mr. Volodarski was also not independent as he was an executive officer of the Corporation. Ms Bastarache, Ms Davis and Mr. Thomas were Chartwell Trustees in 2020 and Messrs. Harris and Kuzmicki and Ms Sallows were CSH Trustees in 2020. Accordingly, all of the Chartwell Trustees and CSH Trustees were independent and unrelated to management of Master LP and Chartwell.

The Directors, Chartwell Trustees and CSH Trustees meet on a periodic basis as required or desirable. During 2020 there were four regularly scheduled quarterly Board meetings, one annual meeting to approve Chartwell's budget, one annual meeting to approve the management information circular, one annual meeting following the annual meeting of Unitholders plus a regularly scheduled off-site strategic planning session with the Board. The Board also holds separate meetings from time to time as it considers advisable during the year (on one occasion during 2020).

At each Board meeting, as well as at each committee meeting, the Directors, Chartwell Trustees and CSH Trustees meet *in camera* without management.

## Board Meeting Attendance Record

The following table provides a summary of the attendance of each Director at meetings of the Board and committees thereof during 2020.

Directors	Board Meetings	Audit Committee Meetings	Compensation, Governance and Nominating Committee Meetings	Investment Committee Meetings
Lise Bastarache	8/9 <sup>(1)</sup>	5/5		4/4
W. Brent Binions	9/9			4/4
V. Ann Davis	9/9	5/5		4/4
Michael D. Harris	9/9		5/5	
André R. Kuzmicki	9/9			4/4
Sharon Sallows	9/9		5/5	4/4
James Scarlett	9/9		5/5	
Huw Thomas	8/9 <sup>(1)</sup>	5/5	5/5	
Vlad Volodarski	9/9			

(1) Ms Bastarache and Mr. Thomas were unable to attend one board meeting, a telephone conference called on short notice, due to scheduling conflicts.

## Board Mandate

The Board, directly as well as through its committees, oversees the conduct of the business and affairs of the Corporation and Chartwell and makes all major policy decisions. A copy of the Board's charter is attached as Schedule "A" to this Circular and is posted on Chartwell's website. In addition, the Board has adopted written Corporate Governance Guidelines which are designed to provide guidance to the Board on corporate governance practices, including the Board's responsibilities for

the appointment of management, management of the Board, strategic planning, monitoring of financial performance, financial reporting, risk management and oversight of company policies and procedures, communications and reporting and compliance.

## ***Oversight of Risk Management Program***

Oversight of Chartwell's Risk Management program is undertaken at the Board level. With the Board's oversight Chartwell established a comprehensive enterprise risk management program focused on three broad risk categories: Strategic, Operational and Financial. Within this framework currently Chartwell monitors over 15 specific risks. Chartwell conducts an annual Enterprise Risk Management ("**ERM**") assessment which is prepared by Chartwell's senior management team and is reported to the Board. Within the ERM assessment, Chartwell maintains a Business Risk Matrix that prioritizes risks based on likelihood of occurrence and impact on the organization. Management, working with the Board, has developed mitigation strategies for each risk, which are updated regularly. The Board reviews the Business Risk Matrix as well as management's assessment of the top risks facing the organization quarterly. Management continually monitors, assesses, and updates Chartwell's risk reports to reflect any new or changing risks.

Chartwell's executive team also holds quarterly Quality, Compliance and Risk meetings attended by senior operations leaders and experts in care and customer experience to review trends in quality and compliance indicators and resident and family complaint trends. This also includes trend analysis of publicly reported quality of care indicators for our long-term care homes in relation to provincial averages. Reporting on these trends and summary quality of care indicators is provided quarterly to the Board as part of the operations report.

Further, management conducts monthly risk meetings to discuss operational and reputational risks and issues for Chartwell. Mitigation plans are developed for each risk or issue identified.

For more information on Chartwell's key risks and risk management strategy, see "Environmental, Social and Governance Program – Our People" and Chartwell's most recently filed AIF and MD&A.

## ***Position Descriptions***

The Compensation Committee has developed and approved detailed written position descriptions for the Chair of the Board and the Chair of each committee of the Board and the CEO of the Corporation. The position description for the Chair of the Board is available on Chartwell's website.

Mr. Harris, an independent Director, is Chair of the Board. The Chair of the Board is responsible for, among other things, ensuring that the Board fulfills its responsibilities as set out in its charter and functions effectively, liaising with the CEO of the Corporation, meeting with and discussing issues with Unitholders and other stakeholders, where appropriate, and optimizing the relationship between the Board and senior management of the Corporation. The Chairs of the committees of the Board are responsible for, among other things, ensuring that the committees fulfill their responsibilities and liaising effectively with management on the issues for which the committees have responsibility. The CEO is responsible for, among other things, overseeing all aspects of the operations, growth and corporate direction of Chartwell in accordance with Chartwell's strategic plan and annual budget.

## ***Engagement with Unitholders***

Directors liaise and meet with Unitholders and other stakeholders where appropriate, and have done so in the past few years in various forums. Unitholders, employees and other interested parties may communicate directly with the Board through the Chair by writing to:

Chair of the Board of Directors  
Chartwell Retirement Residences  
7070 Derrycrest Drive, Mississauga, ON L5W 0G5  
Email: [mharris@chartwell.com](mailto:mharris@chartwell.com)

British Columbia Government and Service Employees' Union (BCGEU) submitted a unitholder proposal related to enterprise risk management. Further to discussions with BCGEU, and in consideration of Chartwell's enhanced disclosure in this Circular of the oversight of its risk management program, BCGEU has agreed to withdraw its proposal.

Chartwell has also received a unitholder proposal relating to human capital matters which was withdrawn following discussions with the Unitholder and in consideration of Chartwell's enhanced disclosure in this Circular on the topic.

The Chair and the Chair of the Compensation Committee met with the Canadian Coalition for Good Governance in February 2021 to discuss Chartwell's governance practices.

## ***Orientation and Continuing Education***

Orientation and educational sessions are organized for all new appointees to the Board in order to familiarize new Directors with Chartwell's legal structure, its business and operations, the regulatory environment of the jurisdictions in which Chartwell operates, Chartwell's strategic plans, opportunities and risks, the properties Chartwell owns and manages and corporate governance practices, among other topics. New Directors are briefed on the role of the Board, its committees and the contribution individual Directors are expected to make. New Directors also receive an orientation package containing all of Chartwell's Board and Committee mandates, copies of Chartwell policies that are relevant to the Board, a copy of the Directors and Officers insurance policies maintained by Chartwell and Chartwell's most recent significant public disclosure documents.

Chartwell believes that it is important for its Board members to visit and have first-hand knowledge of the properties Chartwell owns and manages at all levels of care (independent supported living, assisted living, and long-term care). Chartwell's management therefore regularly organizes tours of properties for the entire Board and encourages and assists Board members to tour properties individually. In the past few years, Chartwell has organized visits of properties for the Board. For each of these visits, the Board meets and discusses operational issues with home administrators, front-line staff and residents. Due to the pandemic and government restrictions and health considerations relating to COVID-19, there were no such visits in 2020. Chartwell's Board also regularly participates in educational sessions with management on operational matters and with outside advisors, including financial advisors, industry leaders, lawyers, auditors, insurers and other consultants. Chartwell also encourages its Board members to attend and participate in Chartwell events, including employee recognition events. In 2019, the Board attended an event at which top performers among front-line staff were recognized. Unfortunately, this event was cancelled in 2020 due to the pandemic.

In 2019, the Board conducted Strategic Planning meetings and property tours in Edmonton, Alberta. During the Edmonton visit, and during prior visits to other regions, the Board had discussions with home administrators, front-line staff and

residents in the properties. Due to the pandemic and government restrictions and health considerations relating to COVID-19, there were no such visits in 2020. Board members have also attended presentations on capital markets developments, insurance, the provision of care services, commercial leasing, talent management, and sales and marketing initiatives in recent years. In 2018, the Board was educated on Chartwell's Assisted Living program and also received a presentation on Chartwell's "Welcome to Chartwell" program, which focuses on the customer experience and the resident onboarding process. In 2019, the Board participated in a presentation on Chartwell's new marketing program, an education session on cybersecurity risks, a third-party briefing on director and executive compensation trends and an update on Chartwell's customer experience initiative. In 2020, Board members attended presentations on COVID-19, infection prevention and control practices in retirement and long-term care facilities, the insurance market and sales strategy programs.

