NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 11, 2023

March 27, 2023

This document is important and requires your immediate attention. It requires shareholders of Medical Facilities Corporation to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax, or other professional advisors. If you require assistance with voting your shares, please contact our proxy solicitation agent, Laurel Hill Advisory Group, by telephone at 1.877.452.7184 toll free in North America, 1.416.304.0211 for calls outside North America or by email at assistance@laurelhill.com.

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the "**Meeting**") of the shareholders of Medical Facilities Corporation (the "**Corporation**") will be held on Thursday, the 11th day of May, 2023 at the hour of 11:00 a.m. (Eastern time) by virtual only meeting via live audio webcast online at **https://meetnow.global/MVHRCF5** for the following purposes:

1. **TO RECEIVE** the financial statements of the Corporation for the year ended December 31, 2022, together with the report of the auditors thereon;

2. **TO ELECT** members of the Board of Directors of the Corporation for the coming year;

3. **TO APPOINT** Grant Thornton LLP as the auditors of the Corporation for the coming year and to authorize the Board of Directors of the Corporation to fix the remuneration to be paid to the auditors; and

4. **TO TRANSACT** such further or other business as may properly come before the Meeting and any and all adjournments thereof.

Your vote is important regardless of the number of shares you hold. As a shareholder, you have the right to vote your shares in respect of the election of directors, appointment of the auditors, and any other items that may properly come before the Meeting. To assist with your decisions, you are encouraged to read the accompanying management information circular.

The vast majority of shareholders typically vote by proxy in advance of the Meeting. The Corporation encourages its shareholders to vote in advance of the Meeting as described below.

The Corporation will hold the Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will have an equal opportunity to participate in the Meeting online regardless of their geographic location. Shareholders will not be able to attend the Meeting in person.

Registered shareholders and duly appointed proxyholders will be able to vote and submit questions at the Meeting, all in real time, provided they are connected to the Internet and comply with all of the requirements set out in the accompanying management information circular. Non-registered shareholders who wish to be recognized as shareholders at the Meeting should refer to the information provided under the headings "*Appointment of a Proxyholder*" and "*Voting by Non-Registered Shareholders*" of the accompanying management information circular and follow the instructions provided by their financial intermediary to appoint themselves as proxyholders. Non-registered shareholders who have not duly appointed themselves as proxyholders will be able to attend the Meeting as guests but will not be able to vote at the Meeting.

The Corporation is using "notice and access" procedures to furnish proxy materials to shareholders over the Internet. The Corporation believes that this delivery process will expedite shareholders' receipt of proxy materials and lower the cost and reduce the environmental impact of the Meeting. On or about April 11, 2023, shareholders will be sent a notice and access notification containing instructions on how to access proxy materials for the fiscal year ended December 31, 2022. The notice and access notification also provides instructions on how to vote and includes instructions on how to receive a paper copy of the proxy materials by mail.

The Board of Directors of the Corporation has fixed the record date for the Meeting as March 23, 2023 (the "**Record Date**") for determining shareholders entitled to receive notice of, and to vote at, the Meeting, or any postponement or adjournment thereof.

Please exercise your right to vote by signing and returning the enclosed form of proxy using the enclosed return envelope or following the instructions contained in the accompanying management information circular to vote by facsimile. The form of proxy should arrive not less than 48 hours before the time set for the holding of the Meeting or any adjournment or postponement thereof (excluding Saturdays, Sundays, and holidays) before any reconvened meeting.

Shareholders that hold their shares with a financial intermediary will receive a voting instruction form in order to instruct their intermediary how to vote on their behalf. These shareholders may also vote at the Meeting as detailed under the heading "*Voting Instructions*" of the accompanying management information circular. Shareholders are encouraged to vote online or by telephone to ensure their vote is received in advance of the Meeting.

If you have any questions or need any additional information, please contact your professional advisors or you may contact Laurel Hill Advisory Group, the Corporation's proxy solicitation agent, North American toll free at 1.877.452.7184, for calls outside North America at 1.416.304.0211, or by email at assistance@laurelhill.com.

The accompanying management information circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

DATED at Toronto, Ontario this 27th day of March, 2023

BY ORDER OF THE BOARD OF DIRECTORS

"*Michael V. Gisser*"

Chair of the Board of Directors
Medical Facilities Corporation

MANAGEMENT INFORMATION CIRCULAR SUMMARY

This summary highlights information contained elsewhere in this management information circular. It does not contain all of the information that you should consider. Please read the entire management information circular carefully before voting.

Meeting Information

Date: Thursday, May 11, 2023

Time: 11:00 a.m. Eastern Time

Place: The meeting will be held in virtual only format.
https://meetnow.global/MVHRCF5

Voting Reccomendations

Proposal	Board Recommendation
To elect members of the Board of Directors	FOR
To appoint Grant Thornton LLP as auditors and fix remuneration	FOR

Record Date

You are entitled to vote at the meeting if you were a holder of common shares at the close of business on March 23, 2023.

Vote Deadline

To ensure that your vote is counted, please vote by 11:00 a.m. Eastern time on May 9, 2023.

Shareholder Engagement

Investor Relations

MBC Capital Markets Advisors is responsible for maintaining communications with the investing public. Investor Relations staff are available to shareholders by email at: theisler@maisonbrison.com.

Management

The Chief Executive Officer and the executive team meet regularly with financial analysts and institutional investors.

Live Broadcasts

Quarterly earning calls with analysts are broadcast live and are archived on our investor relations website at https://www.medicalfacilitiescorp.ca/Investors/events-presentations.aspx.

How You Can Vote

Your vote is important. To ensure that your shares will be represented and voted at the meeting, please submit your vote as soon as possible by one of the following methods:

Internet

You will need to have your form of proxy or voting instruction form in hand. Go to the website listed on the form that you received and follow the instructions on the screen.

Telephone

You will need to have your proxy form or voting instruction form in hand. Dial the phone number listed on the form that you received and follow the voting prompts.

Mail

Complete your proxy form or voting instruction form and return using the enclosed postage-paid envelope.

MANAGEMENT INFORMATION CIRCULAR

This management information circular ("**information circular**") is furnished in connection with the solicitation of proxies by or on behalf of management of Medical Facilities Corporation (the "**Corporation**") for use at the annual meeting (the "**Meeting**") of shareholders (the "**Shareholders**") of the Corporation to be held on May 11, 2023 commencing at 11:00 a.m. (Eastern time), and at all postponements or adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting. **The Meeting will be held in a virtual only format, which will be conducted via live audio webcast online at https://meetnow.global/MVHRCF5. Shareholders will not be able to attend the Meeting in person.** A summary of the information Shareholders will need to attend the Meeting online is provided under the heading "*Participation at the Meeting*" below.

The information contained herein is given as at March 27, 2023, except where otherwise noted. All dollar amounts herein are in U.S. dollars, unless otherwise indicated.

NON-IFRS FINANCIAL MEASURES

This information circular contains certain financial metrics that do not have a standardized meaning under International Financial Reporting Standards ("**IFRS**"), and, therefore, may not be comparable to similar measures presented by other issuers. The Corporation's management's discussion and analysis for the year ended December 31, 2022 contains reconciliations of non-IFRS financial measures to their most directly comparable measure under IFRS and includes additional information regarding these financial metrics, including definitions, under the headings "Non-IFRS Financial Measures" and "Reconciliation of Non-IFRS Financial Measures".

PROXY SOLICITATION, MEETING ATTENDANCE AND VOTING

SOLICITATION OF PROXIES

The solicitation of proxies for the Meeting will be made using the notice and access mechanism, but proxies may also be solicited personally, in writing, by mail or by telephone by employees of the Corporation, at nominal cost. The Corporation will bear the cost in respect of the solicitation of proxies for the Meeting and will bear the legal, printing and other costs associated with the preparation of this information circular.

The Corporation has retained Laurel Hill Advisory Group ("**Laurel Hill**") to provide the following services in connection with the Meeting: reviewing and analysing this information circular, recommending corporate governance best practices where applicable, liaising with proxy advisory firms, developing and implementing Shareholder communication and engagement strategies, advising with respect to the Meeting and proxy protocol, reporting and reviewing the tabulation of Shareholder proxies, and soliciting Shareholder proxies, including contacting Shareholders by telephone. Additionally, the Corporation may utilize the Broadridge QuickVote™ service to assist eligible non-registered shareholders with voting their shares over the telephone. These shareholders may be contacted by Laurel Hill to conveniently obtain a vote directly over the telephone. In connection with these services, Laurel Hill is expected to receive a fee of C$30,000 plus reasonable out-of-pocket expenses.

APPOINTMENT AND REVOCATION OF PROXIES

Together with this information circular, Registered Shareholders (defined below) will also be sent a form of proxy. The persons named in such proxy are officers of the Corporation. **A Shareholder who wishes to appoint some other person to represent him, her or it at the Meeting may do so by inserting such other person's name in the blank space provided in the form of proxy or by completing another proper form of proxy. Such other person need not be a Shareholder of the Corporation.** Please follow the instructions on the form of proxy and refer to information under the heading "*Voting Instructions*" below.

To be valid, proxies must be delivered in person, by mail or by courier to Computershare Investor Services Inc. ("**Computershare**") at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or via facsimile to 1.866.249.7775 (within North America) or 416.263.9524 (outside of North America). The proxy must be deposited with Computershare not later than 11:00 a.m. (Eastern time) on Tuesday, May 9, 2023. If the Meeting is adjourned, proxies must be deposited 48 hours (excluding Saturdays, Sundays, and holidays) before the time set for any reconvened meeting at which the proxy or instructions are to be used unless the chair of the Meeting elects to exercise his discretion to accept proxies received subsequently.

The document appointing a proxy must be in writing and completed and signed by a Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as officers, attorneys, executors, administrators, trustees, etc., should so indicate and provide satisfactory evidence of such authority.

A Registered Shareholder who has given a proxy may revoke the proxy:

(a) by completing and signing a proxy bearing a later date and depositing it in accordance with the instructions on the form of proxy;

(b) by depositing an instrument in writing executed by the Shareholder or by his, her or its attorney authorized in writing at the registered office of the Corporation at any time up to 48 hours (excluding Saturdays, Sundays, and holidays) before the time set for the applicable Meeting, or any adjournment thereof, at which the proxy is to be used;

(c) as to any matter on which a vote has not already been cast pursuant to the authority conferred by the proxy instrument, by signing a written notice of revocation and delivering it to the chair or secretary of the Meeting; or

(d) in any other manner permitted by law.

Non-registered Beneficial Shareholders (defined below) who wish to change their vote must arrange for their respective Intermediary (defined below) to revoke the proxy on their behalf.

VOTING OF PROXIES

The persons named in the form of proxy will vote or withhold from voting common shares of the Corporation ("**Common Shares**") in respect of which they are appointed on any ballot that may be called for, in accordance with the instructions of the Shareholder as indicated on the proxy. If a Shareholder specifies a choice on the proxy with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

In the absence of such specification, Common Shares will be voted in the following manner:

(a) **FOR** the election, separately, of each of the nominees to the board of directors (the "**Board of Directors**" or the "**Board**") listed under the heading "*Matters to be Considered at the Meeting – Election of Directors*"; and

(b) **FOR** the appointment of Grant Thornton LLP as auditors of the Corporation and to authorize the Board of Directors to fix the auditors' remuneration as described under the heading "*Matters to be Considered at the Meeting – Appointment of Auditors*".

The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments to or variations of matters identified in the form of proxy and the Notice of Meeting and with respect to other matters that may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting, it is the intention of the persons designated in the form of proxy to vote in accordance with their best judgment on such matter or business. At the time of printing this information circular, the Board of Directors know of no such amendments, variations or other matters.

PARTICIPATION AT THE MEETING

The Corporation will hold the Meeting in a virtual-only format, which will be conducted via live audio webcast. Shareholders will have an equal opportunity to participate in the Meeting online regardless of their geographic location. Shareholders will not be able to attend the Meeting in person.

Registered Shareholders and duly appointed proxyholders will be able to vote and submit questions at the Meeting. Non-registered Beneficial Shareholders will be able to appoint proxyholders, including themselves, and vote and submit questions at the Meeting. Non-registered Beneficial Shareholders who fail to appoint themselves as proxyholders will only be able to attend the Meeting as guests. Guests will not be able to vote or submit questions at the Meeting.

Registered Shareholders and duly appointed proxyholders have to be connected to the Internet at all times in order to be able to vote when prompted. It is the responsibility of Registered Shareholders and duly appointed proxyholders to ensure connectivity for the duration of the Meeting. Please allow ample time to check into the Meeting online and complete the related procedure. Please refer to the virtual meeting user guide filed on SEDAR at **www.sedar.com** and on the Corporation's website at **https://www.medicalfacilitiescorp.ca/Investors/shareholder-information.aspx** for additional information.

The following are instructions on how to attend the Meeting for (i) Registered Shareholders, (ii) duly appointed proxyholders (including non-registered Beneficial Shareholders who have appointed themselves as proxyholders), (iii) guests and non-registered Shareholders who did not appoint themselves as proxyholders, and (iv) Beneficial Shareholders holding Common Shares with U.S. broker or custodian.

1. Registered Shareholders

Registered Shareholders can participate in the Meeting by going to **https://meetnow.global/MVHRCF5**, clicking on "**Shareholder**" and entering the 15-digit Control Number located on the form of proxy or in the email notification from Computershare.

Registered Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting **must submit their proxy prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invitation Code to participate in the Meeting.** To register a proxyholder, Shareholders **MUST** visit **https://www.computershare.com/MedicalFacilities** by 11:00 a.m. (Eastern time) on Tuesday, May 9, 2023, and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with an Invitation Code via email.

2. Duly Appointed Proxyholders

Duly appointed proxyholders (including non-registered Beneficial Holders who have appointed themselves as proxyholders) can participate in the Meeting by going to **https://meetnow.global/MVHRCF5**, clicking on "**Shareholder**" and entering an Invitation Code sent to them by Computershare. Duly appointed proxyholders using the Invitation Code provided by Computershare to login to the Meeting must accept the terms and conditions to represent the Common Shares appointed to them.

3. Guests and Non-Registered Shareholders who did not Appoint themselves as Proxyholders

Guests and non-registered Shareholders who do not have a 15-digit Control Number or Invitation Code can participate in the Meeting by going to **https://meetnow.global/MVHRCF5**, clicking on "**Guest**" and completing the online form.

4. Beneficial Shareholders Holding Common Shares with U.S. Broker or Custodian

If you are a Beneficial Shareholder holding your Common Shares with a U.S. broker or custodian, you must first obtain a valid legal proxy from your broker, bank, or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker, bank, or other agent included with the Meeting materials, or contact your broker, bank, or other agent to request a legal proxy form.

After obtaining a valid legal proxy from your broker, bank or other agent, you must register to attend the Meeting by submitting a copy of your legal proxy to Computershare. Requests for registration should be directed by mail to Computershare Investor Services, Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or by email to **uslegalproxy@computershare.com**. Requests for registration must be labeled as "Legal Proxy" and be received no later than 11:00 a.m. (Eastern time) on Tuesday, May 9, 2023. Confirmation of registration will be provided by email after Computershare receives your registration materials. Please note that you are required to register your appointment at **https://www.computershare.com/MedicalFacilities**.

VOTING INSTRUCTIONS

Who Can Vote

Shareholders of record as of the close of business on March 23, 2023 (the "**Record Date**") are entitled to receive notice of and vote at the Meeting.

Voting by Registered Shareholders

Registered Shareholders are those who have a share certificate issued in their name or appear as the registered shareholders on the books of the Corporation ("**Registered Shareholders**").

The following are instructions for Registered Shareholders only. If you are a non-registered Shareholder, please follow your Intermediary's instructions on how to vote your Common Shares. See below under the heading "*Voting by Non-Registered Shareholders*."

Voting by Proxy

Registered Shareholders are encouraged to vote by proxy ahead of the Meeting as follows:

> **Mail:** Complete, date and sign the enclosed form of proxy and return it to the Corporation's transfer agent, Computershare, no later than 11:00 a.m. (Eastern time) on Tuesday, May 9, 2023, or 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting, by mail to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 using the envelope provided.
>
> **Facsimile**: By transmitting completed, dated and signed form of proxy by facsimile to Computershare toll free at 1.866.249.7775 (within North America) or 416.263.9524 (outside North America) no later than 11:00 a.m. (Eastern time) on Tuesday, May 9, 2023, or 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting.

The chair of the Meeting may waive or extend the proxy cut-off time in his sole discretion without notice.

If a Shareholder who has submitted a proxy attends the Meeting and has accepted the terms and conditions when entering the Meeting online, any votes cast by such Shareholder on a ballot will be counted and the submitted proxy will be disregarded.

Voting at the Meeting

Registered Shareholders can vote at the Meeting as follows:

- Go to **https://meetnow.global/MVHRCF5** prior to the start of the Meeting to login.
- Click on "**Shareholder**" and enter the 15-digit Control Number located on the form of proxy or in the email notification you received before the start of the Meeting**.**
- Follow the instructions to access the Meeting.

Registered Shareholders have to be connected to the Internet at all times in order to be able to vote when prompted. It is a Registered Shareholder's responsibility to ensure connectivity for the duration of the Meeting. Please allow ample time to check into the Meeting online and complete the related procedure. Please refer to the virtual meeting user guide filed on SEDAR at **www.sedar.com** and on the Corporation's website at **https://www.medicalfacilitiescorp.ca/Investors/shareholder-information.aspx** for additional information.

Voting by Non-Registered Shareholders

Information set forth in this section is very important to persons who hold Common Shares other than in their own names.

A non-registered shareholder of the Corporation (a "**Beneficial Shareholder**") is one who beneficially owns Common Shares but such Common Shares are registered in the name of an intermediary, such as a securities broker, financial institution, trustee, custodian or other nominee who holds securities on behalf of the Beneficial Shareholder or in the name of a clearing agency in which the intermediary participates (all of which are referred to as "**Intermediary**" or "**Intermediaries**" in this information circular).

The vast majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and Broadridge and Mediant Communications Inc. ("**Mediant**") in the U.S.

Beneficial Shareholders should note that only proxies or instructions deposited by Shareholders whose names are on the records of the Corporation as the registered holders of such shares can be recognized and acted upon at the Meeting. Common Shares that are listed in an account statement provided to a Beneficial Shareholder by an Intermediary are registered in the name of CDS Clearing and Depository Services Inc. ("**CDS**"), or its nominee, and not in the Beneficial Shareholder's own name on the records of the Corporation.

Applicable regulatory policy in Canada requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of securityholders' meetings. Every Intermediary has their own mailing procedures and provides their own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to that provided to Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder on how to vote on behalf of the Beneficial Shareholder.

Voting by Proxy through Intermediary

Through Broadridge or Mediant: If a Beneficial Shareholder's Intermediary is registered with Broadridge or Mediant, please follow instructions on the voting instruction form to vote by mail, over the Internet, or telephone.

Through Intermediary: In some instances, a Beneficial Shareholder will be given a voting instruction form or other document by his or her Intermediary that must be submitted by the Beneficial Shareholder in accordance with the instructions provided by the Intermediary. In such case, a Beneficial Shareholder must follow the Intermediary's instructions (which in some cases may allow the completion of the voting instruction form by telephone or on the Intermediary's Internet website). Occasionally, a Beneficial Shareholder may be given a form of proxy that has been signed by the Intermediary and is restricted to the number of Common Shares owned by the Beneficial Shareholder but is otherwise not completed. This form of proxy does not need to be signed by the Beneficial Shareholder. In this case, complete the form of proxy and vote by mail only in the same manner as described above under the heading "*Voting by Registered Shareholders – Voting by Proxy*".

Beneficial Shareholders who wish to attend the Meeting and vote their own Common Shares should enter their own names in the blank space on the voting instruction form provided to them and return the same to their Intermediary in accordance with the instructions provided by their Intermediary well in advance of the Meeting.

The persons named in the accompanying voting instruction form will vote or withhold from voting Common Shares in respect of which they are appointed on any ballot that may be called for, in accordance with the instructions of the Beneficial Shareholder as indicated on the voting instruction form and, if a Beneficial Shareholder specifies a choice on the voting instruction form with respect to any matter to be acted upon, the Common Shares will be voted accordingly. If no instruction is provided, the proxy will be vote **FOR** each motion.

