



# NOTICE OF ANNUAL MEETING OF UNITHOLDERS

## AND INFORMATION CIRCULAR



**ANNUAL MEETING**  
THURSDAY, MAY 14, 2020





# CHARTWELL

retirement residences

March 30, 2020

Dear Unitholders,

On behalf of the Board of Directors, we are pleased to present you with Chartwell Retirement Residences' annual meeting of unitholders materials. In addition to the formal business of the meeting as described in the accompanying circular, we will present a summary of Chartwell's 2019 results and our plans for the future.

Due to the current restrictions on public gatherings due to the COVID-19 pandemic, unitholders are requested to vote in advance by completing and submitting the enclosed form of proxy and will have the option to listen to the meeting and ask questions via conference call instead of attending in person.

In 2019, Chartwell continued to progress on our strategy focused on employee engagement, resident experience, and optimizing our service offering. Our operating teams have done exceptionally well in achieving improved scores in employee engagement and resident satisfaction. Despite competitive pressures from new developments in many of our markets that impacted our occupancies in 2019, we achieved same property adjusted net operating income and funds from operations per unit growth of 1.4% and 2.2%, respectively. We continued to optimize our property portfolio by adding 748 newly-developed suites, acquiring interests in three properties with 505 suites, and completing the sale of three non-core properties.

We are proud that Chartwell continues to be recognized as one of the leaders in Canada in the areas of corporate governance and diversity. We ranked third among 224 issuers in Canada and were the highest ranked real estate and healthcare company in the Globe and Mail's "Board Games" publication. We were also recently recognized for our leadership in gender diversity in the Globe and Mail's "Women Lead Here" publication. In March of 2020, we released our inaugural Environmental, Social and Governance Report, an important milestone in holding ourselves accountable for making a positive impact on the lives of our residents, their families, our employees, our unitholders, and the communities we operate in. We encourage you to read it – it is available at [www.chartwell.com](http://www.chartwell.com).

As was previously announced, Brent Binions retired as the CEO of Chartwell after successfully leading our transformation into a strong, operationally-focused and well-governed organization. We are grateful that Brent agreed to continue serving Chartwell as a Board member. The strong succession planning process that the Board put in place a number of years ago has resulted in an orderly transition to Vlad Volodarski, who has been with Chartwell for over sixteen years.

As the COVID-19 pandemic continues to evolve across the globe, the main focus of every member of the Chartwell organization is on the safety and well-being of our residents, their families and our staff. Our front-line staff, with the strong support of our regional and office teams, are doing exceptional work to prevent and manage outbreaks in our residences and provide much needed services, care and moral support to our residents and their families. We owe them our deepest gratitude for their outstanding dedication in these very difficult times.

Yours sincerely,

(signed) "MICHAEL D. HARRIS"

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**Michael D. Harris**  
**Chair**

(signed) "VLAD VOLODARSKI"

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**Vlad Volodarski**  
**Chief Executive Officer**

**Head Office**

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# 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 at **Chartwell’s head office at 7070 Derrycrest Drive, Mississauga, Ontario L5W 0G5, at 8:00 a.m. (Eastern Time) on Thursday, May 14, 2020**, for the following purposes:

- 1) to receive the financial statements of Chartwell for the fiscal period ended December 31, 2019 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”**)) ratifying an amendment to Chartwell’s deferred unit plan, 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) ratifying certain amendments and authorizing certain other amendments to Chartwell’s fourteenth amended and restated declaration of trust dated May 4, 2017, all 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; and
- 7) 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 7, 2020, 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.

Chartwell acknowledges and continues to follow the restrictions regarding large gatherings that are currently in place due to the Coronavirus (COVID-19) pandemic and is holding the Meeting in person, rather than as a virtual online meeting, only because the Declaration of Trust does not currently permit meetings of Unitholders to be held electronically. Amendments to the Declaration of Trust are being proposed at the Meeting to permit future meetings of Unitholders to be held electronically. See “Matters to be acted upon at the Meeting – Amendments to the Declaration of Trust – Proposed Amendments” in the Circular.

A Unitholder may attend the Meeting in person or may be represented at the Meeting by proxy. **However, on March 28, 2020, to reduce the spread of Coronavirus (COVID-19), the Ontario government issued an emergency order prohibiting organized public events and social gatherings of more than five people (the “Order”). If this Order or another law or order limiting the number of attendees at the Meeting is in place on the date of the Meeting, Chartwell intends to proceed with the Meeting so long as quorum is satisfied, but attendance in person will be limited to the maximum permitted by law, inclusive of at least one of the management proxyholders named in the enclosed form of proxy or a substitute proxyholder, one management proxyholder other than the ones named in the enclosed form of proxy, the authorized meeting chair and the scrutineer for the Meeting. Even if the Order has been lifted at the time of the Meeting, there may be continuing public health recommendations in place to reduce the spread of Coronavirus (COVID-19). Accordingly, we strongly encourage Unitholders to vote by completing and submitting the enclosed form of proxy, rather than attending in person.** By doing so, a Unitholder's trust units or special voting units will be represented at the Meeting and its wishes on matters for decision at the Meeting will be made known to the Chartwell Trustees and management of Chartwell. Proxies to be used at the Meeting must be received by Chartwell's transfer agent, Computershare Trust Company of Canada, Proxy Department, 8th 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 8:00 a.m. (Eastern Time) on May 13, 2020 and, if the Meeting is postponed or adjourned, no later than 24 hours prior to the commencement of any postponement or adjournment thereof.

**Only registered Unitholders or proxyholders for registered Unitholders will be permitted to attend the Meeting.**

**In the interest of protecting the health and safety of Chartwell's Unitholders and employees and the communities in which they live, Chartwell intends to adopt screening or other measures for identifying Coronavirus (COVID-19) symptoms or risk factors as may be recommended or required by applicable health authorities at the Meeting and reserves the right to refuse admission to a Unitholder or proxyholder seeking to attend the Meeting but who Chartwell believes may pose a health risk to attendees at the Meeting or whose admission would violate applicable public health laws, policies or orders in place at the time of the Meeting. In addition, attendees will be required to practice social distancing. No food or drinks will be served at the Meeting.**

In order to permit Unitholders and proxyholders to listen to the Meeting in real time, without having to attend in person, a conference call of the Meeting will be available and will also be able to be heard over the internet through Chartwell's website at [www.chartwell.com](http://www.chartwell.com). The dial-in details will be posted on Chartwell's website at least five days prior to the Meeting. A recording of the conference call will be available after the Meeting on Chartwell's website. Unitholders who call in will not be able to vote through the conference call or otherwise participate in the Meeting; however, there will be a question and answer session following the termination of the formal business of the Meeting during which Unitholders attending the conference call can ask questions.

DATED the 30th day of March, 2020.

**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 at Chartwell’s head office, 7070 Derrycrest Drive, Mississauga, Ontario, at 8:00 a.m. (Eastern Time) on Thursday, May 14, 2020 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 fifteenth amended and restated declaration of trust dated March 23, 2020, which is available on our website (the “Declaration of Trust”).

The Chartwell Trustees have fixed March 26, 2020 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 30, 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 7, 2020, 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 7, 2020.

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

## Attendance in Person

Chartwell acknowledges and continues to follow the restrictions regarding large gatherings that are currently in place due to the Coronavirus (COVID-19) pandemic and is holding the Meeting in person, rather than as a virtual online meeting, only because the Declaration of Trust does not currently permit meetings of Unitholders to be held electronically. Amendments to the Declaration of Trust are being proposed at the Meeting to permit future meetings of Unitholders to be held electronically. See “Matters to be acted upon at the Meeting – Amendments to the Declaration of Trust – Proposed Amendments”.

**While a registered Unitholder may attend the Meeting in person or may be represented at the Meeting by proxy, on March 28, 2020, to reduce the spread of Coronavirus (COVID-19), the Ontario government issued an emergency order prohibiting organized public events and social gatherings of more than five people (the “Order”). If this Order or another law or order limiting the number of attendees at the Meeting is in place on the date of the Meeting, Chartwell intends to proceed with the Meeting so long as quorum is satisfied, but attendance in person will be limited to the maximum permitted by law, inclusive of at least one of the management proxyholders named in the enclosed Form of Proxy or a substitute proxyholder, one management proxyholder other than the ones named in the enclosed form of proxy, the authorized meeting chair and the scrutineer for the Meeting. Even if the Order has been lifted at the time of the Meeting, there may be continuing public health recommendations in place to reduce the spread of Coronavirus (COVID-19). Accordingly, we strongly encourage Unitholders to vote by completing and submitting the enclosed Form of Proxy appointing the management proxyholders named therein, rather than attending in person. See “Appointment of Proxies” below.**

**Only registered Unitholders or proxyholders for registered Unitholders will be permitted to attend the Meeting.**

**In the interest of protecting the health and safety of Chartwell’s Unitholders and employees and the communities in which they live, Chartwell intends to adopt screening or other measures for identifying Coronavirus (COVID-19) symptoms or risk factors as may be recommended or required by applicable health authorities at the Meeting and reserves the right to refuse admission to a Unitholder or proxyholder seeking to attend the Meeting but who Chartwell believes may pose a health risk to attendees at the Meeting or whose admission would violate applicable public health laws, policies or orders in place at the time of the Meeting. In addition, attendees will be required to practice physical distancing. No food or drinks will be served at the Meeting.**

## Appointment of Proxies

**While a registered Unitholder may attend the Meeting in person or may be represented at the Meeting by proxy, on March 28, 2020, to reduce the spread of Coronavirus (COVID-19), the Ontario government issued the Order prohibiting organized public events and social gatherings of more than five people. If this Order or another law or order limiting the number of attendees at the Meeting is in place on the date of the Meeting, Chartwell intends to proceed with the Meeting so long as quorum is satisfied, but attendance in person will be limited to the maximum permitted by law, inclusive of at least one of the management proxyholders named in the enclosed Form of Proxy or a substitute proxyholder, one management proxyholder other than the ones named in the enclosed form of proxy, the authorized meeting chair and the scrutineer for the Meeting. Even if the Order has been lifted at the time of the Meeting, there may be continuing public health recommendations in place to**



**reduce the spread of Coronavirus (COVID-19). Accordingly, we strongly encourage registered Unitholders to vote by completing and submitting the enclosed Form of Proxy appointing the management proxyholders named therein, rather than attending the Meeting in person or appointing a different proxyholder.** By submitting a Form of Proxy a registered Unitholder's Units will be represented at the Meeting and its wishes on matters for decision at the Meeting will be made known to the Chartwell Trustees and management of Chartwell.

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, 8th 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 8:00 a.m. (Eastern Time) on May 13, 2020 and, if the Meeting is postponed or adjourned, no later than 24 hours prior to the commencement of any postponement or adjournment thereof.

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.**

## **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 in person 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 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.

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

However, in light of public health restrictions on large gatherings to reduce the spread of Coronavirus (COVID-19), we strongly encourage Beneficial Unitholders to vote by providing their voting instructions to their intermediary, rather than voting in person at the Meeting. On March 28, 2020, to reduce the spread of Coronavirus (COVID-19), the Ontario government issued the Order prohibiting organized public events and social gatherings of more than five people. If this Order or another law or order limiting the number of attendees at the Meeting is in place on the date of the Meeting, Chartwell intends to proceed with the Meeting so long as quorum is satisfied, but attendance in person will be limited to the maximum permitted by law, inclusive of at least one of the management proxyholders named in the enclosed Form of Proxy or a substitute proxyholder, one management proxyholder other than the ones named in the enclosed form of proxy, the authorized meeting chair and the scrutineer for the Meeting. By submitting voting instructions in accordance with its intermediary's procedures and return instructions, a Beneficial Unitholder's Trust Units will be represented at the Meeting and its wishes on matters for decision at the Meeting will be made known to the Chartwell Trustees and management of Chartwell.

In the interest of protecting the health and safety of Chartwell's Unitholders and employees and the communities in which they live, Chartwell intends to adopt screening or other measures for identifying Coronavirus (COVID-19) symptoms or risk factors as may be recommended or required by applicable health authorities at the Meeting and reserves the right to refuse admission to a Beneficial Unitholder seeking to attend the Meeting but who Chartwell believes may pose a health risk to attendees at the Meeting or whose admission would violate applicable public health laws, policies or orders in place at the time of the Meeting. In addition, attendees will be required to practice physical distancing. No food or drinks will be served at the Meeting.

## **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 Derrycress 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, 8th floor, Toronto, Ontario M5J 2Y1 at any time up to 8:00 a.m. (Eastern Time) on May 13, 2020 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 who will not be specifically remunerated therefor. The costs of soliciting proxies will be borne by Chartwell and are expected to be nominal.

## **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 26, 2020 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 30, 2020, 215,272,251 Units carrying 215,272,251 votes and 1,597,860 Special Voting Units of Chartwell carrying 1,597,860 votes were issued and outstanding. To the knowledge of the Chartwell Trustees, as of the close of business on March 30, 2020, 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 30, 2020, 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 30.4% of the voting rights attached to the Special Voting Units and JBG Management Inc., which holds 184,639 Special Voting Units representing approximately 11.6% 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 30, 2020 was 1,597,860 which represents approximately 0.7% of the aggregate 216,870,111 votes.

## **Quorum**

A quorum for the transaction of business at the Meeting consists of two or more individuals present in person 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 at the appointed Meeting location 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.

## **Conference Call**

Chartwell will be providing a conference call of the Meeting this year in order to permit Unitholders and proxyholders to listen to the Meeting in real time, without having to attend in person. Unitholders who call in will not be able to vote through the conference call or otherwise participate in the Meeting; however, there will be a question and answer session following the termination of the formal business of the Meeting during which Unitholders attending the conference call can ask questions. The dial-in details will be posted on Chartwell's website at least five days prior to the Meeting. The conference call will also be able to be heard over the internet through Chartwell's website at [www.chartwell.com](http://www.chartwell.com). A recording of the conference call will be available after the Meeting on Chartwell's website.

# 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 Board approved an increase in the number of Directors from eight to nine on February 27, 2020, effective March 16, 2020.

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 14, 2020 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, 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 Messrs. Binions and 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 30, 2020 and December 31, 2019; (e) the total market value of securities held; and (f) minimum unitholding requirements. The Board skills matrix on page 68 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, with the exception of Mr. Volodarski, who became a Board member on March 16, 2020, were elected to their positions on May 16, 2019 and the terms of their appointment will expire at the close of the Meeting unless they are re-elected.



**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: 56  
Candiac, Québec, Canada  
Chartwell Trustee; Director  
Director Since:  
August 2005

Board/Committee Memberships at Dec. 31, 2019:	Attendances	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2019 Unitholder Vote:
> Chartwell Trustee and Member of the Board	7 of 8 <sup>(1)(2)</sup>	13 of 16 <sup>(2)</sup>	> Laurentian Bank of Canada	<b>Votes For Chartwell Trustee:</b> 102,880,371 Units (90.49%)
> Member of the Audit Committee of the Corporation	3 of 4 <sup>(2)</sup>	81%		<b>Votes For Director:</b> 101,971,153 Units (89.69%)
> Member of the Investment Committee of the Corporation	3 of 4 <sup>(2)</sup>			<b>Votes Withheld:</b> 10,811,729 Units (9.51%) <b>Votes Withheld:</b> 11,720,947 Units (10.31%)

Securities Held (at a market value of \$8.56 per Trust Unit for March 30, 2020 and \$13.90 per Trust Unit for December 31, 2019)

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 30, 2020	37,500 (\$321,000)	86,980 (\$744,549)	-	124,480	\$1,065,549	5 times annual retainer	101 <sup>(4)</sup> times annual retainer	Yes
as at December 31, 2019	37,500 (\$521,250)	56,525 (\$195,581)	-	123,513	\$1,716,831	5 times annual retainer	40.4 times annual retainer	Yes

- (1) Attends meetings in her capacity as a Chartwell Trustee and as a member of the Board.
- (2) Ms Bastarache had a death in the family and was unable to attend one day of meetings.
- (3) Includes Trust Units previously acquired under Chartwell's Executive Unit Purchase Plan, in which Directors no longer participate.
- (4) Effective January 1, 2020, the annual retainer was increased from \$42,500 to \$105,000 and Directors' fees elected to be paid in Deferred Units are no longer matched by Chartwell. See "Deferred Unit Plan".



Age: 65  
King City, Ontario, Canada  
Director  
Director Since:  
November 2003

### 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 37 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 Dec. 31, 2019:	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2019 Unitholder Vote:
> Member of the Board	8 of 8 100%	> None	<b>Votes For Director:</b> 111,604,003 Units (98.16%) <b>Votes Withheld:</b> 2,088,097 Units (1.84%)

Securities Held (at a market value of \$8.56 per Trust Unit for March 30, 2020 and \$13.90 per Trust Unit for December 31, 2019)

Year	Trust Units (and Market Value) <sup>(2)</sup>	Deferred Units (and Market Value)	Class B Master LP 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 Base Salary / Annual Retainer	Complies with Unit Ownership Guidelines
as at March 30, 2020	471,080 (\$4,032,445)	-	184,639 <sup>(3)</sup> (\$1,580,510)	-	655,719	\$5,612,955	5 times retainer <sup>(5)</sup>	53.5 times annual retainer <sup>(5)</sup>	Yes
as at December 31, 2019	401,555 (\$5,581,615)	-	184,639 <sup>(3)</sup> (\$2,566,482)	221,365 (\$3,076,974)	807,559	\$11,225,070	3 times retainer <sup>(4)</sup>	14.6 times base salary <sup>(4)</sup>	Yes

- (1) Attends meetings in his capacity as a member of the Board.
- (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.
- (4) Mr. Binions' unitholder requirements are based on his salary as he was an executive officer until March 15, 2020.
- (5) Mr. Binions' unitholder requirements are based on his annual retainer as a non-executive Director after his retirement as President and Chief Executive Officer on March 15, 2020.





## 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: 67

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

Board/Committee Memberships at Dec. 31, 2019:	Attendances	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2019 Unitholder Vote:
> Chartwell Trustee and Member of the Board	8 of 8 <sup>(1)</sup>	16 of 16	> None	<b>Votes For Chartwell Trustee:</b> 133,577,086 Units (99.90%)
> Member of the Audit Committee of Chartwell (Chair)	4 of 4	100%		<b>Votes For Director:</b> 113,575,049 Units (99.90%)
> Member of the Investment Committee of the Corporation	4 of 4			<b>Votes Withheld:</b> 115,014 Units (0.10%) <b>Votes Withheld:</b> 117,051 Units (0.10%)

Securities Held (at a market value of \$8.56 per Trust Unit for March 30, 2020 and \$13.90 per Trust Unit for December 31, 2019)

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 30, 2020	-	13,889 (\$118,890)	-	13,889	\$118,890	5 times annual retainer	0.9 times annual retainer <sup>(2)(3)</sup>	Yes <sup>(2)</sup>
as at December 31, 2019	-	13,734 (\$190,903)	-	13,734	\$190,903	5 times annual retainer	3.5 times annual retainer <sup>(2)</sup>	Yes <sup>(2)</sup>

- (1) Attends meetings in her capacity 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.
- (3) Effective January 1, 2020, the annual retainer was increased from \$42,500 to \$105,000 and the Committee Chair retainer was increased from \$12,500 to \$25,000, and Directors' fees elected to be paid in Deferred Units are no longer matched by Chartwell. See "Deferred Unit Plan".