The table below illustrates the continuing education provided to each non-executive Board Member in 2020:

	COVID-19	Infection Prevention and Control Practices	Insurance	Sales Strategy
Lise Bastarache	✓	✓	✓	✓
Brent Binions	✓	✓	✓	✓
Ann Davis	✓	✓	✓	✓
Michael Harris	✓	✓	✓	✓
André Kuzmicki	✓	✓	✓	✓
Sharon Sallows	✓	✓	✓	✓
James Scarlett	✓	✓	✓	✓
Huw Thomas	✓	✓	✓	✓

As part of the Chartwell's continuing education program, all Directors also receive:

- a comprehensive package of information prior to each Board and committee meeting;
- an overview of Chartwell's business at regular Board meetings from senior managers or executives from different departments. The Directors discuss any questions with the senior officers;
- updates and handouts provided by management and the internal and external auditors on regulatory updates with respect to Chartwell's industry at regular Board and Audit Committee meetings;
- access to management and relevant business information. Management makes regular presentations to the Board on the main areas of Chartwell's business;
- regular quarterly updates on risks relevant to Chartwell's business and operations and management's mitigation strategy with respect to such risks;
- reports on the work of Board committees following committee meetings;
- updates between Board meetings on matters that affect Chartwell's businesses;
- updates on current corporate governance trends;
- presentations or the opportunity to participate in discussions regarding new laws, issues or other developments that are relevant to Chartwell;

- periodic presentations by invited speakers on various topics, trends and issues related to Chartwell’s business; and
- annual strategic planning materials and updates which are discussed with management.

## Ethical Business Conduct

Chartwell has adopted a Code of Business Conduct and Ethics (the “**Code of Conduct**”) which sets out the expected practices and behaviours of Chartwell Trustees, CSH Trustees, Directors, officers and other employees of Chartwell in their interactions with residents, their families, service and product suppliers, co-workers and the various communities they serve, and with Chartwell. The Code of Conduct requires the adherence to the highest ethical standards as the highest priority of Chartwell employees. Such standards are critical to Chartwell achieving its vision of “Making People’s Lives Better”.

Chartwell has also adopted a Vendor Code of Conduct and Ethics (the “**Vendor Code**”) to formalize its expectations regarding the standards its national and significant suppliers are required to uphold as a prerequisite for engaging in a commercial relationship with Chartwell. Both the Code of Conduct and Vendor Code include provisions prohibiting any conduct that would create any actual or perceived conflict of interest. Any real or perceived conflict of interest is to be reported to Chartwell.

Chartwell has also instituted a Whistleblower Policy, Whistleblower Hotline and online Whistleblower reporting form. In order to encourage the reporting of any concerns regarding financial statement or other disclosures, accounting, internal accounting or disclosure controls, auditing matters or disclosure violations as well as non-financial related concerns, including but not limited to, violations of Chartwell’s Code of Conduct and to health and safety issues.

In addition, Chartwell has a Disclosure Controls Policy which governs how the Chartwell Trustees, CSH Trustees, Directors, senior management and employees of Chartwell and its subsidiaries are to communicate and interact with investors and members of the investment community and sets out specific rules relating to trading in Chartwell’s securities by such persons, including trading restrictions and blackout periods. A Disclosure Policy Committee, comprised of the CEO, the President and COO, the CFO and the CIO and CLO of the Corporation, is responsible for monitoring compliance with the Disclosure Controls Policy, supervising compliance by Chartwell with all regulatory disclosure requirements and overseeing Chartwell’s disclosure practices. The Disclosure Controls Policy also sets out Chartwell’s strict prohibition on trading in any securities that are designed to hedge Chartwell securities, as described on page 29 of this Circular.

Each year, each Chartwell employee and Director is required to confirm in writing that he or she has reviewed, understands and is in compliance with the policies described above.

The Code of Conduct is available under Chartwell’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)). The Vendor Code is available at [www.chartwell.com](http://www.chartwell.com).

## Environmental, Social and Governance Program

Chartwell published its first ESG report on March 16, 2020 and intends to update the report in the first quarter of 2022. The ESG report is available at [www.chartwell.com/en/about-us/environmental-social-governance](http://www.chartwell.com/en/about-us/environmental-social-governance).

Chartwell believes that the long-term success of its business and the world around it are fundamentally connected. By paying careful attention to the areas where Chartwell feels it can have the biggest impact – People, Corporate Responsibility,

Data Security, Environmental Stewardship and Corporate Governance – Chartwell creates economic, social and environmental value for its residents, employees, communities and the planet, while delivering positive returns for unitholders.

## *Chartwell's ESG Approach*

- Environmental – Chartwell supports the global transition to a low-carbon economy through sustainable operations and practices.
- Social – Chartwell is focused on diversity and inclusion in its workforce, and strives to put its customers, Chartwell's residents, at the heart of everything Chartwell does.
- Governance – Chartwell remains committed to high standards of governance.

## *Our People*

Chartwell is committed to a fully inclusive culture and equity in all talent hiring and management decisions.

Human capital is a key component of Chartwell's strategy. Human capital management risks are integrated into the Company's ERM program and relate to, among others, employee engagement, attracting and retaining qualified employees, succession planning, continuous review of benefit and compensation programs, labour relations and health and safety. Employee engagement, as measured by a third-party consultant, is one of Chartwell's Corporate Goals and is also an individual goal for all general managers and administrators at Chartwell. Chartwell sets Corporate and personal Employee Engagement targets each year and part of each employee's cash bonus is impacted by the achievement of these targets. See "Performance Goals" above.

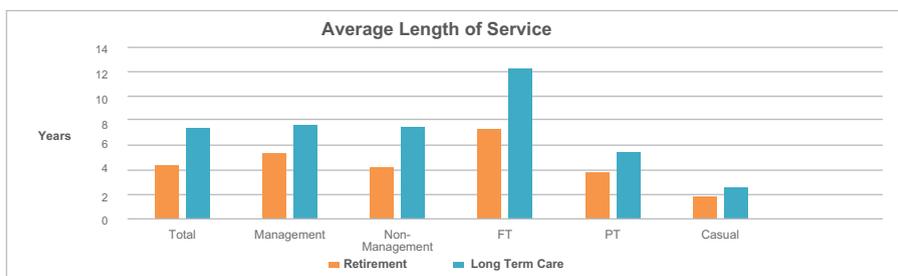
## *Human Capital Management System*

Chartwell has engaged in a multi-year, multi-million dollar human capital management ("**HCM**") system implementation. The first phase of the implementation, which was completed in 2020, transitioned payroll services from a third-party provider to Chartwell. Future phases will provide for recruitment and performance management within the system and a standardized e-learning platform. Chartwell believes that the implementation of this HCM system is critical to achieving our goals of attracting, retaining and developing an engaged, diverse and inclusive workforce.

## *Length of Service*

The average length of service for all employees, including full-time, part-time and casual, is 5.4 years in our retirement residences and 7.5 years in our long-term care residences. The longest average length of service is in full-time long-term care positions which is over 12 years, while casual positions in retirement residences have the shortest average length of service which is less than two years.

The following chart provides a breakdown by job category:



## Diversity and Inclusion

In 2020 Chartwell established a Diversity and Inclusion Leadership Council which will have oversight responsibility for the implementation of Chartwell's Diversity and Inclusion Framework which sets the direction for our priorities and objectives with respect to Diversity and Inclusion. Chartwell's Diversity and Inclusion Framework can be accessed here: <https://investors.chartwell.com/English/environmental-social-governance/esg-report-related-policies/default.aspx>

The following table sets out Chartwell's gender and age diversity among its employees:

Position	Total # of Active Employees	Average Age	Percent Female
Corporate - Senior Directors and Above	52	52.8	55.8%
Corporate - Directors and Below	506	44.9	58.7%
Residences - Managers	1,460	45.9	74.0%
Residences - Other Staff	14,656	41.1	83.5%
Total	16,674	41.6	81.8%

Chartwell has been recognized for its leadership in gender diversity among its Board and senior Management. See "Corporate Governance - Women in Leadership Roles" below.