The Corporation has elected to utilize "notice and access" delivery to furnish this information circular and the proxy form to Beneficial Shareholders by (i) distributing a notification of Meeting along with the form of proxy to Intermediaries for distribution to Beneficial Shareholders, and (ii) posting this information circular on the Corporation's website at **https://www.medicalfacilitiescorp.ca/Investors/shareholder-information.aspx**. Refer to section under the heading "*Notice and Access*" for further information.

Voting at the Meeting

The voting instruction form that is sent to Beneficial Shareholders by the Intermediary should also explain how to attend and vote directly at the Meeting or appoint someone to attend and vote on Beneficial Shareholder's behalf. To do so, a Beneficial Shareholder needs to appoint himself or herself or another person as their proxyholder. Refer to the section under the heading "*Appointment of a Proxyholder*" below for further information.

A Beneficial Shareholder who has appointed themselves or a third party as proxyholder will then be able to participate and vote at the Meeting as follows:

- Go to **https://meetnow.global/MVHRCF5** prior to the start of the Meeting to login.
- Click on "**Shareholder**" and enter a Control Number or an Invitation Code before the start of the Meeting.
- Follow the instructions to access the Meeting and vote when prompted.

Appointment of a Proxyholder

The following applies to Shareholders who wish to appoint another person other than the management nominees identified in the form of proxy or voting instruction form as proxyholder, including Beneficial Shareholders who wish to appoint themselves or someone else as proxyholders to attend, participate and vote at the Meeting (a "**Proxyholder**").

To appoint a Proxyholder, Shareholders **MUST** submit their form of proxy or voting instruction form, as applicable, appointing that person as Proxyholder **AND** then register that Proxyholder online, as described below. Registering a Proxyholder is an additional step that must be completed **AFTER** the form of proxy or voting instruction form has been submitted. **Failure to register the Proxyholder will result in the Proxyholder not receiving an Invitation Code that is required to vote at the Meeting and only being able to attend as a guest.**

- **Step 1: Submit your form of proxy or voting instruction form**: To appoint a Proxyholder, insert that person's name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form.
- **Step 2: Register the Proxyholder**: To register a Proxyholder, Shareholders must visit **http://www.computershare.com/MedicalFacilities** by no later than 11:00 a.m. (Eastern time) on Tuesday, May 9, 2023, and provide Computershare with the required Proxyholder contact information so that Computershare may provide the Proxyholder with their Invitation Code via email. Without an Invitation Code, Proxyholders will not be able to vote at the Meeting.

Shareholders may choose to direct how their Proxyholders shall vote on matters before the Meeting or any adjournment or postponement thereof. Unless Shareholders instruct otherwise, Proxyholders will have full authority to attend, vote, and otherwise act in respect of all matters before the Meeting or any adjournment or postponement thereof, even if these matters are not set out in the form of proxy, voting instruction form or information circular.

In order to participate and vote at the Meeting, Proxyholders must have received an email from Computershare containing an Invitation Code.

Please contact the Corporation's proxy solicitation agent, Laurel Hill, North American toll free at 1.877.452.7184, for calls outside North America at 1.416.304.0211, or by email at assistance@laurelhill.com with any questions regarding the Meeting.

NOTICE AND ACCESS

National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102, *Continuous Disclosure Obligations* allow for the use of the notice and access system for the delivery to shareholders of certain materials, including notice of meeting, management information circular, annual financial statements and management's discussion and analysis (collectively, the "**Meeting Materials**") by reporting issuers.

Under the notice and access system, reporting issuers are permitted to deliver the Meeting Materials by posting them on SEDAR at **www.sedar.com** as well as a website other than SEDAR and sending a notice package to shareholders that includes: (i) the relevant form of proxy or voting instruction form; (ii) basic information about the meeting and the matters to be voted on; (iii) instructions on how to obtain a paper copy of the Meeting Materials; and (iv) a plain-language explanation of how the notice and access system operates and how the Meeting Materials can be accessed online.

As described in the notice and access notification to be mailed to the Shareholders of the Corporation on or about April 11, 2023, the Corporation has elected to deliver its Meeting Materials to Beneficial Shareholders using the notice and access system. These Beneficial Shareholders will receive a notice and access notification which will contain the prescribed information. Registered Shareholders and those Beneficial Shareholders with existing instructions on their account to receive printed materials will receive a printed copy of the Meeting Materials with the notice package.

The Corporation intends to pay for proximate intermediaries to deliver Meeting Materials and Form 54-101F7 (the request for voting instructions) to "objecting beneficial owners", in accordance with National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares. Holders of Common Shares are entitled to one vote per Common Share on all matters to be voted on at all meetings of shareholders. As at March 27, 2023, there were 25,526,162 Common Shares issued and outstanding. Most of the outstanding Common Shares are registered in the name of CDS.

At the Meeting, each Shareholder of record at the close of business on the Record Date will be entitled to one vote for each Common Share held on all matters to come before the Meeting.

To the knowledge of the directors of the Corporation, as of March 27, 2023, there were no persons who beneficially owned or exercised control or direction over Common Shares carrying 10% or more of the votes attached to the issued and outstanding Common Shares.

MATTERS TO BE CONSIDERED AT THE MEETING

ELECTION OF DIRECTORS

Advance Notice of Director Nominations

The Corporation's Advance Notice Policy applies to director nominations. Shareholders who wish to nominate candidates for election as directors must provide timely notice in writing to the Secretary of the Corporation at 4576 Yonge Street, Suite 701, Toronto, Ontario, M2N 6N4, Canada, and include the information set out in the Advance Notice Policy. As the Corporation is utilizing the notice and access system for the delivery to Shareholders of the Meeting Materials, the notice must be made not less than forty days prior to the date of the Meeting. The full text of the Advance Notice Policy is available on the Corporation's website at **www.medicalfacilitiescorp.ca** and under the Corporation's profile on SEDAR at **www.sedar.com**.

Proposed Management Nominees for Election as Directors

The number of directors nominated for election at the Meeting is six.

The persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, intend to vote for the election, as directors, of each of the proposed nominees whose names are set out below.

The Board has assessed the relative attributes, skills, experience, and diversity of the six directors standing for re-election, and is satisfied that the nominees adequately fulfill the Board composition requirements. It is not contemplated that any of the proposed nominees will be unable to serve as a director but, if that should occur 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 director elected will hold office until the next annual meeting or until his or her successor is elected or appointed.

The Corporation will issue a press release following the Meeting and will file under the Corporation's profile on SEDAR at **www.sedar.com** the results of voting regarding all items of business conducted at the Meeting, including the number of votes cast for and withheld from each individual director.

Snapshot of Director Nominees

Name	Director Since	Principal Occupation	Independent	Committee Memberships		Other Current Public Boards
				AC	CGNC	
Yanick Blanchard	2022	Corporate and Financial Advisor	✓	C		-
Erin S. Enright	2018	Managing Partner, Prettybrook Partners LLC	✓		C	1
Michael V. Gisser	2022	Corporate Director and Advisor	✓	●	●	-
Jason P. Redman	2022	Interim President and Chief Executive Officer, Medical Facilities Corporation	-			-
Reza Shahim	2017	Neurosurgeon	-			-
Adina G. Storch	2022	Senior Vice President, General Counsel and Corporate Secretary, Global Industrial Company	✓	●	●	-

AC = Audit Committee CGNC = Corporate Governance, Nominating and Compensation Committee C = Chair ● = Member

2022 Election Results

Four of the six 2023 nominees were elected as directors at the Corporation's 2022 annual and special meeting of shareholders. The Corporation received proxies and votes at the meeting with regard to voting on the directors nominated for election as set forth in the table below. This table does not include nominees that were appointed to the Board in September 2022.

Nominee	Votes For	% of Votes For	Votes Withheld	% of Votes Withheld
Lois Cormack	11,199,829	83.56%	2,203,457	16.44%
Stephen Dineley	12,351,576	92.15%	1,051,710	7.85%
Erin S. Enright	12,498,913	93.25%	904,373	6.75%
Michael V. Gisser	13,184,839	98.37%	218,447	1.63%
Robert O. Horrar	12,302,940	91.79%	1,100,346	8.21%
Jason P. Redman	12,707,881	94.81%	695,405	5.19%
Reza Shahim	12,431,605	92.75%	971,681	7.25%

In addition to the election of directors, the appointment of the auditors of the Corporation, including authorizing the directors of the Corporation to fix the remuneration of the auditors, was approved by 93.48% of votes received by proxy and at the meeting, and the amendment of the articles of the Corporation was approved by 94.04% of votes received by proxy and at the meeting.

The following sets forth the names of the persons who have been nominated for election as directors and provides certain other information, including the voting securities that they own directly and indirectly, for each nominee.

Yanick Blanchard
Corporate and Financial Advisor
Outremont, Quebec, Canada

Age: 48
Director Since: September 12, 2022
Independent

Mr. Blanchard has over 20 years of experience in the finance sector. Mr. Blanchard chairs the Audit Committee of Medical Facilities Corporation (TSX:DR) and is an experienced executive who most recently served as Executive Vice-President, Managing Director, and Global Head of Corporate & Investment Banking for National Bank of Canada where he was responsible for overseeing all investment banking, M&A, credit capital market, and loan structuring and syndication activities. He was also Chair of National Bank's Financial Markets Management Committee and Capital Allocation Committee. At National Bank, Mr. Blanchard led a team of over 250 professionals based in Calgary, Montreal, New York, Toronto, and Vancouver, and spearheaded the implementation of National Bank's corporate strategy for the delivery of integrated service offerings for all corporate clients. Mr. Blanchard holds a Chartered Financial Analyst designation and a bachelor's degree in finance from HEC Montreal university.

Areas of Expertise

Executive Leadership

Canadian Financial Markets

Mergers and Acquisitions

Risk Management

Board and Committee Membership(1)(6)

	Term in 2022	**Meeting Attendance**	
Board of Directors	September 12 – December 31	Regularly Scheduled	2 of 2 (100%)
		Non-Regularly Scheduled	3 of 3 (100%)
Audit Committee (Chair)	September 12 – December 31	1 of 1 (100%)	

Other Public Board Directorships

None

Securities Held

Common Shares(2)	**Deferred Share Units**(3)	**Total**	**Total Value**(4)	**2022 Compensation**
100,000	7,573	107,573	$770,445	$46,315

Minimum Share Ownership Requirements(5)

Target Ownership at December 31, 2022	**Meets Target Requirements**
N/A	N/A / Target date to meet share ownership requirements: September 12, 2027

Erin S. Enright
Managing Partner, Prettybrook Partners LLC
Austin, Texas, United States

Age: 61
Director Since: August 8, 2018
Independent

Ms. Enright currently serves as a Managing Partner of Prettybrook Partners LLC, a family office dedicated to investing in healthcare companies. She serves as the Chair of the Board, Chair of the Nominating and Governance Committee and member of the Audit Committee and Compensation Committee of Dynatronics Corporation (NASDAQ:DYNT); is a member of the Board of Directors and Chair of the Corporate Governance, Nominating and Compensation Committee of Medical Facilities Corporation (TSX:DR); and is a member of the Board and Chair of the Audit Committee of Keystone Dental, Inc., a private company controlled by the private equity firm Accelmed. Previously, she served on the Boards of Directors and chaired the Audit Committees of each of Brooklyn ImmunoTherapeutics, Inc. (NASDAQ:BTX) and Amarin Corporation plc (NASDAQ:AMRN); on the Board of Directors and the Audit Committee of Biolase, Inc. (NASDAQ:BIOL); and was a member of the Board of Directors of Tigerlabs, a Princeton-based business accelerator, and Ceelite Technologies, LLC. She was the President of Lee Medical, a medical device manufacturer based in Plainsboro, New Jersey, from 2004 to 2013. She was Chief Financial Officer of InfuSystem, Inc. (NASDAQ:INFU) from 2005 to 2007. From 1993 to 2003, Ms. Enright was with Citigroup, most recently as a Managing Director in its Equity Capital Markets group. Prior to Citigroup, Ms. Enright was an attorney with Wachtell, Lipton, Rosen & Katz. Ms. Enright received her A.B. from the Woodrow Wilson School of Public and International Affairs at Princeton University and J.D. from the University of Chicago Law School.

Areas of Expertise

Mergers and Acquisitions

U.S. Healthcare Industry

Business Strategy

Finance/Financial Reporting

Board and Committee Membership(1)(7)

	Term in 2022	Meeting Attendance	
Board of Directors	January 1 – December 31	Regularly Scheduled	6 of 6 (100%)
		Non-Regularly Scheduled	9 of 9 (100%)
Audit Committee	January 1 – September 12	3 of 3 (100%)	
Corporate Governance, Nominating and Compensation Committee (Chair)	June 21 – December 31	3 of 3 (100%)	

Other Public Board Directorships

Dynatronics Corporation

Securities Held

Common Shares(2)	Deferred Share Units(3)	Total	Total Value(4)	2022 Compensation
-	104,191	104,191	$746,226	$171,500

Minimum Share Ownership Requirements(5)

Target Ownership at December 31, 2022	Meets Target Requirements
N/A	N/A / Target date to meet share ownership requirements: August 8, 2023

Michael V. Gisser
Corporate Director and Advisor
Seattle, Washington, United States

Age: 66
Director Since: May 7, 2022
Independent

Mr. Gisser is an experienced executive, board member and advisor. In addition to being the Chair of the Board of Directors of Medical Facilities Corporation (TSX:DR), he is Chairman of the Compensation Committee and a member of the Audit Committee at Continental General Insurance, a Texas-regulated underwriter of long-term care insurance. Mr. Gisser is also a Senior Advisor at Cognitive Leap (a digital medicine company) and Atomico (Europe's largest venture capital firm). As a lawyer, Mr. Gisser led the development of the Asia Pacific region for Skadden over twenty years as the firm's senior M&A partner in Greater China. He is a leader in global change of control transactions and fundraising, as well as a recognized expert on financial and governance matters.

Areas of Expertise

Executive Leadership

Financial Markets

Finance/Financial Reporting

Legal/Regulatory

Board and Committee Membership(1)(8)

	Term in 2022	Meeting Attendance	
Board of Directors (Chair)	May 7 – December 31	Regularly Scheduled	4 of 4 (100%)
		Non-Regularly Scheduled	7 of 7 (100%)
Audit Committee	May 7 – December 31	3 of 3 (100%)	
Corporate Governance, Nominating and Compensation Committee	May 7 – December 31	4 of 4 (100%)	

Other Public Board Directorships

None

Securities Held

Common Shares(2)	Deferred Share Units(3)	Total	Total Value(4)	2022 Compensation
-	17,343	17,343	$124,211	$112,718

Minimum Share Ownership Requirements(5)

Target Ownership at December 31, 2022	Meets Target Requirements
N/A	N/A / Target date to meet share ownership requirements: May 7, 2027

Jason P. Redman
Interim President and Chief Executive Officer, Medical Facilities Corporation
Stouffville, Ontario, Canada

Age: 48
Director Since: May 7, 2022
Executive Director

Mr. Redman is an interim President and Chief Executive Officer of Medical Facilities Corporation and its corporate subsidiaries. He brings over 20 years of experience in operations and financial management as well as a proven ability to execute growth strategies and complete complex M&A transactions across numerous sectors. He is an experienced C-suite executive who has served as Chief Financial Officer at Newstrike Brands Ltd. (TSX-V:HIP), Chief Financial Officer at SiriusXM Canada (TSE:XSR), and President at Armtec Infrastructure Inc. (TSE:ARF). Mr. Redman holds a Master of Accounting from the University of Waterloo in addition to an MBA from the Kellogg School of Management at Northwestern University. He is a Canadian Chartered Accountant, Chartered Professional Accountant, and a U.S. Certified Public Accountant-Delaware.

Areas of Expertise

Executive Leadership

Mergers and Acquisitions

Business Strategy

Finance/Financial Reporting

Board and Committee Membership(1)(9)

	Term in 2022	Meeting Attendance	
Board of Directors	May 7 – December 31	Regularly Scheduled	4 of 4 (100%)
		Non-Regularly Scheduled	7 of 7 (100%)
Audit Committee	May 7 – October 20	2 of 2 (100%)	
Corporate Governance, Nominating and Compensation Committee	September 12 – October 20	None	

Other Public Board Directorships

None

Securities Held

Common Shares(2)	Deferred Share Units(3)	Total	Total Value(4)	2022 Compensation(10)
-	4,678	4,678	$33,505	$64,926

Minimum Share Ownership Requirements(5)

Target Ownership at December 31, 2022	Meets Target Requirements
N/A	N/A / Target date to meet share ownership requirements: May 7, 2027

Reza Shahim, M.D.
Neurosurgeon
Little Rock, Arkansas, United States

Age: 55
Director Since: August 17, 2017
Non-Executive Non-Independent

Dr. Shahim is a neurosurgeon specializing in all aspects of neurosurgical care and minimally invasive spine surgery. Dr. Shahim practices at Neurological Surgery Associates and Arkansas Surgical Hospital, where he also serves on the Board of Managers. Dr. Shahim is board certified by the American Board of Neurological Surgery and is a member of the Pulaski County Medical Society. He received his Medical Degree in 1995 from the University of Arkansas for Medical Sciences and acquired his Neurosurgical Training at the University of Kentucky Medical Center in Lexington, Kentucky.

Areas of Expertise

U.S. Healthcare Industry

Business Strategy

Executive Leadership

Legal/Regulatory

Board and Committee Membership

	Term in 2022	Meeting Attendance	
Board of Directors	January 1 – December 31	Regularly Scheduled	6 of 6 (100%)
		Non-Regularly Scheduled	9 of 9 (100%)

Other Public Board Directorships

None

Securities Held[11]

Common Shares[2]	Deferred Share Units[3]	Total	Total Value[4]	2022 Compensation
-	106,673	106,673	$764,001	$136,500

Minimum Share Ownership Requirements[5]

Target Ownership at December 31, 2022	Meets Target Requirements
$300,000	Yes

Adina G. Storch
Senior Vice President, General Counsel and Corporate Secretary, Global Industrial Company
Port Washington, New York, United States

Age: 51
Director Since: September 12, 2022
Independent

Ms. Storch is a seasoned attorney and advisor to corporate boards with over 24 years of experience, including serving as General Counsel, Chief Compliance Officer and Corporate Secretary to two publicly-traded U.S. companies, and in private practice advising corporations in Europe and the U.S. on international capital markets transactions, regulatory compliance, corporate governance and litigation matters. Ms. Storch is presently the Senior Vice President, General Counsel and Corporate Secretary of Global Industrial Company (NYSE:GIC). Previously, Ms. Storch served as Executive Vice President, General Counsel and Corporate Secretary of Cedar Realty Trust, Inc., a former U.S. shopping center REIT (NYSE:CDR). In private practice, Ms. Storch was a litigation partner at Kasowitz, Benson, Torres & Friedman LLP and an international capital markets lawyer in the Paris office of Shearman & Sterling LLP. Ms. Storch holds a J.D. from The Yale Law School, where she served on the Yale Law Journal, and a B.A. summa cum laude from Yale College.

Areas of Expertise

Corporate Governance

Risk Management

Legal/Regulatory

Compensation and Human Resources

Board and Committee Membership(1)(12)

	Term in 2022	Meeting Attendance	
Board of Directors	September 12 – December 31	Regularly Scheduled	2 of 2 (100%)
		Non-Regularly Scheduled	3 of 3 (100%)
Audit Committee	September 12 – December 31	1 of 1 (100%)	
Corporate Governance, Nominating and Compensation Committee	September 12 – December 31	2 of 2 (100%)	

Other Public Board Directorships

None

Securities Held

Common Shares(2)	Deferred Share Units(3)	Total	Total Value(4)	2022 Compensation
-	3,312	3,312	$23,723	$40,720

Minimum Share Ownership Requirements(5)

Target Ownership at December 31, 2022	Meets Target Requirements
N/A	N/A / Target date to meet share ownership requirements: September 12, 2027

(1) Along with Dr. R. Blake Curd, Dr. Jeffrey S. Marrs, Dr. Lew W. Papendick and Dr. Brad Thaemert, members of the board of directors of Medical Facilities America, Inc. ("**MFA**") and Medical Facilities (USA) Holdings, Inc. ("**MFH**"), which are the Corporation's U.S. corporate subsidiaries.