## 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., Colliers International Group Inc. and Route1 Inc. (Chair), and is a former Director of Magna International Inc. (former Chair). He holds the ICD.D designation.

Age: 75

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

Board/Committee Memberships at Dec. 31, 2019:	Attendances	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2019 Unitholder Vote:
> CSH Trustee and Member of the Board (Chair)	8 of 8 <sup>(1)</sup>	15 of 15	> Canaccord Genuity Group Inc.	<b>Votes For Chartwell Trustee:</b> 107,045,096 Units (94.15%)
> Member of the Compensation, Governance and Nominating Committee of the Corporation	7 of 7	100%	> Colliers International Group Inc. > Route1 Inc.	<b>Votes For Director:</b> 106,320,303 Units (93.52%) <b>Votes Withheld:</b> 6,647,004 Units (5.85%) <b>Votes Withheld:</b> 7,371,797 Units (6.48%)

Securities Held (at a market value of \$8.56 per Trust Unit for March 30, 2020 and \$13.90 per Trust Unit for December 31, 2019)

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 30, 2020	198,710 (\$1,700,958)	312,385 (\$2,674,016)	-	511,095	\$4,374,973	5 times annual retainer	20.3 times annual retainer <sup>(3)</sup>	Yes
as at December 31, 2019	198,710 (\$2,762,069)	308,912 (\$4,293,877)	-	507,622	\$7,055,946	5 times annual retainer	78.4 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.
- (3) Effective January 1, 2020, the annual retainer was increased from \$42,500 to \$105,000 and the Board Chair retainer was increased from \$47,500 to \$110,000, and Directors' fees elected to be paid in Deferred Units are no longer matched by Chartwell. See "Deferred Unit Plan".



## ANDRÉ R. KUZMICKI

Independent

### 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.

Age: 68

Toronto, Ontario, Canada

CSH Trustee; Director

Director Since: May 2005

Board/Committee Memberships at Dec. 31, 2019:	Attendances	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2019 Unitholder Vote:
> CSH Trustee and Member of the Board	8 of 8 <sup>(1)</sup>	12 of 12	> None	<b>Votes For Chartwell Trustee:</b> 110,547,831 Units (97.23%)
> Member of the Investment Committee of the Corporation (Chair)	4 of 4	100%		<b>Votes For Director:</b> 110,545,235 Units (97.23%) <b>Votes Withheld:</b> 3,144,269 Units (2.77%) <b>Votes Withheld:</b> 3,146,865 Units (2.77%)

Securities Held (at a market value of \$8.56 per Trust Unit for March 30, 2020 and \$13.90 per Trust Unit for December 31, 2019)

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 30, 2020	72,325 (\$619,102)	191,222 (\$1,636,860)	–	263,547	\$2,255,962	5 times annual retainer	17.4 times annual retainer <sup>(3)</sup>	Yes
as at December 31, 2019	72,325 (\$1,005,318)	189,096 (\$2,628,434)	–	261,421	\$3,633,752	5 times annual retainer	66.1 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.
- (3) Effective January 1, 2020, the annual retainer was increased from \$42,500 to \$105,000 and the Committee Chair retainer was increased from \$12,500 to \$25,000, and Directors' fees elected to be paid in Deferred Units are no longer matched by Chartwell. See "Deferred Unit Plan".



## 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.

Board/Committee Memberships at Dec. 31, 2019:	Attendances	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2019 Unitholder Vote:
> CSH Trustee and Member of the Board	8 of 8 <sup>(1)</sup>	19 of 19	> RioCan Real Estate Investment Trust	<b>Votes For Chartwell Trustee:</b> 113,574,635 Units (99.90%)
> Member of the Compensation, Governance and Nominating Committee of the Corporation	7 of 7	100%	> Home Capital Group Inc.	<b>Votes For Director:</b> 113,532,898 Units (99.86%)
> Member of the Investment Committee of the Corporation	4 of 4			<b>Votes Withheld:</b> 117,465 Units (0.10%) <b>Votes Withheld:</b> 159,202 Units (0.14%)

Securities Held (at a market value of \$8.56 per Trust Unit for March 30, 2020 and \$13.90 per Trust Unit for December 31, 2019)

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 30, 2020	41,016 (\$351,097)	140,136 (\$1,999,564)	-	181,152	\$1,550,661	5 times annual retainer	14.8 times annual retainer <sup>(3)</sup>	Yes
as at December 31, 2019	41,016 (\$570,122)	138,578 (\$1,926,234)	-	179,594	\$2,496,357	5 times annual retainer	58.7 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.
- (3) Effective January 1, 2020, the annual retainer was increased from \$42,500 to \$105,000 and Directors' fees elected to be paid in Deferred Units are no longer matched by Chartwell. See "Deferred Unit Plan".



## 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 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: 66  
Toronto, Ontario, Canada  
Director  
Director Since:  
May 2019

Board/Committee Memberships at Dec. 31, 2019:	Attendances	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2019 Unitholder Vote:
> Member of the Board	4 of 4 <sup>(1)(2)</sup>	6 of 6	> None	<b>Votes For Director:</b> 113,590,267 Units (99.91%) <b>Votes Withheld:</b> 101,833 Units (0.09%)
> Member of the Compensation, Governance and Nominating Committee of the Corporation	2 of 2 <sup>(2)</sup>	100%		

Securities Held (at a market value of \$8.56 per Trust Unit for March 30, 2020 and \$13.90 per Trust Unit for December 31, 2019)

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 30, 2020	-	5,492 \$47,012	-	5,492	\$47,012	5 times annual retainer	0.4 times annual retainer <sup>(4)</sup>	Yes <sup>(3)</sup>
as at December 31, 2019	-	5,431 \$75,491	-	5,431	\$75,491	5 times annual retainer	1.8 times annual retainer <sup>(5)</sup>	Yes <sup>(3)</sup>

- (1) Attends meetings in his capacity as a member of the Board.
- (2) Mr. Scarlett was elected to the Board and became a member of the Compensation, Governance and Nominating Committees on May 16, 2019.
- (3) Pursuant to Chartwell policy, Mr. Scarlett has five years, until May 2024, to meet the minimum unitholding requirement from the date of appointment.
- (4) Effective January 1, 2020, the annual retainer was increased from \$42,500 to \$105,000 and Directors' fees elected to be paid in Deferred Units are no longer matched by Chartwell. See "Deferred Unit Plan".



Age: 67  
Oakville, Ontario, Canada  
Chartwell Trustee; Director  
Director Since:  
February 2012

## 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.

Board/Committee Memberships at Dec. 31, 2019:	Attendances	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2019 Unitholder Vote:
> Chartwell Trustee and Member of the Board	8 of 8 <sup>(1)</sup>	19 of 19	> Dollarama Inc.	<b>Votes For Chartwell Trustee:</b> 113,570,604 Units (99.89%) <b>Votes Withheld:</b> 121,496 Units (0.11%)
> Member of the Audit Committee of Chartwell	4 of 4	100%		<b>Votes For Director:</b> 113,532,242 Units (99.86%) <b>Votes Withheld:</b> 159,858 Units (0.14%)
> Member of the Compensation, Governance and Nominating Committee of the Corporation (Chair)	7 of 7			

Securities Held (at a market value of \$8.56 per Trust Unit for March 30, 2020 and \$13.90 per Trust Unit for December 31, 2019)

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 30, 2020	32,500 (\$278,200)	114,445 (\$979,649)	–	146,945	\$1,257,849	5 times annual retainer	9.7 times annual retainer <sup>(2)</sup>	Yes
as at December 31, 2019	32,500 (\$451,750)	113,173 (\$1,573,105)	–	145,673	\$2,024,855	5 times annual retainer	36.8 times annual retainer <sup>(2)</sup>	Yes

- (1) Attends meetings in his capacity as a Chartwell 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.
- (3) Effective January 1, 2020, the annual retainer was increased from \$42,500 to \$105,000 and the Committee Chair retainer was increased from \$12,500 to \$25,000, and Directors' fees elected to be paid in Deferred Units are no longer matched by Chartwell. See "Deferred Unit Plan".



## 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: 48

Richmond Hill, Ontario,  
Canada

Chief Executive Officer  
("CEO") of Chartwell;  
Director and CEO of the  
Corporation  
Director Since:  
March 2020

Board/Committee Memberships at Dec. 31, 2019:	Attendances (Total):	Current Public Board Memberships (other than Chartwell)	Result from May 2019 Unitholder Vote:
> Not applicable <sup>(1)</sup>		> None	Not applicable

Securities Held (at a market value of \$8.56 per Trust Unit for March 30, 2020 and \$13.90 per Trust Unit for December 31, 2019)

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 / Annual Retainer	Complies with Unit Ownership Guidelines
as at March 30, 2020	218,030 (\$1,866,337)	-	-	108,271 (\$926,800)	326,301	\$2,793,137	3 times retainer	4.0 times annual retainer <sup>(3)</sup>	Yes
as at December 31, 2019	199,010 (\$2,766,239)	-	-	61,447 (\$854,113)	260,457	\$3,620,352	3 times retainer	8.4 times base salary <sup>(4)</sup>	Yes

(1) Mr. Volodarski became a member of the Board on March 16, 2020.

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

(3) Mr. Volodarski's salary was adjusted effective March 16, 2020 to reflect his appointment as CEO. His new salary was used for this calculation. Mr. Volodarski's unitholder requirements are based on his base salary as he is an executive officer.

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.

Michael D. Harris served as a director of Magna International Inc., which was issued a temporary cease-trade order by the staff of the Ontario Securities Commission ("**OSC**") on June 2, 2010 following its announcement on May 6, 2010 of a proposal to eliminate its dual class share structure by way of a shareholder-approved and court-approved plan of arrangement. The cease trade order was sought on the grounds that the proposed arrangement was contrary to the public interest. Following a two-day hearing, the OSC issued its decision on June 24, 2010 that the arrangement was not abusive of shareholders or the capital markets.

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 and was subsequently ratified in 2012 and every three years thereafter. In accordance with the policies of the Toronto Stock Exchange (the "**TSX**"), the Deferred Unit Plan must be ratified by the Unitholders every three years and it will be brought to the Unitholders for ratification in 2021. In the meantime, an amendment to the Deferred Unit Plan is desirable.

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 to the extent DUP Participants elect to receive their fees in the form of Deferred Units. From July 1, 2010 to December 31, 2019, Deferred Units credited to DUP Participants for fees elected to be paid in Deferred Units were matched by Chartwell on a one-for-one basis. The Chartwell Trustees approved the removal of this match, effective as of January 1, 2020 (the "**Match Elimination**") as part of a broader adjustment of Director compensation, which is described on page 49 of this Circular. Under the policies of the TSX, the Match Elimination requires ratification by Unitholders.



A more detailed description of the Deferred Unit Plan is provided at page 50 of this Circular, and the full text of the plan, as amended to reflect the Match Elimination, can be accessed through SEDAR at [www.sedar.com](http://www.sedar.com).

The text of the resolution, which sets out the specific terms of the ratification of the Match Elimination, 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 in person 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. Amendments to the Declaration of Trust

The Chartwell Trustees customarily review the terms of the Declaration of Trust on a regular basis and, when appropriate, propose amendments to the Declaration of Trust. Certain amendments that are deemed necessary or desirable and that are not prejudicial to Unitholders may be approved by the Trustees but require ratification by the Unitholders. Certain other amendments require the prior approval of the Unitholders.

### Amendments that Require Ratification

Under the fourteenth amended and restated declaration of trust of Chartwell dated May 4, 2017 (the **“Fourteenth Amended and Restated Declaration of Trust”**), Trust Units are book-entry only securities deposited with and registered in the name of CDS, with Trust Units being issued in the form of a global certificate in the name of and deposited by the transfer agent for the Trust Units with CDS as custodian of such certificate and registered by the transfer agent in the name of CDS. Accordingly, the Fourteenth Amended and Restated Declaration of Trust did not permit the Trust Units to be held by CDS in its non-certificated inventory system. To modernize the Declaration of Trust to align with the practices of other large public trusts and to facilitate settlement of issuances of Trust Units, the Chartwell Trustees approved amendments to the Fourteenth Amended and Restated Declaration of Trust, effective March 23, 2020, in order to permit Trust Units that are deposited with and registered in the name of CDS to be held in uncertificated form in the non-certificated inventory system of CDS (the **“NCI Amendments”**), as reflected in the Declaration of Trust. Pursuant to the terms of the Declaration of Trust, the NCI Amendments require ratification by the Unitholders. The Fourteenth Amended and Restated Declaration of Trust was also amended effective March 23, 2020 to update Chartwell’s registered office to 7070 Derrycrest Drive, Mississauga, Ontario.

The full text of the Declaration of Trust, including the NCI Amendments, can be accessed through SEDAR at [www.sedar.com](http://www.sedar.com). A copy of the applicable sections of the Declaration of Trust, black-lined with the NCI Amendments, is attached to this Circular as Appendix “C” and a full copy of the Declaration of Trust, black-lined with the NCI Amendments and the Proposed Amendments (as defined below), can be accessed on Chartwell’s website at [www.chartwell.com](http://www.chartwell.com).

## Proposed Amendments

In order to further align the Declaration of Trust with changes in practices and to facilitate the use of technology, it is proposed that the Declaration of Trust be amended to permit meetings of Unitholders to be held electronically and to permit voting at meetings of Unitholders by means of telephonic, electronic or other communication facility (collectively, the **“Proposed Amendments”**).

A copy of the applicable sections of the Declaration of Trust, black-lined with the Proposed Amendments is attached to this Circular as Appendix “D”, and a full copy of the Declaration of Trust, blacklined with the Proposed Amendments, as well as the NCI Amendments, can be accessed on Chartwell’s website at [www.chartwell.com](http://www.chartwell.com).

The text of the resolution, which sets out the specific terms of the ratification of the NCI Amendments and the approval of the Proposed Amendments, is set forth in Appendix “B” to this Circular (the **“Declaration of Trust Resolution”**).

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

**The Chartwell Trustees have concluded that the Declaration of Trust Resolution outlined above is in the best interests of Chartwell and Unitholders, and unanimously recommend that Unitholders vote FOR the Declaration of Trust Resolution, as set out in Appendix “B” to this Circular. The persons named in the enclosed Form of Proxy intend to vote at the Meeting in favour of the Declaration of Trust Resolution, unless the Unitholder has specified in the Form of Proxy that his or her Units are to be voted against the Declaration of Trust 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 22 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 2020 annual meeting of unitholders of Chartwell.”

To be effective, the resolutions must be passed by a majority of the votes cast by Unitholders present in person 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.**

## 2019 VOTING RESULTS

The following matters were voted on at the 2019 annual Unitholder meeting held on May 16, 2019. Each of the matters voted on is more fully described in Chartwell's 2019 management information circular dated April 1, 2019.

	Votes For		Votes Withheld	
Reappointment of Auditors	111,847,608	98.38%	1,842,930	1.62%

	Votes For		Votes Withheld	
Advisory Resolution on Executive Compensation	100,130,598	88.07%	13,560,102	11.93%

**The voting results for the election of Trustees, CSH Trustees and Directors at the 2019 annual Unitholder meeting held on May 16, 2019 are reported in the applicable proposed nominee table on pages 9-17 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, 2019 (the **"Named Executive Officers"** or **"NEOs"**). Effective March 15, 2020, the President and CEO retired. 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 (**"CIO"**) and Chief Legal Officer (**"CLO"**) (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.

### ***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. This holding period is now in effect for Chartwell's retired President and CEO.

## **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>(\*)</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 C-line executive 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 C-Line executive would have been a lower amount had it been calculated based on such restated results or the corrected

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<sup>(\*)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 69 of this Circular.

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.

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

The Compensation Committee was comprised of four Directors in 2019, 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 2019 were Michael D. Harris, Sidney P. H. Robinson (Chair), Sharon Sallows and Huw Thomas until May 16, 2019. On that date, Mr. Robinson retired from the Board and the Compensation Committee and James Scarlett was elected to the Board and appointed to the Compensation Committee and Huw Thomas became Chair of the Compensation Committee. 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 54 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 and administers the EUPP and the Restricted Unit Plan.

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, and is a former member of the Compensation 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 did not provide any services to Chartwell other than as described herein. 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 55 of this Circular.

## ***Executive Compensation-Related Fees***

The aggregate fees paid in 2018 and 2019 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, was nil and \$84,894 (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 Named Executive Officer, 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 Committee considers Chartwell to be an operating entity, managing a complex customer-facing service business, with 15,349 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 (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. 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.



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

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

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

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

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

	<b>Last Twelve Months' Revenue<sup>(3)</sup> (\$Ms)</b>	<b>Market Capitalization on December 31, 2019<sup>(3)</sup> (\$Ms)</b>	<b>Total Employees</b>
<b>Chartwell<sup>(1)</sup></b>	\$993 <sup>(1)</sup>	\$3,020 <sup>(2)</sup>	15,349
<b>General Comparison Group<sup>(3)</sup></b>			
75 <sup>th</sup> Percentile	\$2,069	\$3,581	13,927
Median	<b>\$1,303</b>	<b>\$2,503</b>	11,905
25 <sup>th</sup> Percentile	\$1,036	\$1,500	4,574
<b>Real Estate Comparison Group<sup>(3)</sup></b>			
75 <sup>th</sup> Percentile	\$734	\$4,847	
Median	<b>\$502</b>	<b>\$3,106</b>	
25 <sup>th</sup> Percentile	\$433	\$2,184	

(1) Last twelve months' revenue data for the year ended December 31, 2019, including Chartwell's share of revenues from joint ventures.

(2) Outstanding Units of 217,235,700 includes Trust Units, Class B Units, Deferred Units and Trust Units issued under EUPP, with a December 31, 2019 closing price of \$13.90.

(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.

## Elements of Compensation

The key elements included in determining the total compensation of NEOs and other executive officers during 2019 were annual salary, short term incentives and long-term incentives. The Compensation Committee's policies with respect to each of these elements for 2019 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 2019.

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.	<p>A maximum percentage of Annual Salary, determined based on achievement of Chartwell Goals and Individual Goals.</p> <p>Maximum entitlement (as percentage of Annual Salary): President and CEO – 100%; other NEOs – 60%.</p> <p>Minimum entitlement for all NEOs: 0%.</p> <p>Subject to claw-back policy.</p>	<p>A set percentage of Annual Salary, subject to three-year vesting.</p> <p>Entitlement (as percentage of Annual Salary): President and CEO – 150%;</p> <p>CFO &amp; CIO and COO – 75%;</p> <p>CAO and CLO – 70%.</p> <p>Subject to claw-back policy.</p>	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 70% 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.	<p>On the vesting date, the payout is determined as follows, subject to the discretion of the Compensation Committee:</p> <p>-100% payout if the average IFFOPU<sup>(1)</sup> for the vesting period is equal to targeted IFFOPU.</p> <p>-reduction in payout for each percentage point that IFFOPU is less than targeted IFFOPU, to a maximum 50% reduction.</p> <p>-increase in payout for each percentage point that IFFOPU is greater than targeted IFFOPU, to a maximum 50% increase.</p>	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 69 of this Circular.

## Annual Salary

Salaries for NEOs and other executive officers 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 January 1, 2019, each NEO received a 2.5% increase in base salary.

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. For 2019, under the Short Term Incentive Plan, NEOs and other executive officers 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. Binions, whose Short Term Incentive Plan compensation was based solely on the achievement of Chartwell Goals.