## Employee Engagement

In 2019, Chartwell's employee engagement score increased to 48% "Highly Engaged" from 47% in 2018. Note, this is a measure of "highly engaged" employees and does not include merely "engaged" employees and the score is determined as the average of responses to 24 questions. Employee Engagement is a Corporate Goal each year for all employees as well as a personal goal for most corporate managers, general managers and administrators at Chartwell. Due to the pandemic and Chartwell's focus on mitigating its impact on Chartwell residents, Chartwell did not conduct its regular annual employee engagement survey in 2020. Chartwell instead conducted a modified survey focused on Chartwell's handling of the pandemic. Forty-four percent of employees in Chartwell residences and 58% of employees in Chartwell's corporate offices responded as strongly agreeing to the statement "I am satisfied with Chartwell as a place to work" in 2020, up from 43% and 52% respectively, in 2019.

## Safety in Our Operations

Chartwell is fully committed to providing a safe working environment. We believe in the principle of ‘safety first’. We foster an environment with ongoing integration of safety into all activities to eliminate illness and injuries. To achieve this, Chartwell has established well-defined safety, health and environmental policies and procedures and ongoing training. Chartwell’s corporate Occupational Health and Safety (“**OHS**”) team supports residences and corporate staff to integrate safety as a priority in all of our operations.

Every Chartwell residence has a Joint Health and Safety Committee (“**JHSC**”). JHSCs are partnerships of management and front-line employees that meet monthly or quarterly depending on the jurisdiction. Each residence completes an annual JHSC effectiveness review. Annual policy reviews are conducted including a review of policy statements on Occupational Health and Safety and Workplace Violence. Workplace inspections and/or external safety audits are completed in all of our residences.

Chartwell has always maintained strong infection control protocols. When the COVID-19 pandemic began, we put in place enhanced infection protocols - in some cases ahead of provincial and health authority directives - that allowed our communities to help protect residents and employees. More than 11,600,000 pieces of Personal Protective Equipment (PPE) were sourced by Chartwell since the pandemic began in 2020. During the pandemic, the majority of Chartwell corporate office employees are working remotely from their homes. Chartwell’s corporate OHS team is involved to ensure employees have the right equipment to work safely from home and the OHS team has conducted numerous home office ergonomic assessments.

## Respecting Labour Rights

Out of over 16,000 employees, approximately 80% are represented by labour unions. Chartwell strives to maintain a positive and constructive relationship with the 20 unions and other employee associations representing Chartwell employees.

## Learning and Development

Providing learning and development opportunities for our employees is core to Chartwell’s culture. Chartwell provides new hire training and ongoing education for key residence and corporate roles, as well as targeted training on specific topics on an ongoing basis.

All residence employees complete required training in order to understand the core values of Chartwell to better understand their role and function in the residence, to perform their specific assignments in a competent and confident manner and to meet or exceed required compliance to provincial regulations.

In 2020:

- Employees in Chartwell residences completed the training required by the applicable regulatory authorities, including topics such as infection prevention and control and health and safety.
- 2,966 employees participated in Chartwell Experience training. The Chartwell Experience is Chartwell’s proprietary program relating to the delivery of exceptional resident experiences in our residences.
- 44 employees participated in Gateways, a training program for new general managers and administrators.
- 18 employees participated in Chartwell’s Aspiring Leaders Program (“ALP”). The ALP is a development program for high potential managers who aspire to become a general manager or administrator in a Chartwell residence.

- 259 corporate employees and 160 general managers and administrators attended Chartwell's 2020 Leadership conference.
- Chartwell invested more than seven million dollars in training, orientation and education for its employees.

See "Talent Management and Succession Planning" on page 77 for specifics on the application of Chartwell's development program.

## *Corporate Responsibility*

Creating societal impact has been core to Chartwell since its founding more than 17 years ago.

In 2020, Chartwell was a founding member of the Canadian Alliance to Protect and Equip Seniors Living ("**CAPEs**"). The CAPEs alliance of larger operators was created to source and ship much needed supplies of personal protective equipment ("**PPE**") for the sector, including smaller senior living operators with more limited resources. Chartwell and the other founding members agreed to fund an extra 35% for each order to create a reserve inventory of millions of PPE items for small operators.

## *Corporate Giving*

Since 2015, Chartwell has raised more than \$869,000 for Wish of a Lifetime Canada, resulting in over 135 wishes being granted to deserving Canadian seniors.

Chartwell staff and residents have sponsored numerous other Canadian charities that have an impact on seniors, including a \$25,000 contribution to the Royal Canadian Legion in 2020.

In 2020, Chartwell helped found the Senior Living CaRES Fund (the "**CaRES Fund**"), inspired by the heroic efforts of long-term care and retirement residence employees during the COVID-19 pandemic. The CaRES Fund offers one-time grants of up to \$10,000 for urgent financial needs of employees of all retirement and long-term care operators in Canada. The CaRES Fund founding members, Chartwell Retirement Residences, Revera Inc., Extencicare Inc. and Sienna Senior Living Inc., committed an initial capital investment of \$2 million to this initiative. As well, each of the Directors forfeited \$25,000 of their compensation earned in 2020, and the aggregate of such funds (\$225,000) was donated by Chartwell to the CaRES Fund. As of December 31, 2020, the CaRES Fund has received in excess of 2,000 applications for support and has awarded over \$2.15 million in funds to more than 450 senior living front line workers.

In March 2021, Chartwell established its own charitable foundation, The Chartwell Foundation/La Fondation Chartwell. The purpose of The Chartwell Foundation is to provide social and recreational activities to seniors experiencing loneliness and isolation through the granting of wishes, as well as to fund other Canadian charities that provide support to seniors, causes affecting seniors, and their essential support workers.

## *Resident Satisfaction*

In 2019, resident satisfaction scores increased to 63% "Very Satisfied" from 58% in 2018. Note, this is a measure of "Very Satisfied" residents and does not include merely "satisfied" residents. Due to the pandemic and Chartwell's focus on mitigating its impact on Chartwell residents, Chartwell did not conduct its regular annual resident satisfaction survey in 2020. Chartwell instead conducted a modified survey focused on Chartwell's handling of the pandemic. Ninety-six percent of Chartwell residents and 95% of residents' families and friends responded in a survey conducted by a third party that Chartwell took important steps to keep them safe. Ninety-four percent of residents' families responded in the survey that their loved ones were safe living at Chartwell.

## Reputable Vendors

Chartwell has a Vendor Code which sets minimum standards for all its national and significant suppliers to improve visibility and direct engagement with vendors on ethical, social responsibility and environmental issues.

## **Privacy and Data Security**

Chartwell has implemented strong controls of data privacy and security measures to mitigate material risks for its residents, investors, employees and vendors.

## Cybersecurity

Chartwell utilizes technologies, procedures and training to ensure the safety and security of our systems and assets, and to protect our data and the data entrusted to us by our employees, residents and partners.

## Privacy & Confidentiality

Chartwell actively monitors and manages security and privacy risks that enhance its ability to mitigate them through enterprise-wide programs, industry best practices and threat and vulnerability assessments and responses.

## Record Retention

Chartwell's Record Management, Retention Policy and Procedures facilitate the effective governance of its records throughout their lifecycles and is the cornerstone of good information management, ensuring regulatory compliance and management of costs and risks.

## **Environmental Stewardship**

Chartwell's proactive engagement with employees, residents, vendors, investors and environmental groups informs its sustainability policies and practices.

## Chartwell's Headquarters

Chartwell's new corporate head office was built to high sustainability and low energy consumption standards and includes many 'green' features including locally sourced materials and products, high efficiency heating and cooling systems and reduced usage of building materials.

## Energy-Efficient Retrofits and Developments

Through a retrofit initiative spanning across the four provinces in which Chartwell operates, existing buildings are continuously being retrofitted with energy efficient systems, equipment and materials such as, but not limited to, LED lighting, high efficiency boilers and Low-E windows.