(2) The information as to the Common Shares beneficially owned, directly or indirectly, including by associates or affiliates, not being within the knowledge of the Corporation, has been furnished by the respective nominees individually and is stated as at December 31, 2022.

(3) In addition to the Common Shares, the non-executive directors may own a number of deferred share units, issued pursuant to the Corporation's Deferred Share Unit Plan, the cash settlement value of which is tied to the value of the Common Shares at the relevant payment date. The number of deferred share units held by each non-executive director is stated as at December 31, 2022.

(4) For purposes of measurement, which is in accordance with the Corporation's Policy re: Directors' Ownership of Securities, the market value of the Common Shares and deferred share units was calculated using the Common Share value of C$9.7075 which was the average of the closing prices of the Common Shares on the Toronto Stock Exchange on March 31, 2022, June 30, 2022, September 30, 2022, and December 30, 2022. The market value of the Common Shares and deferred share units was converted into U.S. dollars using The Wall Street Journal closing exchange rate on December 30, 2022: US$1 = C$1.3554.

(5) Refer to the section under the heading "*Compensation of Directors – Directors' Securities Ownership Requirements*" for details about each non-executive director's ownership of the Corporation's securities, including minimum share ownership guidelines and dates to meet these minimum share ownership guidelines.

(6) Mr. Blanchard was appointed to the Board and Audit Committee on September 12, 2022. Mr. Blanchard was appointed chair of the Audit Committee on October 20, 2022.

(7) Ms. Enright stepped down from the Audit Committee on September 12, 2022. Ms. Enright was appointed to the Corporate Governance, Nominating and Compensation Committee on June 21, 2022, and its chair on September 12, 2022.

(8) Mr. Gisser was appointed to the Board, Audit Committee and Corporate Governance, Nominating and Compensation Committee on May 7, 2022. Mr. Gisser was appointed Chair of the Board of Directors on September 12, 2022.

(9) Mr. Redman was appointed to the Board and Audit Committee on May 7, 2022. Mr. Redman was appointed Chair of the Audit Committee and to the Corporate Governance, Nominating and Compensation Committee on September 12, 2022. Effective October 21, 2022, Mr. Redman was appointed interim President and Chief Executive Officer of the Corporation. Mr. Redman continues to serve as a member of the Board but stepped down from the Audit Committee and Corporate Governance, Nominating and Compensation Committee. He attends all committee meetings in his capacity as interim President and Chief Executive Officer.

(10) During his tenure as interim President and Chief Executive Officer of the Corporation, Mr. Redman does not receive director compensation. Refer to the section under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis*" for details of his executive compensation.

(11) As of the date of the information circular, Dr. Shahim has an indirect ownership of 4.36% in Arkansas Surgical Hospital, LLC through his ownership interest in the related holding entity, AR Surgical Holdings Company, LLC. 10% of this ownership interest is exchangeable for a maximum of 36,438 Common Shares.

(12) Ms. Storch was appointed to the Board, Audit Committee and Corporate Governance, Nominating and Compensation Committee on September 12, 2022.

Majority Voting Policy

The Board has adopted a policy for majority voting for individual directors. Under the policy, if a director nominee in an uncontested election receives, from the Common Shares voted at the Meeting in person or by proxy, a greater number of votes "withheld" than votes "for", he or she is required to promptly submit his or her resignation to the Board, to take effect upon acceptance by the Board. The Corporate Governance, Nominating and Compensation Committee (the "**CGNC Committee**") will consider and recommend to the Board whether or not to accept such resignation, and, with the exception of special circumstances that would warrant the continued service of the applicable director on the Board, the CGNC Committee is expected to accept and recommend acceptance of the resignation by the Board. In considering whether or not to accept the resignation, the CGNC Committee will consider all factors deemed relevant by members of the CGNC Committee including, without limitation, the stated reasons why Shareholders withheld votes from the election of that nominee, the length of service and the qualifications of the director whose resignation has been submitted, such director's contributions to the Corporation, the effect such resignation may have on the Corporation's ability to comply with any applicable governance rules and policies, and the dynamics of the Board.

Within 90 days of the Meeting at which the election was held, the Board shall make its decision, on the CGNC Committee's recommendation. The Board will take into account the factors considered by the CGNC Committee and such additional information and factors that the Board may deem to be relevant and, absent exceptional circumstances, shall accept the director's resignation offer. The resignation will be effective when accepted by the Board. Any director who tenders his or her resignation pursuant to the majority voting policy will not participate in any deliberations on the resignation offer by the CGNC Committee or the Board. The Board will announce its decision (including, if applicable, the reasons for not accepting any resignation) promptly via press release.

Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions

To the knowledge of the Corporation, none of its directors and officers is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or officer ceased to be a director, chief executive officer or chief financial officer and resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Corporation, none of its directors or officers (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or 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 (ii) has, within ten years prior to the date hereof, 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 the assets of the director or executive officer.

To the knowledge of the Corporation, none of its directors or officers has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to invest in the Corporation.

APPOINTMENT OF AUDITORS

In furtherance of the Corporation's stated objective to pursue strong corporate governance practices, the Corporation conducted a request for proposal for a new provider of external audit services. As a result of that process, the Corporation concluded to recommend to the Shareholders that Grant Thornton LLP, Chartered Professional Accountants ("**Grant Thornton**") replace KPMG LLP, Chartered Professional Accountants ("**KPMG**") as auditors of the Corporation.

On March 17, 2023, the Board, upon unanimous recommendation of the Audit Committee, resolved to propose to Shareholders that Grant Thornton be appointed as its auditor upon the expiry of the term of appointment of KPMG on May 11, 2023. Attached to this information circular as Schedule "F" are copies of the documents filed with the applicable securities regulatory authorities relating to the change of auditor, including copies of the Notice of Change of Auditor and letters from KPMG, as predecessor auditor, and Grant Thornton, as successor auditor, (collectively, the "**Reporting Package**"). The Reporting Package will be filed on SEDAR at **www.sedar.com** under the Corporation's profile on or about March 31, 2023. As indicated in the Notice of Change of Auditor, there were no reportable events (including disagreements, unresolved issues and consultations) in connection with the audits of the Corporation's financial statements by KPMG for the two most recently completed financial years as at the date of the Notice of Change of Auditor, being the reports for the financial years ended December 31, 2022 and 2021.

To be effective, the resolution to appoint Grant Thornton as auditors of the Corporation and to authorize the Directors to fix their remuneration must be approved by a simple majority of the votes cast by Shareholders, present or represented by proxy, at the Meeting.

The persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, will vote such proxies in favour of a resolution to appoint Grant Thornton LLP as auditors of the Corporation and to authorize the directors to fix their remuneration.

FINANCIAL STATEMENTS

The consolidated financial statements of the Corporation for the year ended December 31, 2022, together with the Auditors' Report thereon, are available on the Corporation's website at **https://www.medicalfacilitiescorp.ca/Investors/Financial-Reports.aspx**, on SEDAR at **www.sedar.com**, and in print, free of charge, to any Shareholder who requests a copy by contacting the Corporation at 1.855.925.6014 (within North America) or 416.925.6014 (outside of North America).

No formal action will be taken at the Meeting to approve the financial statements. If any Shareholder has questions regarding such financial statements, such questions may be brought forward at the Meeting.

STATEMENT OF EXECUTIVE COMPENSATION

NAMED EXECUTIVE OFFICERS

For the purposes of this information circular, the Corporation's named executive officers (the "**NEOs**") are the individuals serving as Chief Executive Officer and Chief Financial Officer, and each of the three most highly compensated executive officers of the Corporation and its subsidiaries whose total individual compensation was more than C$150,000 for the most recently completed financial year.

The table below sets forth the name and position of the individuals who were the Corporation's NEOs for the year ended December 31, 2022.

Name	Position
Jason Redman	Interim President and Chief Executive Officer since October 21, 2022 ("**Interim CEO**")
Robert Horrar	President and Chief Executive Officer until October 20, 2022 ("**Former CEO**")
David Watson	Chief Financial Officer ("**CFO**")
James Rolfe	Chief Development Officer ("**CDO**")
John Schario	Chief Operating Officer until December 30, 2022 ("**Former COO**")
R. Blake Curd, M.D.	Chief Executive Officer of Sioux Falls Specialty Hospital, LLP, an MFC Partnership (as defined below)

The discussion which follows applies to Messrs. Redman, Horrar, Watson, Rolfe and Schario as Dr. Curd's compensation is not controlled by the Corporation but determined at the MFC Partnership level. The Corporation does not directly engage in business activities. The Corporation indirectly holds interests in surgical facilities ("**MFC Partnerships**"). The Corporation receives cash distributions from MFC Partnerships through its interests in those facilities, which it uses to pay dividends on its outstanding Common Shares. The Corporation protects its interests in the stream of cash distributions through specific contractual rights, such as, for example, approval rights for specified fundamental transactions or changes in distribution policy. Compensation at the MFC Partnership level is not a matter in respect of which the Corporation has approval rights. The Corporation relies on the non-controlling owners of the MFC Partnerships to exercise discipline in the partners' joint interest on compensation matters at the local level.

Henceforth in this information circular, Messrs. Redman, Horrar, Watson, Rolfe and Schario are collectively referred to as "**Executives**".

COMPENSATION DISCUSSION AND ANALYSIS

Corporate Governance, Nominating and Compensation Committee

The Corporation's CGNC Committee reviews, reports, and makes recommendations on executive and director compensation to the Board of Directors of the Corporation.

The CGNC Committee is comprised of the following independent directors who have skills and experience relevant to the CGNC Committee's responsibilities for compensation matters.

CGNC Committee Member	Relevant Skills and Experience
Erin Enright (Chair)	Ms. Enright was appointed to the CGNC Committee in June 2022 and has been its chair since September 2022. Ms. Enright's experience includes serving on nominating, governance and compensation committees of publicly-listed and private companies and as a corporate executive. She is the Chair of the Nominating and Governance Committee and a member of the Compensation Committee of Dynatronics Corporation (NASDAQ:DYNT), a publicly-traded medical products company focused on the physical therapy, athletic training and chiropractic markets. She was the President of Lee Medical, a medical device manufacturer, from 2004 to 2013, and Chief Financial Officer of InfuSystem, Inc. (NASDAQ:INFU) from 2005 to 2007. In her career as an executive and a director on public and private boards, Ms. Enright has gained extensive experience with governance and compensation matters. Her current directorships also provide additional exposure to recent executive compensation matters and trends.

CGNC Committee Member	Relevant Skills and Experience
Michael Gisser	Mr. Gisser was appointed to the CGNC Committee in May 2022. Mr. Gisser is Chairman of the Compensation Committee at Continental General Insurance, a regulated underwriter of long-term care insurance. In addition, Mr. Gisser has served as general counsel for public companies and guided their decision-making regarding disclosure matters. As an advisor on M&A transactions, developing and negotiating creative approaches to executive compensation has proven an effective way to create opportunities for the companies Mr. Gisser has been involved in.
Adina Storch	Ms. Storch was appointed to the CGNC Committee in September 2022. As a public company General Counsel and Chief Compliance Officer, Ms. Storch has had primary responsibility for designing governance policies and compliance frameworks to maintain alignment with evolving best practices in corporate stewardship. Among other initiatives, Ms. Storch has been the principal architect of corporate policies pertaining to insider stock trading, hybrid/return to work requirements, whistleblowing reporting and investigation, corporate and political giving, ethics, and diversity and inclusion. Ms. Storch has created ESG platforms from the ground up for two public companies, as well as designed and implemented director nomination, selection and vetting protocols in conformity with commitments to board diversity. Ms. Storch has also had primary responsibility for drafting annual proxy statements, scripting shareholder communications on executive compensation and governance topics, superintending director fiduciary education and authoring director onboarding manuals. She has been a key contributor to designing the structure of both long- and short-term incentive plans for executives, and is thoroughly conversant with market views on favoured and problematic pay practices, concepts of pay/performance alignment, stock ownership guidelines, change in control triggers, deferred compensation issues, and other critical concepts in executive employment. A frequent media contributor on compliance topics, Ms. Storch has spoken publicly to live and broadcast audiences on a host of governance topics, including giving a televised interview on proper board oversight of compliance and how to mount effective corporate compliance frameworks. Ms. Storch has defended companies and crisis-managed media strategy in litigations involving high-profile executive departures, and has overseen litigation and risk management more generally for all employment matters, domestic and international, at two U.S. public companies. Although admitted to practice law in the U.S. only, Ms. Storch has experience managing workforce and employment law matters in both the U.S. and Canada.

Collectively, the experiences of the CGNC Committee members ensure that the CGNC Committee functions effectively in reviewing, assessing and recommending to the Board appropriate compensation policies and practices for the Corporation.

In respect of executive and director compensation, the CGNC Committee is responsible, among other things, for:

- Reviewing and making recommendations to the Board concerning the quantum and form of compensation of executive officers. In discharging that mandate, the CGNC Committee is responsible for implementing requisite processes to ensure that the compensation program for the executive officers is maintained at a fair and competitive level, consistent with the best interests of the Corporation.

- Reviewing with the Chair of the Board and the Chief Executive Officer ("**CEO**") the long-term goals and objectives of the Corporation in relation to compensation.

- Reviewing and approving the position description of the executive officers and the performance goals and objectives relevant to the compensation of the senior executive officers, evaluating the executive officers' performance in light of those goals and objectives, and taking those performance reviews into account in making recommendations to the Board concerning the executive officers' compensation levels. In determining the executive officers' compensation, the CGNC Committee considers, among other things, the Corporation's performance and relative investor return, the value of similar incentive awards at comparable companies, the achievement of corporate and individual objectives, and the awards given to the executive officers in past years.

- Reviewing and recommending to the Board compensation of directors, the Chair of the Board, and those acting as committee chairs to, among other things, ensure compensation appropriately reflects their responsibilities and fairly and appropriately compensates them for the discharge of those responsibilities.

- Selecting and engaging a compensation advisor to assist in the evaluation of executive and director compensation and approving the advisor's fees and other retention terms.

Additional information regarding the CGNC Committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations, and manner of reporting can be found in the CGNC Committee's Charter included in this information circular as Schedule "B".

Compensation Philosophy and Process

The philosophy of the Corporation's executive compensation program is to attract, motivate and retain a highly skilled executive team and directly align their compensation to the attainment of both corporate and personal performance objectives. The Corporation's approach is to encourage executive officers to make decisions and take actions that will create long-term sustainable growth and result in long-term shareholder value creation.

To accomplish continued growth of business, while discouraging excessive risk-taking, the executive compensation program has been designed, under the direction of the CGNC Committee, with the following objectives:

- Provide market competitive compensation levels necessary to attract and retain high quality executive officers;
- Align the interests of executive officers with those of Shareholders;
- Reward executive officers for their individual and collective contributions to the Corporation's success; and
- Incorporate sound risk management principles and high standards of good governance.

The CGNC Committee has established a process to review the executive compensation annually as outlined below. Decisions in respect of executive officers other than the CEO are made in consultation with and on recommendation by the CEO.

Reviewing Compensation Design and Market Trends
• The CGNC Committee, with input from an external compensation consultant and the CEO, reviews the design and purpose of all executive compensation pay elements in terms of alignment to business strategy, overall compensation philosophy, and market best practices. • The CGNC Committee reviews and considers any feedback from shareholders and proxy advisory firms regarding executive compensation program and policies. • The CGNC Committee reflects on market trends and emerging practices in executive compensation. • The CGNC Committee reviews a compilation of vested and unvested restricted share units, performance share units, deferred share units, and stock options. • Management updates the CGNC Committee on actual performance against pre-established targets for performance-based short-term incentive.

Setting Compensation and Targets for Fiscal Year
• External compensation consultant uses compensation peer group data to inform the CGNC Committee of competitive pay levels for executive officers. • The CGNC Committee reviews base salaries for the year, approves corporate and personal performance objectives under the short-term incentive program, and sets vesting conditions for long-term incentives.

Assessing Results and Approving Compensation
• The CEO develops compensation recommendations based on performance of the executive officers against the pre-determined goals set for the fiscal year for approval by the CGNC Committee.
• The CEO presents an assessment of his individual performance results and discusses his performance against his goals for the year. A formal CEO performance review takes place annually.
• The CGNC Committee assesses the Corporation's performance to determine if targets were met, and conducts CEO's performance review and discusses CEO's performance for the prior fiscal year.
• The CGNC Committee recommends for approval by the Board short-term and long-term executive compensation.

All components of executive compensation are subject to approval by the Board.

Risk Considerations

The CGNC Committee, in developing and administering the compensation framework and plans for the Corporation, specifically takes into consideration the alignment of interests of the compensated executive officers and those of the Corporation (and its stakeholders). As part of that consideration, the CGNC Committee is responsible for assessing risks in relation to the compensation policies and practices, and for developing policies and practices to mitigate and address any such risks. The CGNC Committee is satisfied that the compensation policies and practices of the Corporation do not give rise to risks likely to have any material adverse effect on the Corporation.

Key elements of the Corporation's executive compensation program which help limit excessive risk-taking include the following:

- **Periodic review of incentive plans:** Compensation plans are designed to reward desired behaviours and achievement of objectives, with consideration of the Corporation's business strategy and risk appetite.

- **Program structure:** The pay mix is balanced between fixed and variable pay and between short- and long-term incentives, including the use of share units (consisting of performance share units and deferred share units), restricted share units, and stock options. Share units are the primary vehicle to award regular annual long-term incentive grants. Restricted share units are awarded on an *ad-hoc* basis. Stock options are only granted upon the initial engagement of executive officers and are not granted as an element of regular or ongoing compensation.

- **Clear objectives connect performance to payout:** There are clear pre-determined corporate and individual objectives outlined for executive officers and their performance relative to those objectives is monitored and measured. Objectives are established taking into account the Corporation's longer-term business strategy and include non-financial as well as earnings and revenue measures.

- **Short-term incentives are capped:** Annual short-term incentives are set based on a target annual short-term incentive plan opportunity equal to 50% of base salary for the CFO and CDO, while the actual entitlements range between zero and 150% of target for each of the CFO and CDO, based on achievement of performance objectives. The Former CEO's annual short-term incentive was set based on a target annual short-term incentive plan opportunity equal to 75% of base salary, and the actual entitlement ranged between zero and 200% of target, based on achievement of performance objectives. The Former COO's annual short-term incentive was set based on a target annual short-term incentive plan opportunity equal to 40% of base salary, while the actual entitlement ranged between zero and 150% of target, based on achievement of performance objectives.

- **Balanced long-term incentive program:** The long-term incentive program balances shareholder returns, the Corporation's performance and executive retention, utilizing (i) share units which vest three years after the grant date based on cumulative performance over the three years, (ii) stock options which vest five years after the grant date, and (iii) restricted share units which vest equally over three years beginning on the first anniversary of the grant.

- **Share ownership guidelines:** Minimum share ownership guidelines have been established for the executive officers.

- **Recoupment of incentive compensation:** In the event of a restatement of the Corporation's financial statements as a result of gross negligence, fraud or intentional misconduct, the Executives may be required to repay their incentive compensation, as determined by the Board.

- **Anti-hedging policy:** Executives are not permitted to use hedging strategies designed to monetize or reduce market risk associated with equity-based compensation or their shareholdings.

- **External independent compensation advisor:** On an ongoing basis, the CGNC Committee requests an independent compensation consultant to provide an external view of the marketplace changes and best practices in respect of compensation design.

Share Ownership Guidelines

The Board, on the recommendation of the CGNC Committee, has adopted share ownership guidelines for the Executives to further align executive and shareholder interests. The share ownership guidelines require Executives to achieve minimum share ownership levels within a five-year period of appointment to their position. The share ownership guidelines are based on the participant's position as noted in the table below and are shown for the Executives who were employed by the Corporation, other than the Interim CEO, as of the date of this information circular. With respect to the Interim CEO, refer to the section under the heading "*Compensation of Directors – Directors' Securities Ownership Requirements*" for details of Mr. Redman's ownership of the Corporation's securities, including the minimum share ownership guideline and the date to meet this minimum share ownership guideline.