The Chartwell Goals for 2019 were as follows:

1. Achieve IFFO of \$0.987 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"**).
3. Enhance Chartwell's position as an employer of choice by improving employee engagement and achieving a score of 48% *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 59% *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"**).

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<sup>(1)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 69 of this Circular.

The goals established for 2019 and the weighting and percentage achievement thereof were as follows:

For Mr. Brent Binions, Chartwell’s President and CEO in 2019<sup>(1)</sup>,

Chartwell Goals	Weighting	Achievement
Achieve IFFO <sup>(2)</sup>	60%	27% <sup>(2)</sup>
Total Unitholder Return	20%	0%
Employee Engagement	10%	10%
Customer Satisfaction and Reputation	10%	10%
<b>Total</b>	<b>100%</b>	<b>47%</b>

- (1) Mr. Binions retired as President and CEO as of March 15, 2020.
- (2) Chartwell achieved IFFO<sup>(2)</sup> per Unit of \$0.966. The Compensation Committee exercised its discretion in awarding a 45% result against the weighting of this Chartwell Goal despite lower than targeted IFFO because a number of enterprise-wide strategic initiatives were successfully managed and risks mitigated.

For Mr. Vlad Volodarski, Chartwell’s Chief Financial Officer and Chief Investment Officer in 2019<sup>(1)</sup>,

Chartwell Goals	Weighting	Achievement
Achieve IFFO <sup>(2)</sup>	40%	18% <sup>(2)</sup>
Total Unitholder Return	15%	0%
Employee Engagement	7.5%	7.5%
Customer Satisfaction and Reputation	7.5%	7.5%

**Individual Goals**

<b>Strategy</b> <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>	7.5%	7.5%
<b>Finance and Investor Relations</b> <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>	10%	10%
<b>Real Estate</b> <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>	10%	9%
<b>People Development and Succession Planning</b> <ul style="list-style-type: none"><li>Direct reports development plans</li><li>Succession planning</li></ul>	2.5%	2.5%
<b>Total</b>	<b>100%</b>	<b>62%</b>

- (1) Mr. Volodarski became CEO of Chartwell on March 16, 2020.
- (2) Chartwell achieved IFFO<sup>(2)</sup> per Unit of \$0.966. The Compensation Committee exercised its discretion in awarding a 45% result against the weighting of this Chartwell Goal despite lower than targeted IFFO because a number of enterprise-wide strategic initiatives were successfully managed and risks mitigated.

<sup>(2)</sup> IFFO is a non-GAAP measure, see “Explanation of IFFO” on page 69 of this Circular.

For Ms Karen Sullivan, Chartwell’s Chief Operating Officer in 2019<sup>(1)</sup>,

Chartwell Goals	Weighting	Achievement
Achieve IFFO <sup>(2)</sup>	40%	18% <sup>(2)</sup>
Total Unitholder Return	15%	0%
Employee Engagement	7.5%	7.5%
Customer Satisfaction and Reputation	7.5%	7.5%
Individual Goals		
<b>Customer Experience</b> <ul style="list-style-type: none"><li>Develop and implement effective strategies to continue to establish customer experience as Chartwell’s unique value proposition</li></ul>	10%	10%
<b>Property Management</b> <ul style="list-style-type: none"><li>Support the effective execution of property management strategies and initiatives in order to mitigate risk, improve efficiency, ensure quality and control costs</li></ul>	5%	5%
<b>Enhanced Assisted Living Program</b> <ul style="list-style-type: none"><li>Develop a Chartwell Enhanced Assisted Living Program</li></ul>	7.5%	7.5%
<b>Develop Leaders</b> <ul style="list-style-type: none"><li>Prepare appropriate candidates for more senior responsibilities</li></ul>	7.5%	7.5%
<b>Total</b>	<b>100%</b>	<b>63%</b>

(1) Ms Sullivan became President and Chief Operating Officer of Chartwell on March 16, 2020.

(2) Chartwell achieved IFFO<sup>(2)</sup> per Unit of \$0.966. The Compensation Committee exercised its discretion in awarding a 45% result against the weighting of this Chartwell Goal despite lower than targeted IFFO because a number of enterprise-wide strategic initiatives were successfully managed and risks mitigated.

<sup>(2)</sup> IFFO is a non-GAAP measure, see “Explanation of IFFO” on page 69 of this Circular.

For Ms Sheri Harris, Chartwell's Chief Administrative Officer in 2019<sup>(1)</sup>,

Chartwell Goals	Weighting	Achievement
Achieve IFFO <sup>(2)</sup>	40%	18% <sup>(2)</sup>
Total Unitholder Return	15%	0%
Employee Engagement	7.5%	7.5%
Customer Satisfaction and Reputation	7.5%	7.5%
<b>Individual Goals</b>		
<b>Improve Chartwell's Strategic Planning Process</b> <ul style="list-style-type: none"> <li>Continue to increase Board involvement and feedback</li> <li>Effective executive strategic planning sessions</li> <li>Identify and review new best practices approaches/ process alternatives and provide recommendations based on such analysis for any change to Chartwell's process</li> <li>Update/revise strategic plan documents and map</li> </ul>	7.5%	7.5%
<b>Operational Effectiveness: Improve Chartwell's Information Technology</b> <ul style="list-style-type: none"> <li>Update technology strategy, building capacity to support development, acquisitions, and innovation concurrently while maintaining stable and secure operations</li> <li>Continue implementation of human capital management system</li> <li>Oversight of operational technology innovations in a limited number of properties</li> </ul>	15%	15%
<b>Succession Planning</b> <ul style="list-style-type: none"> <li>Prepare appropriate candidates as determined in succession planning reviews for more senior responsibilities</li> </ul>	2.5%	2.5%
<b>Mitigate Risk</b> <ul style="list-style-type: none"> <li>Cybersecurity – provide oversight to mitigate cybersecurity risks, including education and awareness programmes</li> <li>Maintain Chartwell's positive financial audit results</li> <li>Maintain Chartwell's positive technology audit results</li> </ul>	5%	5%
<b>Total</b>	<b>100%</b>	<b>63%</b>

(1) Ms Harris became the Chief Financial Officer of Chartwell on March 16, 2020.

(2) Chartwell achieved IFFO<sup>(2)</sup> per Unit of \$0.966. The Compensation Committee exercised its discretion in awarding a 45% result against the weighting of this Chartwell Goal despite lower than targeted IFFO because a number of enterprise-wide strategic initiatives were successfully managed and risks mitigated.

<sup>(2)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 69 of this Circular.

For Mr. Jonathan Boulakia, Chartwell's Chief Legal Officer and Secretary in 2019<sup>(1)</sup>,

<b>Chartwell Goals</b>	<b>Weighting</b>	<b>Achievement</b>
Achieve IFFO <sup>(2)</sup>	40%	18% <sup>(2)</sup>
Total Unitholder Return	15%	0%
Employee Engagement	7.5%	7.5%
Customer Satisfaction and Reputation	7.5%	7.5%
<b>Individual Goals</b>		
• Effective oversight for all legal matters affecting Chartwell, including the execution of various strategic initiatives	8%	8%
• Ensure proper corporate governance for Chartwell, including the development of an ESG Report for publication in 2020, and oversight on reputational, privacy and risk management matters, including oversight of Internal Audit and Compliance Department	8%	8%
• Effectively manage Legal Department and ensure it is well integrated with Operations, Human Resources, Finance, Tax and other professionals, and that it serves the residences well. Effectively manage Office Administration.	6%	6%
• Provide effective oversight of Insurance Department		
• Lead corporate office development project	8%	8%
<b>Total</b>	<b>100%</b>	<b>63%</b>

(1) Mr. Boulakia became the Chief Investment Officer and Chief Legal Officer of Chartwell on March 16, 2020.

(2) Chartwell achieved IFFO<sup>(2)</sup> per Unit of \$0.966. The Compensation Committee exercised its discretion in awarding a 45% result against the weighting of this Chartwell Goal despite lower than targeted IFFO because a number of enterprise-wide strategic initiatives were successfully managed and risks mitigated.

The Compensation Committee believes that the individual goals set for each of the NEOs reflect Chartwell's objectives and priorities for 2019. Such objectives and priorities were developed by the Compensation Committee in collaboration with each of the NEOs. The goals set out above reflect Chartwell's desire to remain competitive with other real estate entities, provide maximum returns to Unitholders, protect and improve its reputation with its major stakeholders (Unitholders, residents and employees) and continuously improve its corporate governance practices.

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 2019 were as follows:

<sup>(2)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 69 of this Circular.

	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	Target Bonus as a Percentage of Base Salary <sup>(1)</sup>
<b>Brent Binions</b> President and Chief Executive Officer	100%	0%	100%	0%	47%	47.0%
<b>Vlad Volodarski</b> Chief Financial Officer and Chief Investment Officer	70%	30%	60%	0%	62%	37.2%
<b>Karen Sullivan</b> Chief Operating Officer	70%	30%	60%	0%	63%	37.8%
<b>Sheri Harris</b> Chief Administrative Officer	70%	30%	60%	0%	63%	37.8%
<b>Jonathan Boulakia</b> Chief Legal Officer and Secretary	70%	30%	60%	0%	63%	37.8%

(1) Chartwell achieved IFFO<sup>(2)</sup> per Unit of \$0.966. The Compensation Committee exercised its discretion in awarding a 45% result against the weighting of this Chartwell Goal despite lower than targeted IFFO because a number of enterprise-wide strategic initiatives were successfully managed and risks mitigated.

## ***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>(2)</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 41 of this Circular. Restricted Units granted to NEOs are subject to Chartwell's claw-back policy.

<sup>(2)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 69 of this Circular.



In March 2019, 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
<b>Brent Binions</b> President and CEO	\$1,153,125	150%	150%
<b>Vlad Volodarski</b> Chief Financial Officer and Chief Investment Officer	\$322,875	75%	75%
<b>Karen Sullivan</b> Chief Operating Officer	\$322,875	75%	75%
<b>Sheri Harris</b> Chief Administrative Officer	\$265,475	70%	70%
<b>Jonathan Boulakia</b> Chief Legal Officer and Secretary	\$265,475	70%	70%

(1) Payout of Restricted Units granted is determined based on the extent to which Chartwell has achieved certain IFFO<sup>(1)</sup> targets during the vesting period and, as such, represents “at risk” compensation for NEOs.

<sup>(1)</sup> IFFO is a non-GAAP measure, see “Explanation of IFFO” on page 69 of this Circular.

In March 2020, the following payouts were made to NEOs with respect to Restricted Units granted in 2017:

	Issue Date	Issue Price (\$)	Restricted Units Granted	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>
<b>Brent Binions</b> President and CEO	March 6, 2017	15.62	56,028	March 5, 2020	62,808	13.43	62	522,917
<b>Vlad Volodarski</b> Chief Financial Officer and Chief Investment Officer	March 6, 2017	15.62	15,208	March 5, 2020	17,048	13.43	62	141,934
<b>Karen Sullivan</b> Chief Operating Officer	March 6, 2017	15.62	15,208	March 5, 2020	17,048	13.43	62	141,934
<b>Sheri Harris</b> Chief Administrative Officer	March 6, 2017	15.62	14,007	March 5, 2020	15,702	13.43	62	130,730
<b>Jonathan Boulakia</b> Chief Legal Officer and Secretary	March 6, 2017	15.62	14,007	March 5, 2020	15,702	13.43	62	130,730

**Note:** Titles do not reflect the 2020 Executive Appointments.

(1) Targeted average pre-tax AFFO of \$0.9198 for the vesting period was set in March 2017. Chartwell achieved an average pre-tax AFFO of \$0.8849 during such period, resulting in the 62% 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, 2019.

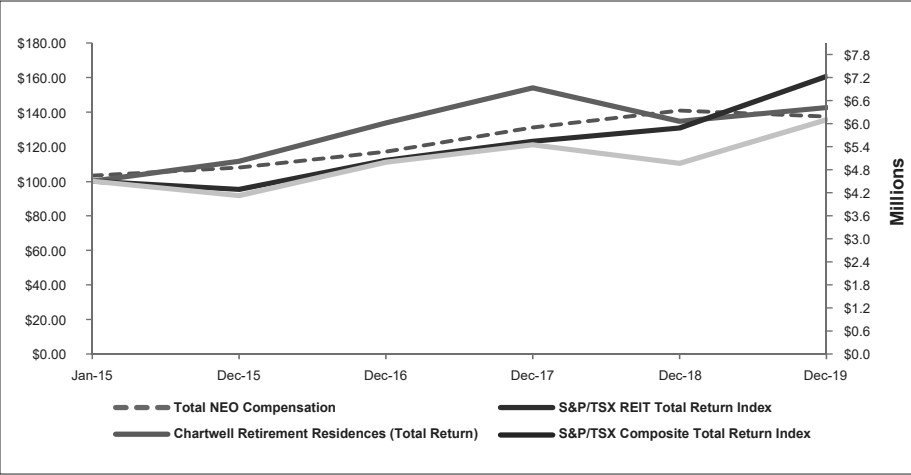
## Perquisites

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 2019, on page 39 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 46 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 1st to December 31st in each of 2015, 2016, 2017, 2018 and 2019. On December 31, 2019, the closing price of a Trust Unit was \$13.90. The graph also plots total NEO compensation during those same periods.



## NEO Compensation for Past Five Years

The aggregate compensation for Chartwell's top five paid executives in 2015, 2016, 2017, 2018 and 2019 was \$4,854,360, \$5,269,158, \$5,898,411, \$6,339,681 and \$6,185,244, 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, 2019 demonstrates that, generally, as Chartwell's Unit performance has appreciated, aggregate NEO compensation has appreciated in a corresponding fashion. NEO compensation has also reflected the successful disposition of Chartwell's U.S. portfolio and efficient redeployment of capital in Canada in 2015 through various acquisitions and development projects and 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 2019, NEO Compensation was modestly lower than in 2018, which corresponds to Chartwell's Unit price, which did not appreciate significantly over the course of 2019.

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, 2019 and as a percentage of market capitalization for the three years ended December 31, 2019 are shown below:

	2019	2018	2017
Total Compensation of the NEOs <sup>(1)</sup>	\$6,185,244	\$6,339,681	\$5,898,411
IFFO <sup>(1)</sup>	\$208,962,875	\$201,326,345	\$187,615,471
Total Compensation of the NEOs as a percent of IFFO <sup>(1)</sup>	3.0%	3.2%	3.1%
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 top five paid executives 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 President and CEO in 2019, Brent Binions, in respect of his 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, 2019 (\$)	Value of \$100		
			Period	CEO <sup>(2)</sup>	Unitholder <sup>(3)</sup>
2015	1,900,566	2,571,263 <sup>(4)</sup>	1/15 to 12/31/19	\$135.29	\$142.60
2016	2,011,417	2,650,358 <sup>(4)</sup>	1/16 to 12/31/19	\$131.77	\$127.87
2017	2,314,120	2,306,091 <sup>(5)</sup>	1/17 to 12/31/19	\$99.65	\$106.64
2018	2,446,303	2,418,114 <sup>(5)</sup>	1/18 to 12/31/19	\$98.85	\$92.57
2019	2,333,270	2,293,331 <sup>(5)</sup>	1/19 to 12/31/19	\$98.29	\$105.88
Weighted Average				\$111.21	\$115.11

(1) The total direct compensation awarded includes all compensation set out in the Summary Compensation Table on page 39, 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.

(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.

<sup>(1)</sup> IFFO is a non-GAAP measure, see "Explanation of IFFO" on page 69 of this Circular.

## Option-Based Awards

Chartwell does not have an option plan, so there were no option-based awards made in or in respect of the 2019 fiscal year.

## 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.

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>(7)</sup> (\$)	All Other Compensation <sup>(4)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans <sup>(3)</sup>	Long-term Incentive Plans			
<b>Brent Binions<sup>(7)</sup></b> President and CEO of Chartwell and CSH Trust; Director, President and CEO of the Corporation	2019	768,750	1,153,125	-	361,313	-	15,375	158,387	2,456,950
	2018	750,000	1,125,000	-	525,000	-	12,833	142,531	2,555,364
	2017	700,000	875,000	-	700,000	-	12,833	118,917	2,406,750
<b>Vlad Volodarski</b> Chief Financial Officer and Chief Investment Officer of Chartwell, CSH Trust and the Corporation	2019	430,500	322,875	-	160,146	-	8,610	69,102	991,233
	2018	420,000	315,000	-	199,080	-	15,533	63,990	1,013,603
	2017	380,000	237,500	-	228,000	-	0	52,160	897,660
<b>Karen Sullivan</b> Chief Operating Officer of Chartwell, CSH Trust and the Corporation	2019	430,500	322,875	-	162,729	-	17,220	69,080	1,002,404
	2018	420,000	315,000	-	201,600	-	14,000	63,795	1,014,395
	2017	380,000	237,500	-	228,000	-	13,005	51,731	910,236
<b>Sheri Harris</b> Chief Administrative Officer	2019	379,250	265,475	-	143,357	-	15,170	64,095	867,347
	2018	370,000	259,000	-	175,380	-	14,800	60,366	879,546
	2017	350,000	218,750	-	210,000	-	14,000	49,461	842,211
<b>Jonathan Boulakia</b> Chief Legal Officer and Secretary	2019	379,250	265,475	-	143,357	-	15,170	64,058	867,310
	2018	370,000	259,000	-	175,380	-	12,333	60,060	876,773
	2017	350,000	218,750	-	210,000	-	14,000	48,803	841,553

(1) Titles do not reflect the 2020 Executive Appointments.

(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. In 2019, the amount of distributions included were as follows: Brent Binions \$123,681, Vlad Volodarski \$34,396, Karen Sullivan \$34,373, Sheri Harris \$29,388, and Jonathan Boulakia \$29,352.

(5) Represents short-term compensation.

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

(7) Mr. Binions received no compensation in connection with being a Director in 2019.

# 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, 2019.

Name <sup>(1)</sup>	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 (#) <sup>(2)</sup>	Market or Payout Value of Share-Based Awards That Have Not Vested (\$) <sup>(2)(4)</sup>	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$) <sup>(3)(4)</sup>
<b>Brent Binions<sup>(7)</sup></b> President and CEO of Chartwell and CSH Trust; Director, President and CEO of the Corporation	-	-	-	-	221,365	221,365	221,365
<b>Vlad Volodarski</b> Chief Financial Officer and Chief Investment Officer of Chartwell, CSH Trust and the Corporation	-	-	-	-	61,447	61,447	61,447
<b>Karen Sullivan</b> Chief Operating Officer of Chartwell, CSH Trust and the Corporation	-	-	-	-	61,447	61,447	61,447
<b>Sheri Harris</b> Chief Administrative Officer	-	-	-	-	52,197	52,197	52,197
<b>Jonathan Boulakia</b> Chief Legal Officer and Secretary	-	-	-	-	52,197	52,197	52,197

- (1) Titles do not reflect the 2020 Executive Appointments.
- (2) The figures in this column relate to Restricted Unit Plan grants received by participants in each respective year. Restricted Unit Plan grants included in this column are valued at the market price of the Trust Units at the time of the grant, which differs from Chartwell's closing Trust Unit price at December 31, 2019, which is used for accounting purposes. See "Restricted Unit Plan".
- (3) These figures represent Trust Units under the EUPP. See "Executive Unit Purchase Plan" on page 43 of this Circular.
- (4) The values set out above are based on the market value of the Trust Units as of December 31, 2019 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.