Chartwell continues to reduce our carbon emissions by cutting our energy consumption, being more efficient in our buildings, working with our strategic partners and focusing on our renewable procurement strategy. Chartwell's environmental policy addresses all facets of Chartwell's business, including the operation of our corporate offices and residences, the buying and selling of properties, and the development of new projects.

## Corporate Governance

The Chartwell Board of Directors is built on a foundation of sound governance practices and commitment to its Unitholders.

### Board Renewal

Chartwell is committed to a robust Board of Directors evaluation process which ensures the Board of Directors renews itself appropriately and balances the benefits of experience with the need for new perspectives, pursuant to Chartwell's Renewal and Diversity Policy. See "Board Renewal and Diversity Policy".

### Women in Leadership Roles

Chartwell has maintained a strong record of recruiting and retaining the best talent, including women in leadership positions, as set out in the table below:

Directors <sup>(1)</sup>	Independent Directors	Executive Officers	Senior Vice-Presidents	Vice-Presidents	Senior Directors in Management	Total Leadership Roles at Chartwell
33% (3 of 9)	43% (3 of 7)	50% (2 of 4)	71% (5 of 7)	50% (12 of 24)	50% (9 of 18)	51% (31 of 61) <sup>(2)</sup>



(1) Total number of directors, independent and non-independent.

(2) For purposes of determining total number of leadership roles, Mr. Volodarski is counted twice, both as an executive officer and a Director.

Chartwell is committed to providing development opportunities to women and promoting from within. Since 2011, 144 participants have completed Chartwell's Aspiring Leaders Program for candidates with the potential to become retirement

residence general managers or long-term care residence administrators. Of the attendees, 77% were female.

Chartwell's mentorship program, introduced in 2005, includes one-on-one mentorships as well as sessions with members of the senior executive committee, senior vice-presidents and vice-presidents, and education sessions. Since 2016, an average 67% of mentees and 68% of mentors have been women.

### Recognition for Good Governance

Chartwell has been recognized in the Globe and Mail's 2020 Board Games publication, which rates corporate boards based on governance criteria, as being the sixth best governed issuer in Canada and as the best governed real estate and health care company in Canada. Below is Chartwell's ranking in the publication for the last three years.

	2018	2019	2020
<b>Ranking</b>	<b>7th out of 237</b>	<b>3rd out of 224</b>	<b>6th out of 211</b>

### Board Renewal and Diversity Policy

Chartwell takes corporate governance seriously and is proud of its achievements to date with respect to renewal and diversity of the Board.

Chartwell is committed to Board renewal and has renewed its Board significantly over its 17-year history. Of the original nine Directors of the Corporation in 2003, two are being nominated for re-election at the Meeting. Chartwell believes that smooth board succession is an important responsibility of any board and has been implementing a plan for board renewal. At the time of Chartwell's initial public offering in 2003, all of Chartwell's Directors were men. Forty-three percent of new Directors that have been elected to the Board since then are women and one third of Chartwell's Directors have been on the Board for less than four years. Further, the composition of the Board has evolved from 67% of the Directors being independent and no women Directors in 2003 to 78% of Directors being independent, and women representing 43% of independent Directors. As well, Mr. Binions became a non-management director in 2020.

In furtherance of Chartwell's commitment to Board renewal, Chartwell is planning for the following changes to its Board composition:

- Mr. Harris, the Chair, will not stand for re-election to the Board in 2022.
- Ms Bastarache will not stand for re-election to the Board in 2022.
- Mr. Kuzmicki, the Chair of the Investment Committee, will not stand for re-election to the Board in 2023.

Chartwell believes this renewal and planned renewal can be attributed to its robust and comprehensive Board evaluation process. In addition to the skill set of the retiring Board members, the Board will take into account any expertise required to reflect the regulatory and strategic implications of COVID-19 when assessing the suitability of new candidates.

Chartwell does not have a mandatory retirement age or term limits for Directors for the following reasons, among others:

- Chartwell strongly believes that seniors are important contributors to society, and a mandatory retirement age is inconsistent with this belief;
- Term limits for Directors are a blunt instrument that applies to all Directors, regardless of the contributions they are making to the Board; and

- The institutional memory of the Board is important for the stable continuity of the business.

Chartwell is committed to a robust Board evaluation process which ensures the Board renews itself appropriately and balances the benefits of experience with the need for new perspectives. Pursuant to Chartwell's Renewal and Diversity Policy, annually, the Board identifies the key characteristics - skills, experience, knowledge, backgrounds, diversity (including an appropriate number of women) and other personal attributes - desired of Directors and of the Board as a whole to best add value. The Board then assesses its effectiveness and the effectiveness of individual Directors through formal and informal internal and third-party evaluations. Where opportunities are identified to improve Director effectiveness, Directors are supported through ongoing education and development. In addition, the Board is committed, through the strong leadership of its Chair, to make changes to its composition to replace Directors who retire, unexpectedly resign or no longer meet Chartwell's current desired attributes for a Director, to address changes to the internal and external business environment and to reflect the results of the annual Director evaluation process to help Chartwell achieve long-term success.

Chartwell is committed to a merit-based system for Board composition, which requires a diverse and inclusive culture. Pursuant to Chartwell's Renewal and Diversity Policy, Chartwell's commitment to diversity includes business experience, functional expertise, geography, gender, orientation, persons with disabilities, visible minorities, age, indigenous people and other personal characteristics. When identifying suitable candidates for appointment to the Board, Chartwell considers candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board. The Board is required to engage third party executive search firms to identify candidates for appointment to the Board and any search firm engaged is specifically directed to include candidates of diverse genders, sexual orientation, disabilities, ages and/or visible minorities and indigenous people. In 2011, 2017 and again in 2019, when recruiting for Board members, the Compensation Committee engaged a third-party executive search consultant (the "**Search Consultant**"). The Compensation Committee, working with the Search Consultant, developed a matrix of desired attributes of a successful candidate which included gender diversity as an issue for consideration, in addition to experience and skills and the Compensation Committee ensured that the pool of potential candidates for directorship included women.

The table on page 73 shows the number and percentages of women in leadership roles at Chartwell, assuming the proposed slate of Directors is elected.

As stated above, Chartwell's overriding principle is to ensure that it attracts and retains the best talent on its Board. Chartwell also believes that Board diversity is important to the organization's success and has an established target of maintaining at least one-third of its Directors as women.

Annually, the Compensation Committee will review the Renewal and Diversity Policy to assess its effectiveness in promoting appropriate Board renewal and its effectiveness in promoting a diverse Board which includes an appropriate number of women Directors.

Although Chartwell has not adopted a formal target for women in executive positions, diversity, and the representation of women in particular, plays a key role in our recruitment and succession planning processes. Chartwell has made a commitment to being a leader in diversity and inclusion at all levels of our organization. When identifying suitable candidates for executive positions, Chartwell considers candidates on ability and merit against objective criteria having due regard to the benefits of diversity and the needs of our organization. We endeavour to ensure that the candidate pool for any executive positions that become available in the organization will reflect our commitment to diversity. Currently, two of the four executive officers at Chartwell are women, representing

50% of our executive officers. Chartwell has not adopted a target for women in executive positions because Chartwell has demonstrated itself a leader and has not identified any issues in this respect.

## **Nomination of Directors**

The Compensation Committee is responsible for identifying and investigating potential candidates for nomination to the Board, including nominations put forward by Unitholders, and recommending prospective Directors, as required, who will provide an appropriate balance of knowledge, experience and capability on the Board, taking into account the Renewal and Diversity Policy. The Compensation Committee has adopted written procedures with respect to the nomination process for Directors which include a process for identifying the qualifications necessary for Directors, the process by which potential candidates are identified, reviewing the list of potential candidates and confirming their qualifications, and the procedures to be followed in interviewing candidates. The Compensation Committee then puts forward its nomination recommendations to the Board for approval.

## **Compensation**

The Compensation Committee is responsible for reviewing annually the adequacy and form of compensation of senior management and Directors. The Compensation Committee then makes recommendations to the Board. In setting compensation for the Board and Committee members, the Compensation Committee uses the General Comparison Group and Real Estate Investment Trust Comparison Group as reference points, and considers the same factors as described in “Setting Executive Compensation”, and, as for executives, considers all elements of compensation in total rather than any one element in isolation.