Position	Share Ownership Guideline
CFO	2 times base salary
CDO	1.5 times base salary

In the event of an increase in the Executive's annual base salary, the individual will have five years from the time of the increase to meet these guidelines. If the ownership falls below the minimum market value, the individual has to retain not less than 75% of the after-tax net gains from any equity-based long-term incentive plan (including but not limited to restricted share units, performance share units, deferred share units, and stock options) in Common Shares.

The share ownership is calculated based on the aggregate value of (i) owned Common Shares (including beneficial ownership); (ii) Common Shares held through the Corporation's 401K plan or any other deferred compensation or retirement plan, if available; (iii) Common Shares acquired upon exercising of stock options; (iv) Common Shares purchased upon vesting and cash settlement of restricted share units and performance share units; and (v) vested phantom stock units having an economic value equal to that of the Common Shares, including deferred share units. The Common Shares are valued based on the average closing price of the Common Shares on the Toronto Stock Exchange ("**TSX**") on the last trading day of each of the previous four quarters.

The following table sets forth the Executives' current ownership of the Corporation's securities, the market value of these securities, and deadlines to satisfy their respective current minimum share ownership guidelines.

Executive	Common Shares (#)	Market Value of Common Shares[(1)] ($)	Minimum Share Ownership Guideline ($)	Deadline to Meet Ownership Guideline
David Watson	7,900	58,155	700,000	June 24, 2024
			721,000	January 1, 2025
			749,840	January 1, 2026
			800,000	January 1, 2027

Executive	Common Shares (#)	Market Value of Common Shares[(1)] ($)	Minimum Share Ownership Guideline ($)	Deadline to Meet Ownership Guideline
James Rolfe	29,000	213,479	450,000[(2)]	September 19, 2021
			463,500	March 1, 2024
			477,405	January 1, 2025
			486,953	January 1, 2026
			501,561	January 1, 2027

(1) The Corporation determines whether the Executives meet the applicable guidelines in November of each year. For purposes of measurement, which is in accordance with the Corporation's Stock Ownership Guidelines for Executive Officers, the market value of the Common Shares was calculated using the Common Share value of C$10.0350, which was the average of the closing prices of the Common Shares on the TSX on December 31, 2021, March 31, 2022, June 30, 2022, and September 30, 2022. The market value of the Common Shares was converted into U.S. dollars using The Wall Street Journal closing exchange rate on November 1, 2022: US$1 = C$1.3632.

(2) Mr. Rolfe did not meet his minimum share ownership in 2022. The Corporation expects that Mr. Rolfe will meet his minimum share ownership once his deferred share units awarded in 2020 vest at the end of March 2023.

Policy Regarding Executive Recoupment

The Board has adopted a Policy Regarding Executive Recoupment. Under the policy, the Board may require, in its sole discretion, to the full extent permitted by governing law and to the extent it determines that it is in the Corporation's best interest to do so, reimbursement under certain circumstances of all or a portion of incentive compensation received by the Executives. Specifically, the Board may seek reimbursement of full or partial incentive compensation from an executive or former executive in situations where:

- The amount of incentive compensation was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a restatement of all or a portion of the Corporation's financial statements, or the Corporation's financial results are found to be inaccurate in a manner that materially affects the calculation of compensation for such officers but it does not give rise to a restatement and the incentive compensation payment received would have been lower had the financial results been properly reported;

- The executive or former executive engaged in fraud, theft, embezzlement or similar activities related to the finances of the Corporation;

- The executive or former executive has violated the Corporation's Code of Business Conduct and Ethics in a material way; or

- The executive or former executive has engaged in serious misconduct resulting in damage to the Corporation's financial situation or reputation.

Prohibition on Financial Instruments

The NEOs and directors of the Corporation and its subsidiaries are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEOs and directors.

Compensation Advisor

Since 2015, the CGNC Committee has retained Hexarem Inc. ("**Hexarem**") as its independent advisor to provide objective, specialized expertise on executive and director compensation and related governance matters. Where Hexarem is requested to provide services in consultation with management, such services are pre-approved by the chair of the CGNC Committee or the Chair of the Board if the fees for the requested services are above the CEO's approval level. While the CGNC Committee receives information and advice from Hexarem on matters of executive and director compensation, the CGNC Committee formulates its own recommendations and decisions, which may reflect considerations other than Hexarem's information and advice. From time to time, the CEO may also engage an independent advisor in relation to the executive compensation matters.

In 2022, the CGNC Committee retained the services of Hexarem to review the management information circular, research and advise on executive incentive compensation matters, and advise in respect of the Interim CEO's and Former CEO's compensation. In addition, the Former CEO retained the services of Mercer in 2021 and 2022 in connection with executive incentive compensation matters.

The table below sets forth the aggregate fees paid to compensation advisors for each of the two most recently completed fiscal years.

Fees Paid[1]	**Compensation Advisor**		**2022**	**2021**
Executive compensation related fees	Hexarem	**C$**	34,561	53,200
Executive compensation related fees	Mercer	**US$**	10,532	86,810

(1) Fees presented in Canadian dollars are net of harmonized sales tax.

Executive Compensation Comparator Group

The Corporation maintains an executive compensation comparator group to provide competitive market context on pay levels and mix, and pay design practices. The executive compensation comparator group was developed using publicly-traded competitors who are owners and/or operators of healthcare facilities in the United States. The members of the executive compensation comparator group are:

- Acadia Healthcare Company, Inc.
- Akumin Inc.
- Amedisys, Inc.
- Brookdale Senior Living Inc.
- Encompass Health Corporation
- The Ensign Group, Inc.
- Genesis Healthcare Inc.
- National HealthCare Corporation
- RadNet, Inc.
- Sonida Senior Living
- SunLink Health Systems Inc.
- Surgery Partners, Inc.
- US Physical Therapy Inc.

Benchmarking market data reviewed by the CGNC Committee are size-adjusted (downward) to reflect the Corporation's relative scope and size relative to organizations in the executive compensation comparator group.

Employment Agreements

The Corporation has written employment agreements with each NEO, other than Dr. Curd. The employment agreements, among other things, outline employment term, duties, all elements of compensation and other benefits, clawback provisions (other than in the case of the Interim CEO and CDO), share ownership requirements (other than in the case of the Interim CEO), and non-competition, non-solicitation, proprietary information and termination provisions. As discussed under the heading "*Named Executive Officers*" above, the compensation for Dr. Curd is primarily determined at his local MFC Partnership level, where the Corporation does not exercise any control. The Corporation has a consulting agreement with Dr. Curd for the provision of services of chief medical officer of the Corporation.

The Corporation entered into an employment agreement with Mr. Redman in connection with his appointment as Interim CEO ("**Interim CEO's Employment Agreement**"). The Interim CEO's Employment Agreement is for a fixed one-year term, beginning on October 21, 2022 and ending automatically on October 20, 2023. Key terms of the Interim CEO's Employment Agreement are discussed below.

Elements of Executive Compensation

The table below sets forth the components of the Corporation's executive compensation program.

Component	Purpose	Risk	Time Frame	Description
Total Direct Compensation				
Base Salary	Compensates for day-to-day performance of roles and responsibilities.	Fixed	Annually	• The only fixed component of total direct compensation. • Salaries reflect roles and responsibilities, skills and individual experience.
Short-Term Incentive	Rewards short-term execution of operational, financial, growth, and leadership priorities.	Variable	One year	• Cash incentive. • Payout based on combination of corporate and individual performance.
Long-Term Incentives:				
Share Units ("**SUs**") in the form of Performance Share Units ("**PSUs**") or deferred share units ("**Executive DSUs**")	Promotes retention and rewards long-term performance and shareholder value.	Variable	Three Years for PSUs / Until Cessation of Employ-ment for Executive DSUs	• Annual grants in the form of Executive DSUs or PSUs. • Executive DSUs are awarded until share ownership requirements are met, after which SU holder may elect to receive PSUs. • Three-year cliff vesting based on cumulative performance over the three years. • PSUs are settled in cash upon vesting and Executive DSUs are settled in cash upon SU holder's cessation of employment.
Restricted Share Units ("**RSUs**")[(1)]	Promotes retention and rewards long-term performance and shareholder value.	Variable	Three Years	• *Ad-hoc* grants. • RSUs vest equally over three years, beginning on the first anniversary of the grant. • Settled in cash.
Stock Options	Serves as inducement to employment by the Corporation in order to ensure alignment with the interests of Shareholders and long-term business strategy and encouragement of superior long-term performance.	Variable	Ten Years	• A one-time grant of options at the time of employment at a price fixed at the time of the grant. • Options vest after five years of employment and expire ten years after the grant date.
Indirect Compensation				
Group Benefits	Invests in employee health and well-being.	N/A	N/A	• Benefits plan which offers medical, dental (paid by employee), vision (paid by employee), basic life and accidental death and dismemberment, and short-term disability and long-term disability coverage. • Voluntary participation in medical expense flex spending arrangement.

Component	Purpose	Risk	Time Frame	Description
Retirement	Provides a source of retirement income.	N/A	N/A	• Voluntary 401K plan. • 100% matching of employee 401K plan contribution up to 3% of base salary.

(1) The plan is still in place, however, there are no RSUs currently outstanding.

2022 Compensation Decisions and Actions

The following discusses features of each compensation component and 2022 compensation decisions and actions for the Executives.

Base Salary

Base salary, which is provided for in the Executives' employment agreements, is the basic method of compensating executive officers for their experience, responsibilities, contribution, and performance. Base salaries are set at a level comparable to executive officers' occupying positions of similar importance, scope, and complexity in other companies.

Annual base salary recommendations for the CEO are developed by the CGNC Committee and for other Executives by the CGNC Committee on the recommendation of the CEO, and are approved by the Board. Any adjustments to base salary take into consideration such factors as the Corporation's compensation philosophy, performance of the Executives and market conditions.

The table below sets forth annual base salaries of the executive officers which were in effect in 2022 and 2021.

Executive	Position	2021 Base Salary ($)	2022 Base Salary ($)	% Change
Jason Redman(1)	Interim CEO	N/A	82,062	N/A
Robert Horrar(2)	Former CEO	525,300	541,059	3.0%
David Watson	CFO	374,920	400,000	6.7%
James Rolfe	CDO	324,635	334,374	3.0%
John Schario(3)	Former COO	312,000	321,360	3.0%

(1) Mr. Redman's base salary for the duration of his Interim CEO's Employment Agreement is C$575,000. His 2022 base salary was pro-rated for a partial period of employment and converted to U.S. dollars using the Bank of Canada average exchange rate for the partial period of employment in 2022: US$1 = C$1.3536.

(2) Mr. Horrar resigned from the Corporation on October 20, 2022. His 2022 base salary was $436,536, representing a pro-rated amount for a partial period of employment.

(3) Mr. Schario resigned from the Corporation on December 30, 2022.

Base salary increases were awarded for the calendar year 2022 to the Executives according to a budget and to remain competitive with market conditions.

Short-Term Incentive Plan

The Corporation's Executives participate in the annual short-term incentive plan (the "**STIP**") that rewards performance achieved against pre-determined annual goals.

STIP targets are expressed as a percentage of base salary, with actual payout based on a performance multiplier dependent on both corporate and individual performance. The actual performance multiplier achieved can range between 0% and 200% of target for the Former CEO and between 0% and 150% of target for other Executives, other than the Interim CEO.

At the discretion of the Board, the Interim CEO is eligible for a performance-based incentive bonus award, paid in cash, of up to C$400,000, for the period of service under the Interim CEO's Employment Agreement, based upon fulfillment of his responsibilities thereon and specific performance objectives set by the Board. The Board may determine to award a portion of such bonus award to reflect partial or substantial achievement of such objectives.

STIP awards are subject to the discretion of the Board, commensurate with the position and performance of both the individual and the Corporation. An award in any year does not guarantee an award in any subsequent year.

Base Salary ($) × STIP Target (% Salary) × (Corporate Score x Weighting + Individual Score x Weighting) = **STIP Payout ($)**

<u>Target Short-Term Incentive and Performance Weighting</u>

The table below sets forth the STIP targets for the CFO and CDO, expressed as percentage of base salary along with the corresponding corporate and individual performance weighting.

Executive	**Position**	**2022 Base Salary ($)**	**2022 STIP Target**		**Performance Weighting**	
			% of Salary	**($)**	**Corporate**	**Individual**
David Watson	CFO	400,000	50%	200,000	80%	20%
James Rolfe	CDO	334,374	50%	167,187	80%	20%

<u>Performance Scorecard</u>

At the start of each year, the Board, upon recommendation from the CGNC Committee, adopts corporate performance metrics intended to guide and motivate executive officers to execute the Corporation's strategy over the course of the year. The CGNC Committee, in consultation with the CEO, assesses the corporate performance against each indicator and recommends a corporate performance score for each Executive to the Board.

At the beginning of the year, each Executive proposes their personal goals which are aligned with corporate objectives. The CEO's personal goals are approved by the Board on the recommendation of the CGNC Committee. Personal goals of other Executives are approved by the Board on the recommendation of the CEO, following a review by the CGNC Committee.

The table below sets forth 2022 performance metrics, CFO's and CDO's goal weighting and actual results.

Performance Metric/Goal	**Goal Weighting**		**Threshold**	**Target**	**Maximum**	**Actual Achieved**
	CFO	**CDO**				
Organic Growth (MFC Partnerships)						
Revenue	15%	15%	$353.2M	$392.4M	$431.7M	$414.4M
EBITDA	15%	10%	$80.8M	$89.7M	$98.7M	$74.3M
Cash Flow	10%	5%	$68.6M	$76.2M	$83.8M	$61.1M
Consolidated EBITDA(1)(2)	15%	10%	$72.2M	$80.2M	$88.2M	$65.3M
Acquisitive Revenue Growth	25%	40%	$8.0M	$10.0M	$12.0M	-
Total	**80%**	**80%**				
2022 Average Score Calculation	**55%**	**36%**				

(1) For information about consolidated EBITDA, a non-IFRS financial performance measure, refer to the Corporation's management's discussion and analysis for the year ended December 31, 2022.

(2) Excludes the impact of impairment of goodwill, other intangibles and equipment, certain lease adjustments, including those under IFRS 16, *Leases*, the operating results of equity investments, all stock-based compensation, and STIP charges.

2022 STIP Awards

The table below sets forth 2022 STIP results and payouts to the CFO and CDO.

Executive	Position	2022 STIP Target ($)	Performance			2022 STIP Award ($)	% of Target
			Corporate	+	Individual		
David Watson	CFO	200,000	80% x 55% = 44%	+	15%	118,390	59%
James Rolfe	CDO	167,187	80% x 36% = 29%	+	10%	65,529	39%

Mr. Horrar, Former CEO, resigned from the Corporation on October 20, 2022. In accordance with the terms of his employment agreement, Mr. Horrar was eligible for (i) earned but unpaid 2022 STIP award of $296,358 ("**Accrued Bonus**"), and (ii) a severance bonus of $722,288, representing the average of STIP awards for the two most recently completed calendar years. The Accrued Bonus was calculated based on a 78% achievement of corporate goals for the period from January 1 to September 30, 2022, and a 13% achievement of individual goals for the same period. Achievements of individual goals included resolving strategic opportunities and optimizing the Corporation's capital structure.

Mr. Schario, Former COO, resigned from the Corporation on December 30, 2022. In accordance with the terms of his employment agreement, Mr. Schario was not eligible for the 2022 STIP award.

Long-Term Incentive Program

The long-term incentive program recognizes the Executives' role in driving the Corporation's business growth, increasing shareholder value and supporting the Corporation's continued success. It is made up of three components: SUs in the form of PSUs or Executive DSUs, RSUs, and stock options.

Share Units

The Corporation's Amended and Restated Performance Share Unit Plan ("**PSU Plan**") is designed to encourage alignment of interests of the eligible participants ("**PSU Eligible Participants**") with Shareholders, enhance retention, keep the Corporation competitive with the executive compensation comparator group, and reward the creation of shareholder value over the vesting period.

SUs granted under the PSU Plan vest three years following their grant date subject to attainment of a level of performance over a specific time period as determined by the CGNC Committee. PSU Eligible Participants will receive Executive DSUs until they achieve their share ownership requirements, after which time they may elect to receive Executive DSUs or PSUs in accordance with the terms of the PSU Plan. All SUs accrue notional dividends that are allocated in the form of additional SUs based on the volume weighted trading average price of Common Shares on the TSX for the five trading days preceding the dividend payment date. The PSUs are settled in cash following vesting, based on the level of achievement of corporate performance objectives and volume weighted trading average price of Common Shares on the TSX for the five trading days preceding vesting date. The Executive DSUs are settled in cash following the date that the holder of Executive DSUs ceases to be an employee of the Corporation, based on the level of achievement of corporate performance objectives and volume weighted trading average price of Common Shares on the TSX for the five trading days preceding the date of death or termination, as applicable.

For more details on the terms of the PSU Plan, refer to Schedule "C" to this information circular.

Share Unit Grants under the PSU Plan

2020 Executive DSUs

On March 31, 2020, the Board, on the recommendation of the CGNC Committee, granted a total of 346,639 SUs in the form of Executive DSUs ("**2020 Executive DSUs**") to the Executives as set forth in the table below. The performance period was from January 1, 2020 to December 31, 2022. The 2020 Executive DSUs will vest on

March 31, 2023, subject to the achievement of the following corporate performance objectives, each weighting 50%: (i) the annualized total shareholder return on the TSX for the performance period, and (ii) the average of the budgeted consolidated EBITDA for each year of the performance period. The payout range is between 50% for achieving threshold, 100% for achieving target, and 150% for achieving maximum performance objectives.

The U.S. dollar amount of 2020 Executive DSUs awarded was determined based on 100% of Former CEO's 2019 base salary and 50% of other Executives' 2019 base salaries. The number of 2020 Executive DSUs awarded was calculated by converting the U.S. dollar amount into Canadian dollars at the closing exchange rate on the grant date, divided by the weighted average trading price of the Common Shares on the TSX for the five trading days preceding the grant date.

Executive	Number of 2020 Executive DSUs Granted (#)	Grant Date Value of 2020 Executive DSUs Granted ($)
Robert Horrar(1)	200,523	500,000
David Watson	70,183	175,000
James Rolfe	61,962	154,500
John Schario(2)	13,971	34,836

(1) In accordance with the PSU Plan, following Mr. Horrar's resignation, 192,592 of his 2020 Executive DSUs vested and 33,440 of his 2020 Executive DSUs were forfeited, including, in both cases, accrued dividends earned thereon.

(2) Mr. Schario's award was pro-rated based on the number of days worked before the grant date in accordance with the Corporation's Share Unit Grant Policy. Following Mr. Schario's resignation from the Corporation, all of his 2020 Executive DSUs, including accrued dividends earned thereon, were forfeited.

2021 Executive DSUs

On March 31, 2021, the Board, on the recommendation of the CGNC Committee, granted a total of 175,898 SUs in the form of Executive DSUs ("**2021 Executive DSUs**") to the Executives as set forth in the table below. The performance period is from January 1, 2021, to December 31, 2023. The 2021 Executive DSUs will vest on March 31, 2024, subject to the achievement of the following corporate performance objectives, each weighting 50%: (i) the annualized total shareholder return on the TSX for the performance period, and (ii) the average of the budgeted consolidated EBITDA for each year of the performance period. The payout range is between 50% for achieving threshold, 100% for achieving target, and 150% for achieving maximum performance objectives.

The U.S. dollar amount of 2021 Executive DSUs awarded was determined based on 100% of Former CEO's 2020 base salary and 50% of other Executives' 2020 base salaries. The number of 2021 Executive DSUs awarded was calculated by converting the U.S. dollar amount into Canadian dollars at the closing exchange rate on the grant date, divided by the weighted average trading price of the Common Shares on the TSX for the five trading days preceding the grant date.