## 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, 2019.

Name <sup>(1)</sup>	Option-Based Awards – Value Vested During the Year (\$)	Option-Based Awards – Value Vested During the Year (\$) <sup>(2)</sup>	Option-Based Awards – Value Vested During the Year (\$) <sup>(2)</sup>
<b>Brent Binions</b> President and CEO of Chartwell and CSH Trust; Director, President and CEO of the Corporation	-	1,328,461	-
<b>Vlad Volodarski</b> Chief Financial Officer and Chief Investment Officer of Chartwell, CSH Trust and the Corporation	-	389,954	-
<b>Karen Sullivan</b> Chief Operating Officer of Chartwell, CSH Trust and the Corporation	-	384,655	-
<b>Sheri Harris</b> Chief Administrative Officer	-	350,746	-
<b>Jonathan Boulakia</b> Chief Legal Officer and Secretary	-	342,268	-

(1) Titles do not reflect the 2020 Executive Appointments.

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

## 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>(7)</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 where circumstances outside the control of management affect IFFOPU during the Vesting Period.

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 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

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<sup>(7)</sup> IFFO is a non-GAAP measure, see “Explanation of IFFO” on page 69 of this Circular.



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.

The table below sets out the total number of Restricted Units issued pursuant to the Restricted Unit Plan.

Plan Category	Number of Restricted Units Issued Pursuant to the Restricted Unit Plan	Weighted Average Price of Units
Restricted Unit Plan	1,931,297	\$12.73

Currently, 646,249 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.

As of December 31, 2019, 1,500,945 Trust Units were outstanding under the EUPP, which represent approximately 0.70% of the issued and outstanding Trust Units on December 31, 2019. As of December 31, 2019, there remain 2,575,950 Trust Units which are reserved for issuance, which represents, as of December 31, 2019, approximately 1.21% 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
2019	0.05%
2018	0.05%
2017	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 payable from the proceeds of distributions. 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 President and 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 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.

<b>Plan Category</b>	<b>Number of Trust Units Issued Pursuant to the EUPP</b>	<b>Weighted Average Purchase Price of Trust Units</b>	<b>Number of Trust Units Remaining Available for Future Issuance Under EUPP</b>
Equity Compensation plans not approved by Unitholders <sup>(1)</sup>	1,593,000	\$12.40	0
Equity Compensation plans approved by Unitholders	3,510,391 <sup>(2)</sup>	\$11.24	2,451,265
<b>Total</b>	5,103,391	\$11.60	2,451,265

(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 30, 2020.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

### Termination Benefits

#### 2019 Terms

The employment agreements for each of the NEOs, prior to the 2020 Executive Appointments, included termination arrangements. Messrs. Binions and Volodarski and Ms Sullivan had entered into non-competition agreements with Chartwell which restricted them from certain activities in the seniors housing industry so long as they are Directors, officers and/or employees of Chartwell, and for two years thereafter (one and a half years in the case of Mr. Volodarski). Each NEO also agreed to be bound by a confidentiality covenant which, subject to certain limited exceptions, is binding in perpetuity.

Under such agreements, each of the NEOs could be terminated without just cause upon receiving written notice. Messrs. Binions, Volodarski and Boulakia and Ms Sullivan and Ms Harris were entitled to a separation package in an amount equal to two times his or her annual salary and average bonus for the preceding three 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, 2019.

Description	Mr. Binions (\$)	Mr. Volodarski (\$)	Ms Sullivan (\$)	Mr. Harris (\$)	Mr. Boulakia (\$)
Base Salary	1,537,500	861,000	861,000	758,500	758,500
Average Bonus	1,271,603	428,307	422,565	385,721	376,917
Pension	-	-	-	-	-
Benefits <sup>(1)</sup>	18,573	18,573	18,573	18,573	18,573

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

## **New Arrangements**

Under new employment agreements reflecting the 2020 Executive Appointments (the **"2020 Agreements"**), effective March 16, 2020, 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, pursuant to the 2020 Agreements, 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).

## **Change of Control Benefits**

### **2019 Terms**

In the event that a change of control of Chartwell occurred in 2019, if Mr. Binions, Mr. Volodarski, Ms Sullivan and/or Ms Harris elected to resign (within one year of such change of control in the case of Messrs. Binions and Volodarski and within six months of such change of control in the case of Ms Sullivan), they were each entitled to a separation package equal to (a) in respect of Mr. Binions, the greater of (i) three times his annual salary plus his average bonus for the preceding three years; and (ii) one million dollars; (b) in respect of Mr. Volodarski, two times his annual salary and average bonus paid for the preceding three years; (c) in respect of Ms Sullivan, 10 months of her annual salary and average bonus for the preceding three years; and (d) in respect of Ms Harris, three months of her annual salary and average bonus for the preceding three years. Upon the occurrence of a change of control of Chartwell, all unvested Restricted Units held by the NEOs would vest immediately, subject to the Board's discretion to not accelerate vesting. Mr. Binions is one of the entrepreneurial founders of Chartwell who transferred their businesses into Chartwell at the time of its initial public offering. As a result, it was appropriate to provide him with the change of control terms set out above. Mr. Volodarski, Ms Sullivan and Ms Harris assumed their roles at Chartwell at a time when there was much speculation in the market that a change of control of Chartwell was imminent. As such, Chartwell could only attract these individuals into their roles by providing the change of control protections described above. Absent any further unique circumstances, Chartwell intends to grant only "double trigger" change of control provisions in future employment contracts.

For the purposes of such agreements and the 2020 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, 2019 following a change of control of Chartwell.

Description	Mr. Binions (\$)	Mr. Volodarski (\$)	Ms Sullivan (\$)	Mr. Harris (\$)	Mr. Boulakia <sup>(1)</sup> (\$)
Base Salary	2,306,250	861,000	358,750	94,813	-
Average Bonus	1,907,405	428,307	176,069	48,215	-
Pension	-	-	-	-	-
Benefits <sup>(1)</sup>	27,860	18,573	7,739	2,322	-

(1) Only life, health and dental benefits have been included. Mr. Boulakia would not be entitled to any payments if he were to have resigned following a change of control.

## **New Arrangements**

Under the 2020 Agreements, effective March 16, 2020, if the employment of 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 twenty-four (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.

Thus, effective March 16, 2020, Chartwell terminated all “single trigger” Change of Control arrangements with its NEOs.

# 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) as of January 1, 2020:

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. As of January 1, 2020, Deferred Units are no longer matched by Chartwell. 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

In 2019, each Director, other than an officer or employee of Chartwell or its subsidiaries, was paid an annual fee of \$42,500 and \$1,500 per meeting for attending meetings of Directors or any committee meetings thereof and was reimbursed for his or her expenses in connection therewith. The Chair of the Board, in addition to his compensation as a Director, received an annual fee of \$47,500 and was reimbursed for his expenses in such capacity. Directors received 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 received an additional annual fee of \$12,500 and was reimbursed for his or her expenses incurred in such capacity.

Effective January 1, 2020, 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. Also effective January 1, 2020, Directors' fees paid in Deferred Units are no longer matched on a one-for-one basis by Chartwell, subject to ratification of the Deferred Unit Plan Resolution

by Unitholders at the Meeting. These changes to Director compensation were made following consultation with the Consultant, in an effort to provide a competitive compensation structure for Directors while maintaining alignment with Unitholders. The adjustment in Director fees, in conjunction with the removal of the Deferred Unit match, will result in aggregate Director compensation being largely unchanged in all material respects, with the exception of the Chair fees, which were adjusted to more closely align with Chartwell's peer groups.

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 2019 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, 2019 by the Chartwell Trustees, CSH Trustees and Directors.

Name <sup>(1)</sup>	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Match of Fees Elected to be Earned as Deferred Units (\$)	Total (\$)
Lise Bastarache	63,500	-	-	-	-	-	31,750	95,250
V. Ann Davis	76,580	-	-	-	-	-	38,290	114,870
Michael D. Harris	114,750	-	-	-	-	-	114,750	229,500
André R. Kuzmicki	75,250	-	-	-	-	-	75,250	150,500
Sharon Sallows	72,500	-	-	-	-	-	72,500	145,000
James Scarlett	39,371	-	-	-	-	-	39,371	78,742
Huw Thomas	87,250	-	-	-	-	-	87,250	174,500

- (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". Prior to January 1, 2020, Chartwell matched all Deferred Units earned on a one-for-one basis. As of January 1, 2020, Chartwell no longer matches Deferred Units earned, subject to ratification by Unitholders. In 2019, all of the Directors elected to receive 100% of their fees in the form of Deferred Units, with the exception of Ms Bastarache and Ms Davis who elected to receive 50% of their fees in the form of Deferred Units.

## 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. On and after July 1, 2010 and until December 31, 2019, Director fees elected to be paid in Deferred Units were matched on a one-for-one basis by Chartwell. Effective January 1, 2020, Director fees elected to be paid in Deferred Units are no longer matched on a one-for-one basis by Chartwell, subject to ratification of such amendment to the Deferred Unit Plan by Unitholders at the Meeting.

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 1st 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, 2019, 1,081,867 Trust Units were outstanding under the Deferred Unit Plan, which represents approximately 0.5% of the issued and outstanding Trust Units on December 31, 2019. As of December 31, 2019, there remained 3,179,233 Trust Units reserved for issuance, which represents approximately 1.49% of the outstanding Trust Units on December 31, 2019.

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
2019	0.05%
2018	0.05%
2017	0.05%

A copy of the Deferred Unit Plan is available 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, 2019.

Name <sup>(1)</sup>	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 (#) <sup>(2)</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>(3)</sup>
Lise Bastarache	63,500	-	-	-	0	0	521,250
V. Ann Davis	76,580	-	-	-	0	0	0
Michael D. Harris	114,750	-	-	-	0	0	556,000
André R. Kuzmicki	75,250	-	-	-	0	0	799,250
Sharon Sallows	72,500	-	-	-	0	0	382,250
James Scarlett	39,371	-	-	-	0	0	0
Huw Thomas	87,250	-	-	-	0	0	451,750

(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 from monthly distributions on such Trust Units. 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 49 of this Circular.

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

The following table sets out, as at March 30, 2020, 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	13,063,610	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 30, 2020, 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 \$13,063,610. 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 2019 <sup>(1)</sup> (\$)	Amount Outstanding as at March 30, 2020 <sup>(2)</sup> (\$)	Financially Assisted Securities Purchased (Number of Trust Units) During 2019	Security for Unpaid Purchase Price (Number of Trust Units and Market Value) as at March 30, 2020 <sup>(2)</sup>	Amount Forgiven During 2019 (if any)
<b>Lise Bastarache</b> Chartwell Trustee; Director	Obligee	230,322	205,028	None	37,500 Trust Units (\$321,000)	None
<b>Michael D. Harris</b> CSH Trustee; Director and Chair of the Corporation	Obligee	223,322	196,061	None	40,000 Trust Units (\$342,400)	None
<b>André R. Kuzmicki</b> CSH Trustee; Director	Obligee	376,658	338,169	None	57,500 Trust Units (\$492,200)	None
<b>Sharon Sallows</b> CSH Trustee; Director	Obligee	155,159	136,437	None	27,500 Trust Units (\$235,400)	None
<b>Huw Thomas</b> Chartwell Trustee; Director	Obligee	195,415	173,440	None	32,500 Trust Units (\$278,200)	None
<b>Brent Binions</b> Director	Obligee	3,454,783	3,829,531	52,796	362,953 Trust Units (\$3,106,874)	None
<b>Vlad Volodarski</b> Chief Executive Officer of Chartwell, CSH Trust and the Corporation; Director of the Corporation	Obligee	1,646,948	1,713,032	16,683	186,159 Trust Units (\$1,593,521)	None
<b>Karen Sullivan</b> President and Chief Operating Officer of Chartwell, CSH Trust and the Corporation	Obligee	1,122,692	1,256,849	16,895	145,064 Trust Units (\$1,241,745)	None
<b>Sheri Harris</b> Chief Financial Officer of Chartwell, CSH Trust and the Corporation	Obligee	1,006,738	1,111,023	14,697	131,573 Trust Units (\$1,126,262)	None
<b>Jonathan Boulakia</b> Chief Legal Officer, Chief Investment Officer and Secretary of Chartwell, CSH Trust and the Corporation	Obligee	967,859	1,074,485	14,697	126,686 Trust Units (\$1,084,430)	None

**Note:** Reflects new titles of NEOs effective March 16, 2020.

(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 30, 2020. 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.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

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 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 eight Directors during 2019 were independent of and unrelated to management of Master LP and Chartwell. The independent Directors during 2019 were Messrs. Harris, Kuzmicki, Scarlett and Thomas and Ms Bastarache, Ms Davis and Ms Sallows and, prior to May 16, 2019, Mr. Robinson. Mr. Binions was not independent as he was an executive officer of the Corporation. Ms Bastarache, Ms Davis and Mr. Thomas were Chartwell Trustees in 2019 and Messrs. Harris and Kuzmicki and Ms Sallows were CSH Trustees in 2019. 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 2019 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, which included a day of property tours. The Board also holds separate meetings from time to time as it considers advisable during the year.

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 2019.

Description	Board Meetings	Audit Committee Meetings	Compensation, Governance and Nominating Committee Meetings	Investment Committee Meetings
Lise Bastarache	7/8 <sup>(1)</sup>	3/4 <sup>(1)</sup>		3/4 <sup>(1)</sup>
W. Brent Binions	8/8			
V. Ann Davis	8/8	4/4		4/4
Michael D. Harris	8/8		7/7	
André R. Kuzmicki	8/8			4/4
Sidney P. H. Robinson	3/3 <sup>(2)</sup>		5/5 <sup>(2)</sup>	
Sharon Sallows	8/8		7/7	4/4
James Scarlett	5/5 <sup>(3)</sup>		2/2 <sup>(3)</sup>	
Huw Thomas	8/8	4/4	7/7	

(1) Ms Bastarache had a death in the family and was unable to attend one meeting day.

(2) Mr. Robinson retired from the Board and Compensation Committee on May 16, 2019.

(3) Mr. Scarlett joined the Board and Compensation Committee on May 16, 2019.

**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 amended and restated 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.

## ***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***

Upon request, 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)

## ***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. 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.

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. 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.

The table below illustrates the continuing education provided to each Board Member in 2019:

	Edmonton Property Tours	Marketing Program	Cyber- security	Compensation Trends	Customer Experience	Attendance at Property- Level Employee Recognition Events or Seminars
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"**) 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 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 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 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 23 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 is available on SEDAR ([www.sedar.com](http://www.sedar.com)).

## **Enviromental, Social and Governance Program**

Chartwell published its first Environmental, Social and Governance ("ESG") report on March 16, 2020. 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.

**Gender diversity**

The following table sets out Chartwell’s gender diversity among its employees:

Position	Total # of Active Employees	Gender	
		Male	Female
Corporate – Senior Directors and Above	58	48.3%	51.7%
Corporate – Directors and Below	519	40.8%	59.2%
Residences – Managers	1,393	26.4%	73.6%
Residences – Other Staff	13,379	15.8%	84.2%
Total	15,349		

**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.

**Respecting Labour Rights**

Out of 15,349 employees, approximately 80% are represented by labour unions.

**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.

## ***Corporate Responsibility***

Creating societal impact has been core to Chartwell since its founding more than 16 years ago.

### **Corporate Giving**

Since 2015, Chartwell has raised more than \$832,000 to Wish of a Lifetime Canada, resulting in over 125 wishes being granted to deserving Canadian seniors.

Chartwell staff and residents have sponsored numerous other Canadian charities that have an impact on seniors.

### **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.

### **Reputable Vendors**

Chartwell has a Vendor Code of Conduct 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.

Board and Management Diversity

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)	75% (6 of 8)	48% (12 of 25)	47% (7 of 15)	50% (30 of 60) <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.

## **Recognition for Good Governance**

Chartwell has been recognized in the Globe and Mail's 2019 Board Games publication, which rates corporate boards based on governance criteria, as being the third best governed issuer in Canada and as the best governed real estate company and health care company in Canada.

## **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 16-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 three 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.

Chartwell believes this renewal can be attributed to its robust and comprehensive Board evaluation process.

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 minority groups, business experience,

functional expertise, stakeholder expectations, culture and geography. 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 has historically engaged third party executive search firms to identify candidates for appointment to the Board and any search firm engaged is specifically directed to include women candidates. 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 62 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 recently established a 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.

## **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 22 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 2019, all Chartwell Trustees, CSH Trustees and Directors increased their ownership of Units. See pages 9-17 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 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.

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 President and 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 to the 2020 Executive Appointments effective March 16, 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 Resources
- 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 Resources		✓				✓	✓	✓	✓
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” 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, 2019.

## 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, 2019.

## Reconciliation of FFO to IFFO

Financial Year-ended 2019	\$	Per Unit Diluted \$
<b>Reported FFO</b>	199,729	0.92
Add lease-up losses and imputed cost of debt on development properties	8,227,000	0.04
Add income guarantees due from vendors of certain acquired properties	1,007,000	0.01
Add current income taxes	-	-
<b>IFFO</b>	208,963	0.97

# 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’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 February 19, 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 30, 2020

**BY ORDER OF THE TRUSTEES OF  
CHARTWELL RETIREMENT RESIDENCES**  
  
(signed) “MICHAEL D. HARRIS”  
\_\_\_\_\_  
Chair

## APPENDIX “A”

### RESOLUTION APPROVING CERTAIN AMENDMENTS TO THE DEFERRED UNIT PLAN

BE IT RESOLVED THAT:

1. The following change to Section 4 (f) of the Deferred Unit Plan effective January 1, 2020 is hereby ratified and approved;
  - (f) ***Calculation of Number of Deferred Units*** - The number of Deferred Units underlying an Award will be calculated on the date of grant by dividing the Elected Amount that is payable to the Participant for the current Quarter, by the Fair Market Value of the Units as at the date that the Award is granted (the **“Base Award”**). Notwithstanding the foregoing, on and after July 1, 2010 and until December 31, 2019, the number of Deferred Units underlying an Award ~~will be~~ were calculated by multiplying the Base Award by a factor of two.
2. 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 APPROVING CERTAIN AMENDMENTS TO THE DECLARATION OF TRUST

#### WHEREAS:

- A. The Trust Units are currently book-entry only securities deposited with and registered in the name of CDS Clearing and Depository Services Inc. or its nominee (“CDS”).
- B. Section 14.1 of the fourteenth amended and restated declaration of trust of the Trust dated May 4, 2017 (the “Declaration of Trust”) provides that so long as the Trust Units are held in the book-entry system of CDS, Trust Units shall be issued in the form of a global certificate in the name of and deposited by the transfer agent for the Trust Units with CDS as custodian of such certificate and registered by the transfer agent in the name of CDS or its nominee. Accordingly, the Declaration of Trust did not permit the Trust Units to be held by CDS in uncertificated form in its non-certificated inventory (“NCI”) system.
- C. Section 12.1(f) of the Declaration of Trust provides that the Declaration of Trust may be amended by the Chartwell Trustees for any purpose if the Chartwell Trustees are of the opinion that the amendment is not prejudicial to Unitholders and is necessary or desirable, provided that such amendment is presented to Unitholders at the next meeting of Unitholders for confirmation.
- D. In order to facilitate settlement of issuances of Trust Units, the Chartwell Trustees amended the Declaration of Trust effective March 23, 2020 to permit Trust Units to be held in uncertificated form in the NCI system of CDS (the “**NCI Amendments**”).
- E. It is proposed that the Declaration of Trust be amended to permit meetings of Unitholders to be held electronically and to permit voting at meetings of Unitholders by means of telephonic, electronic or other communication facility (the “**Proposed Amendments**”).
- F. Capitalized terms used in this resolution have the meanings ascribed thereto in the management information circular of Chartwell accompanying the Notice of Meeting and to which this resolution is attached (the “**Management Information Circular**”).