See “Compensation Discussion and Analysis” on page 27 of this Circular.

## **Unit Ownership Guidelines for Trustees and Directors**

The Corporation has formalized a policy requiring all Chartwell Trustees, CSH Trustees and Directors to purchase Units in Chartwell in the minimum amount of five times the annual retainer paid to the Chartwell Trustee, CSH Trustee or Director. Such Units are to be owned within five years of becoming a Chartwell Trustee, CSH Trustee or Director. All Chartwell Trustees, CSH Trustees and Directors exceed this requirement, with the exception of Ms Davis, who joined the Board in 2017 and has until 2022 to comply, and Mr. Scarlett, who joined the Board in 2019 and has until 2024 to comply. Further, effective January 1, 2020, Directors are required to invest at least \$52,500 in Chartwell annually, either as participants in the Deferred Unit Plan or in their personal holdings as direct investments. During 2020, all Chartwell Trustees, CSH Trustees and Directors increased their ownership of Units. See pages 12-20 of this Circular for Unit ownership details relating to each individual.

## **Board Committees**

There are three committees of the Board: the Audit Committee, the Compensation Committee, and the Investment Committee. All of Chartwell’s Board committees are comprised solely of independent Directors who are unrelated to management of Master LP and Chartwell. Each committee has a formal charter which is reviewed annually.

### ***Audit Committee***

The Audit Committee is responsible for supervising the quality and integrity of the financial statements prepared for Master LP and Chartwell, reviewing Master LP’s

accounting policies and practices, reviewing Master LP's internal controls, reviewing the retention and supervision of Chartwell's auditors and reviewing such matters and questions relating to the financial position of Master LP and Chartwell as the Board may from time to time see fit, as well as overseeing and monitoring Chartwell's information technology platform controls and cyber security program. All members of the Audit committee are considered audit committee financial experts. Chartwell's Audit Committee Charter is available on Chartwell's website, and additional information about its Audit Committee is available under the Section "Trustees, Directors and Executive Officers - Governance of Master LP - Committees - Audit Committee" in Chartwell's AIF available under Chartwell's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## ***Compensation, Governance and Nominating Committee***

The Compensation Committee is responsible for (a) reviewing Master LP's approach to corporate governance and generally assuming responsibility for Master LP's corporate governance, human resources and compensation policies; (b) assessing the effectiveness of the Directors and each of their committees; (c) considering questions of management succession; (d) participating in the recruitment and selection of candidates as Directors; (e) considering and approving proposals by Directors to engage outside advisers on behalf of the Directors as a whole or on behalf of the independent Directors; (f) administering the EUPP; (g) assessing the performance of the CEO and the other C-Line executives of the Corporation; (h) reviewing and approving compensation for senior executives and management consultants of Master LP (other than the compensation of the CEO, which is reviewed by the Compensation Committee and approved by the full Board); (i) reviewing and making recommendations to the Directors concerning the level and nature of compensation payable to the Directors; and (j) reviewing such matters and questions relating to the compensation, governance and nomination of Directors, officers, employees and consultants of Master LP as the Board may see fit. Chartwell's Compensation Committee Charter is available on Chartwell's website.

## ***Investment Committee***

The Investment Committee is responsible for reviewing and approving potential investment transactions up to certain limits, including proposed acquisitions and dispositions of properties, borrowing (including the assumption or granting of any mortgage) by Master LP and its affiliates, the provision of mezzanine financing, and reviewing such matters and questions relating to the investment programs and policies of Master LP as the Board may see fit. Chartwell's Investment Committee Charter is available on Chartwell's website.

## ***Talent Management and Succession Planning***

A comprehensive framework aligned with Chartwell's business strategies is in place to enable an integrated approach to talent management and succession planning. The Compensation Committee, as well as senior Management, focuses on the identification, assessment and development of executives and other high-potential talent to build leadership capability and strengthen overall succession, ensuring Chartwell has a pipeline of leaders to drive both short and long-term performance.

The following table sets out a summary of internal promotions into leadership roles:

<b>Position</b>	<b>Total Number of Employees</b>	<b>Percent Promoted Internally</b>
General Managers/ Administrators	173	53%
Director Regional Operations / Director Regional Sales	36	69%
Other Corporate Directors	47	51%
Senior Directors	17	29%
Vice President - Platform Leads	5	80%
Other Vice Presidents	20	30%
Senior Vice Presidents	7	86%
C-suite executives	4	100%
Total	309	53%

Chartwell's talent management and succession planning process is structured to develop high-potential talent at all levels through the organization to prepare them for broader and more complex roles while also taking into consideration the need to build general leadership capabilities.

The Compensation Committee plays a key role in supporting the Board in its oversight of talent management and succession planning. The Compensation Committee regularly reviews and discusses with the CEO a succession planning report which outlines the processes and practices for leadership development, the depth and diversity of succession pools for senior leadership roles across Chartwell, talent and succession risk metrics, including short, medium and long-term goals for identified individuals, and plans for the upcoming year. A summary of the succession planning report is reviewed regularly with the Board.

The Board regularly reviews and discusses CEO and C-Line succession. This includes an in-depth discussion of the contingency and long-term succession plans for the CEO and members of the senior executive team as well as specific plans to address gaps. The CEO discusses the strengths and areas for development of key succession candidates, development progress over the prior year and future development plans. The Board reviews and discusses possible scenarios for succession over various time horizons and development options such as continuing education and expanded mandates to further develop and assess potential successors. The Board believes that Chartwell's detailed and updated succession and development plans resulted in an organized, smooth and seamless transition on the CEO's retirement in 2020.

Further, a memorandum has been prepared that sets out the immediate steps the Board would need to take should the CEO suddenly no longer be able to fulfill his duties.

## **Assessments**

The Compensation Committee is responsible for annually reviewing and assessing the effectiveness of the Board, the committees of the Board and contributions of the individual Directors. As part of the review process, the Compensation Committee considers input from Directors where appropriate, the attendance record of Directors at meetings of the Board and any committee thereof, the charters of the Board and its committees, applicable position descriptions, the

competencies and skills that each Director is expected to, and does in fact, bring to the Board and each committee on which he or she serves, and the evolving needs of the Corporation.

As part of a formal Board assessment process in 2019, the Compensation Committee hired an independent third-party consultant to assist in the conduct of a review of (a) the performance of the Board as a whole, including a review of the performance of the Board's Chair; (b) the performance of each of the Corporation's three committees, including a review of the performance of the committee Chairs; and (c) the performance of each individual Director by way of a peer-to-peer review. This review conducted by the third-party consultant was analysed by the Chair of the Board and discussed with each Director with respect to the result of the assessment of his or her individual performance. The results of the review indicated that in all three areas of review the Directors were performing well. The Board intends to hire an independent third-party consultant to assist in the conduct of a similar review on a regular basis.

## Board Skills

The Board is comprised of individuals who have demonstrated skills in one or more of the following areas:

- Business Leadership
- Corporate Finance (including Capital Markets and M&A)
- Corporate Governance
- Customer Service
- Financial Literacy
- Health Care/Seniors Housing, Operations and Marketing
- Human Capital
- IT/Cybersecurity
- Legal Expertise
- Political and/or Government
- Real Estate
- Risk Management

The following skills matrix chart illustrates the relevant skills possessed by Board members:

	Lise Bastarache	Brent Binions	Ann Davis	Michael Harris	André Kuzmicki	Sharon Sallows	Huw Thomas	James Scarlett	Vlad Volodarski
Business Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Finance (including Capital Markets and M&A)	✓	✓	✓		✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓
Customer Service		✓	✓				✓	✓	✓
Financial Literacy	✓	✓	✓	✓	✓	✓	✓	✓	✓
Health Care/Seniors Housing Operations	✓	✓		✓	✓	✓	✓		✓
Human Capital		✓		✓		✓	✓	✓	✓
IT/Cybersecurity		✓	✓				✓		✓
Legal Expertise		✓						✓	
Political and/or Government		✓		✓				✓	✓
Real Estate	✓	✓		✓	✓	✓	✓		✓
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓

## FORWARD-LOOKING INFORMATION

This Circular contains forward-looking information based on management's expectations, estimates and projections about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry as of the date of this Circular. Forward-looking statements refer to, without limitation, possible events, statements with respect to possible events, expected capital expenditures, currency fluctuations, capital requirements, government regulation of the seniors housing industry, Chartwell's internal growth, industry profile and its relationship with its unionized employees. The words "plans", "expects", "does not expect", "is expected", "budget", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes" or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "might", "occur", "be achieved" or "continue" and similar expressions identify forward-looking statements.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by Chartwell as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Chartwell's estimates and assumptions, which may prove to be incorrect, include various assumptions set forth herein and incorporated by reference in this Circular.