Executive	Number of 2021 Executive DSUs Granted (#)	Grant Date Value of 2021 Executive DSUs Granted ($)
Robert Horrar(1)	90,192	515,000
David Watson	31,567	180,250
James Rolfe	27,869	159,135
John Schario(2)	26,270	150,000

(1) In accordance with the PSU Plan, following Mr. Horrar's resignation, 49,533 of his 2021 Executive DSUs vested and 46,044 of his 2021 Executive DSUs were forfeited, including, in both cases, accrued dividends earned thereon.

(2) Following Mr. Schario's resignation from the Corporation, all of his 2021 Executive DSUs, including accrued dividends earned thereon, were forfeited.

2022 Executive DSUs

On March 31, 2022, the Board, on the recommendation of the CGNC Committee, granted a total of 150,348 SUs in the form of Executive DSUs ("**2022 Executive DSUs**") to the Executives as set forth in the table below. The performance period is from January 1, 2022, to December 31, 2024. The 2022 Executive DSUs will vest on March 31, 2025, subject to the achievement of the following corporate performance objectives, each weighting 50%: (i) the annualized total shareholder return on the TSX for the performance period, and (ii) the average of the budgeted consolidated EBITDA for each year of the performance period. The payout range is between 50% for achieving threshold, 100% for achieving target, and 150% for achieving maximum performance objectives.

The U.S. dollar amount of 2022 Executive DSUs awarded was determined based on 150% of Former CEO's 2021 base salary, 75% of CFO's 2021 base salary and 50% of CDO's and Former COO's 2021 base salaries. The number of 2022 Executive DSUs awarded was calculated by converting the U.S. dollar amount into Canadian dollars at the closing exchange rate on the grant date, divided by the weighted average trading price of the Common Shares on the TSX for the five trading days preceding the grant date.

Executive	Number of 2022 Executive DSUs Granted (#)	Grant Date Value of 2022 Executive DSUs Granted ($)
Robert Horrar(1)	85,384	787,950
David Watson	30,470	281,190
James Rolfe	17,589	162,318
John Schario(2)	16,905	156,000

(1) In accordance with the PSU Plan, following Mr. Horrar's resignation, 10,081 of his 2022 Executive DSUs vested and 77,286 of his 2022 Executive DSUs were forfeited, including, in both cases, accrued dividends earned thereon.

(2) Following Mr. Schario's resignation from the Corporation, all of his 2022 Executive DSUs, including accrued dividends earned thereon, were forfeited.

Mr. Redman, as Interim CEO, is not eligible for any long-term incentive compensation.

Restricted Share Units

RSUs are awarded on an *ad-hoc* basis. The RSUs are designed to encourage alignment of interests of the RSU holder with Shareholders, enhance retention, keep the Corporation competitive with the executive compensation comparator group, and reward the creation of shareholder value over the vesting period.

The RSUs vest one-third per year beginning on the first anniversary of grant date. All RSUs accrue notional dividends that are allocated in the form of additional RSUs based on the volume weighted trading average price of Common Shares on the TSX for the five days preceding the dividend payment date. The RSUs are settled in cash upon vesting, based on the volume weighted trading average price of Common Shares on the TSX for the five trading days preceding vesting date. For more details on the terms of the Restricted Share Unit Plan (the "**RSU Plan**"), refer to Schedule "D" to this information circular.

There were no grants of RSUs in 2021 and 2022.

Stock Option Plan

Options enable the Corporation to strengthen the link between Shareholder and Corporation interests and the interests of the Executives over a longer-term time horizon. All options are granted and governed by the terms of the Corporation's Stock Option Plan (the "**Stock Option Plan**"), with certain exceptions. Options provide the opportunity for Executives to purchase Common Shares in the future at a share price set at the time of the grant.

The purposes of the Stock Option Plan are to (i) reward key employees (as defined in the Stock Option Plan) of the Corporation for the creation of economic value for the Shareholders; (ii) align the interests of key employees of the Corporation with those of the Shareholders; and (iii) provide key employees of the Corporation with total compensation which is competitive with that of similar positions in markets where the Corporation competes for managerial and professional talent. The Corporation makes grants of options under the Stock Option Plan only upon the initial engagement of key employees and not as an element of regular or ongoing compensation.

Pursuant to the Stock Option Plan, the exercise price of each option may not be less than the volume weighted average trading price per Common Share on the TSX for the five trading days preceding the grant date. All options have a ten-year term, vesting after five years of employment subject to certain early vesting triggers. For more details on the terms of the Stock Option Plan, refer to Schedule "E" to this information circular.

The table below sets forth the Burn Rate, Dilution Rate and Overhang Rate for the past three years as at December 31, 2022, calculated using the TSX prescribed methodology.

	2020	2021	2022
Burn Rate Total number of stock options granted in a fiscal year, divided by the weighted average number of Common Shares outstanding for the year.	0.16%	-	-
Dilution Rate Total number of stock options outstanding for the year, divided by the weighted average number of Common Shares outstanding for the year.	6.25%	6.26%	3.73%
Overhang Rate Total number of stock options available to be issued, plus all stock options outstanding that have not yet been exercised, divided by the total number of issued and outstanding Common Shares at the end of the fiscal year.	9.97%	10.07%	11.96%

Benefits

The Corporation's subsidiary, MFH, provides the Executives with a selection of benefits to ensure their overall compensation package is competitive and attractive, and in line with the Corporation's peer companies. MFH's employee benefits program includes health, dental and vision benefits, basic life and accidental death and dismemberment insurance, and short-term and long-term disability coverage. The Executives are responsible for 100% of the premiums for dental and vision coverage. In addition, the Executives can participate, on a voluntary basis, in the Corporation's medical expense flex spending arrangement, a pre-tax vehicle for employees to make contributions via payroll deductions to an account to use to pay for certain out-of-pocket health care costs.

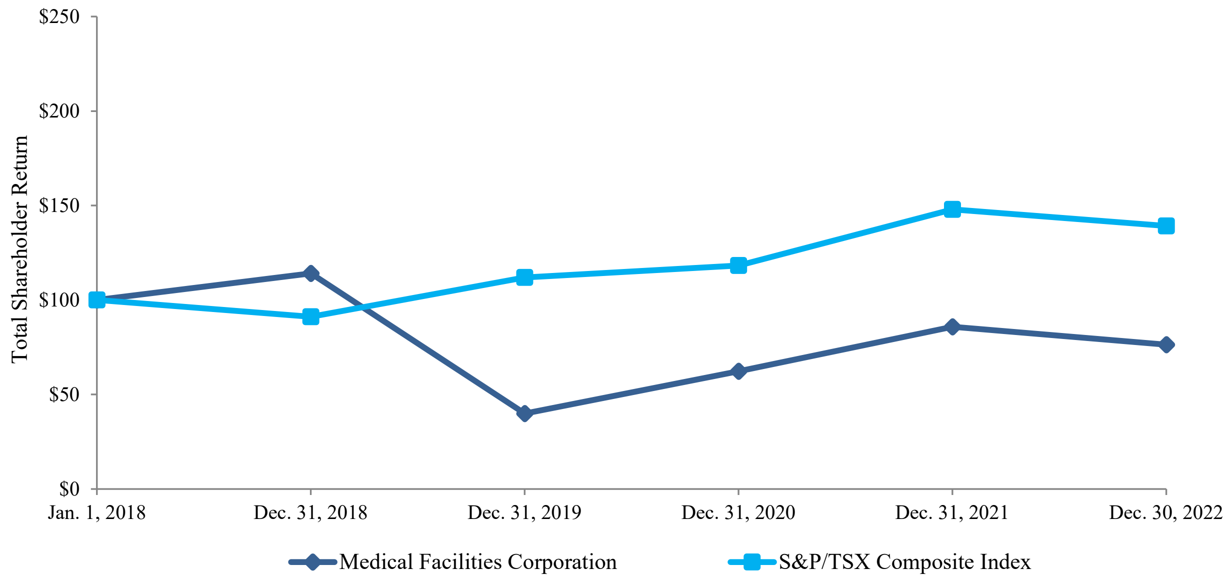
MFH has a defined contribution 401K plan (the "**401K Plan**") in respect of which Executives, at their option, are eligible to participate. The Executives employed by the Corporation, other than the Interim CEO, were participants in the 401K Plan. Under the terms of the 401K Plan, the participant is allowed to direct pre-tax payroll amounts, up to the maximum annual amount permitted under the Internal Revenue Code. For 2022, MFH made a matching contribution of $58,711 to the 401K Plan on behalf of all eligible participants.

Pension Plan Benefits

As at December 31, 2022, the Corporation did not maintain any defined benefit or defined contribution pension plans.

SHARE PERFORMANCE GRAPH

The following graph compares the total cumulative return to Shareholders for C$100 invested in Common Shares, assuming re-investment of dividends, with the total cumulative return of the S&P/TSX Composite Index for the period from January 1, 2018 to December 31, 2022.



Five-Year Cumulative Total Shareholder Return on C$100 Investment, NEOs Total Direct Compensation and NEOs Total Direct Compensation as a Percentage of Adjusted EBITDA

	Jan. 1, 2018	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 30, 2022
Medical Facilities Corporation	C$100.00	C$114.10	C$39.92	C$62.35	C$85.83	C$76.36
S&P/TSX Composite Index	C$100.00	C$91.11	C$111.96	C$118.23	C$147.89	C$139.25
NEOs Total Direct Compensation (in thousands)		US$3,703	US$3,156	US$3,645	US$3,922	US$4,023
Adjusted EBITDA (in thousands) (non-IFRS financial measure)		US$93,373	US$96,347	US$96,132	US$104,127	US$72,251
NEOs Total Direct Compensation as a % of Adjusted EBITDA		3.97%	3.28%	3.79%	3.77%	5.57%

As indicated in the table above, year-over-year, the amount of total direct compensation paid to the NEOs, in terms of both absolute dollars and percentages of Adjusted EBITDA, generally tends to increase in years when cumulative total shareholder return increases and decrease when cumulative total shareholder return decreases. In addition, Total Direct Compensation includes the value of annual SUs at the date of grant, rather than the ultimate vested value, which is contingent upon hitting certain performance metrics, including total shareholder return, over a three-year vesting period. Therefore, amounts at the date of grant may not correlate with the share price performance in the current period.

The compensation practices adopted and enabled by the Board include (i) payment of annual short-term incentives tightly linked to annual performance, (ii) grants of long-term incentives awarded as per a prudent annual grant policy, and (iii) reliance on an executive compensation philosophy greatly emphasizing at-risk pay tied to shareholder value creation.

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation paid during the three most recently completed financial years to the individuals who were, at December 31, 2022, the Corporation's NEOs.

Name and Principal Position	Year	Salary ($)	Share-Based Awards[(1)] ($)	Option-Based Awards[(2)] ($)	Non-Equity Incentive Plan Compensation: Annual Incentive Plans ($)	Non-Equity Incentive Plan Compensation: Long-Term Incentive Plans ($)	Pension Value ($)	All Other Compen-sation[(3)] ($)	Total Compen-sation ($)
Jason Redman[(4)] Interim President and Chief Executive Officer	2022	82,062	N/A	N/A	-	N/A	N/A	64,926	146,988
	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robert Horrar[(5)] Former President and Chief Executive Officer	2022	436,536	787,950	-	296,358	N/A	N/A	2,003,407	3,524,251
	2021	525,300	515,000	-	393,975	N/A	N/A	8,700	1,442,975
	2020	515,000	500,000	-	328,313	N/A	N/A	7,819	1,351,132
David Watson Chief Financial Officer	2022	400,000	281,190	-	118,390	N/A	N/A	10,350	809,930
	2021	374,920	180,250	-	187,460	N/A	N/A	8,700	751,330
	2020	360,500	175,000	-	153,213	N/A	N/A	8,550	697,263
James Rolfe Chief Development Officer	2022	334,374	162,318	-	65,529	N/A	N/A	10,350	572,571
	2021	324,635	159,135	-	100,036	N/A	N/A	8,700	592,506
	2020	318,270	154,500	-	119,351	N/A	N/A	7,957	600,078
John Schario[(6)] Former Chief Operating Officer	2022	321,360	156,000	-	-	N/A	N/A	11,586	488,946
	2021	312,000	150,000	-	119,970	N/A	N/A	8,700	590,670
	2020	297,500	34,836	15,503	96,000	N/A	N/A	8,250	452,089
R. Blake Curd[(7)] Chief Executive Officer Sioux Falls Specialty Hospital, LLP	2022	540,000	N/A	N/A	40,751	N/A	N/A	271,036	851,787
	2021	540,000	N/A	N/A	39,478	N/A	N/A	297,680	877,158
	2020	540,000	N/A	N/A	36,589	N/A	N/A	295,680	872,269

(1) The 2022, 2021 and 2020 amounts in this column represent the fair value of the 2022 Executive DSUs, 2021 Executive DSUs and 2020 Executive DSUs granted to the Executives on March 31, 2022, March 31, 2021, and March 31, 2020, respectively, as described in detail under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis – Share Unit Grants under the PSU Plan*" above.

(2) The 2020 amount in this column represents the total value of options granted to the Former COO upon commencement of his employment with the Corporation. The grant price is the fair market value on the grant day. The options granted have been valued at the grant date using the Black-Scholes Model, which is also used for financial statements purposes. Underlying assumptions and values are outlined in the table below. The grant value shown is calculated as options granted times the stock option value.

Assumptions	March 19, 2020 Grant Value (Former COO)
Expected option term in years	5
Expected volatility	50.70%
Expected dividend yield	10.61%
Risk-free interest rate	0.68%
Exercise price	C$ 2.64
Option value	**C$ 0.45**

The option grant value in the Summary Compensation Table above has been converted into U.S. dollars at The Wall Street Journal closing exchange rate on March 19, 2020: US$1 = 1.4513.

(3) The amounts in the "All Other Compensation" column for Messrs. Horrar, Watson, Rolfe and Schario include MFH's matching contributions to the 401K Plan, payments under MFH's gross-up long-term disability insurance policy made in 2022, and a catch-up payment of paid time off for Mr. Schario made in 2022.

(4) Mr. Redman was appointed Interim CEO effective October 21, 2022 for a fixed one-year term. His base salary for the duration of his employment as Interim CEO is C$575,000. His 2022 base salary was pro-rated for a partial period of employment and converted to U.S. dollars using the Bank of Canada average exchange rate for the partial period of employment: US$1 = C$1.3536. The "All Other Compensation" column includes $64,926 paid to Mr. Redman for his services as director of the Corporation prior to his appointment as

Interim CEO, comprised of cash payment of $32,463 and deferred share units of $32,463. During his tenure as Interim CEO, Mr. Redman does not receive director compensation.

(5) Mr. Horrar resigned from the Corporation on October 20, 2022. His base salary was pro-rated for the partial year of employment. The amount of $296,358 included in the "Annual Incentive Plans" column represents Mr. Horrar's Accrued Bonus, as described under the heading "*Statement of Executive Compensation – 2022 Compensation Discussion and Actions*" above. The "All Other Compensation" column includes $1,852,362 representing (i) severance of $1,804,406 which was paid to Mr. Horrar in January 2023; (ii) accrued vacation of $27,053; and (iii) consulting fees of $20,903 for the period from October 21, 2022 to December 31, 2022 to assist the Interim CEO with transition matters. Mr. Horrar's consulting services terminated as of December 31, 2022.

In addition, Mr. Horrar's outstanding 2022, 2021, and 2020 Executive DSUs were eligible for accelerated vesting as a result of his resignation, and vested on a pro-rated basis, based on the period of employment up to the date of resignation relative to the length of the applicable vesting period. The "All Other Compensation Column" includes $140,895, which represents the difference between the fair value of the 2022, 2021 and 2020 Executive DSUs at the time of their respective grants as shown in the "Share-Based Awards" column and described in footnote 1 above and the value of his vested 2022, 2021 and 2020 Executive DSUs paid to Mr. Horrar following his resignation.

(6) Mr. Schario joined the Corporation on January 6, 2020, and resigned from the Corporation on December 30, 2022. In accordance with the terms of his employment agreement, Mr. Schario was not entitled to the 2022 STIP award or severance benefits and forfeited his Executive DSUs and options on resignation.

(7) The amounts in the "Annual Incentive Plans" column represent short-term incentive awards paid to Dr. Curd by his MFC Partnership. The 2022 amount in "All Other Compensation" column includes (i) $51,985 paid to Dr. Curd by his MFC Partnership for the provision of management services to MFC Partnership's holding entity and subsidiary; (ii) $45,000 stipend paid to Dr. Curd by his MFC Partnership; (iii) $51 fringe benefit paid to Dr. Curd by his MFC Partnership; and (iv) $174,000 paid to Dr. Curd by MFH for his services as chief medical officer of the Corporation in accordance with the consulting agreement between Dr. Curd and MFH.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth the values of all outstanding option-based awards and share-based awards as of December 31, 2022.

	Option-Based Awards				Share-Based Awards		
NEO	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (C$)	Option Expiration Date	Value of Unexercised In-the-Money Options(1) (C$)	Number of Shares or Units of Shares that Have Not Vested(2) (#)	Market or Payout Value of Share-Based Awards that Have Not Vested(3) (C$)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed (C$)
Jason Redman(4) Interim President and Chief Executive Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robert Horrar(5) Former President and Chief Executive Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Watson Chief Financial Officer	300,000	12.79	June 24, 2029	-	143,751 Executive DSUs	1,150,121	-
James Rolfe Chief Development Officer	350,000	21.15	September 19, 2026	-	117,383 Executive DSUs	939,153	-
John Schario(6) Former Chief Operating Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R. Blake Curd(4) Chief Executive Officer Sioux Falls Specialty Hospital, LLP	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) The value of unexercised in-the-money options was calculated using the Common Share value of C$8.0400, which was the closing trading price of the Common Shares on the TSX on December 30, 2022. Stock options have a ten-year term and vest five years after the grant date.

(2) The total number of Executive DSUs includes Executive DSUs granted and acquired on notional dividends.

(3) The market value of share-based awards that have not vested was calculated using the Common Share value of C$8.0008 which was calculated as the volume weighted average trading price per Common Share on the TSX for the five trading days preceding December 30, 2022.

(4) Messrs. Redman and Curd do not participate in the Corporation's long-term incentive plan for the Executives.

(5) In accordance with the PSU Plan, upon resignation from the Corporation, Mr. Horrar's 252,206 Executive DSUs awarded in 2020, 2021, and 2022, including accrued dividends earned thereon, vested on a pro-rated basis, based on the period of employment up to the date of resignation relative to the length of the applicable vesting period, and 156,770 Executive DSUs awarded in 2020, 2021, and 2022 were forfeited. In addition, Mr. Horrar's 450,000 unvested options were forfeited on resignation, and his 350,000 vested options expired 30 days following his resignation.

(6) In accordance with the terms of his employment agreement, Mr. Schario forfeited all of his Executive DSUs and options when he resigned from the Corporation.

Value Vested or Earned During the Year

The table below sets forth all non-equity incentive plan compensation earned during the year ended December 31, 2022.

NEO	Option-Based Awards – Value Vested During the Year(1) ($)	Share-Based Awards – Value Vested During the Year(2) ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year(3)(4) ($)
Jason Redman Interim President and Chief Executive Officer	N/A	N/A	-
Robert Horrar Former President and Chief Executive Officer	-	2,104,972	296,358
David Watson Chief Financial Officer	N/A	-	118,390
James Rolfe Chief Development Officer	N/A	107,423	65,529
John Schario Former Chief Operating Officer	N/A	-	-
R. Blake Curd Chief Executive Officer Sioux Falls Specialty Hospital, LLP	N/A	N/A	40,751

(1) The value of options that vested during the fiscal year. The value equals the difference between the exercise price of the options and the closing price of the Common Shares on the TSX on the vesting date. If the closing price of the Common Shares on the vesting date was below the exercise price, the options have no current intrinsic value and are shown as "-". Mr. Horrar's 350,000 options vested on May 5, 2022. These options had no intrinsic value as the options' exercise price was above the closing price of the Common Shares on the vesting date. These options expired 30 days following Mr. Horrar's resignation. Mr. Horrar's 450,000 unvested options were forfeited on resignation.