#### RESOLVED THAT:

- 1. The NCI Amendments to the Declaration of Trust, as reflected in the fifteenth amended and restated declaration of Trust dated March 23, 2020 (the “**Fifteenth Amended Declaration of Trust**”) approved by the Chartwell Trustees and available on SEDAR at [www.sedar.com](http://www.sedar.com) and as reflected in the blackline of the Declaration of Trust in Appendix “C” to the Management Information Circular, be ratified and approved.
- 2. The Proposed Amendments to the Fifteenth Amended Declaration of Trust substantially as described in the Management Information Circular under the heading “Matters to be acted upon at the Meeting – Amendments to the Declaration of Trust – Proposed Amendments” and as reflected in the blackline of the Declaration of Trust in Appendix “D” to the Management Information Circular, be and are hereby authorized and approved.

## ***General Authorizations***

3. All actions heretofore taken by any trustee or officer of the Trust in connection with the matters contemplated in these resolutions, including, without limitation, filing all documents, certificates and instruments, taking all actions and doing all such other things to facilitate settlement of issuances of Trust Units in the NCI system, are hereby approved, ratified and confirmed in all respects. Any trustee or officer of the Trust be hereby authorized and directed, for and on behalf of the Trust, to negotiate, finalize, execute and deliver any and all such further documents, agreements, authorizations, elections or other instruments, with or without the corporate seal affixed, and to take any and all such further action as such trustee or officer, in such trustee's or officer's sole discretion may determine necessary or desirable in order to give effect to the matters contemplated in these resolutions.

## APPENDIX “C”

### BLACKLINE OF NCI AMENDMENTS TO THE DECLARATION OF TRUST

#### CHARTWELL RETIREMENT RESIDENCES

FOURTEENTH  
AMENDED AND RESTATED  
DECLARATION OF TRUST

~~MAY 4~~MARCH 23, 2017~~20~~



## CHARTWELL RETIREMENT RESIDENCES

### FOURTEENTH AMENDED AND RESTATED DECLARATION OF TRUST

THIS DECLARATION OF TRUST is made as of July 7, 2003, as amended and restated on November 14, 2003, as amended and restated on July 1, 2005, as amended and restated on November 6, 2006, as amended and restated as of November 19, 2007, as amended and restated on July 14, 2008, as amended and restated on May 21, 2009, as amended and restated on May 20, 2010, as amended and restated on May 19, 2011, as amended and restated on April 30, 2012, as amended and restated on January 16, 2013, as amended and restated on May 15, 2014, as amended and restated on May 14, 2015, as further amended and restated on May 19, 2016 ~~and~~, as further amended and restated on May 4, 2017 and as further amended and restated on March 23, 2020.

#### RECITALS

**WHEREAS** the Trust was established for the principal purpose of investing, indirectly, in a portfolio of income-producing seniors housing facilities and projects and in seniors housing operations and development management businesses; focused in Canada;

**AND WHEREAS** the business of the Trust may also include the development of senior housing facilities and investment in businesses related and ancillary to seniors housing and seniors;

**AND WHEREAS** the Trustees wish to amend and restate this Declaration of Trust in the manner herein provided to make certain ~~minor corrections~~ amendments to permit Trust Units to be held in uncertificated form which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders;

**AND WHEREAS**, for greater certainty, the restatement of this Declaration of Trust shall not be deemed to constitute a termination of the Trust or a resettlement of this Declaration of Trust or the Trust created hereby.

#### DECLARATION

**NOW THEREFORE**, the undersigned, being the Trustees, hereby confirm and declare that they agree to hold in trust as trustees all property, real, personal or otherwise, tangible or intangible, which has been at the date hereof or is hereafter transferred, conveyed or paid to or otherwise received by them as trustees or to which the Trust is otherwise entitled and all rents, income, profits and gains therefrom for the benefit of the Unitholders hereunder in accordance with and subject to the expressed provisions of this Declaration of Trust, to wit:

#### ARTICLE 1 INTERPRETATION

##### 1.1 Definitions

In this Declaration of Trust including the recitals hereto, unless the context otherwise requires, the following terms shall have the following meanings:

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- (a) **“Adjusted Gross Book Value”** means, at any time, the consolidated book value of the assets of the Trust, CSH Trust and the Operator, as shown on the Trust’s then most recent consolidated balance sheet, plus (i) the difference between the gross book value of assets calculated under the previous generally accepted accounting principles and IFRS on the IFRS Transition Date; (ii) acquisition related costs in respect of completed property acquisitions that were expensed in the period incurred; and (iii) the amount of accumulated depreciation and amortization shown thereon or in the notes thereto less the corresponding value of any property for which any obligation of the Trust has been issued or assumed as the Deferred Purchase Price of Property (or if approved by a majority of the Directors of the General Partner at any time, the appraised value of the assets of the Trust, CSH Trust and the Operator).
- (b) **“affiliate”**, when used to indicate a relationship with a person or company, has the same meaning as in National Instrument 45-106 – *Prospectus and Registration Requirements*.
- (c) **“Annuitant”** means the annuitant or beneficiary of a Deferred Income Plan or any other plan of which a Unitholder acts as trustee or carrier.
- (d) **“associate”**, when used to indicate a relationship with a person or company, has the same meaning as in the *Securities Act* (Ontario).
- (e) **“Audit Committee”** has the meaning ascribed thereto in Section 11.2.
- (f) **“Auditors”** means the firm of chartered accountants appointed as the auditors of the Trust from time to time in accordance with the provisions hereof and, initially, means KPMG LLP, Chartered Accountants.
- ~~(g)~~ **“Beneficial Owners”** has the meaning ascribed thereto in Section 14.1.
- ~~(h)~~ ~~(g)~~ **“Book-Entry System”** means the record-entry securities transfer and pledge system known, as of the date hereof, by such name, which is administered by ~~CDS~~the Depository in accordance with the operating rules and procedures of the Securities Settlement Service of ~~CDS~~the Depository in force from time to time, or any successor system which ~~CDS~~the Depository may offer from time to time.
- ~~(i)~~ ~~(h)~~ **“Business Day”** means a day which is not a Saturday, Sunday or legal holiday in the Province of Ontario.
- ~~(i)~~ ~~“CDS”~~ means The Canadian Depository for Securities Limited and its successors.
- (j) **“CDS Participant”** means a broker, dealer, bank, other financial institution or other person who, directly or indirectly, from time to time effects book-based transfers with ~~CDS~~the Depository and pledges of securities deposited with ~~CDS~~the Depository.
- (k) **“Chartwell Directors”** means Trustees, CSH Trustees and/or Directors of the General Partner.

- (l) **“Class A Master LP Units”** means the Class A limited partnership units of Master LP.
- (m) **“Class B Master LP Units”** means the Class B limited partnership units of Master LP.
- (n) **“Compensation Committee”** means the Compensation, Governance and Nominating Committee of the board of directors of the sole trustee, Trustee Corp., of the General Partner.
- (o) **“court”** means the Superior Court of Justice in the Province of Ontario.
- (p) **“CSH Trust”** means CSH Trust, an open ended, limited purpose trust established under the laws of Ontario pursuant to the CSH Trust Declaration.
- (q) **“CSH Trust Declaration”** means the eleventh amended and restated declaration of trust of CSH Trust dated May 19, 2016, as amended and restated from time to time.
- (r) **“CSH Trust Unit”** means a trust unit of CSH Trust, each such unit representing an equal undivided beneficial interest therein.
- (s) **“CSH Trustee”** means the trustee or trustees of CSH Trust from time to time.
- (t) **“Deferred Income Plan”** means any trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a deferred profit sharing plan or a tax-free savings account, each as defined in the Tax Act.
- (u) **“Deferred Purchase Price of Property”** means the amount of any obligation in respect of any property acquired or to be acquired by the Trust which relates to any portion of the purchase price or consideration to be paid to the vendor on or after the closing of such an acquisition, but does not include any vendor-take-back mortgage or other secured deferred obligation in respect of such an acquisition.
- (v) **“Depository”** ~~has the meaning ascribed thereto in Section 14.1(a)~~ means CDS Clearing and Depository Services Inc. and its successors and includes any other depository subsequently appointed by the Trust as the depository in respect of the Trust Units.
- (w) **“Directors of the General Partner”** means the members of the board of directors of the sole trustee, Trustee Corp., of the General Partner.
- (x) **“Distribution Date”** means, in respect of a Distribution Period, and subject to Sections 5.3 and 5.4, the 15<sup>th</sup> day of the immediately following month or, if any such day is not a Business Day, the next following Business Day, and such other dates determined from time to time by the Trustee.

- (mm) **“Investment Committee”** means the Investment Committee of the board of directors of the sole trustee, Trustee Corp., of the General Partner.
- (nn) **“Liquidated Net Assets of the Trust”** has the meaning ascribed thereto in Section 15.6.
- (oo) **“Master LP”** means Chartwell Master Care Limited Partnership, a limited partnership formed under the laws of the Province of Manitoba pursuant to the Master LP Limited Partnership Agreement.
- (pp) **“Master LP Limited Partnership Agreement”** means the eleventh amended and restated limited partnership agreement in respect of Master LP dated May 19, 2016, as amended and restated from time to time, among GP M Trust, as general partner, and the limited partners from time to time including CSH Trust and the Trust.
- (qq) **“mortgage”** means any mortgage, charge, hypothec, bond, debenture, note or other evidence of indebtedness directly or indirectly secured by real property.
- (rr) **“NCL System” means the non-certificated inventory system maintained by the Depository, as may be changed, supplemented, replaced or otherwise modified from time to time.**
- (ss) ~~(#)~~ **“Net Income of the Trust” or “Net Loss of the Trust”** for any Taxation Year means the net income or loss for such year determined pursuant to the provisions of the Tax Act having regard to the provisions thereof which relate to the calculation of taxable income of a trust, without reference to paragraph 82(1)(b) (dividend gross up) and subsection 104(6) (deduction for payments out of the Trust) of the Tax Act (including any income realized by the Trust on the redemption of Trust Units *in specie* and designated by the Trust as income payable to the redeeming Unitholders) and taking into account such other adjustments as may be determined in the discretion of the Trustees (provided that the Trustees exercise their discretion in this regard before the end of the Taxation Year); provided, however, that capital gains and capital losses shall be excluded from the computation of net income; and provided further that, if such calculation results in income there shall be deducted the amount of any non-capital losses (as defined in the Tax Act) of the Trust for any preceding Taxation Years; and Net Income of the Trust or Net Loss of the Trust for any period means the income or loss of the Trust for such period computed in accordance with the foregoing as if that period were the taxation year of the Trust.
- (tt) ~~(ss)~~ **“Net Realized Capital Gains”** means, for any Taxation Year, the amount, if any, by which the amount of the capital gains of the Trust for the Taxation Year exceeds the aggregate of (i) the amount of any capital losses of the Trust for the Taxation Year determined in accordance with the Tax Act; (ii) the amount determined by the Trustees of any net capital losses of the Trust carried forward from a previous Taxation Year to the extent not previously deducted from realized capital gains of the Trust; (iii) any amount in respect of which the Trust is entitled to a capital gains refund under the Tax Act, as determined by the Trustees; and

## ARTICLE 2 DECLARATION OF TRUST

### 2.1 Establishment of the Trust

The Trustees declare and agree to hold and administer the property, real, personal or otherwise, tangible or intangible, which has been at the date hereof or is hereafter transferred, conveyed or paid to or otherwise received by the Trust or to which the Trust is otherwise entitled and all rents, income, profits and gains therefrom in trust for the use and benefit of the Unitholders, their successors, permitted assigns and personal representatives upon the trusts and subject to the terms and conditions hereinafter declared and set forth, such trust to constitute the Trust hereunder.

### 2.2 Name of the Trust

- (a) The Trust shall be known and designated as “CHARTWELL RETIREMENT RESIDENCES” and, whenever practicable, lawful and convenient, the property of the Trust shall be held and the affairs of the Trust shall be conducted and transacted under that name.
- (b) The Trust may use such other designation or may adopt such other name as the Trustees deem appropriate, and the Trust may hold property and conduct and transact its affairs under such other designation or name.

### 2.3 Head Office

The head office of the Trust hereby created shall be located at 47070 Milverton Drive, Suite 700, Mississauga, Ontario L5R 4H1 or such other place or places in Canada as the Trustees may from time to time designate. The Trust may have such other offices or places in Canada for the conduct of its affairs as the Trustees may from time to time determine as necessary or desirable.

### 2.4 Nature of the Trust

The Trust is an unincorporated open-ended limited purpose investment trust. The Trust, its Trustees, the Units of any class and its property shall be governed by the general law of trusts, except as such general law of trusts has been or is from time to time modified, altered or abridged for investment trusts or for this Trust by:

- (a) applicable laws, regulations or other requirements imposed by applicable securities or regulatory authorities; and
- (b) the terms, conditions and trusts set forth in this Declaration of Trust.

And without limiting the generality of the foregoing and insofar as possible, the terms of this Declaration of Trust insofar as they are inconsistent with the provisions of the *Trustee Act* (Ontario) shall prevail.

The beneficial interests and rights of a holder of any Unit shall be limited to the right to participate pro rata on a class basis in distributions payable to Unitholders when and as declared

### **3.5 Allotment and Issue**

The Trustees may allot and issue Units at such time or times and in such manner (including pursuant to any plan from time to time in effect relating to reinvestment by Unitholders of their distributions of the Trust in Trust Units), and for such consideration and to such person, persons or class of persons as the Trustees in their sole discretion shall determine. In the event that Units are issued in whole or in part for a consideration other than money, the resolution of the Trustees allotting and issuing such Units shall express the fair equivalent in money of the other consideration received.

### **3.6 Rights, Warrants, Options, Convertible Indebtedness and Other Securities**

The Trustees may create and issue rights, warrants or options or other instruments or securities to subscribe for fully paid Trust Units which rights, warrants, options, instruments or securities may be exercisable at such subscription price or prices and at such time or times as the Trustees may determine. The rights, warrants, options, instruments or securities so created may be issued for such consideration or for no consideration, all as the Trustees may determine. A right, warrant, option, instrument or security shall not be a Trust Unit and a holder thereof shall not be a Unitholder. Subject to the provisions of Article 4 hereof, the Trustees may create and issue indebtedness of the Trust in respect of which interest, premium or principal payable thereon may be paid, at the option of the Trust or the holder, in fully paid Trust Units, or which indebtedness, by its terms, may be convertible into Trust Units at such time and for such prices as the Trustees may determine. Any indebtedness so created shall not be a Trust Unit and a holder thereof shall not be a Unitholder unless and until fully paid Trust Units are issued in accordance with the terms of such indebtedness.

### **3.7 Commissions and Discounts**

The Trustees may provide for the payment of commissions or may allow discounts to persons in consideration of their subscribing or agreeing to subscribe, whether absolutely or conditionally, for Units or other securities issued by the Trust or of their agreeing to procure subscriptions therefor, whether absolute or conditional.

### **3.8 Transferability**

- (a) Trust Units are freely transferable and, except as stipulated in Sections 3.9 and 14.5, the Trustees shall not impose any restriction on the transfer of Trust Units by any Unitholder except with the consent of such Unitholder.
- (b) Special Voting Units shall only be transferable to a Resident transferee by the holders thereof and only together with the related Exchangeable Securities and with the prior written consent of the Trustees. No transfer of Special Voting Units shall be effective as against the Trust or the Trustees or shall be in any way binding upon the Trust or the Trustees until the transfer has been recorded on the Register or one of the branch transfer registers maintained by the Trustees, the Trust or the Transfer Agent. Subject to the provisions of Article 14, Special Voting Units shall be transferable on the Register or one of the branch transfer registers only by the holders of record thereof or their executors, administrators or other legal representatives or by their agents or attorneys duly authorized in

writing, and only upon delivery to the Trust or to the Transfer Agent of all necessary transfer or other taxes imposed by law, together with such evidence of the genuineness of such authorization and other matters that may reasonably be required by the Trustees or the Transfer Agent. Upon such delivery the transfer shall be recorded on the Register or branch transfer registers.

### 3.9 Transfer of Trust Units

- (a) Subject to the provisions of Article 14, the Trust Units shall be, for all purposes of the Trust and this Declaration of Trust, personal and moveable property, and shall be fully transferable without charge as between persons, but no transfer of Units shall be effective as against the Trust or the Trustees or shall be in any way binding upon the Trust or the Trustees until the transfer has been recorded on the Register or one of the branch transfer registers maintained by the Trustees, the Trust or the Transfer Agent. No transfer of a Trust Unit shall be recognized unless such transfer is of a whole Trust Unit.
- (b) Subject to the provisions of Article 14, Trust Units shall be transferable on the Register or one of the branch transfer registers only by the holders of record thereof or their executors, administrators or other legal representatives or by their agents or attorneys duly authorized in writing, and only upon delivery to the Trust or to the Transfer Agent of the Unit Certificate, properly endorsed or accompanied by a duly executed instrument of transfer or power of attorney and accompanied by all necessary transfer or other taxes imposed by law, together with such evidence of the genuineness of such endorsement, execution and authorization and other matters that may reasonably be required by the Trustees or the Transfer Agent. Upon such delivery the transfer shall be recorded on the Register or branch transfer registers and a new Unit Certificate for the Trust Units shall be issued to the transferee, if requested, and a new Unit Certificate for the balance of Trust Units not transferred shall be issued to the transferor, if requested.
- (c) Unit Certificates representing any number of Trust Units may be exchanged without charge for Unit Certificates representing an equivalent number of Trust Units in the aggregate. Any exchange of Unit Certificates may be made at the offices of the Trust or the Transfer Agent where registers are maintained for Unit Certificates pursuant to the provisions of Article 14. Any Unit Certificates tendered for exchange shall be surrendered to the Trustees or appropriate Transfer Agent and then shall be cancelled.
- (d) The Trustees shall use all reasonable efforts to maintain a listing for the Trust Units; on one or more stock exchanges in Canada.

### 3.10 Successors in Interest to Unitholders

Subject to the provisions of Article 14, any person becoming entitled to any Units as a consequence of the death, bankruptcy or incompetence of any Unitholder or otherwise by operation of law, shall be recorded as the holder of such Units and shall receive a new Unit Certificate therefor upon production of evidence thereof satisfactory to the Trustee and delivery of the existing Unit Certificate to the Trustee or a transfer agent to the Trust, but until such

of the Trust for such year and the Net Realized Capital Gains of the Trust for such year; provided that, notwithstanding anything else contained in this Declaration of Trust, the aggregate annual distributions on the Special Voting Units shall not exceed 4.9% of the total annual distributions on the Units for that year.