While Chartwell anticipates that subsequent events and developments may cause Chartwell's views to change, Chartwell does not have an intention to update this forward-looking information, except as required by applicable securities laws. This forward-looking information represents Chartwell's views as of the date of this Circular and such information should not be relied upon as representing Chartwell's views as of any date subsequent to the date of this document. Chartwell has attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimates expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or

achievements to differ materially from current expectations. **There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.** These factors are not intended to represent a complete list of the factors that could affect Chartwell. See “Risks Factors”, and “Risk Factors - *Pandemic, Epidemic or Outbreak of a Contagious Disease*” for COVID-19 related risk, in Chartwell’s AIF and risk factors highlighted in materials filed with the securities regulatory authorities in Canada from time to time, including but not limited to Chartwell’s management’s discussion & analysis (“**MD&A**”) for the year ended December 31, 2020.

## EXPLANATION OF IFFO

IFFO is a non-GAAP (generally accepted accounting principles) measure that does not have any standardized meaning prescribed by International Financial Reporting Standards (“**IFRS**”) and therefore is not comparable to similar measures presented by other income trusts or other companies. IFFO should not be construed as an alternative to net earnings or cash flow from operating activities as determined by IFRS. Chartwell calculates IFFO by adding or subtracting the following items to or from its funds from operations (“**FFO**”): (a) lease-up losses and imputed cost of debt on development properties; (b) income guarantees due from vendors of certain acquired properties; and (c) current income taxes (see reconciliation below). These adjustments to FFO are made for executive compensation purposes to ensure management is not incented to make short-term decisions for Chartwell by not developing new properties or acquiring properties with long-term value creation potential. Chartwell calculates FFO substantially in accordance with the recommendations of Real Property Association of Canada by adding or subtracting certain items from its net income. For the full reconciliation of FFO and IFFO to net income, please refer to Chartwell’s MD&A for the year ended December 31, 2020.

## Reconciliation of FFO to IFFO

Financial Year-ended 2020	\$	Per Unit Diluted \$
<b>Reported FFO</b>	165,861	0.76
Add lease-up losses and imputed cost of debt on development properties	5,469	0.02
Add income guarantees due from vendors of certain acquired properties	6,383	0.03
Add current income taxes	-	-
<b>IFFO</b>	177,713	0.81

## OTHER MATTERS

The Chartwell Trustees know of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice. However, if any other matter properly comes before the Meeting, the accompanying Form of Proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the Form of Proxy.

## UNITHOLDER PROPOSALS

Chartwell received a total of four Unitholder proposals for the Meeting. Two proposals were withdrawn after discussions with the Unitholders. See “Statement of Corporate Governance Practices - Engagement with Unitholders”. The full text of the two proposals submitted for consideration at this Meeting have been reproduced in Schedule “B” of this Circular, along with Chartwell’s responses.

**The Board recommends that the Unitholders vote AGAINST each of the Unitholder proposals for the reasons described in Schedule “B” to this Circular. Unless a proxy specifies that the units it represents should be voted for any of the Unitholder proposals, the persons named in the form of proxy intend to vote AGAINST each of the proposals.**

Chartwell’s Declaration of Trust provides for the ability of an eligible Unitholder (meeting certain specified criteria) to submit a proposal for consideration at an annual meeting of Chartwell (other than proposals with respect to the nomination of Chartwell Trustees, CSH Trustees and Directors which must follow the advance notice provisions referred to above). In accordance with the Declaration of Trust, a proposal must be submitted by an eligible Unitholder at least 90 days before the anniversary date of the notice of the prior annual meeting. The final date for submission of proposals by Unitholders for inclusion in the circular in connection with next year’s annual meeting of Unitholders is December 31, 2021.

## ADDITIONAL INFORMATION

Additional information relating to Chartwell is available on SEDAR ([www.sedar.com](http://www.sedar.com)). Unitholders may obtain at no charge copies of Chartwell’s financial statements, MD&A, Code and ESG Report by making a written request to Vlad Volodarski, CEO of Chartwell, at:

Chartwell Retirement Residences  
7070 Derrycrest Drive, Mississauga, ON L5W 0G5  
Email: [investorrelations@chartwell.com](mailto:investorrelations@chartwell.com)

Chartwell’s financial information, provided in Chartwell’s comparative financial statements and MD&A for its most recently completed financial year, is available on SEDAR ([www.sedar.com](http://www.sedar.com)).

## APPROVAL AND CERTIFICATION

The contents and sending of this Information Circular have been approved by the Chartwell Trustees.

March 31, 2021

**BY ORDER OF THE TRUSTEES OF  
CHARTWELL RETIREMENT RESIDENCES**

(signed) "MICHAEL D. HARRIS"

---

Chair

## APPENDIX “A”

# RESOLUTION CONFIRMING THE DEFERRED UNIT PLAN

### WHEREAS:

1. The Board adopted on July 1, 2008 the Deferred Unit Plan;
2. The Unitholders ratified the adoption of the Deferred Unit Plan on May 21, 2009, on May 17, 2012 on May 14, 2015 and on May 17, 2018.
3. The rules of the Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum securities issuable be approved every three years.

### BE IT RESOLVED THAT:

1. The Deferred Unit Plan is hereby reconfirmed and ratified;
2. All unallocated Deferred Units issuable under the Deferred Unit Plan be and are hereby approved;
3. Chartwell has the ability to continue granting Deferred Units under the Deferred Unit Plan until May 20, 2024, which is the date that is three years from the date of the Unitholders' meeting at which Unitholder approval is being sought; and
4. Any trustee or officer of Chartwell and any director or officer of the Corporation is hereby authorized, for and on behalf of Chartwell, to execute and deliver all documents and instruments and to do all other things as in the opinion of such trustee, director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of such action.

Capitalized terms used in this resolution have the meanings ascribed thereto in the management information circular accompanying the Notice of Meeting and to which this resolution is attached.

## APPENDIX “B”

# RESOLUTION RECONFIRMING THE UNITHOLDER RIGHTS PLAN

### WHEREAS:

1. The rights plan, as set forth in the unitholder rights agreement dated as of May 17, 2018 between Chartwell and Computershare Trust Company of Canada and approved by the Unitholders on May 17, 2018 (the “**Rights Plan**”) has a term of nine years, subject to ratification by the Unitholders at Chartwell’s annual and general meetings in 2021 and 2024.

### BE IT RESOLVED THAT:

1. The continued existence of the Rights Plan, and the issuance of all Rights issued pursuant to such Rights Plan, is hereby approved, reconfirmed and ratified;
2. Any trustee or officer of Chartwell and any director or officer of the Corporation is hereby authorized for, on behalf of Chartwell to execute and deliver all documents and instruments and to do all other things as in the opinion of such trustee, director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument, and the taking of such action.

Capitalized terms used in this resolution have the meanings ascribed thereto in the management information circular accompanying the Notice of Meeting and to which this resolution is attached.

# SCHEDULE “A”

## CHARTWELL MASTER CARE CORPORATION (THE “COMPANY”)

### CHARTER OF THE BOARD OF DIRECTORS

The board of trustees of Chartwell Retirement Residences (the “Trust”) is elected by the unitholders (“Unitholders”) of the Trust. The Board of the Company is elected by the trustees of the Trust, as directed by the Unitholders, and is responsible for the stewardship of the business and affairs of the Company and of the Trust. In this document “Board” means the board of trustees of the Trust and/or the board of directors of the Company, as applicable in each specific reference. The Board seeks to discharge such responsibility by setting the Company’s and the Trust’s strategic planning and organizational structure and supervising management to oversee that the strategic planning and organizational structure enhance, preserve and grow the business of the Company and of the Trust and the underlying value of the Company and of the Trust.