(2) Represents cash settlement of vested PSUs awarded under the performance share unit plan which was in effect prior to the current PSU Plan. The cash payout value was calculated by multiplying the number of PSUs that vested (including distribution PSUs, representing the dividends that would otherwise have been reinvested during the period) by the volume weighted average trading price per Common Share on the TSX for the five trading days preceding the vesting date. The PSU values were converted into U.S. dollars at The Wall Street Journal closing exchange rate on the vesting date. In addition, the amount for Mr. Horrar includes vested Executive DSUs as discussed under the heading "*Statement of Executive Compensation – Summary Compensation Table*" above.

(3) The amounts reflected in this column are equal to the sum of the amounts shown in "Non-Equity Incentive Plan Compensation" columns in the Summary Compensation Table for the respective NEOs.

(4) Values include STIP compensation. Refer to the section under the heading *"2022 Compensation Decisions and Actions – 2022 STIP Awards"* for the 2022 STIP Awards discussion.

Equity Compensation Plan Information

The Corporation's Stock Option Plan is the only compensation plan under which equity securities of the Corporation have been authorized for issuance. The table below set forth details regarding options outstanding under the Stock Option Plan as of December 31, 2022.

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options (#)	Weighted-Average Exercise Price of Outstanding Options (C$)	Number of Common Shares Remaining Available for Future Issuance under Equity Compensation Plans(1) (#)
Equity compensation plans approved by Shareholders	1,094,906	17.42	2,005,094
Equity compensation plans not approved by Shareholders	None	None	None
Total	**1,094,906**	**17.42**	**2,005,094**

(1) A maximum of 3,100,000 Common Shares may be issued under the Stock Option Plan. The number in this column reflects the number of securities available for issuance excluding the number of securities to be issued upon exercise of outstanding options.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Executives' employment agreements provide for, among other things, severance payments in the event of termination without cause, as well as confidentiality, non-solicitation, and non-competition covenants in favour of the Corporation which apply during their respective terms of employment and for a specific period of time following the termination of their employment (whether for or without cause). The following is a summary only and is qualified in its entirety by reference to the terms and conditions of the Interim CEO's Employment Agreement, CFO's and CDO's employment agreements and the applicable terms and conditions of the RSU Plan, the PSU Plan and the Stock Option Plan.

The Interim CEO's Employment Agreement ends automatically on October 20, 2023, unless specifically renewed, extended or replaced by a supplemental writing signed by the Interim CEO and the Corporation. The Corporation may terminate the Interim CEO's Employment Agreement at any time in its discretion on 30 days' written notice. The Interim CEO would receive payment equal to the Interim CEO's base salary through October 20, 2023, any accrued and unpaid amounts prior to the date of termination, plus, in the discretion of the Board, a bonus based on the term in which the Interim CEO was employed.

The Corporation may terminate the CFO's and CDO's employment agreements at any time with or without cause, provided that if such termination is made without cause, within 74 days after the termination date each Executive would be entitled to termination payment as described in the table below.

The Interim CEO may resign from his employment with the Corporation at any time on 30 days' written notice. The CFO is entitled to terminate his employment with the Corporation within 90 days after occurrence of the following events ("**Resignation for Good Reason**"): (a) a material and unauthorized diminution in his authority, duties, or responsibilities; (b) relocation in excess of 35 miles from Franklin, Tennessee; (c) material breach by the Corporation of any material provision of his respective employment agreements; or (d) the failure of the Corporation to maintain his relative level of coverage under the Corporation's employee benefit or retirement plans, policies, practices or arrangements in which the CFO was entitled to participate as at the date of their respective employment agreements.

The CDO's employment agreement specifies that certain terms, conditions and benefits are applicable to the CDO in the event of a "**Change of Control**", which generally means: (a) the acquisition of a specified percentage of the Corporation's outstanding Common Shares; (b) the completion of a consolidation, merger or amalgamation of the Corporation with or into any other entity whereby the voting Shareholders of the Corporation receive less than 50% of the voting rights attaching to the outstanding securities of the consolidated, merged or amalgamated entity; or (c) the sale of all or substantially all of the Corporation's undertakings and assets whereby the voting Shareholders of the Corporation hold less than 50% of the voting rights attaching to the outstanding voting securities following the sale.

In the event of a Change of Control, the applicable terms, conditions and benefits only take effect when the following two triggers occur: (a) there is a Change of Control; and (b) within 24 months of such Change of Control, the executive officer is terminated other than for cause.

The following table sets forth the compensation that would be paid to the Interim CEO, CFO and CDO and vesting provisions of the RSUs, SUs and stock options upon termination, resignation, permanent disability, and death.

Type[(1)]	Base Salary	STIP	RSUs[(2)]	SUs[(2)]	Stock Options[(2)]
Termination for Cause	Accrued but unpaid base salary through the date of termination.	None.	Unvested awards expire immediately.	Unvested PSU portion of the award expires immediately. Vested and unvested Executive DSU portion of the award expires immediately.	Unexercised vested options are forfeited. Unvested options expire immediately.
Termination without Cause	In the case of Interim CEO, accrued but unpaid base salary through the date of termination and base salary for the remainder of the employment term. Accrued but unpaid base salary through the date of termination plus two times base salary.	In the case of Interim CEO, a bonus based on the term in which Interim CEO was employed, at the discretion of the Board. Two times the lower of (a) the target short-term incentive for the calendar year that includes the date of termination, or (b) the average short-term incentive over the last two years or since employment date. Plus, in the case of CFO, any earned but unpaid short-term incentive for prior period.	In the case of CFO, awards vest on the date of termination on a pro-rated basis relative to the length of the early vesting period. In the case of CDO, awards vest on a pro-rated basis, based on the period of employment to the date of termination relative to the length of the applicable vesting period.	Awards vest on the date of termination on a pro-rated basis relative to the length of the early vesting period.	Unexercised vested options must be exercised within 30 days of termination. In the case of CFO, unvested options expire on the date of termination. In the case of CDO, unvested options vest on a pro-rated basis, based on the period of employment to the date of termination relative to the length of the applicable vesting period.
Termination without Cause within 24 Months following Change of Control	In the case of CDO, two times base salary.	In the case of CDO, two times the target short-term incentive.	Awards fully vest.	Awards fully vest.	Unvested options vest. Unexercised vested options must be exercised within 24 months of termination or by the end of the original term, whichever is sooner.
Resignation	Accrued but unpaid base salary through the date of resignation.	None.	Awards expire on resignation.	Awards expire on resignation.	Unvested options expire on resignation. Unexercised vested options must be exercised within 30 days of resignation.
Resignation for Good Reason	In the case of CFO, accrued but unpaid base salary through the date of termination plus two times base salary.	In the case of CFO, any earned but unpaid short-term incentive for prior period plus two times the lower of (a) the target short-term incentive for the calendar year that includes the date of termination, or (b) the average short-	Awards vest on the date of resignation on a pro-rated basis relative to the length of the early vesting period.	Awards expire on resignation.	Unexercised vested options must be exercised within 30 days of termination. Unvested options expire on the date of termination.

Type(1)	Base Salary	STIP	RSUs(2)	SUs(2)	Stock Options(2)
		term incentive over the last two years or since employment date.			
Permanent Disability	Accrued but unpaid base salary through the date of permanent disability.	In the case of CFO, any earned but unpaid short-term incentive for prior period.	Awards vest on the original vesting dates.	Awards fully vest.	Options exercised in accordance with original vesting schedule.
Death	Accrued but unpaid base salary through the date of death.	In the case of CFO, any earned but unpaid short-term incentive for prior period.	Awards vest on the date of death on a pro-rated basis relative to the length of the early vesting period.	Awards vest on the date of death on a pro-rated basis relative to the length of the early vesting period.	Unexercised vested options must be exercised within one year following death. A pro-rated fraction of unvested options will vest on the date of death.

(1) In each event, the CFO is also entitled to reimbursement of any eligible unreimbursed expenses. The Interim CEO is entitled to reimbursement of any eligible unreimbursed expenses in cases of termination without cause and resignation.

(2) In the case of retirement, RSUs vest on the original vesting dates, PSU portion of the SU award vests on the date of retirement on a pro-rated basis relative to the length of early vesting period, the Executive DSU portion of the SU award fully vests on the date of retirement, and options are exercised in accordance with original vesting schedule.

The following table sets forth the payments that would have been made to the Interim CEO, CFO and CDO pursuant to their employment agreements and, in the case of the CFO and CDO, their Executive DSUs and options held by them as a result of a termination without cause, Change of Control or Resignation for Good Reason, as applicable, assuming such events occurred on December 31, 2022.

Executive	Triggering Event	Termination Payment ($)	Executive DSU Payment(1)(2) ($)	Share Option Payment(3) ($)	Total ($)
Jason Redman Interim President and Chief Executive Officer	Termination without Cause	C$544,095(4)	N/A	N/A	C$544,095
	Change of Control	N/A	N/A	N/A	N/A
	Resignation for Good Reason	N/A	N/A	N/A	N/A
David Watson Chief Financial Officer	Termination without Cause	1,105,850	587,041	-	1,692,891
	Change of Control	N/A	833,209	-	833,209
	Resignation for Good Reason	1,105,850	-	-	1,105,850
James Rolfe Chief Development Officer	Termination without Cause	834,613	505,288	-	1,339,901
	Change of Control	1,003,122	684,044	-	1,687,166
	Resignation for Good Reason	N/A	-	-	-

(1) The Executive DSUs have been valued using the Common Share value of C$8.0008, which was calculated as the volume weighted average trading price per Common Share on the TSX for the five trading days preceding December 30, 2022, and converted into U.S. dollars using December 30, 2022 The Wall Street Journal closing exchange rate of US$1 = C$1.3554.

(2) The Executive DSUs have an applicable performance multiplier attached in the range of between 0.5x to 1.5x of target. For the purposes of this calculation, a multiplier of 1x for years one and two and 0.9x for year three were used for achieved performance.

(3) CFO's and CDO's options were not in-the-money on December 31, 2022 and, therefore, there was no incremental value to them assuming a termination without cause, Change of Control or Resignation for Good Reason at that time.

(4) The calculation of Mr. Redman's termination payment assumes that the Board would exercise its discretion to award him a bonus pro-rated for the period of employment in accordance with the Interim CEO's Employment Agreement.

Mr. Horrar, Former CEO, resigned from the Corporation on October 20, 2022. Refer to footnote 5 of the Summary Compensation Table for details of payments to Mr. Horrar following his resignation.

Mr. Schario, Former COO, resigned from the Corporation on December 30, 2022. In accordance with his employment agreement, he was not entitled to any severance payment in the event of his resignation.

COMPENSATION OF DIRECTORS

DIRECTOR COMPENSATION PHILOSOPHY AND OBJECTIVES

The compensation program for the Corporation's non-executive directors is designed to attract and retain high quality individuals with the experience and capabilities to meet the responsibilities of a Board member and to align the interests of directors with the interests of Shareholders. The CGNC Committee reviews director compensation on a periodic basis to ensure that the composition of the Corporation's director compensation program is appropriate, and that total compensation is competitive in order to attract qualified Board members.

To benchmark director compensation, the Corporation uses the same comparator group of U.S. organizations as that used for benchmarking executive compensation, with appropriate size-adjusting of market data to reflect the relative scope of the Corporation (refer to the heading "*Executive Compensation Comparator Group*" above). As an additional reference, the Corporation reviews benchmarking results from a group of Canadian-based publicly-traded organizations with annual revenues and total assets comparable to that of the Corporation.

The Canadian reference group includes the companies listed below:

AGF Management Ltd.	IBI Group Inc.
Algoma Central Corporation	Indigo Books and Music Inc.
Andlauer Healthcare Group Inc.	K-Bro Linen Inc.
Calian Group Ltd.	Postmedia Network Canada Corp.
CareRx Corporation	Sienna Senior Living Inc.
Chartwell Retirement Residences	WildBrain Ltd.
Extendicare Inc.	Yellow Pages Ltd.
GDI Integrated Facility Services Inc.	

The Corporation's compensation program for non-executive directors consists of a cash component and an equity component paid in the form of deferred share units ("**DSUs**"). The payment of cash retainers and granting of DSUs occur on a quarterly basis. The elements of the Corporation's compensation program for non-executive directors are described below.

DIRECTOR COMPENSATION ARRANGEMENTS

The following table sets forth remuneration of non-executive directors for 2022.

Directors Remuneration(1)(2)(3)	Amount ($)
Annual Board Retainers:	
Board Chair	70,000
Board Member (including Board Chair)	135,000
Additional Committee Chairs Retainers:	
Audit Committee Chair	25,000
Corporate Governance, Nominating and Compensation Committee Chair	10,000
Investment Committee Chair (until September 12, 2022)(4)	10,000
Other Fees:	
Chair of the Board of Directors of MFH Retainer	10,000
Chair of the Dividend Committees of MFA and MFH Retainer	4,000
Travel Retainer(5)	6,000
Equity Compensation in DSUs(2)	A minimum of 50% of the Board Retainer

(1) In addition to the fees described in the table above, directors are reimbursed for out-of-pocket expenses for the performance of their duties.

(2) Directors may elect to receive some or all of their fees in DSUs pursuant to the Deferred Share Unit Plan, as described below. However, no less than 50% of the Board Retainer must be received in DSUs.

(3) The Corporation has established a policy to address circumstances where it is in the interest of the Corporation to engage non-executive directors (under applicable securities laws) to provide short-term duties outside of their normal service as Board members or which fall outside of the Board's compensation framework. Such engagements may consist of (i) assignments in the interest of the Corporation which fall outside of the normal services provided by the directors in their capacity as such ("**Special Projects**"); (ii) Board-related assignments which fall outside of the Board compensation framework and may include serving on a board of a subsidiary of the Corporation, a sub-committee of the Board, or a committee of management in special circumstances and on a temporary basis; and (iii) participation in an *ad-hoc* committee of the Board which may be convened by the Board from time to time. A director may be eligible for a daily stipend for Special Projects of $2,000 per day. Fees for Board assignments are determined by the Chair of the Board in consultation with the CGNC Committee on a case-by-case basis. Fees for an *ad-hoc* committee work are determined by the Chair of the Board or delegate. In addition, directors are paid $1,500 for travel time in connection with these engagements where one-way cumulative travel time is greater than four hours. Compensation for such engagements is approved by the Chair of the Board if total aggregate compensation is up to $5,000 and by the Board if total aggregate compensation is above $5,000.

(4) The Investment Committee was dissolved on September 12, 2022 due to a shift in the Corporation's strategic direction from acquisitions to focus on organic growth of the existing MFC Partnerships.

(5) Flat annual fee for directors requiring overnight stay to attend most regularly scheduled meetings in person.

DEFERRED SHARE UNIT PLAN

The Board of Directors of the Corporation has implemented a Deferred Share Unit Plan ("**DSU Plan**") providing for the issuance of DSUs to eligible directors of the Corporation. The purpose of the DSU Plan is to attract and retain highly qualified and competent directors for the Corporation. The DSU Plan also serves to further align the interests of the directors with Shareholders of the Corporation by tying a portion of their compensation to the performance of the Corporation during the period that they serve as members of the Board.

Under the DSU Plan, which is administered by the Board of Directors of the Corporation, on or before December 31st of each year, each participant that is an eligible member of the DSU Plan may elect to receive, in lieu of a cash payment, all or a portion of their annual director fees for the following fiscal year in DSUs. No less than 50% of the Board Retainer must be received in DSUs.

For the duration of the director's tenure on the Board, dividends will accrue on the DSUs consistent with amounts declared by the Board of Directors on the Common Shares and be credited to the participant's DSU Plan account. Amounts deferred under the DSU Plan and accrued dividends earned thereon vest immediately and can be redeemed only when the DSU Plan participant ceases to serve as a director of the Corporation. The participant's entitlement in respect of the DSUs then held will be settled in cash based on a formula tied to the value of the Corporation's Common Shares at the relevant time.

The number of DSUs held by each director in their DSU Plan account is indicated in the table under the heading "*Outstanding Share-Based Awards for Non-Executive Directors*" that follows.

DIRECTOR COMPENSATION TABLE

The following table sets forth all amounts of compensation provided to the directors in their capacity as such for the year ended December 31, 2022.

Name(1)	Cash Fees Earned ($)	Share-Based Awards(2) ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compen-sation(3) ($)	Pension Value ($)	All Other Compen-sation ($)	Total ($)
Yanick Blanchard(4)	-	46,315	N/A	N/A	N/A	N/A	46,315
Lois Cormack(5)	-	133,261	N/A	N/A	N/A	N/A	133,261
Stephen Dineley(5)	107,489	72,489	N/A	N/A	N/A	N/A	179,978
Erin Enright	-	171,500	N/A	N/A	N/A	N/A	171,500
Michael Gisser(6)	-	112,718	N/A	N/A	N/A	N/A	112,718
Dale Lawr(7)	24,849	24,849	N/A	N/A	N/A	N/A	49,698

Name[1]	Cash Fees Earned ($)	Share-Based Awards[2] ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compen-sation[3] ($)	Pension Value ($)	All Other Compen-sation ($)	Total ($)
Jeffrey Lozon[8]	51,092	51,092	N/A	N/A	N/A	N/A	102,184
Reza Shahim	-	136,500	N/A	N/A	N/A	N/A	136,500
Adina Storch[4]	20,360	20,360	N/A	N/A	N/A	N/A	40,720

(1) Compensation information for Messrs. Redman and Horrar, who were Board members during 2022 and are NEOs for the year ended December 31, 2022, is provided in the Summary Compensation Table under the heading "*Statement of Executive Compensation – Summary Compensation Table*".

(2) Reflects the amount of director compensation contributed to the DSU Plan.

(3) Directors do not participate in the non-equity incentive plans, except for Mr. Horrar, who participated only in his capacity as a Former CEO.

(4) Mr. Blanchard and Ms. Storch were appointed to the Board on September 12, 2022, and their annual fees were pro-rated accordingly.

(5) Ms. Cormack and Mr. Dineley resigned from the Board on September 12, 2022.

(6) Mr. Gisser was appointed to the Board on May 7, 2022, and his annual fees were pro-rated accordingly.

(7) Ms. Lawr resigned from the Board on May 13, 2022.

(8) Mr. Lozon resigned from the Board on June 21, 2022.

OUTSTANDING SHARE-BASED AWARDS FOR DIRECTORS

The following table sets forth all share-based awards outstanding for each director of the Corporation as at December 31, 2022.

Name	Share-Based Awards		
	Number of DSUs (#)	Market or Payout Value of Share-Based Awards that Have Not Vested ($)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed[1] ($)
Yanick Blanchard	7,573	-	44,700
Erin Enright	104,191	-	615,027
Michael Gisser	17,343	-	102,373
Jason Redman[2]	4,678	-	27,614
Reza Shahim	106,673	-	629,677
Adina Storch	3,312	-	19,552

(1) The directors are not entitled to receive payment in respect of the value of any DSUs held until their services as members of the Board cease. Share-based awards not paid out were valued at C$8.0008 per Common Share, representing the five-day weighted average price of the Common Shares on the TSX preceding December 30, 2022, and converted into U.S. dollars using December 30, 2022 The Wall Street Journal closing exchange rate of US$1 = C$1.3554.

(2) As Interim CEO, Mr. Redman does not receive director compensation but the DSUs awarded to him prior to his appointment as Interim CEO continue to accrue dividends.

The Corporation does not grant options to non-executive directors.

DIRECTORS' SECURITIES OWNERSHIP REQUIREMENTS

The Corporation and the Board of Directors believe that the interests of Shareholders and directors are better aligned when the directors hold significant investments in the Corporation. In support of this belief, the Corporation has fixed minimum requirements for securities ownership by the Corporation's directors.

The current security ownership requirement is that each non-executive director own Common Shares in the capital of the Corporation and/or DSUs with an aggregate value not less than three times the value of then applicable Annual Board Retainer within five years from the date of becoming a non-executive director of the Corporation or from the effective date of the Annual Board Retainer increase. For purposes of these requirements, Annual Board Retainer includes director annual retainer and Chair of the Board annual retainer.

Once the minimum guidelines have been achieved, if the Corporation's share price declines by 25% and the director's securities ownership falls below the minimum guidelines, such director will have one year to restore the compliance. If the securities ownership guidelines for any director are not met within the required time frame, the director will be required to elect at the earliest possible time in accordance with the provisions of the Corporation's DSU Plan to have 100% of his or her director fees contributed to the DSU Plan until the securities ownership guidelines are met.