#### **5.4 Other Distributions**

Having regard to the present intention of the Trustees to allocate, distribute and make payable to Unitholders all of the Net Income of the Trust, Net Realized Capital Gains and any other applicable amounts as may be reasonably necessary to ensure that the Trust will not have any liability for tax under Part I of the Tax Act in any Taxation Year (other than any liability for tax under Part I of the Tax Act in such Taxation Year as a result of the Trust being a “SIFT trust” as defined in section 122.1 of the Tax Act), the following amounts shall, unless the Trustees pass a resolution to the contrary, be due and payable to Unitholders of record on December 31 in each such year:

- (a) an amount equal to the amount, if any, by which the Net Income of the Trust for such year exceeds the aggregate of the portions, if any, of each Distribution paid or payable by the Trust pursuant to Section 5.2 and Section 5.3 which have been determined by the Trustees, pursuant to Section 5.9, to have been payable by the Trust out of Net Income of the Trust for such Taxation Year and the amount of Net Income of the Trust treated as having been payable in the Taxation Year pursuant to Section 6.5; and
- (b) an amount equal to the amount, if any, by which the Net Realized Capital Gains of the Trust for such Taxation Year exceeds the aggregate of the portions, if any, of each Distribution paid or payable by the Trust pursuant to Section 5.2 and Section 5.3 which have been determined by the Trustees, pursuant to Section 5.9, to have been payable by the Trust out of Net Realized Capital Gains for such Taxation Year and the amount of taxable capital gain treated as having been payable in the Taxation Year pursuant to Section 6.5.

#### **5.5 Payment of Distributions**

- (a) Distributions paid on each Trust Unit and Special Voting Unit shall be equal to that paid on each other Trust Unit and Special Voting Unit, respectively, and cash distributions shall be made by cheque payable to or to the order of the Unitholder, by electronic funds transfer or by such other manner of payment approved by the Trustee from time to time. The payment, if made by cheque, shall be conclusively deemed to have been made upon hand-delivery of a cheque to the Unitholder or to his agent duly authorized in writing or upon the mailing of a cheque by prepaid first-class mail addressed to the Unitholder at his address as it appears on the Register unless the cheque is not paid on presentation. In the case of joint registered Unitholders, any cash payment required hereunder to be made to a Unitholder shall be deemed to be required to be made to such Unitholders jointly and shall be paid by cheque or bank draft but may also be paid in such other manner as the joint registered Unitholders or any one of the joint registered Unitholders has designated to the Trustees and the Trustees have accepted. For greater certainty, a Unitholder or any one of the joint Unitholders may designate



and the Trustees may accept that any payment required to be made hereunder shall be made by deposit to an account of such Unitholder or to a joint account of such Unitholder and any other person or in the case of joint registered Unitholders to an account of joint registered Unitholders or to an account of any one of the joint registered Unitholders. A cheque or bank draft shall, unless the joint registered Unitholders otherwise direct, be made payable to the order of all of the said joint registered Unitholders, and if more than one address appears on the books of the Trust in respect of such joint unitholding, the cheque or bank draft or payment in other acceptable manner as aforesaid shall satisfy and discharge all liability of the Trustees or the Trust for the amount so required to be paid unless the cheque or bank draft is not paid at par on presentation at any other place where it is by its terms payable. The receipt by the registered Unitholder in another acceptable manner of any payment not mailed or paid in accordance with this Section 5.5(a) shall be a valid and binding discharge to the Trust and to the Trustees for any payment made in respect of the registered Units and if several Persons are registered as joint registered Unitholders or, in consequence of the death, bankruptcy or incapacity of a Unitholder, one or several Persons are entitled so to be registered, subject to the provisions of Article 14, in accordance with this Declaration of Trust, respectively, receipt of payment by any one of them shall be a valid and binding discharge to the Trust and to the Trustees for any such payment. The Trustees may issue a replacement cheque if they are satisfied that the original cheque has not been received or has been lost or destroyed upon being furnished with such evidence of loss, indemnity or other document in connection therewith that they may in their discretion consider necessary. A Unitholder shall be entitled on the day on which a distribution is payable pursuant to Sections 5.2, 5.3 or 5.4 to enforce payment of the amount payable to the Unitholder. However, no Unitholder will be entitled to recover by action or other legal process against the Trust any distribution that is represented by a cheque that has not been duly presented to the Trust's banker for payment or that otherwise remains unclaimed for a period of six years from the date on which such distribution was payable. For greater certainty, while the Trust Units are maintained in the ~~Book-based -Entry System~~ Book-based Entry System, any payments by the Trust with respect to the Trust Units will be made to ~~CDSC~~ the Depository as the sole registered Trust Unitholder.

- (b) Where the Trustees determine that the Trust does not have available cash in an amount sufficient to make payment of the full amount of any distribution which is payable under this Article 5 on the due date for such payment, the payment may, at the option of the Trustees, include the issuance of additional Trust Units, or fractions of Trust Units, if necessary, having a fair market value as determined by the Trustees equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution. Notwithstanding the foregoing, distributions on the Special Voting Units will only be made in cash.

## 5.6 Withholding Taxes

The Trustees may deduct or withhold from distributions payable to any Unitholder all amounts required by law to be withheld from such distributions, whether such distributions are in

of proxies for election of Chartwell Directors pursuant to applicable securities laws.

- (e) The Trust may require any proposed nominee to furnish such other information as may reasonably be required by the Trust to determine the eligibility of such proposed nominee to serve as an independent trustee or director of the Trust, CSH Trust or the General Partner, as applicable, or that could be material to a reasonable Unitholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (f) No person shall be eligible for election as a Chartwell Director unless nominated in accordance with the provisions of this Section 9.2.1; provided, however, that nothing in this Section 9.2.1 shall be deemed to preclude discussion by a Unitholder (as distinct from the nomination of Chartwell Directors) at a meeting of Unitholders of any matter in respect of which it would have been entitled to submit to a vote pursuant to the terms and conditions contained in this Declaration of Trust. The chairperson of the applicable meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (g) For purposes of this Section 9.2.1, "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Trust under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).
- (h) Notwithstanding the foregoing, the Trustees may, in their sole discretion, waive any requirement in this Section 9.2.1.

### 9.3 Consent to Act

- (a) A person who is appointed a Trustee hereunder shall not become a Trustee until the person has, either before or after such appointment, executed and delivered to the Trust a consent substantially as follows:

"To:                      Chartwell Retirement Residences (the "**Trust**")

And to:                The Trustees thereof

The undersigned hereby certifies that he or she is/is not a resident of Canada within the meaning of the *Income Tax Act* (Canada) and consents to act as a Trustee of the Trust and hereby agrees, upon the later of the date of this consent and the date of the undersigned's appointment as a Trustee of the Trust, to thereby become a party, as a Trustee, to the Declaration of Trust, as amended and restated on ~~May 4~~ March 23, 2017 ~~20~~ and as supplemented, amended and restated from time to time, constituting the Trust.

of the meeting. Not less than 10 days prior notice shall be given of the time and place of such adjourned meeting in the manner provided in Section 13.2. Such notice shall state that at the adjourned meeting the Unitholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting, the Unitholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 13.8(a) shall be a Special Resolution within the meaning of this Declaration of Trust, notwithstanding that the holders of less than 20% of the aggregate number of Units then outstanding are present in person or by proxy at such adjourned meeting.

- (c) For the purpose of a separate class vote by the holders of Trust Units or Special Voting Units as a class as provided herein, the expression “Special Resolution” means a resolution proposed to be passed at a separate meeting of holders of Trust Units or Special Voting Units, as the case may be, at which meeting the provisions of this Article 13 shall apply *mutatis mutandis*.

### 13.9 Meaning of “Outstanding”

Subject to the provisions of Article 14, every Unit issued, certified and delivered hereunder, whether issued in uncertificated or certificated form, shall be deemed to be outstanding until it shall be cancelled or delivered to the Trustees or Transfer Agent for cancellation provided that:

- (a) when a new certificate has been issued in substitution for a Unit Certificate which has been lost, stolen, mutilated or destroyed, only one of such Unit Certificates shall be counted for the purposes of determining the number of Units outstanding; and
- (b) for the purpose of any provision of this Declaration of Trust entitling holders of outstanding Units to vote, sign consents, requisitions or other instruments or take any action under this Declaration of Trust, Units deemed not to be outstanding pursuant to Sections 14.5 and Units owned directly or indirectly, legally or equitably, by the Trust, CSH Trust, Master LP or any affiliate thereof shall be disregarded, except that:
  - (i) for the purpose of determining whether the Trustees shall be protected in relying on any such vote, consent, requisition or other instrument or action only the Units which the Trustees know are so deemed or owned shall be so disregarded; and
  - (ii) Units so owned which have been pledged in good faith other than to the Trust, CSH Trust, Master LP or an affiliate thereof shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustees the pledgee’s right to vote such Units in his or her discretion free from the control of the Trust, CSH Trust, Master LP or any affiliate thereof;

Section 13.7, no action taken by Unitholders at any meeting of Unitholders shall in any way bind the Trust or the Trustees without the approval of the Trustees.

### 13.17 Resolution in Lieu of Meeting

Notwithstanding any other provision of this Declaration of Trust, a resolution signed in writing by all of the Unitholders entitled to vote on that resolution at a meeting of the Unitholders is as valid as if it had been passed at a meeting of the Unitholders.

### 13.18 Actions by Unitholders

Any action, change, approval, decision or determination required or permitted to be taken or made by the Unitholders hereunder shall be effected by a resolution passed by the Unitholders at a duly constituted meeting (or a special resolution in lieu thereof) in accordance with this Article 13.

## ARTICLE 14 CERTIFICATES, REGISTRATION AND TRANSFER OF UNITS

### 14.1 No Alteration

- (a) The provisions of this Article 14 shall not in any way alter the nature of the Units or the relationships of a Unitholder to the Trustees and of one Unitholder to another but are intended only to facilitate the ~~issuance of certificates evidencing the ownership of Trust Units if desirable to issue them to Trust Unitholders and the recording of all transactions in respect of Trust Units and Unit Certificates~~ whether by the Trust, securities dealers, stock exchanges, transfer agents, registrars or other persons.
- (b) Unless the Trustees otherwise determine, Trust Units shall be issued in the form of the Unit Certificate provided, however, that a global Unit Certificate (a "Global Unit Certificate") may will be issued in the name of and deposited by the Transfer Agent with, or on behalf of, CDS or a successor (collectively, the "Depository"), as custodian of such Global Unit Certificate and, and registered by the Transfer Agent in the name of the Depository or its nominee, in the Book-Entry System.
- (c) Except as otherwise provided in this Article 14, Trust Units registered in the name of and deposited by the Transfer Agent with the Depository or its nominee (including Trust Units held in the Book-Entry System), may be: (i) held electronically through the NCI System; or (ii) represented by a global Unit Certificate issued in the name of the Depository or its nominee. Unless the Trust elects, Units held in its sole discretion, to prepare and deliver Unit Certificates, beneficial owners who are not CDS Participants shall purchase, sell or otherwise transfer ownership of or other interest in Trust Units and Unit Certificates through participants in the Depository's book-entry system. No purchaser of Trust Units represented by a Global Unit Certificate will the Depository will be purchased, transferred and surrendered for redemption through a CDS Participant. All rights of holders of beneficial interests in Trust Units held through the Depository

(“Beneficial Owners”) must be exercised through, and all payments or other property to which such Beneficial Owners are entitled will be made or delivered by, the Depository or the CDS Participant through which the Beneficial Owner holds such Trust Units.

- (d) Except as described below, a Beneficial Owner will not be entitled to a certificate or other instrument from the Trust or the Depository/Transfer Agent evidencing that purchaser’s interest in or ownership thereof Trust Units, nor, to the extent applicable, will such Beneficial Owner be shown on the records maintained by the Depository, except in through the circumstances where the Depository resigns or is removed from its responsibilities as depository and the Trustee is unable or does not wish to locate a qualified successor. Beneficial interests in a Global Unit Certificate will be represented accounts of CDS Participants acting on behalf of the Beneficial Owners. The Depository will be responsible for establishing and maintaining accounts for CDS Participants having interests in the Trust Units, and sales of interests in the Trust Units held through the Depository can only be completed through the Book Entry System CDS Participants. Transfers of Trust Units between CDS Participants shall occur in accordance with the Depository’s rules and procedures.
- (e) Trust Units may be issued in fully registered form to holders or their nominees, if any, who purchase the Trust Units pursuant to a private placement of Trust Units made in reliance upon Rule 144A (or other registration exemption) adopted under the United States Securities Act of 1933, and to transferees thereof in the United States who purchase such Trust Units in reliance upon Rule 144A (or other registration exemption). Likewise, any Trust Units transferred to a transferee within the United States or outside the United States to a “U.S. Person” (within the meaning of Regulation S under the United States Securities Act of 1933) may be evidenced in definitive certificates. If any such Trust Units represented by definitive certificates are subsequently traded into Canada, or otherwise outside the United States in compliance with Regulation S under the United States Securities Act of 1933, the Transfer Agent will electronically deliver such Trust Units registered to the Depository or its nominee, and the Depository will credit interests in such Trust Units to the accounts of the CDS Participants as directed by the Transfer Agent.
- (f) Except as noted in Section 14.1(e), Trust Units will be issued in fully registered form to Beneficial Owners or their nominees, only if: (i) the Trust is required to do so by applicable law; (ii) the depository system of the Depository ceases to exist; (iii) the Trust determines that the Depository is no longer willing, able or qualified to discharge properly its responsibility as depository and the Trust is unable or does not wish to locate a qualified successor; or (iv) the Trust at its option elects to prepare and deliver definitive certificates representing the Trust Units.
- (g) (b) All references herein to actions by, notices given or payments made to Trust Unitholders shall, where such Trust Units are held through the Depository, refer to actions taken by, or notices given or payments made to, the Depository upon

instruction from the CDS Participants in accordance with the Depository's rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Trust Unitholders evidencing a specified percentage of the aggregate Trust Units outstanding, such direction or consent may be given by Trust Unitholders acting through the Depository and the CDS Participants owning Trust Units evidencing the requisite percentage of the Trust Units. The rights of a Trust Unitholder whose Trust Units are held through the Depository shall be exercised only through the Depository and the CDS Participants and shall be limited to those established by law and agreements between such Trust Unitholders and the Depository and/or the CDS Participants or upon instruction from the CDS Participants. Each of the Transfer Agent and the Trustees may deal with the Depository for all purposes (including the making of payments) as the authorized representative of the respective Trust Unitholders and such dealing with the Depository shall constitute satisfaction or performance, as applicable, towards their respective obligations hereunder.

- (h) ~~(e)~~ For so long as Trust Units are held through the Depository, if any notice or other communication is required to be given to Trust Unitholders, the Trustees and the Transfer Agent will give all such notices and communications to the Depository.
- (i) ~~(d)~~ If the Depository resigns or is removed from its responsibilities as depository and the Trustee is unable or does not wish to locate a qualified successor, the Depository shall surrender the Global Unit Certificate ~~Trust Units registered in its name~~ to the Transfer Agent with instructions from the Depository for registration of Trust Units in the name and in the amounts specified by the Depository and the Trust shall issue and the Trustee and Transfer Agent shall execute and deliver the aggregate number of Trust Units then outstanding in the form of definitive Unit Certificates representing such Trust Units.
- (j) ~~(e)~~ No holder of a Special Voting Unit shall be entitled to a certificate or other instrument from the Trust evidencing the holder's ownership of such units. Such holder shall only be entitled to be entered on the Register in accordance with Section 14.4.

#### 14.2 Unit Certificates

- (a) Unit Certificates, if issued, shall, subject to the provisions hereof, be in such form as is authorized from time to time by the Trustees.
- (b) If issued, Unit Certificates are issuable only in fully registered form.
- (c) The definitive form of the Unit Certificates shall:
  - (i) be in the English language;
  - (ii) be dated as of the date of issue thereof;
  - (iii) contain the CUSIP number for the Trust Units; and

- (i) “The Declaration of Trust provides that no Trust Unitholder or annuitant or beneficiary of a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan or a deferred profit sharing plan or any other plan of which a Trust Unitholder acts as trustee or carrier shall be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with the assets of the Trust or the obligations or the affairs of the Trust and all such persons shall look solely to the assets of the Trust for satisfaction of claims of any nature arising out of or in connection therewith and the assets of the Trust only shall be subject to levy or execution”, or words of like effect; and
- (ii) appropriate forms of notice of exercise of the right of redemption and of powers of attorney for transferring Trust Units.

The Unit Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Trustees may determine.

#### **14.4 Register of Unitholders**

A register (the “**Register**”) shall be kept at the principal stock transfer office in Toronto, Ontario of the Transfer Agent, which Register shall contain the names and addresses of the Unitholders, the respective numbers of Units, and type of Units, held by them, the certificate numbers of certificates representing such Units, if any, and a record of all transfers and redemptions thereof. Branch transfer registers shall be maintained at such other offices of the Transfer Agent as the Trustees may from time to time designate. Only Unitholders whose Units or certificates are so recorded shall be entitled to receive distributions or to exercise or enjoy the rights of Unitholders hereunder. The Trustees shall have the right to treat the person registered as a Unitholder on the Register as the owner of such Units for all purposes, including, without limitation, payment of any distribution, giving notice to Unitholders and determining the right to attend and vote at meetings of Unitholders. Subject to Sections 14.1 and 14.5, upon any issue of Units, the name of the subscriber shall be promptly entered on the Register as the owner of the number of Units issued to such subscriber, or if the subscriber is already a Unitholder, the Register shall be amended to include his/her additional Units.

#### **14.5 Limitation of Non Resident Ownership**

- (a) Non-Residents shall not be the beneficial owners, directly or indirectly, of more than 49% of all outstanding Trust Units. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Trustees become aware that the beneficial owners of 49% of the Trust Units then outstanding are, or may be, Non-Residents or that such a situation is or may be imminent, the Transfer Agent shall make a public announcement thereof and shall not accept a subscription for Trust Units from or issue or register a transfer of Trust Units to a person unless the person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-Resident. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Trust Units are held or beneficially-owned by Non-Residents, the Trustees may send a notice to Non-Resident holders of Trust Units, chosen in inverse order to

the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell or redeem their Trust Units or a portion thereof within a specified period of not less than 60 days. If the Trust Unitholders receiving such notice have not sold or redeemed the specified number of Trust Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trust may, on behalf of such Trust Unitholders, sell or redeem such Trust Units and, in the interim, shall suspend the voting and distribution rights attached to such Trust Units. Upon such sale or redemption, the affected holders shall cease to be holders of Trust Units and their rights shall be limited to receiving the net proceeds of sale or redemption upon surrender of the certificates representing such Trust Units. The Trustees shall have no liability for any amount received provided that the Trustees acted in good faith.

- (b) Subject to Section 10.6, unless and until the Trustees shall have been required to do so under the terms hereof, the Trustees shall not be bound to do or take any proceeding or action with respect to this Section 14.5 by virtue of the powers conferred on them hereby. The Trustees shall not be deemed to have notice of any violation of this Section 14.5 unless and until they have been given written notice of such violation and shall act only as required by this Declaration of Trust once an indemnity is provided. The Trustees shall not be required to actively monitor the holdings of Non-Residents in the Trust. It is acknowledged that the Trustees may not be able to monitor the Non-Resident holders of Trust Units that are or may be registered in the name of ~~CDSC~~the Depository. The Trustees shall not be liable for any violation of the non resident ownership restriction which may occur during the term of the Trust.
- (c) Special Voting Units shall not be held by or for the benefit of Non-Residents. Each Special Voting Unitholder is deemed to have represented to the Trustees that it is not and does not hold such units for behalf of a Non-Resident and will be deemed to have covenanted to maintain such representation true for as long as it continues to hold one or more Special Voting Units. If the Trustees determine that a person has purported to become or remain, directly or indirectly, a holder of Special Voting Units in breach of the above mentioned representations or covenant, or if the Special Voting Unitholder fails to provide a declaration in form and content satisfactory to the Trustees that it is not a Non-Resident and does not hold such Units for the benefit of Non-Resident, (i) the Trustees will inform the General Partner of Master LP (or such other person who controls the entity which issued the Exchangeable Securities to which such Special Voting Units relate) and require such person to effect, forthwith, a transfer of such securities and units to a person who does not contravene the above mentioned limitation on ownership (“**New Holder**”) in accordance with the terms of the Master LP Limited Partnership Agreement or other document governing the issue and terms of exchange of the Exchangeable Securities to which such Special Voting Units relate; and (ii) effective immediately prior to the breach, such person shall be deemed to have ceased to be a holder of such Special Voting Units, the voting and distribution rights attached to such Special Voting Units shall be suspended and such Special Voting Units shall be deemed not to be outstanding until acquired by



such facts as to the loss, theft, destruction or mutilation as the Trustees may deem necessary, to surrender any mutilated certificate and to require the applicant to supply to the Trust a “lost certificate bond” or a similar bond in such reasonable sum as the Trustees or the Transfer Agent may direct indemnifying the Trust for so doing.