Although directors and/or trustees may be selected by the Unitholders to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Company and the Trust must be paramount at all times.

### DUTIES OF DIRECTORS

The Board discharges its responsibility for overseeing the management of the Company’s business by delegating to the Company’s senior officers the responsibility for day-to-day management of the Company. The Board discharges its responsibilities both directly and through its, and the Trust’s, committees, the Audit Committee, the Compensation, Governance and Nominating Committee (the “CGNC”) and the Investment Committee (the “IC”). In addition to these regular committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature. The Board’s primary roles are overseeing corporate performance and providing quality, depth and continuity of management to meet the Company’s strategic objectives. Other principal duties include, but are not limited to the following categories:

#### *Appointment of Management*

1. The Board is responsible for appointing the Chief Executive Officer (the “CEO”) and approving his or her compensation, following a review of the recommendations of the CGNC. The Board or its delegate, the CGNC, will meet with all other C-Line executives annually to assess their performance and determine their compensation in consultation with the CEO.
2. The Board from time to time delegates to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits, and subject to Section 7 of this Charter. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business are reviewed by and are subject to the prior approval of the Board or its delegate for certain transactions, the IC.
3. The Board oversees that succession planning programs are in place, including programs to train and develop management.

## ***Board Organization***

4. The Board will respond to recommendations received from the CGNC, but retains responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee and committee chair appointments, committee charters and director compensation.
5. The Board may delegate to Board committees matters it is responsible for, including the approval of compensation of the Board and management, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

## ***Strategic Planning***

6. The Board has oversight responsibility to participate directly, and through its committees, in reviewing, questioning and approving the mission of the Company and the Trust and their objectives and goals.
7. The Board is responsible for reviewing the business, financial and strategic plans by which it is proposed that the Company may reach those goals. The Board shall annually review and approve the operating and capital budgets of the Company. If management intends to follow a course of action that will cause a material overrun on the operating or capital budgets, or take action that is outside the parameters of the strategic plan, such action must first be reviewed and approved by the Board.
8. The Board is responsible for providing input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.
9. The Board will consider alternate strategies in response to possible change of control transactions or take-over bids with a view to maximizing value for Unitholders.

## ***Monitoring of Financial Performance and Other Financial Reporting Matters***

10. The Board is responsible for enhancing congruence between Unitholders' expectations, Company plans and management performance.
11. The Board is responsible for:
  - (a) adopting processes for monitoring the Company's progress toward its strategic and operational goals, and revising and altering its direction to management in light of changing circumstances affecting the Company; and
  - (b) taking action when Company performance falls short of its goals or other special circumstances warrant.
12. The Board is responsible for approving the audited financial statements, interim financial statements and the notes and Management's Discussion and Analysis accompanying such financial statements of the Company and of the Trust, as applicable, as well as all other core public disclosure documents of the Trust.
13. The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Company's and the Trust's governing statutes, including the payment of distributions, purchase and redemptions of securities, material acquisitions and dispositions of material capital assets and material capital expenditures, unless such responsibilities have been delegated to the IC.

### ***Human Capital***

14. The Board is responsible for the oversight of the Company's human capital program and strategy.

### ***Risk Management***

15. The Board is responsible for the identification of the principal risks of the Company's and the Trust's business and ensuring the implementation of appropriate systems to effectively monitor and manage such risks with a view to the long-term viability of the Company and Trust and achieving a proper balance between the risks incurred and the potential return to Unitholders.

# SCHEDULE “B”

## UNITHOLDER PROPOSALS

### UNITHOLDER PROPOSAL NO.1 – HUMAN CAPITAL DISCLOSURE

The following Unitholder Proposal has been submitted for consideration at the Meeting by IBVM Foundation of Canada Inc. (“**IBVM**”). For the purposes of this proposal, IBVM elected to be represented by the Shareholder Association of Research and Education (SHARE). The proposal and statement of support are set out in italics below:

**Resolved:** *That the board of directors report to shareholders, at reasonable cost and omitting proprietary information, on actions the Company is taking to uphold decent work practices in the Company’s operations, including:*

- 1. Information on the Company’s overall approach and board-level oversight of human capital management in the context of emerging workforce-related risks; and*
- 2. Comprehensive workforce metrics that effectively demonstrate the success and challenges the Company faces in its management of human capital.*

#### **Supporting Statement:**

*The COVID-19 pandemic has caused unprecedented challenges to the economy, workers, communities and businesses. The virus has exposed how vulnerable and unprepared many companies were to address major business disruptions and protect their employees’ health and financial security.*

*In the midst of the COVID-19 crisis, the Company has faced widespread public criticism for failing to protect residents and staff. Between February 2020 and November 10, 2020 at least 108 residents or employees of Chartwell homes have died due to COVID-19. As a result, the Company is exposed to significant reputational, regulatory and legal risks.*

*Poor working conditions in long-term care facilities – including low wages, insufficient benefits and shortages of personal protective equipment – have been linked to the abhorrent conditions and shocking death toll in many Canadian homes. Many observers have connected the lack of full-time positions in long-term care as one factor in the spread of COVID. Many employees are even more at risk of spreading the virus since they navigate multiple part-time jobs to make ends meet.*

*Despite the public and investor’s growing concerns, the Company has not formalized roles and responsibilities for human capital management at the board level. Chartwell’s disclosure falls short in providing material information on its workforce, including comprehensive metrics, that allow investors to assess the effectiveness of the Company’s human capital management approach and the robustness of its board’s oversight.*

*Demand for better corporate disclosure on human capital management is growing amongst investors and regulators. A company’s disclosure should reflect the importance of human capital in its strategy and operations. This is particularly material in long-term care residences, where an employee’s training conduct and efficiency are vital to protect residents’ decent living conditions, upholding a high standard of care, and protecting investors’ value.*

*The Company and shareholders would both benefit from a more robust board oversight and greater transparency of human capital management as set out above. We urge you to support this proposal.*

## The Board recommends a vote “AGAINST” Unitholder Proposal No. 1 for the following reasons:

At Chartwell, we know our biggest asset is our people and human capital management is a key priority for us. We measure employee engagement annually and achieving employee engagement targets is incorporated into each senior executive’s corporate goals and objectives. In response to this proposal and feedback from other Unitholders, Chartwell has enhanced its human capital disclosure in this Circular – see “Statement of Corporate Governance Practices – Oversight of Risk Management Program” on page 64, “Environmental, Social and Governance Programs – Our People” on page 68 and “Talent Management and Succession Planning” on page 77. We believe that this enhanced disclosure addresses this proposal and we are committed to continued transparency regarding our human capital management.

The Board recommends that the Unitholders vote AGAINST Unitholder Proposal No. 1.

## UNITHOLDER PROPOSAL NO. 2 – LIVING WAGE

The following Unitholder Proposal has been submitted for consideration at the Meeting by Vancity Investment Management Ltd. on behalf of the IA Clarington Monthly Income SRI Class fund. The proposal and statement of support are set out in italics below:

***Be it resolved:*** *The Board of Directors undertake a review and report to shareholders, by December 31, 2021, on the feasibility, cost and benefits of Chartwell Retirement Residences implementing a Living Wage policy covering employees, suppliers and contractors.*

### **Supporting Statement:**

*Over the past decade public campaigns have evolved to ensure the lowest paid workers and contracted service employees, receive sufficient wages to meet basic needs and support families. These wages are defined as a “Living Wage” and are set at an hourly rate calculated on a metropolitan, regional or provincial basis. The rate is calculated annually and is based on a market basket of expenses including food, clothing shelter, transportation, childcare and other household expenses.*

*Unlike the minimum wage, the Living Wage is a voluntary commitment to pay wages which reflects the income necessary to support families in specific communities. The wage is paid to all full-time, part-time and casual employees, includes base wages and non-mandatory benefits. The wage covers employees of suppliers and contractors who provide a set number of hours of labour or services per year. Employers who choose to make the commitment are known as Living Wage Employers.*

*The COVID-19 global pandemic impacts on long-term care (LTC) employees has heightened the urgency to ensure essential service employees are paid a sustainable wage.*

*Health Care aids make up a majority of the LTC work force. Pre-COVID, it is reported nearly a quarter of care aids worked at more than 1 LTC site to sustain a livelihood<sup>1</sup> Implications of regulated single-site employment only orders meant these workers faced risk of reduced income. Aids who sought additional employment outside the long-term care sector continue to face risk of COVID exposure and transfer to vulnerable care home residents.*

<sup>1</sup> *Care Aides Working Multiple Jobs: Considerations for Staffing Policies in Long-Term Care Homes During and After the COVID-19 Pandemic. Yinfei Duan et al. September 3 2020.*

While many provinces have taken steps to temporarily increase compensation and benefits<sup>2</sup> to stabilize the LTC workforce during the pandemic, long-term strategies are necessary to ensure stable and sustainable solutions for long-term care workers.