These requirements are audited annually as of the first day of the fiscal year and are reported to the CGNC Committee. All non-executive directors are currently either meeting or in progress to meet within the prescribed period their individual share ownership requirements.

The table below sets forth each director's ownership of the Corporation's securities as of December 31, 2022 and December 31, 2021, the market value of these securities, minimum share ownership guidelines and the dates to meet these minimum share ownership guidelines.

Director	Year Ended December 31	Common Shares (#)	DSUs (#)	Total Common Shares and DSUs (#)	Total Market Value of Common Shares and DSUs(1) (US$)	Meets Minimum Share Ownership Guidelines at December 31	Minimum Share Ownership Guidelines (US$)	Dates to Meet Minimum Share Ownership Guidelines
Yanick Blanchard	2022	100,000	7,573	107,573	770,445	N/A	405,000	12-Sep-27
	2021	N/A	N/A	N/A	N/A	N/A		
Erin Enright	2022	-	104,191	104,191	746,226	N/A	405,000	01-Oct-26
	2021	-	78,092	78,092	515,566	N/A	300,000	08-Aug-23
Michael Gisser	2022	-	17,343	17,343	124,211	N/A	615,000	12-Sep-27
	2021	N/A	N/A	N/A	N/A	N/A	405,000	07-May-27
Jason Redman	2022	-	4,678	4,678	33,505	N/A	405,000	07-May-27
	2021	N/A	N/A	N/A	N/A	N/A		
Reza Shahim	2022	-	106,673	106,673	764,001	Yes	405,000	01-Oct-26
	2021	-	84,553	84,553	558,225	N/A	300,000	17-Aug-22
Adina Storch	2022	-	3,312	3,312	23,723	N/A	405,000	12-Sep-27
	2021	N/A	N/A	N/A	N/A	N/A		

(1) For purposes of measurement, which is in accordance with the Corporation's Policy re: Directors' Ownership of Securities, the 2022 market value of the Common Shares and DSUs was calculated using the Common Share value of C$9.7075 which was the average of the closing prices of the Common Shares on the TSX on March 31, 2022, June 30, 2022, September 30, 2022, and December 30, 2022. The market value of the Common Shares and DSUs was converted into U.S. dollars using The Wall Street Journal closing exchange rate on December 30, 2022: US$1 = C$1.3554.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

For the year ended December 31, 2022, there was no indebtedness of any current or former officers or directors of the Corporation to the Corporation or its subsidiaries entered into in connection with a purchase of securities of the Corporation or its subsidiaries or for any other purpose.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The directors and officers of the Corporation and its subsidiaries are covered under a directors' and officers' liability insurance policy consisting of a primary policy and an umbrella policy as well as crime, employment practices liability, and fiduciary liability policies. The aggregate limit of liability applicable to the insured directors and officers under the policy is $65 million, including defence costs. Under the policy, each entity will have reimbursement coverage to the extent that it has indemnified the directors and officers.

The by-laws of the Corporation and its direct and indirect subsidiaries and the partnership agreements of each MFC Partnership also provide for the indemnification of their respective directors and officers from and against liability and costs in respect of any action or suit brought against them in connection with the execution of their duties of office, subject to certain limitations.

AUDIT COMMITTEE AND AUDITORS' FEES

The Corporation established an Audit Committee. The Audit Committee is comprised of three directors and its members are Mr. Blanchard (Chair), Mr. Gisser, and Ms. Storch, each of whom is "independent" of the Corporation and its direct and indirect subsidiaries, including the MFC Partnerships, and "financially literate" within the meaning of National Instrument 52-110, *Audit Committees*.

The Audit Committee is responsible for oversight of the accounting and financial reporting practices and procedures of the Corporation, monitoring the adequacy of internal accounting controls and procedures, and reviewing the quality and integrity of financial statements of the Corporation. The independent auditors of the Corporation report directly to the Audit Committee. In addition, the Audit Committee is responsible for the review and oversight of the auditors' examination and for recommending to the Board of Directors the selection of independent auditors of the Corporation. The charter of the Audit Committee is attached to the Corporation's annual information form as Schedule "A".

Relevant Education and Experience of Audit Committee Members

The following table sets forth the education or experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee, including any education or experience that has provided the member with an understanding of the accounting principles used by the Corporation to prepare its annual and interim financial statements.

Audit Committee Member	Relevant Education and Experience
Yanick Blanchard (Chair)	Mr. Blanchard has over 25 years of experience in the finance sector and holds a Chartered Financial Analyst designation and a bachelor's degree in finance from HEC Montreal university. Currently, he provides corporate and financial advisory services. Previously, Mr. Blanchard served as Executive Vice-President, Managing Director, and Global Head of Corporate & Investment Banking for National Bank of Canada where he was responsible for overseeing all investment banking, M&A, credit capital market, and corporate debt underwriting activities. He was also a member of National Bank of Canada's Financial Markets Management Committee and chaired the bank's Capital Allocation Committee.
Michael Gisser	Mr. Gisser is a member of the Audit Committee at Continental General Insurance, a regulated underwriter of long-term care insurance. In a career where Mr. Gisser worked as lead counsel for prominent initial public offerings of companies located across the globe, he has been deeply involved in due diligence and public reporting of financial matters, including cutting-edge accounting questions. In addition, Mr. Gisser has served as general counsel for public companies and guided their decision-making regarding financial reporting and disclosure matters.
Adina Storch	In her fifteen years of private practice with two major U.S. law firms, Ms. Storch advised domestic and international clients on complex capital markets transactions, including IPOs, private placements, debt financings and bankruptcies, as well as complex securities litigations. Ms. Storch was also trained practicing law internationally in the wake of the Enron and Worldcom public reporting scandals, advising foreign issuers on the then-new Sarbanes Oxley legislation, and other amendments to public reporting requirements that defined the dawn of the modern compliance era. In her near decade of experience serving as General Counsel and Corporate Secretary to two public U.S. companies, Ms. Storch has gained thoroughly familiarity with regulatory disclosure and reporting standards. She routinely interfaces with both internal and external auditors in the conduct of their audit and review procedures, and is responsible for reporting certain matters of internal controls, such as whistleblower and cybersecurity issues, to the Audit Committees of the companies she serves in her General Counsel capacity.

Non-Audit Services

The Corporation's Audit Committee has adopted specific policies and procedures for the engagement of external auditors for all services, including non-audit services. The policies require Audit Committee approval for all such engagements, but the Audit Committee may delegate pre-approval authority to the chair of the Audit Committee.

External Auditors Service Fees

The table below sets forth disclosure regarding the services provided and fees earned by the Corporation's external auditors over the two most recently completed fiscal years, dividing the services into the three categories of work performed.

Type of Work	2022 Fees(1)	2021 Fees(1)
Audit fees(2)	C$ 335,625 (i) US$ 331,915 (ii) US$ 20,975 (iii) C$ 144,000 (iv) US$ 130,000 (v)	C$ 261,166 US$ 313,100 US$ 20,865 C$ 166,856 - C$ 28,600 C$ 115,590
Tax fees(3)	C$ 59,000 (i) C$ 12,300 (ii)	C$ 70,128 -
Other fees(4)	C$ 3,000	C$ 109,182

(1) Fees shown are net of technology and support charges and harmonized sales tax.

(2) Audit fees billed for professional services rendered by the auditors for the (i) audit of the Corporation's consolidated financial statements for the year ended December 31, 2022; (ii) audit of four MFC Partnerships for the year ended December 31, 2022; (iii) review of an MFC Partnership for the year ended December 31, 2022; (iv) review of the interim consolidated financial statements of the Corporation for Q1, Q2 and Q3 2022; and (v) Provider Relief Fund Audits for four MFC Partnerships.

(3) Tax fees billed for professional services rendered by the auditors for (i) Canadian tax compliance and (ii) tax advisory in respect of director residency, tax planning, and intercompany financing.

(4) Other fees include fees billed for professional services rendered by the auditors in respect of a potential transaction.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate external auditors not been adopted by the Board of Directors.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The following is a statement of the Corporation's corporate governance practices in accordance with National Policy 58-201, *Corporate Governance Guidelines* (the "**Governance Guidelines**") and National Instrument 58-101, *Disclosure of Corporate Governance Practices* (the "**Governance Disclosure Rule**"), which were adopted by the securities regulatory authorities in Canada. The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance practices. The Governance Disclosure Rule requires that, if management of an issuer solicits proxies from its securityholders for the purpose of election of directors, specified disclosure of its corporate governance practices must be included in its management information circular.

The Board of Directors of the Corporation believes that sound corporate governance practices are in the interest of Shareholders and contribute to prudent and effective decision-making. Accordingly, directors of the Corporation are committed to thorough and effective corporate governance arrangements. The Board of Directors fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased, and the nature of the agenda items may be changed depending on the state of the Corporation's affairs and in light of opportunities or risks which the Corporation faces. The directors are kept informed of the Corporation's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Corporation's corporate governance practices have been and continue to be in compliance with applicable Canadian requirements. The Corporation continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate. The Corporation's objective is to meet and, where applicable, exceed all corporate governance guidelines.

The following is a description of the Corporation's governance practices which has been prepared by the CGNC Committee and has been approved by the Board of Directors.

BOARD OF DIRECTORS CHARTER

The Board of Directors believes that clear accountability leads to the best governance and, therefore, maintains a charter for the Board. The Board of Directors Charter is included in this information circular as Schedule "A". Under the Charter, the Board is responsible for overseeing the management of the business of the Corporation and for providing stewardship and governance to ensure the viability and growth of its business. The Charter describes the duties and responsibilities of the Board in matters of independence and integrity, strategic planning, risk oversight, leadership and succession, financial reporting, corporate communications, public disclosure, and corporate governance.

BOARD OF DIRECTORS

Director Independence

Use of the term "independent" in relation to a director in this information circular means a director is independent as defined under Governance Disclosure Rule and, in particular, is free of any direct or indirect material relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the director's independent judgment.

The Board of Directors reviews the nature and significance of relationships between the directors and the Corporation and any of its subsidiaries to determine independence. The Board of Directors has concluded that four of the six directors standing for re-election at the Meeting are independent.

The Board has determined that Dr. Shahim is a non-executive, non-independent director. Dr. Shahim is a minority owner of Arkansas Surgical Hospital, LLC ("**ASH**"), an MFC Partnership, and a minority member of an ownership group that owns and leases hospital real estate to ASH. As well, Dr. Shahim is a minority member of another ownership group that owns and leases imaging equipment to ASH.

The Board has determined that Mr. Redman is not independent while he serves as Interim CEO of the Corporation.

Chair of the Board of Directors

The Chair of the Board, Mr. Gisser, is an independent director within the meaning of Governance Disclosure Rule. The Board of Directors, in conjunction with the CGNC Committee, has developed broad terms of reference for the Chair of the Board which, among other things, include managing and developing a more effective Board and ensuring that such Board can function independently of management. The Corporation believes that having an independent Chair of the Board fosters strong leadership, robust discussion, and effective decisions while avoiding potential conflicts of interest. The position description of the Chair of the Board is available on the Corporation's website at **www.medicalfacilitiescorp.ca**.

Other Public Company Directorships

Ms. Enright, an independent director, is a chair of the board of Dynatronics Corporation (NASDAQ:DYNT). No other directors serve on boards of other public corporations.

Interlocking Board Relationships

The Board does not have any interlocking board relationships which affect the independence of any of its Board members, as determined in accordance with National Instrument 52-110, *Audit Committees*.

Strategic Planning Oversight

Pursuant to the Board of Directors Charter, the Board oversees the development and execution of a long-range strategic plan and a short-range business plan for the Corporation, which are designed to achieve the Corporation's principal objectives and identify the principal strategic and operational opportunities and risks of the Corporation's business. To assist the Board in meeting its responsibility, the agenda for every regularly-scheduled Board meeting includes a discussion of the progress of the short-term business plan and quarterly results as well as management's review of operations, business development, financial forecast, and emerging trends and opportunities so as to provide the directors the information required for them to discuss and analyze the main risks associated with the Corporation's business plan and make recommendations to adjust the plan, if necessary. In addition, the Board holds strategic planning sessions where directors meet and discuss the long-term plan for the organization in detail with management, and internal and external advisors, as required.

Board Oversight of Risk Management

Pursuant to the Board of Directors Charter, the Board is responsible for overseeing the implementation by management of appropriate systems to identify, report, and manage the principal risks faced by the Corporation. The Board has delegated to the Audit Committee the responsibility of assisting the Board with respect to risk oversight.

As part of the risk management processes, risk register has been developed through risk identification and risk assessment exercises facilitated by management. Risk information is sourced throughout the organization using a variety of methods, including risk identification interviews and questionnaires. Key risks and associated mitigation strategies are reviewed by management and are presented to the Audit Committee. The key risk categories assessed include financial reporting, quality of care, operational policy and execution, human resources, regulation, compliance, reputation, information technology and cybersecurity, and external factors such as pandemics, epidemics and other outbreaks, adverse weather conditions and natural disasters. Risks are assessed across the organization using a risk scoring matrix to assess impact and likelihood. The development and execution of risk treatment plans for the organization's top risks are actively monitored by management. The Audit Committee oversees management to ensure the risk governance structure and risk management processes are robust, and that the Corporation's risk appetite is thoroughly considered in decision-making.

Internal Controls

The Board is responsible for monitoring the integrity of the Corporation's internal controls and management information systems. The Board has delegated internal control oversight responsibilities to the Audit Committee, which includes monitoring the system of internal control over financial reporting. The Audit Committee reviews quarterly and annual financial statements and recommends them to the Board for approval. Management updates the Audit Committee quarterly on assessments of the design and operating effectiveness of the system of internal control over financial reporting and the preparation of financial statements for external reporting purposes.

Succession Planning

The Board has included succession planning as part of the mandate of the CGNC Committee. The CGNC Committee has responsibility for ensuring that a succession planning process is in place and for reviewing this process on an annual basis.

Succession planning is viewed by the CGNC Committee as an ongoing process for identifying and developing the talent, leadership, and skills necessary to ensure the Corporation has the continued capability to meet future strategic objectives and fulfill key organizational roles in the future.

The CGNC Committee, with assistance from the CEO in the case of other Executives, is mandated to make recommendations to the Board with respect to succession planning including (i) policies and principles for the selection and performance review of the executive officers, and potential successors to the executive officers; and (ii) policies and plans regarding succession in the event of an abrupt departure or retirement of an executive officer.

The CGNC Committee requires that the CEO review the performance of his executive team members on an annual basis, at minimum.

If no internal succession candidates are identified, the Corporation expects to source potential successors through external hiring. In these instances, plans would be developed to provide for filling the role on an interim basis pending the external hire.

Standing Committees of the Board

The Board of Directors, in part, performs its mandated responsibilities through the activities of its two standing committees: the Audit Committee and the CGNC Committee. The Audit Committee and the CGNC Committee are comprised entirely of independent directors. From time to time, when appropriate, an *ad-hoc* committee of the Board may be appointed by the Board.

The following table sets forth the composition of the Board committees as at December 31, 2022.

Director	Audit Committee	CGNC Committee
Independent Directors:		
Yanick Blanchard	Chair	
Erin Enright		Chair
Michael Gisser	✓	✓
Adina Storch	✓	✓
Non-Executive Non-Independent Director:		
Reza Shahim		
Executive Director:		
Jason Redman		

Further information about the Audit Committee is provided under the heading "*Audit Committee and Auditors' Fees*" in this information circular. Further information about the CGNC Committee is provided under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis*" of this information circular.

Board and Standing Committee Meeting Attendance

Directors are expected to attend all meetings of the Board and the committees on which they participate either in person or by telephone, subject to unavoidable conflicts. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. Subject to the Corporation's articles, a quorum for the transaction of business at any meeting of the Board or its committees shall consist of a majority of the number of directors then holding office present. Notwithstanding any vacancy among the number of directors, a quorum of directors may exercise all of the powers of the directors. Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

Directors are also expected to attend the annual meeting of Shareholders. Directors are welcome to attend all committee meetings regardless of membership to enhance their knowledge of the Corporation's business and their understanding of particular committee matters. From time to time, directors may visit MFC Partnerships to gain a better understanding of their operations.

The Board meets a minimum of five times per year. The Audit Committee and the CGNC Committee meet at least four times a year, or more frequently as deemed necessary by each committee. The frequency of the meetings and the nature of the meeting agendas are dependent upon the nature of the business and affairs which the Corporation faces from time to time.

The following table sets forth the attendance (in person, by teleconference or virtually) of the Board and standing committee meetings held and attended by directors during 2022.

Director	Board Meetings		Audit Committee Meetings(1)(2)	CGNC Committee Meetings(1) (2)	Total Board and Committee Meeting Attendance	
	Regularly Scheduled	Non-Regularly Scheduled				
Yanick Blanchard(3)	2 of 2	3 of 3	1 of 1	N/A	6 of 6	100%
Erin Enright(4)	6 of 6	9 of 9	3 of 3	3 of 3	21 of 21	100%
Michael Gisser(5)	4 of 4	7 of 7	3 of 3	4 of 4	18 of 18	100%
Jason Redman(6)	4 of 4	7 of 7	2 of 2	N/A	13 of 13	100%
Reza Shahim	6 of 6	9 of 9	N/A	N/A	15 of 15	100%
Adina Storch(7)	2 of 2	3 of 3	1 of 1	2 of 2	8 of 8	100%

(1) Does not include attendance by directors who are not members of the committees but may attend by invitation to enhance their knowledge of the Corporation's business and their understanding of the committee's work.

(2) The Audit Committee met four times and the CGNC Committee met six times in 2022. None of the Audit Committee members attended all four meetings of the Audit Committee and none of the CGNC Committee members attended all six CGNC Committee meetings because they were appointed to these Committees at various times in 2022 as described in footnotes 3 to 7 below.

(3) Mr. Blanchard was appointed to the Board and the Audit Committee on September 12, 2022, and, therefore, attended five out of 15 Board meetings and one out of four Audit Committee meetings.

(4) Ms. Enright stepped down from the Audit Committee on September 12, 2022, and, therefore, attended three out of four Audit Committee meetings as a member of the Audit Committee. Ms. Enright was appointed to the CGNC Committee on June 21, 2022, and, therefore, attended three out of six CGNC Committee meetings as a member of the CGNC Committee.

(5) Mr. Gisser was appointed to the Board, the Audit Committee and the CGNC Committee on May 7, 2022, and, therefore, attended 11 out of 15 Board meetings, three out of four Audit Committee meetings, and four out of six CGNC Committee meetings.

(6) Mr. Redman was appointed to the Board and the Audit Committee on May 7, 2022, to the CGNC Committee on September 12, 2022, and as Interim CEO effective October 21, 2022, at which time he stepped down from the Audit Committee and the CGNC Committee. Therefore, Mr. Redman attended 11 out of 15 Board meetings, two out of four Audit Committee meetings, and no CGNC Committee meetings as none were held during his tenure as a member of the CGNC Committee. As Interim CEO, Mr. Redman attends all Audit Committee and CGNC Committee meetings on an invitational basis.

(7) Ms. Storch was appointed to the Board, the Audit Committee and the CGNC Committee on September 12, 2022, and, therefore, attended five out of 15 Board meetings, one out of four Audit Committee meetings, and two out of six CGNC Committee meetings.

Board and Committee Meetings without Management

The non-executive directors meet without members of management present at every meeting of the Board and at the meetings of standing committees of the Board, as required. Each regularly scheduled Board and committee meeting agenda includes an *in-camera* session at the end of each meeting. As a non-executive non-independent member of the Board, Dr. Shahim is invited to attend the independent meetings of the Board unless the Board determines that Dr. Shahim's non-independent status conflicts with the matters under discussion at such meetings.

POSITION DESCRIPTIONS

The Board of Directors has developed written position descriptions for the Chair of the Board of Directors and the chair of each standing committee of the Board. In conjunction with the CEO, the Board of Directors has developed a written position description for the CEO. The position descriptions for the Chair of the Board, committee chairs and the CEO are available on the Corporation's website at **www.medicalfacilitiescorp.ca**.