#### 14.7 Take Over Bid

- (a) In this Section 14.7:
  - (i) **“Dissenting Unitholder”** means a Trust Unitholder who does not accept an Offer referred to in Section 14.7(d) and includes any assignee of the Trust Unit of a Unitholder to whom such an Offer is made, whether or not such assignee is recognized under this Declaration of Trust;
  - (ii) **“Offer”** means an offer to acquire Outstanding Trust Units where, as of the date of the offer to acquire, the Trust Units that are subject to the offer to acquire, together with the Offeror’s Trust Units, constitute in the aggregate 20% or more of all outstanding Trust Units, and includes an offer made by the Trust to repurchase all of the Trust Units;
  - (iii) **“offer to acquire”** includes an acceptance of an offer to sell;
  - (iv) **“Offeror”** means a person, or two or more persons acting jointly or in concert, who make an Offer;
  - (v) **“Offeror’s Notice”** has the meaning ascribed thereto in Section 14.7(d); and
  - (vi) **“Offeror’s Trust Units”** means Trust Units beneficially owned, or over which control or direction is exercised, on the date of an Offer by the Offeror, any affiliate or associate of the Offeror or any person or company acting jointly or in concert with the Offeror.
- (b) In the event an Offer for all of the outstanding Units is made, any holder of Exchangeable Securities, including the Class B Master LP Units, may, unless prohibited by the terms and conditions of the Exchangeable Security, convert, exercise or exchange such Exchangeable Security, as applicable, for the purpose of tendering Trust Units to such Offer on the condition that such Trust Units are taken up under such Offer, unless an identical offer (in terms of price per Trust Unit issuable upon the conversion, exercise or exchange of the Exchangeable Security and percentage of outstanding securities to be taken up exclusive of securities owned immediately prior to the offer by the Offeror, or associates or affiliates of the Offeror and in all other material respects) is made concurrently by the Offeror to purchase the Exchangeable Securities, which identical offer has no condition attached other than the right not to take up and pay for securities tendered if no securities are purchased pursuant to the Offer for Trust Units. In the event that a holder of Exchangeable Securities elects to conditionally convert, exercise or exchange such Exchangeable Securities for the purpose of tendering Trust Units to such Offer, the tendering of a certificate issued by the Trust

indicating that the Trust Units are issuable upon and subject to completion of the Offer shall be good delivery under such Offer and after payment of the consideration therefor to the former holder of the Exchangeable Securities such holder shall cease to have any rights as a holder of Exchangeable Securities, Special Voting Units or Trust Units to the extent that the Trust Units issuable upon the conversion, exercise or exchange of such Exchangeable Securities have been taken up by the Offeror. For the purposes of the remainder of this Section 14.7, unless the identical Offer referred to above is made, a reference to "Trust Units" will be deemed to include Trust Units issuable upon the conversion of Exchangeable Securities.

- (c) If an Offer for all of the outstanding Trust Units (other than Trust Units held by or on behalf of the Offeror or an affiliate or associate of the Offeror) is made and, by such Offer, the Offeror agrees to be bound by the provisions of this Section 14.7, and:
  - (i) if within 120 days after the date of the Offer, the Offer is accepted by Unitholders representing at least 90% of the outstanding Trust Units, other than the Offeror's Trust Units;
  - (ii) the Offeror is bound to take up and pay for, or has taken up and paid for the Trust Units of the Unitholders who accepted the Offer; and
  - (iii) the Offeror complies with Sections 14.7(d) and 14.7(f);the Offeror is entitled to acquire, and the Dissenting Unitholders are required to sell to the Offeror, the Trust Units held by the Dissenting Unitholders for the same consideration per Trust Unit payable or paid, as the case may be, under the Offer.
- (d) Where an Offeror is entitled to acquire Trust Units held by a Dissenting Unitholder pursuant to Section 14.7(c), and the Offeror wishes to exercise such right, the Offeror shall send by registered mail within 60 days after the date of termination of the Offer and in any event within 180 days after the date of the take over bid, a notice (the "**Offeror's Notice**") to each Dissenting Unitholder stating that:
  - (i) Unitholders holding at least 90% of the Trust Units of all Unitholders, other than Offeror's Trust Units, have accepted the Offer;
  - (ii) the Offeror is bound to take up and pay for, or has taken up and paid for, the Trust Units of the Unitholders who accepted the Offer;
  - (iii) Dissenting Unitholders must transfer their respective Trust Units to the Offeror on the terms on which the Offeror acquired the Trust Units of the Unitholders who accepted the Offer within 21 days after the date of the sending of the Offeror's Notice; and
  - (iv) Dissenting Unitholders must send their respective Unit Certificate(s) (or, in the case of Exchangeable Securities, the certificates representing such

Exchangeable Securities) to the Trust within 21 days after the date of the sending of the Offeror's Notice, if such certificate has been provided.

- (e) A Dissenting Unitholder to whom an Offeror's Notice is sent pursuant to Section 14.7(d), shall, within 21 days after the sending of the Offeror's Notice, send his or her Unit Certificate(s) (or, in the case of Exchangeable Securities, the certificates representing such Exchangeable Securities) to the Trust, duly endorsed for transfer, if such certificate has been provided.
- (f) Within 21 days after the Offeror sends an Offeror's Notice pursuant to Section 14.7(d), the Offeror shall pay or transfer to the Trustees, or to such other person as the Trustees may direct, the cash or other consideration that is payable to Dissenting Unitholders pursuant to Section 14.7(b).
- (g) The Trustees, or the person directed by the Trustees, are deemed to hold in trust for the Dissenting Unitholders the cash or other consideration it receives under Section 14.7(f), but such cash or other consideration shall not form any part of the Trust's property. The Trustees, or the persons directed by the Trustees, shall deposit cash in a separate account in a Canadian chartered bank any of whose deposits are insured by the Canada Deposit Insurance Corporation or guaranteed by the Quebec Deposit Insurance Board, and shall place other consideration in the custody of a Canadian chartered bank or similar institution for safekeeping.
- (h) If the Trust is the offeror, the Trustees are deemed to hold in trust for the Dissenting Unitholders the cash or other consideration that the Trust would otherwise have had to pay or transfer to a Dissenting Unitholder under Section 14.7(f), but such cash or other consideration shall not form any part of the Trust's property. The Trustees, or the persons directed by the Trustees, shall deposit cash in a separate account in a Canadian chartered bank any of whose deposits are insured by the Canada Deposit Insurance Corporation or guaranteed by the Quebec Deposit Insurance Board, and shall place other consideration in the custody of a Canadian chartered bank or similar institution for safekeeping.
- (i) Within 30 days after the date of the sending of an Offeror's Notice pursuant to Section 14.7(d), the Trustees, if the Offeror has complied with Section 14.7(f), shall:
  - (i) do all acts and things and execute and cause to be executed all instruments as in the Trustees' opinion may be necessary or desirable to cause the transfer of the Trust Units of the Dissenting Unitholders to the Offeror and the Offeror shall be deemed to be the owner of the Trust Units of the Dissenting Unitholders referred to in Section 14.7(i) at the earlier of such transfer or the expiry of such 30 days;
  - (ii) send to each Dissenting Unitholder who has complied with Section 14.7(e) the consideration to which such Dissenting Unitholder is entitled under this Section 14.7; and

IN WITNESS WHEREOF this Fourteenth Amended and Restated Declaration of Trust has been executed by the undersigned as of the date referenced above.

**Lise Bastarache,**  
in her capacity as trustee of  
**CHARTWELL RETIREMENT  
RESIDENCES**

**~~Sidney P.H. Robinson~~Ann Davis,**  
in ~~his~~<sup>her</sup> capacity as trustee of  
**CHARTWELL RETIREMENT  
RESIDENCES**

**Huw Thomas,**  
in his capacity as trustee of  
**CHARTWELL RETIREMENT  
RESIDENCES**

## APPENDIX “D”

### BLACKLINE OF PROPOSED AMENDMENTS TO THE DECLARATION OF TRUST

CHARTWELL RETIREMENT RESIDENCES

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~~FIFTEENTH~~  
AMENDED AND RESTATED  
DECLARATION OF TRUST

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~~MARCH 23~~, 2020

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## CHARTWELL RETIREMENT RESIDENCES

### ~~FSIF~~**FIFTEENTH AMENDED AND RESTATED DECLARATION OF TRUST**

THIS DECLARATION OF TRUST is made as of July 7, 2003, as amended and restated on November 14, 2003, as amended and restated on July 1, 2005, as amended and restated on November 6, 2006, as amended and restated as of November 19, 2007, as amended and restated on July 14, 2008, as amended and restated on May 21, 2009, as amended and restated on May 20, 2010, as amended and restated on May 19, 2011, as amended and restated on April 30, 2012, as amended and restated on January 16, 2013, as amended and restated on May 15, 2014, as amended and restated on May 14, 2015, as further amended and restated on May 19, 2016, as further amended and restated on May 4, 2017 and, as further amended and restated on March 23, ~~2020 and as further amended and restated on~~ **●**, 2020.

### RECITALS

**WHEREAS** the Trust was established for the principal purpose of investing, indirectly, in a portfolio of income-producing seniors housing facilities and projects and in seniors housing operations and development management businesses; focused in Canada;

**AND WHEREAS** the business of the Trust may also include the development of senior housing facilities and investment in businesses related and ancillary to seniors housing and seniors;

**AND WHEREAS** the Trustees wish to amend and restate this Declaration of Trust in the manner herein provided to make certain amendments to permit ~~Trust Units~~meetings of Unitholders to be held ~~in uncertificated form~~electronically and to permit voting at meetings of Unitholders by means of a telephonic, electronic or other communication facility, which ~~amendments~~ are, in the opinion of the Trustees, necessary or desirable ~~and not prejudicial to the Unitholders;~~

**AND WHEREAS**, for greater certainty, the restatement of this Declaration of Trust shall not be deemed to constitute a termination of the Trust or a resettlement of this Declaration of Trust or the Trust created hereby.

### DECLARATION

**NOW THEREFORE**, the undersigned, being the Trustees, hereby confirm and declare that they agree to hold in trust as trustees all property, real, personal or otherwise, tangible or intangible, which has been at the date hereof or is hereafter transferred, conveyed or paid to or otherwise received by them as trustees or to which the Trust is otherwise entitled and all rents, income, profits and gains therefrom for the benefit of the Unitholders hereunder in accordance with and subject to the expressed provisions of this Declaration of Trust, to wit:

## 12.6 No Termination

No amendment to or amendment and restatement of this Declaration of Trust, whether pursuant to this Article 12 or otherwise, shall be construed as a termination of the Trust and the settlement or establishment of a new trust.

## ARTICLE 13 MEETINGS OF UNITHOLDERS

### 13.1 Annual and Special Meetings of Unitholders

Annual meetings of the Unitholders shall be called on a day on or before a date that is not later than fifteen months after holding the last preceding annual meeting of Unitholders, but not later than six months after the end of the Trust's preceding financial year, at a time and at a place in Canada set by the Trustees, provided that the Trustees may in their sole discretion determine that a meeting shall not be held at any place, but may instead be held entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately during the meeting pursuant to Section 13.1.1, if the Trust is able to, and does, make available such a communication facility. Notwithstanding the foregoing, the Trust may apply to the court for an order extending the time for calling an annual meeting. The business transacted at such meetings shall include (i) the presentation of the audited financial statements of the Trust for the immediately preceding fiscal year, (ii) the appointment of the Trustees for the ensuing year in accordance with Article 9, (iii) the appointment of Auditors, (iv) directing the Trustees as to the election of nominees of the Trust to serve as CSH Trustees, (v) directing the Trustees as to the election of nominees of the Trust to serve as Directors of the General Partner, and (vi) the transaction of such other business as Unitholders may be entitled to vote upon as hereinafter provided in this Article 13 or as the Trustees may determine. Special meetings of the Unitholders may be called at any time by the Trustees and, except in the circumstances contemplated by Section 105(3) of the *Business Corporations Act* (Ontario), must be called by the Trustees upon a written request of Unitholders holding in the aggregate not less than 5% of the Units then outstanding, such request, which may consist of several documents of like form each signed by one or more Unitholders, specifying in reasonable detail the business proposed to be transacted at the meeting and which must be sent to each Trustee and to the principal office of the Trust. Subject to the foregoing, if the Trustees do not within 21 days after receiving the requisition call a meeting, any Unitholder who signed the requisition may call the meeting in accordance with the provisions of this Article 13. A meeting called under this Section shall be called as nearly as possible in the manner in which meetings are to be called pursuant to this Article 13. Unless the Unitholders otherwise resolve at a meeting called under this Section 13.1, the Trust shall reimburse the Unitholders the expenses reasonably incurred by them in requisitioning, calling and holding the meeting.

The chairperson of any annual or special meeting shall be the Chairman of the Trustees or any other Trustee specified by resolutions of the Trustees or, in the absence of any Trustee, any person appointed as chairperson of the meeting by the Unitholders present. The Trustees, the officers of the Trust, the Auditors and any other person approved by the Trustees, the chairperson of the meeting or by resolution passed by a majority of the votes cast by Unitholders represented at the meeting may attend meetings of the Unitholders.

### **13.1.1 Unitholder Meeting Attendance by Telephonic, Electronic or Other Communication Facility and Electronic Voting**

If authorized by the Trustees in their sole discretion, and subject such guidelines and procedures as the Trustees may adopt, Unitholders and proxyholders not physically present at a meeting of Unitholders may, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately during the meeting, if the Trust makes available such a communication facility:

- (a) participate in a meeting of Unitholders; and
- (b) be deemed present in person and vote at a meeting of Unitholders whether such meeting is to be held at a designated place or solely by means of a telephonic, electronic or other communication facility, provided that (i) the Trust shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of a telephonic, electronic or other communication facility is a Unitholder or proxyholder, (ii) the Trust shall implement reasonable measures to provide such Unitholders and proxyholders a reasonable opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings and to vote on matters submitted to the Unitholders, and (iii) if any Unitholder or proxyholder votes or takes other action at the meeting by means of a telephonic, electronic or other communication facility, a record of such votes or other action shall be maintained by the Trust.

A Unitholder or proxyholder participating in a meeting by such means is deemed for the purposes of this Declaration of Trust to be present at the meeting.

Any person entitled to vote at a meeting of Unitholders where the Trust has made available a telephonic, electronic or other communication facility for the purposes of attending and voting at such meeting may vote by such means of the telephonic, electronic or other communication facility that the Trust has made available for that purpose. Any vote referred to in Section 13.6 may be held entirely by means of a telephonic, electronic or other communication facility if the Trust makes available such a communication facility, provided, in each case, that the facility: (i) enables the votes to be gathered in a manner that permits their subsequent verification; and (ii) permits the tallied votes to be presented to the Trust without it being possible for the Trust to identify how each Unitholder or group of Unitholders voted.

### **13.2 Notice of Meetings**

Notice of all meetings of Unitholders shall be given by unregistered mail, postage prepaid, addressed to each Unitholder at his or her last address on the books of the Trust or as otherwise permitted under this Declaration of Trust, at least 21 days and not more than 60 days before the meeting, provided that a notice of meeting is not required to be sent to Unitholders who were not registered on the records of the Trust or its transfer agent on the record date for the meeting, but failure to receive notice does not deprive a Unitholder of the right to vote at the meeting. Such notice shall specify the time when, and the place in Canada, if any, where, such meeting is to be held, and, if a meeting is to take place through a communication facility by which Unitholders and proxyholders may be deemed to be present in person, the means to access such communication facility and vote at such meeting. If a meeting is adjourned for less than



thirty days it is not necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of Unitholders is adjourned by one or more adjournments for an aggregate of thirty days or more, notice of the adjourned meeting shall be given as for an original meeting. The accidental omission to give notice or the non-receipt of such notice by a Unitholder shall not invalidate any resolution passed at any such meeting. Notwithstanding the foregoing, a meeting of Unitholders may be held at any time without notice if all the Unitholders are present or represented thereat (unless the Unitholder or other person attends the meeting for the purpose of objecting to the transaction of any business on the grounds that the meeting is not properly called) or those not so present or represented have waived notice. Any Unitholder (or a duly appointed proxy of a Unitholder) may waive any notice required to be given under the provisions of this Section, and such waiver, whether given before or after the meeting, shall cure any default in the giving of such notice.

All business to be conducted at a special meeting of Unitholders and all business to be transacted at an annual meeting of Unitholders, except consideration of the financial statements, auditor's report, election of Trustees and re-appointment of the incumbent auditor, is deemed to be special business. Notice of a meeting of Unitholders at which special business is to be transacted shall state:

- (a) the nature of the business in sufficient detail to permit a Unitholder to form a reasonable judgment thereon; and
- (b) the text of any Special Resolution (or a summary thereof) to be submitted to the meeting.

### 13.3 Unitholder Proposals

Subject to subsections (a) and (b), a Unitholder may (i) submit written notice to the Trust of any matter that the person proposes to raise at an annual meeting of Unitholders (a "Proposal") and (ii) discuss at the meeting any matter with respect to which the person would have been entitled to submit a Proposal.

- (a) To be eligible to submit a Proposal, a person:
  - (i) must be, for at least the six-month period immediately before the day on which the person submits the Proposal, the registered holder or the beneficial owner of (A) at least 1% of the total number of outstanding Units, as of the day on which the person submits a Proposal, or (B) Units whose fair market value, as determined at the close of business on the Business Day before the person submits the Proposal, is at least \$2,000; or
  - (ii) must have the support of persons who, in the aggregate, and including or not including the person that submits the Proposal, have been, for at least the six-month period immediately before the day on which the person submits the Proposal, the registered holders or beneficial owners of (A) at least 1% of the total number of outstanding Units, as of the day on which the person submits the Proposal, or (B) Units whose fair market value, as determined at the close of business on the Business Day before the person submits the Proposal, is at least \$2,000.