The direct benefits of paying a Living Wage include healthier employees, reduced risk of disease spread, staff retention, positive corporate reputation, improved productivity, and staff morale. The indirect benefits include increased social capital and sustainable economic growth. Paying a Living Wage:

- Allows for healthier employees working reasonable hours without juggling multiple jobs resulting in less time off work and making them more viable employees with longer life expectancy.<sup>3</sup>
- allows families to thrive and human capital to flourish by contributing to a more supportive environment for positive childhood outcomes
- contributes to prosperity and helps overcome economic stagnation by increasing consumer demand among lower wage earners.
- is an investment in the company's workforce and the community.

**The Board recommends a vote “AGAINST” Unitholder Proposal No. 2 for the following reasons:**

*Over-simplification of compensation practices.* Establishing Chartwell's compensation practices is a complex process which inherently involves balancing the interests of a number of stakeholders, including employees, unitholders, and the seniors who live in our residences. While ensuring that our compensation practices are fair to employees, we must also ensure that they are flexible enough to allow the company to maintain its competitive position and adapt to changes in the sector, including changes to government funding and rent control legislation. Requiring Chartwell to adopt a living wage policy would oversimplify the process used to set compensation and restrict its competitive flexibility.

*Inefficient use of resources.* Conducting a review and report on such a complex issue would require enormous time and resources. To be effective, this would involve an assessment in each jurisdiction and community where Chartwell operates and jurisdictions where it sources from. Chartwell is of the view that this would not be a useful exercise, particularly at a time when our resources are focused towards directly impacting the health and safety of our residents and staff during a global pandemic. The cost of conducting such an assessment would significantly outweigh the potential value to Chartwell and its stakeholders.

*Collective Bargaining Agreements.* Approximately 80% of Chartwell's employees are represented by labour unions and are covered by collective bargaining agreements, pursuant to which wages are governed. A living wage analysis would not have any bearing on the contractual terms set out in such agreements.

*Suppliers' and Contractors' Policies.* Through its Vendor Code of Conduct, Chartwell has formalized its expectations in terms of business standards, including pay practices. Management believes that as long as Chartwell's suppliers and contractors abide by the Vendor Code of Conduct and comply with laws and regulations applicable in the jurisdictions in which they operate, it is not appropriate to intervene in third parties' compensation policies.

**The Board recommends that the Unitholders vote AGAINST Unitholder Proposal No. 2.**

<sup>2</sup> Ontario Provides \$461 Million to Temporarily Enhance Wages For Personal Support Workers. October 1, 2020. Government of Ontario.

<sup>3</sup> Projected Health Impacts of the Los Angeles City Living Wage Ordinance. *Journal of Epidemiology & Community Health.* August 2005- Volume 59 - 8.

# Chartwell's Management of COVID-19

As Canada's largest owner and operator of senior living communities, Chartwell has and continues to play a vital role in keeping our residents and our staff safe during these challenging times. Our employees have never been more dedicated to **Making People's Lives BETTER.**

## Chartwell's commitment

When the pandemic was announced in March, Chartwell quickly and decisively implemented the following initiatives to help support our residences:

- ✓ Implemented innovative ways to rapidly source PPE so staff had the equipment they needed early on
- ✓ Launched a proactive recruitment campaign to ensure consistent staffing
- ✓ Set up a 24/7 hotline with corporate specialists to support staff with questions
- ✓ Established a COVID-19 email hotline for families and the general public
- ✓ Posted transparent information on our website on outbreaks and COVID-19 response measures
- ✓ Sent out weekly email communications to families, residents and staff to provide proactive updates
- ✓ In July, launched a "Listening Tour" and survey for residents and families to collect feedback on future COVID-19 optimization

## Keeping residents connected

Chartwell staff were devoted to keeping residents engaged and connected to family through the pandemic while physical distancing measures were in place. Even while apart, our residents were never alone. Here are some of the ways residents remained social and entertained:

- Staff helped to set up video calls between residents and their families
- When not in outbreak, physical distancing dining experiences with fellow residents
- In-suite activities, mobile happy hours and treat deliveries
- Front lawn entertainment, hallway fitness classes and family car parades



## Did you know?

**5,980<sup>+</sup>**   
employees have been hired by Chartwell during the course of the pandemic.



**96% OF RESIDENTS**  
felt their **Chartwell Residence** took

## IMPORTANT MEASURES

to keep them safe during COVID-19\*

\*Chartwell's 2020 "Listening to Serve You Better" Survey Results

More than **11,600,000** pieces of PPE

were sourced by Chartwell to keep residents and staff safe, many of which were brought in before it was required by Public Health authorities.

## Safety and outbreak prevention protocols

Chartwell has always maintained strong infection control protocols. When the pandemic began, we put into place enhanced infection protocols—in some cases ahead of provincial and health authority directives—that allowed our communities to help protect residents and immediately address any COVID-19 outbreaks:



Regular surveillance of resident health



PPE available and required for staff



Visitor restrictions as required



Screening of visitors and staff



Enhanced infection prevention & control education for staff



Promotion of good hand hygiene and respiratory etiquette



Increased cleaning and disinfection of high-touch surfaces



Physical distancing in dining rooms, common areas and elevators

Visit **Chartwell.com** or call us at **1-855-461-0685** today to learn more.

Through this uncertain time, Chartwell staff have worked hard to ensure our retirement communities are safe places to call home, while also offering a sense of community, social connection and engagement for the peace of mind of both residents and their families.



# DON'T FORGET TO

Your participation as a shareholder is very important to us.

## CORPORATE & SHAREHOLDER INFORMATION

### TRUSTEES AND/OR DIRECTORS

MICHAEL HARRIS, Chair

LISE BASTARACHE

BRENT BINIONS

ANN DAVIS

ANDRÉ KUZMICKI

SHARON SALLOWES

JAMES SCARLETT

HUW THOMAS

VLAD VOLODARSKI

### OFFICERS AND SENIOR MANAGEMENT

VLAD VOLODARSKI

Chief Executive Officer

KAREN SULLIVAN

President and Chief Operating Officer

SHERI HARRIS

Chief Financial Officer

JONATHAN BOULAKIA

Chief Investment Officer and  
Chief Legal Officer and Secretary

### SHAREHOLDER INFORMATION

Chartwell Retirement Residences  
7070 Derrycrest Drive  
Mississauga, Ontario L5W 0G5

**T:** (905) 501-9219 or  
TOLL FREE: (888) 584-2386  
chartwell.com

#### Unitholder and Investor Contact

VLAD VOLODARSKI  
Chief Executive Officer  
**E:** [investorrelations@chartwell.com](mailto:investorrelations@chartwell.com)

#### Auditors

KPMG LLP  
Toronto, Ontario

#### Legal Counsel

Osler, Hoskin & Harcourt LLP  
Toronto, Ontario

#### Stock Exchange Listing

Toronto Stock Exchange (CSH.UN)

#### Transfer Agent and Registrar

Computershare Investor Services  
Toronto, Ontario

**T:** (800) 564-6253

**F:** (866) 249-7775

**E:** [service@computershare.com](mailto:service@computershare.com)



## CORPORATE HEAD OFFICE

7070 Derrycrest Drive,  
Mississauga, Ontario  
L5W 0G5 Canada