- (b) A Proposal must be accompanied by the following information:
  - (i) the name and address of the person submitting the Proposal and the person's supporters, if applicable; and
  - (ii) the number of Units held or owned by the person submitting the Proposal and the person's supporters, if applicable, and the date the Units were acquired.
- (c) If requested by the Trust within 14 days of the receipt of the Proposal, a person who submits a Proposal must provide proof, within 21 days following the day on which the person receives the Trust's request, or if the request was mailed to the person, within 21 days after the postmark date stamped on the envelope containing the request, that the person meets the requirements set out in subsection (a).
- (d) The Trust shall set out the Proposal in its proxy circular delivered in connection with its annual meeting or attach the Proposal thereto.
- (e) If so requested by the person who submits the Proposal, the Trust shall include in, or attach to, its proxy circular delivered in connection with its annual meeting, a statement in support of the Proposal by the person and the name and address of the person making the Proposal. The statement and Proposal so included must not exceed 500 words excluding the information required by subsection (b).
- (f) A Proposal may not include nominations for the election of Trustees and a Unitholder shall not have the right to make nominations at the meeting, unless such nomination is made in accordance with the provisions of section 9.2.1.
- (g) The Trust shall not be required to comply with subsections (d) and (e) if:
  - (i) the Proposal is submitted less than 90 days before the anniversary date of the notice of meeting that was sent to Unitholders in connection with the Trust's previous annual meeting of Unitholders;
  - (ii) it clearly appears that (A) the primary purpose of the Proposal is to enforce a personal claim or redress a personal grievance against the Trust, the Trustees, its officers, the Unitholders or other securityholders of the Trust, or (B) the Proposal does not relate in a significant way to the business or affairs of the Trust;
  - (iii) not more than two years preceding the receipt of such Proposal, the proposing person failed to present, in person or by proxy, at a meeting of Unitholders, a Proposal that, at the person's request, had been included in a proxy circular relating to a meeting of the Unitholders;
  - (iv) substantially the same proposal was submitted to Unitholders in a proxy circular relating to a meeting of the Unitholders held within five years preceding the receipt of the Proposal and the matter covered by the

Proposal did not receive the required support at that meeting. For the purposes hereof, the required support for a Proposal is:

- (A) 3% of the total number of Units voted, if the Proposal has been introduced at only one annual meeting of Unitholders;
  - (B) 6% of the total number of Units voted at the last meeting at which the matter was submitted to Unitholders, if the Proposal was introduced at two annual meetings of Unitholders; and
  - (C) 10% of the total number of Units voted at the last meeting at which the matter was submitted to Unitholders, if the Proposal was introduced at three or more annual meetings of Unitholders; or
- (v) the rights conferred by this section are being abused to secure publicity.
- (h) If a person who submits a Proposal fails to continue to hold or own the number of Units referred to in subsection (a) up to and including the day of the meeting, the Trust is not required to set out in its proxy circular, or attach to it, any proposal submitted by that person for any meeting held within two years following the date of the meeting.
  - (i) Neither the Trust nor any person acting on its behalf will incur any liability to Unitholders or any other person by reason only of circulating a Proposal or statement in compliance with this section.
  - (j) If the Trust refuses to include a Proposal in its proxy circular, it shall, within 21 days of the later of receipt of the Proposal or proof of ownership under subsection (c), as the case may be, notify in writing the person submitting the Proposal of its intention to omit the Proposal from the Trust's proxy circular and of the reasons for the refusal.
  - (k) On the application of a person submitting a Proposal who claims to be aggrieved by the Trust's refusal under subsection (j), a court may restrain the holding of the meeting to which the Proposal is sought to be presented and make any further order it thinks fit.
  - (l) The Trust or any person claiming to be aggrieved by a Proposal may apply to a court for an order permitting the Trust to omit the Proposal from the proxy circular, and the court, if it is satisfied that subsection (g) applies, may make such order as it thinks fit.

### **13.4 Court Requisitioned Meetings**

A Trustee or a Unitholder who is entitled to vote at a meeting of Unitholders may apply to a court to order a meeting of the Unitholders to be called, held, and conducted in the manner that the court directs, if:

- (a) it is impracticable to call the meeting within the time or in the manner in which those meetings are to be called pursuant to this Declaration of Trust;
- (b) it is impracticable to conduct the meeting in the manner required by this Declaration of Trust; or
- (c) the court thinks that the meeting should be called, held and conducted within the time or in the manner it directs for any other reason.

Without restricting the generality of this Section 13.4, the court may order that the quorum required by this Declaration of Trust be varied or dispensed with at a meeting called, held and conducted pursuant to this section.

A meeting called, held and conducted pursuant to this Section 13.4 is for all purposes a meeting of Unitholders duly called, held and conducted.

### 13.5 Quorum

At any meeting of the Unitholders, subject as hereinafter provided, a quorum shall consist of two or more individuals present ~~in person~~ either holding personally or representing as proxies not less in aggregate than 25% of the aggregate number of votes attached to all outstanding Units. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if called by request of Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to such day being not less than 7 days later and to such place ~~in Canada, if any,~~ and time as may be appointed by the chairperson of the meeting. If at such adjourned meeting a quorum as above defined 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 an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

### 13.6 Voting Rights of Unitholders

Only Unitholders of record shall be entitled to vote. On a poll vote at any meeting of Unitholders, each Trust Unit shall entitle the holder or holders of that Trust Unit to one vote, and each Special Voting Unit shall entitle the holder or holders of that Special Voting Unit to the number of votes determined in accordance with Section 3.1(f). Every question submitted to a meeting shall, unless a poll vote is demanded, be decided by a show of hands, on which every person present and entitled to vote shall be entitled to one vote. At any meeting of Unitholders, any holder of Units entitled to vote thereat may vote by proxy and a proxy need not be a Unitholder, provided that no proxy shall be voted at any meeting unless it shall have been received by the Transfer Agent for verification at least 24 hours, excluding Saturdays, Sundays and holidays, prior to the commencement of such meeting. When any Unit is held jointly by several persons, any one of them may vote at any meeting ~~in person~~ personally or by proxy in respect of such Unit, but if more than one of them shall be present at such meeting ~~in person~~ personally or by proxy, and such joint owners or their proxies so present disagree as to any vote to be cast, such vote purporting to be executed by or on behalf of a Unitholder shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

### 13.7 Certain Matters on which Unitholders must Vote

None of the following shall occur unless the same has been duly approved by the Unitholders at a meeting duly called and held:

- (a) subject to Sections 8.1, 9.2 and 9.6, a change in the number, the election or removal, of Trustees;
- (b) except as provided in Article 18, the appointment or removal of auditors of the Trust;
- (c) the appointment of an inspector as provided in Section 13.14;
- (d) the exercise of certain voting rights attached to the CSH Trust Units and common shares in Trustee Corp. held by the Trust and to the Class A Master LP Units held by CSH Trust as provided in Sections 10.4 and 13.1; or
- (e) any amendment to the Declaration of Trust (except as provided in Section 4.5 or Article 12).

Nothing in this Section, however, shall prevent the Trustees from submitting to a vote of Unitholders at a meeting any matter which they deem appropriate.

### 13.8 Meaning of “Special Resolution”

- (a) The expression “Special Resolution” when used in this Declaration of Trust means, subject to this Article 13, a resolution proposed to be passed as a special resolution at a meeting of Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions of this Section at which two or more individuals present in person either holding personally or representing as proxies not less in aggregate than 20% of the number of votes attached to the Units then outstanding and passed by the affirmative votes of the holders of at least two-thirds of the Units represented at the meeting and voted on such resolution.
- (b) Notwithstanding Section 13.3, if at any meeting at which a Special Resolution is proposed to be passed the holders of 20% of the aggregate number of votes attached to all outstanding Units are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Unitholders, shall be dissolved, but in any other case it shall stand adjourned to such date, being not less than 21 nor more than 60 days later and to such place in Canada and time as may be appointed by the chairperson of the meeting. Not less than 10 days prior notice shall be given of the time and place of such adjourned meeting in the manner provided in Section 13.2. Such notice shall state that at the adjourned meeting the Unitholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting, the Unitholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally

convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 13.8(a) shall be a Special Resolution within the meaning of this Declaration of Trust, notwithstanding that the holders of less than 20% of the aggregate number of Units then outstanding are present in person or by proxy at such adjourned meeting.

- (c) For the purpose of a separate class vote by the holders of Trust Units or Special Voting Units as a class as provided herein, the expression “Special Resolution” means a resolution proposed to be passed at a separate meeting of holders of Trust Units or Special Voting Units, as the case may be, at which meeting the provisions of this Article 13 shall apply *mutatis mutandis*.

### 13.9 Meaning of “Outstanding”

Subject to the provisions of Article 14, every Unit issued, certified and delivered hereunder, whether issued in uncertificated or certificated form, shall be deemed to be outstanding until it shall be cancelled or delivered to the Trustees or Transfer Agent for cancellation provided that:

- (a) when a new certificate has been issued in substitution for a Unit Certificate which has been lost, stolen, mutilated or destroyed, only one of such Unit Certificates shall be counted for the purposes of determining the number of Units outstanding; and
- (b) for the purpose of any provision of this Declaration of Trust entitling holders of outstanding Units to vote, sign consents, requisitions or other instruments or take any action under this Declaration of Trust, Units deemed not to be outstanding pursuant to Sections 14.5 and Units owned directly or indirectly, legally or equitably, by the Trust, CSH Trust, Master LP or any affiliate thereof shall be disregarded, except that:
  - (i) for the purpose of determining whether the Trustees shall be protected in relying on any such vote, consent, requisition or other instrument or action only the Units which the Trustees know are so deemed or owned shall be so disregarded; and
  - (ii) Units so owned which have been pledged in good faith other than to the Trust, CSH Trust, Master LP or an affiliate thereof shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustees the pledgee’s right to vote such Units in his or her discretion free from the control of the Trust, CSH Trust, Master LP or any affiliate thereof;
- (c) for the purposes of Section 13.9(b), CSH Trust and Master LP shall provide a certificate which will state the number of Units and the certificate numbers of Unit Certificates, if such certificates are issued, of the Trust, which are held by CSH Trust, Master LP or any affiliate thereof. The Trustees shall be entitled to rely on such certificates in order to disregard the votes of any of the parties mentioned above.

### 13.10 Units Held by the Trust

- (a) If the Trust holds any Units, the Trust shall not vote or permit those Units to be voted unless:
  - (i) the Trust holds the Units for the benefit of the beneficial owner;
  - (ii) the Trust, without delay following the filing or receipt by the Trust, as applicable, of the notice of the meeting, financial statements, management proxy circular, dissident's proxy circular and any other documents (other than the form of proxy) sent to registered Unitholders entitled to vote at the applicable meeting by or on behalf of any person for use in connection with the applicable meeting, sends a copy of the document to the beneficial owner of the Units and, except where the Trust has received written voting instructions from the beneficial owner of the Units, a written request for such instructions; and
  - (iii) the Trust receives written voting instructions from the beneficial owner of the Units;

in which case the Trust shall vote, or appoint a proxyholder to vote, any such Units in accordance with any written voting instructions received from the beneficial owner thereof.

- (b) A Unitholder by or on behalf of whom a solicitation is made shall provide, at the request of the Trust, without delay, to the Trust at the Unitholder's expense the necessary number of copies of the documents referred to in subsection (a), other than copies of the document requesting voting instructions.
- (c) If a beneficial owner of Units held by the Trust so requests and provides the Trust with appropriate documentation, the Trust must appoint the beneficial owner or a nominee of the beneficial owner as proxyholder.
- (d) The Trust, the Trustees and the Unitholders agree that the failure of the Trust to comply with this section does not render void any meeting of Unitholders or any action taken at the meeting.
- (e) Nothing in this section gives the Trust the right to vote Units that the Trust is otherwise prohibited from voting.
- (f) The Trust shall not permit any of its subsidiaries holding Units to vote, or permit those Units to be voted, unless the subsidiary satisfies the requirements of subsection (a).

### 13.11 Record Date for Voting

For the purpose of determining the Unitholders who are entitled to vote or act at any meeting or any adjournment thereof, the Trustees may fix a date not more than 60 days and not less than 21 days prior to the date of any meeting of Unitholders as a record date for the

determination of Unitholders entitled to vote at such meeting or any adjournment thereof, and any Unitholder who was a Unitholder at the time so fixed shall be entitled to receive notice of and vote at such meeting or any adjournment thereof even though the Unitholder has since that time disposed of his or her Units, and no Unitholder becoming such after that time shall be so entitled to vote at such meeting or any adjournment thereof, unless the Trustees determine otherwise. In the event that the Trustees do not fix a record date for any meeting of Unitholders, the record date for such meeting shall be the date upon which notice of the meeting is given as provided under Section 13.2.

### 13.12 Proxies

Whenever the vote or consent of Unitholders is required or permitted under this Declaration of Trust, such vote or consent may be given either directly by the Unitholder or by a proxy. The instrument appointing a proxy must be in writing and either substantially in a form which may be approved by the Trustees acting reasonably or as may be satisfactory to the chairman of the meeting at which it is sought to be exercised. The instrument of proxy must be executed, or in Quebec, signed by the Unitholder giving the proxy or by his or her agent duly authorized in writing and, if given on behalf of joint holders, must be executed by all of them and may be revoked by any of them, and, if given by a Unitholder which is a body corporate, must be executed or, in Quebec, signed on its behalf by a person duly authorized in writing. Any person may be appointed a proxy, whether or not that person is a Unitholder. The Trustees, on behalf of the Trust, may solicit instruments of proxy from the Unitholders or any of them in respect of any matter requiring or permitting the Unitholders' vote or consent. The Trustees may specify in a notice calling a meeting of Unitholders a time not exceeding twenty-four hours, excluding Saturdays, Sundays and holidays, before the meeting or adjournment before which time proxies to be used at the meeting must be deposited with the Trust or its agent or mandatory in order to be voted at the meeting. In any event, no proxy shall be voted at any meeting unless it shall have been received by the Trust or its agent or mandatory prior to the commencement of the meeting.

An instrument of proxy executed in compliance with the foregoing shall be valid unless challenged at the time of or prior to its exercise and the person challenging the instrument shall have the burden of proving, to the satisfaction of the chairman of the meeting at which the instrument is proposed to be used, that the instrument of proxy is invalid. Any decision of the chairman of the meeting in respect of the validity of an instrument of proxy shall be final and binding upon all persons. An instrument of proxy shall be valid only at the meeting with respect to which it was solicited or any adjournment thereof.

A Unitholder may revoke a proxy:

- (a) by depositing an instrument or act in writing executed or, in Quebec, signed by the Unitholder or by the Unitholder's personal representative authorized in writing:
  - (i) at the principal office of the Trust at any time up to and including the last business day preceding the day of the meeting, or an adjournment thereof, at which the proxy is to be used; or
  - (ii) with the chairman of the meeting on the day of the meeting or any adjournment thereof, or



- (iii) in any other manner permitted by law.

A vote cast in accordance with any proxy shall be valid notwithstanding the death, incapacity, insolvency or bankruptcy of the Unitholder giving the proxy or the revocation of the proxy unless written notice of the death, incapacity, insolvency, bankruptcy of the Unitholder or revocation of the proxy has been received by the chairman of the meeting prior to the time the vote is cast.

### **13.13 Personal Representatives**

Subject to the provisions of Article 14, if a Unitholder is deceased, his personal representative, upon filing with the secretary of the meeting such proof of his appointment as the secretary considers sufficient, shall be entitled to exercise the same voting rights at any meeting of Unitholders as the Unitholder would have been entitled to exercise if the Unitholder were living and for the purpose of the meeting shall be considered to be a Unitholder. Subject to the provisions of the will of a deceased Unitholder, if there is more than one personal representative, the provisions of Section 13.6 relating to joint holders shall apply.

### **13.14 Appointment of Inspector**

The Trustees shall call a meeting of Unitholders upon the written request of Unitholders holding in the aggregate not less than 25% of the Units then outstanding for the purpose of considering the appointment of an inspector to investigate the performance by the Trustees of their responsibilities and duties in respect of the Trust. An inspector may be appointed for such purpose, at the expense of the Trust, at such meeting by a resolution approved by a majority of the votes cast at the meeting.

### **13.15 Conduct of Meetings**

To the extent that the rules and procedures for the conduct of a meeting of Unitholders are not prescribed herein, the rules and procedures shall be such reasonable rules and procedures as are determined by the Chairman of the meeting and such rules and procedures shall be binding upon all parties participating in the meeting.

### **13.16 Binding Effect of Resolutions**

Every resolution passed at a meeting in accordance with the provisions of this Article 13 shall be binding upon all Unitholders, whether present at or absent from the meeting. Subject to Section 13.7, no action taken by Unitholders at any meeting of Unitholders shall in any way bind the Trust or the Trustees without the approval of the Trustees.

### **13.17 Resolution in Lieu of Meeting**

Notwithstanding any other provision of this Declaration of Trust, a resolution signed in writing by all of the Unitholders entitled to vote on that resolution at a meeting of the Unitholders is as valid as if it had been passed at a meeting of the Unitholders.

### 13.18 Actions by Unitholders

Any action, change, approval, decision or determination required or permitted to be taken or made by the Unitholders hereunder shall be effected by a resolution passed by the Unitholders at a duly constituted meeting (or a special resolution in lieu thereof) in accordance with this Article 13.

## ARTICLE 14 REGISTRATION AND TRANSFER OF UNITS

### 14.1 No Alteration

- (a) The provisions of this Article 14 shall not in any way alter the nature of the Units or the relationships of a Unitholder to the Trustees and of one Unitholder to another but are intended only to facilitate the recording of all transactions in respect of Trust Units whether by the Trust, securities dealers, stock exchanges, transfer agents, registrars or other persons.
- (b) Unless the Trustees otherwise determine, Trust Units will be issued in the name of and deposited by the Transfer Agent with, or on behalf of, the Depository, as custodian, and registered by the Transfer Agent in the name of the Depository or its nominee, in the Book-Entry System.
- (c) Except as otherwise provided in this Article 14, Trust Units registered in the name of and deposited by the Transfer Agent with the Depository or its nominee (including Trust Units held in the Book-Entry System), may be: (i) held electronically through the NCI System; or (ii) represented by a global Unit Certificate issued in the name of the Depository or its nominee. Trust Units held in the Depository will be purchased, transferred and surrendered for redemption through a CDS Participant. All rights of holders of beneficial interests in Trust Units held through the Depository (“**Beneficial Owners**”) must be exercised through, and all payments or other property to which such Beneficial Owners are entitled will be made or delivered by, the Depository or the CDS Participant through which the Beneficial Owner holds such Trust Units.
- (d) Except as described below, a Beneficial Owner will not be entitled to a certificate or other instrument from the Trust or the Transfer Agent evidencing that person’s interest in or ownership of Trust Units, nor, to the extent applicable, will such Beneficial Owner be shown on the records maintained by the Depository, except through the accounts of CDS Participants acting on behalf of the Beneficial Owners. The Depository will be responsible for establishing and maintaining accounts for CDS Participants having interests in the Trust Units, and sales of interests in the Trust Units held through the Depository can only be completed through CDS Participants.. Transfers of Trust Units between CDS Participants shall occur in accordance with the Depository’s rules and procedures.
- (e) Trust Units may be issued in fully registered form to holders or their nominees, if any, who purchase the Trust Units pursuant to a private placement of Trust Units made in reliance upon Rule 144A (or other registration exemption) adopted under

# 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.

### ***Risk Management***

14. 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.



# DON'T FORGET TO OTE

Your participation as a unitholder is very important to us.

## CORPORATE & UNITHOLDER INFORMATION

### TRUSTEES AND/OR DIRECTORS

**MICHAEL HARRIS**, Chair

**LISE BASTARACHE**

**BRENT BINIONS**

**ANN DAVIS**

**ANDRÉ KUZMICKI**

**SHARON SALLOWS**

**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

### UNITHOLDER 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

#### 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



## **CORPORATE HEAD OFFICE**

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