DIRECTOR ORIENTATION AND CONTINUING EDUCATION

Director Orientation

All new directors of the Corporation receive a comprehensive orientation. It is the responsibility of the CGNC Committee to approve an appropriate orientation and education program for new directors. Every new Board member is briefed on the role of the Board of Directors, its committees, the contribution individual directors are expected to make, and on the nature and operation of the Corporation and its business by the Chair of the Board or his or her designate and is provided with the Corporation's comprehensive Director Orientation Manual (the "**Manual**"). The Manual contains information and comes with a package of materials concerning:

a) the Corporation's key corporate governance and public disclosure documents;

b) the Corporation's business, legal framework and organizational structure;

c) the structure of the Board and its committees;

d) expectations from the directors and their principal roles and responsibilities;

e) evaluation process for the Board, its committees, the chairs and individual directors;

f) directors' and officers' liability insurance;

g) expectations and guidelines regarding continuing education and professional development, including suggested literature and resources which the Board believes would be of assistance to the new director; and

h) policies and procedures pertaining to the directors.

New Board members are also expected to visit, within 12 to 18 months of appointment, at least one MFC Partnership to familiarize themselves with operations by touring the facility and meeting members of the local governing board.

Continuing Education

The Corporation recognizes the importance of optimizing the ability of the directors to understand their roles and responsibilities within the organization and keeping current their knowledge and understanding of issues affecting the Corporation. In this respect, the Corporation expects its directors to attend seminars and courses and undertake individual reading and self-study on a variety of topics, including economy, corporate matters, securities regulation, external reporting standards, healthcare industry, compensation practices, major litigation developments, director duties, and risk management.

Procedures are in place to ensure that the Board is kept up to date and to facilitate timely and efficient access to all information necessary to carry out its duties. Among other things, the directors:

a) receive a comprehensive package of information prior to each Board and committee meeting;

b) are involved in setting the agenda for the Board and committee meetings;

c) attend strategic planning meetings;

d) have full access to senior management; and

e) receive regular updates between Board and committee meetings on matters affecting the Corporation's business.

In addition, management distributes various materials and makes presentations to the Board and committees when they are making key business decisions, during strategic planning meetings, on topical issues from time to time and in response to requests from directors. Directors are also provided with updates summarizing changes to the laws in respect of corporate governance and receive continuing education that, among other things, assists directors in maintaining or enhancing their skills and abilities as directors and ensures that their knowledge and understanding of the Corporation and its business remain current. Occasional site visits by the directors to the Corporation's subsidiaries are also used as educational tool for directors.

The Corporation pays for educational courses for members of the Board relating to matters concerning the Board. The Corporation also pays for directors' membership dues to the Institute of Corporate Directors that provides relevant publications and educational opportunities.

In 2022, all directors attended an educational session organized by the Corporation concerning U.S. compliance matters, specifically pertaining to U.S. Fraud and Abuse Law, which included an overview of the Stark Physical Self-Referral Law, Federal Anti-Kickback Statute and the *False Claims Act*.

CORPORATE AND BOARD POLICIES

Code of Business Conduct and Ethics

The Board has adopted a written code of business conduct and ethics for the Corporation (the "**Code of Conduct**"), which constitutes written standards that are designed to promote integrity and to deter wrongdoing. The Code of Conduct addresses the following issues:

a) compliance with laws, rules and regulations;

b) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a personal interest;

c) confidentiality of corporate information;

d) protection and proper use of corporate assets and opportunities;

e) fair dealing with the Corporation's securityholders, customers, suppliers, competitors and employees;

f) discrimination and harassment; and

g) reporting of any illegal or unethical behaviour.

The Code of Conduct applies to all directors, officers, employees, representatives, and agents (collectively, the "**Personnel**") of the Corporation. The Corporation's operating subsidiaries have also adopted a similar code of conduct that applies to their respective personnel and mirrors or substantially reflects the provisions of the Code of Conduct. All Personnel, including that of the Corporation, as defined above, and of each subsidiary of the Corporation, must conduct themselves in accordance with the respective code of conduct and seek to avoid even the appearance of improper behaviour. Conflicts of interest, defined as when an individual's private interests interfere in any way with the interests of the Corporation and its subsidiaries, are prohibited under the Code of Conduct. Upon becoming aware of a conflict or a potential conflict, Personnel are required to bring it to the attention of a supervisor or department head or other senior member of the Corporation. Where illegal or unethical behaviour is observed, Personnel are also instructed to look to the Corporation's Whistle Blower Policy (discussed below) for the recommended procedures for reporting such violations.

Administration of the Code of Conduct is the responsibility of senior management of the Corporation. The CFO has been delegated by the Board to ensure that a copy of the Code of Conduct is circulated to all new Personnel upon engagement. In addition, periodic training sessions for the Personnel have been mandated by the Board to ensure familiarity and comfort with the Code of Conduct. The Audit Committee receives quarterly reports as to the compliance with the Code of Conduct and the Whistle Blower Policy. The Code of Conduct may be found on SEDAR at **www.sedar.com** or the Corporation's website at **www.medicalfacilitiescorp.ca**. In the alternative, copies may be obtained from the CFO of the Corporation upon written request.

Disclosure Policy

The Corporation has a corporate disclosure policy to ensure that communications to investors and potential investors are timely, factual, and accurate, and that the information is disseminated in accordance with all applicable legal and regulatory requirements to the investing public, analysts, and the media.

Whistle Blower Policy

The Corporation's Whistle Blower Policy establishes a method for dealing appropriately with any complaints made by Personnel of violation of the Code of the Conduct, fraudulent or illegal activities, or irregular and dishonest accounting, internal accounting control, and auditing matters. Anyone who in good faith reports such activity will be protected from threats of retaliation or discrimination as a result of the report. Reports under the Whistle Blower Policy can be made anonymously and addressed to the Audit Committee chair, the Corporation's compliance advisor or legal counsel. On a quarterly basis, the CFO informs the Audit Committee of all reports made under the Whistle Blower Policy. The Whistle Blower Policy is available on the Corporation's website at **www.medicalfacilitiescorp.ca**.

Policies Concerning Trading in Securities

The Corporation's Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities and Insider Reporting Policy place restrictions on the individuals in a special relationship with the Corporation when trading securities of the Corporation. These policies include, among other things, (i) restriction from trading securities of the Corporation during quarterly trading blackout periods as well as *ad-hoc* blackout periods; (ii) communication of the dates for regular blackout periods; and (iii) prohibition from communicating insider information to others other than in the necessary course of business. All reporting insiders are required to disclose all trading activity pursuant to the Canadian securities laws and file insider reports via the Internet-based System for Electronic Disclosure by Insiders. Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities is available on the Corporation's website at **www.medicalfacilitiescorp.ca**.

NOMINATION OF DIRECTORS

The duties of the nominating committee are conducted by the CGNC Committee. The Board has appointed the CGNC Committee, composed of three independent directors, to identify and recommend new candidates to the Board. The responsibilities, powers and operation of the CGNC Committee are outlined in the CGNC Committee Charter included in this information circular as Schedule "B".

The CGNC Committee monitors the size and composition of the Board and its committees and succession issues. It regularly reviews the competencies, skills and personal qualities required of Board members and develops and recommends criteria for selecting new Board members. The Committee identifies candidates based on the requisite skills, qualities and background, including gender, and assesses a candidate's ability to make valuable contribution to the Board, including considering whether the candidate can devote sufficient time and resources to his or her duties as a Board member. To identify possible candidates, the CGNC Committee may invite suggestions from other directors and management and may engage external consultants. The CGNC Committee actively seeks individuals qualified, in the context of the Corporation's needs and formal criteria established by the Board, to become members of the Board for recommendation to the Board. As discussed below under the heading "*Diversity*" of this information circular as well as set forth in the Board of Directors Charter included in this information circular as Schedule "A", the Corporation recognizes the importance of women having representation at key decision-making points in organizations and is supportive of the requirements of the Canadian Securities Administrators in this regard. Accordingly, as one factor in the foregoing analysis, the CGNC Committee and the Board consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election.

The CGNC Committee holds regular succession planning reviews and makes recommendations to the Board to ensure that the composition, diversity (including with respect to gender or otherwise), and the number and specific skill sets of directors are appropriate for the size and complexity of the Corporation and facilitate effective decision-making. In this regard, the CGNC Committee identifies skill sets and expertise requirements for potential future director nominees. When the CGNC Committee engages an independent firm of search consultants, it requests the development of a list of potential candidates based on the criteria developed by the CGNC Committee for the selection of a new director. The search consultants screen candidates and discuss potential candidates with CGNC Committee members. Based on those discussions, they then create a list of primary candidates. Based on this list, the search consultants determine the interest and availability of the potential candidates. This process is designed to provide the best opportunity for identifying strong Board candidates. Once identified, each candidate is interviewed by a panel of directors, which typically includes the Chair of the Board and the members of the CGNC Committee.

Director recruitment and renewal activities are ongoing. With consideration that two independent directors were retiring in 2022, the Board undertook a search process to identify, screen and interview candidates. As a result of this process, Messrs. Gisser and Redman were appointed to the Board on May 7, 2022. In addition, two directors resigned from the Board due to the change in the Corporation's strategic direction. Following a search process, Mr. Blanchard and Ms. Storch were appointed to the Board on September 12, 2022 to replace those directors.

DIRECTOR SKILLS AND EXPERIENCE

The Board and the CGNC Committee review the experience, qualifications, and skills of the directors on a regular basis to ensure that the composition of the Board and committees and skills of the members are in line with those that the Board and respective committees should possess.

The CGNC Committee maintains a skills matrix to identify and evaluate the competencies and skills of the directors based on the individual experience and background. The skills matrix is reviewed and updated annually based on self-assessment by each director whereby each director is asked to rate their experience and background on a variety of key subject areas, including executive leadership, strategy, U.S. healthcare industry, corporate governance, financial literacy, legal and regulatory experience, financial markets, mergers and acquisitions, compensation and human resources, risk management, and information technology. This data is compiled into a matrix representing the Board skills for current directors. This matrix is used in the nomination process as a reference tool to identify areas for strengthening the Board.

COMPENSATION

The Board has appointed the CGNC Committee to review and recommend compensation of the Corporation's directors and executive officers. The responsibilities, powers and operation of the CGNC Committee are outlined in the CGNC Committee Charter included in this information circular as Schedule "B". Additional information on director and senior officer compensation can be found in this information circular under the headings "*Statement of Executive Compensation – Compensation Discussion and Analysis*" and "*Compensation of Directors"*.

BOARD AND COMMITTEE ASSESSMENTS

The CGNC Committee is responsible for annual assessment of the effectiveness of the Board as a whole, the Board's committees and individual directors. The Corporation undertakes a formal process in which surveys are delivered to each director in order to help assess the effectiveness of the Board, the various committees, the Chair of the Board, the chairs of the committees, and the individual directors.

Due to the recent changes in the composition of the Board, whereby four out of six directors were appointed in 2022, the CGNC Committee deferred the annual assessment until new directors have had the opportunity to serve on the Board for a full year.

DIVERSITY

Board Diversity

The Board of Directors strongly supports the principle of boardroom diversity, of which gender is one important aspect. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments on merit and against objective criteria, including diversity. In identifying candidates, the CGNC Committee, among many factors, considers the diversity of the Board and in particular the representation of women on the Board. The existing number of women on the Board is a factor considered in assessing potential new director candidates.

The Board has adopted a written board diversity policy. The purpose of the policy is to express the importance the Corporation places on the diversity of its Board. The Board believes that diversity enriches discussions among the members of the Board and improves the Corporation's evolving relationships with its employees, Shareholders and other stakeholders. In furtherance of this purpose, the CGNC Committee is guided by the following principles when identifying candidates to recommend for election or appointment to the Board:

a) an intention that the Board be composed of directors who possess extensive knowledge and competencies, diverse points of view, and relevant expertise, enabling each director to make an active, informed and positive contribution to the management of the Corporation, the conduct of its business and its future development;

b) seeking a balance in terms of the knowledge and competencies of directors to help the Board fulfil its responsibilities in all respects; and

c) considering diversity criteria of directors on the basis of gender, sexual orientation, age, racial, ethnic, and geographic diversity, disability, as well as a broad range of business and educational experience, professional expertise, personal skills and perspectives.

With regard to gender diversity, the Board's target is to ensure that the proportion of women on the Board is at least one-third of its non-executive members.

The Board reviews its diversity policy at least annually to ensure the objectives of the policy are being considered and it continues to be implemented effectively. The Board takes regular steps to measure its progress in furtherance of the principles outlined above. The CGNC Committee considers the objectives of the Board diversity policy when making decisions regarding Board appointments.

The Board is dedicated to ensuring it benefits from the broader exchange of perspectives made possible by diversity of thought, background, skills, and experience.

The Board has two female directors, representing 33% of the six directors of the Corporation and 40% of the five non-executive directors of the Corporation.

Management Diversity

Executive appointments at the Corporation are determined based on merit and qualifications relevant for the specific role. Consideration is given to a broad range of skills, background, experience, knowledge, merit, and cultural fit within the organization. Diversity is taken into account, however, the ultimate decision is determined based on the best candidate for the role. In addition, the Corporation's executive team is relatively small consisting of three executive officer positions: CEO, CFO, and CDO. For the reasons described above, the Corporation does not specifically consider the level of representation of women in executive positions and has not adopted a specific target regarding the number or percentage of women in executive positions. At the time of executive appointments, considerations are made both to competencies and personal attributes, including with respect to gender and otherwise, to build the strongest leadership team for the Corporation.

As at December 31, 2022, women occupied 9% (one of 11) of senior officer positions at the Corporation's corporate and operating subsidiaries. However, appointment of senior officers at the operating subsidiaries level is not a matter in respect of which the Corporation has rights.

DIRECTOR TENURE

The Corporation does not have a mandatory age for retirement of directors and there are no term limits. The Corporation has a robust annual evaluation process which includes peer review to determine, among other considerations, the contribution of each director.

Although term limits can be a factor in promoting an environment in which fresh ideas and viewpoints are available to the Board, term limits for directors can also disadvantage the Corporation by depriving it of the contribution of individuals who have developed, over a period of time, a deep knowledge of, and insight into, the Corporation and its operations. The Board seeks a balance with new and experienced appointments.

The CGNC Committee annually reviews the Board's policy on tenure and retirement to ensure that the policy, along with Board composition reviews and the succession planning process, are providing for Board renewal that meets the ongoing and developing needs of the Corporation. As discussed under the heading "*Board and Committee Assessments*" above, four out of six directors of the Corporation were appointed in 2022.

ENVIRONMENTAL AND SOCIAL ISSUES

The Corporation and MFC Partnerships are committed to conducting their business in a safe and responsible manner, promoting sound environmental practices, minimizing the impact of the environment on their operations, enhancing human and community resources, and complying with all local, state, and federal regulations. The MFC Partnerships' commitment to social responsibility is primarily reflected in pursuit of quality of care for patients, ensuring health and safety of employees, and contribution to the overall health and well-being of the communities where MFC Partnerships are located and conducting business sustainably. Management has processes in place whereby it is made aware of any health, safety, or environment issues at the MFC Partnerships and regularly reports on these matters to the Board.

As discussed under the heading "*Named Executive Officers*" above and described in detail in the Corporation's annual information form, the Corporation does not have any ongoing business operations of its own. Instead, through its wholly-owned subsidiaries, the Corporation holds indirect ownership interests in four surgical hospitals and six ambulatory surgery centers ("**ASC**") (hereinafter collectively, the "**Facility**" or "**Facilities**"). The business and operations of the Facilities are under the operational control and direction of management of each Facility or, for certain ASCs, a management company. The Corporation's control and general oversight over these Facilities are through contractual rights in respect of reduction in distributions, certain budgeting matters, material deviations from budget and specified fundamental transactions. As such, policies, practices, and procedures, including in respect of environmental and social issues, may not be uniform across the Facilities, and the Corporation does not have approval rights in respect of such policies, practices, and procedures and relies on the decisions made by non-controlling owners of the MFC Partnerships. However, while the Corporation is limited to its contractual rights, it constantly shares best practices with the Facilities and has representation on the governing boards of the Facilities where decisions in respect of environmental and social issues are made. Furthermore, the U.S. healthcare industry is highly regulated, as described in detail in the Corporation's annual information form, and the Facilities are subject to numerous local, state and federal regulations in respect of protection of environment, health and safety, quality of care, patient records and personal information, among others.

Board Oversight Role

The oversight of significant environmental and social ("**E&S**") risks, strategies, policies, programs and practices is delegated to the CGNC Committee and is reflected in the CGNC Committee's Charter included in the Schedule "B" to this information circular. The CGNC Committee also takes an active role in the continued evolution of the Corporation's E&S public reporting. In addition, the Audit Committee is responsible for the oversight of the Corporation's risk management practices, including the review and approval of the Enterprise Risk Management Framework, Risk Appetite Statement, and significant risk management policies, including E&S risk management topics.

A summary of the Corporation's and Facilities' E&S-related policies, practices and initiatives follows.

Environmental Issues

Facilities' Level

The Facilities are dedicated to minimizing the impact on the environment of their operations, including infectious waste, and to complying with all local, state, and federal regulations regarding waste management.

Healthcare facilities, including the Facilities, produce potentially hazardous waste. Several U.S. federal and state regulatory agencies provide guidance for management of hazardous medical and pharmaceutical waste. These regulations provide safeguards for internal controls for patient and staff protections and external controls for protections of the environment and communities. Certified medical waste haulers are contracted to manage medical waste in compliance with regulations. A significant amount of training occurs for all new employees and at least annually on safety processes to avoid injury or exposure to these hazards. Additionally, all employee injuries are recorded to identify trends and opportunities for improvement.

The Facilities have implemented and follow policies for identification and proper handling and disposal of infectious medical waste. Hazardous drugs, outdated and expired medications, and unused medications are identified and disposed of during a regular medication reconciliation process. Certain Facilities provide “waste sites” on discharge instructions to patients so the patients know where and how to dispose of unused and expired medications.

The Facilities utilize several single-use disposable medical devices. Medical devices are regulated by the Food and Drug Administration (“**FDA**”). In certain circumstances, the Facilities utilize third-party reprocessors of single-use medical devices. These “recycling” efforts must meet rigorous FDA and Centers for Disease Control (“**CDC**”) standards for patient safety. When these reprocessing efforts are successful, the bioburden can be significantly reduced.

The Facilities also follow policies for safety and proper storage of medical gas cylinders, and in respect of sanitation, construction, and laundering. The Facilities are in compliance with the Life Safety Code and National Fire Protection Agency 99 for healthcare facilities. In addition to meeting the building fire code safety requirements, the Facilities conduct fire drills at least quarterly.

The Facilities continuously look for ways to make their operations more sustainable, updating their infrastructure through various initiatives, which include:

- Decreasing energy consumption by replacing lighting systems, older fixtures and equipment with more energy-efficient alternatives.

- Increasing water conservation by changing vacuum pumps from water cooled to air cooled and installing water aerators on faucets.

- Implementing recycling programs for paper, plastic and aluminium.

Certain Facilities are located in the geographies where natural disasters and adverse weather events, such as flooding, tornadoes, winter storms, windstorms and earthquakes, are common and may be further exacerbated by the effects of climate change. Such occurrences may result in damage to or destruction of buildings and/or equipment, inability to perform services resulting in loss of revenue, incurrence of clean up costs, rebuilding and/or replacing buildings and/or equipment, general business disruptions and adverse impact on the general economy in the communities in which the Facilities are located.

To mitigate the impacts of adverse weather events and natural disasters, the Facilities have in place safety, maintenance and asset protection programs and maintain appropriate insurance coverage. In addition, the Corporation and the Facilities have adopted crises communication plans which include various scenario preparedness planning including for natural disasters, and outline procedures for crisis management, communication and post-crisis reputation. All of the Corporation’s surgical hospitals comply with the Centers for Medicare & Medicaid Services (“**CMS**”) Emergency Preparedness Rule and ASCs with CMS’ regulations to maintain an emergency preparedness plan and participate in planning and drills with local and regional disaster planning agencies.

Corporate Level

Since 2014, the Corporation has been using “notice and access” system for the delivery of Meeting Materials to its Beneficial Shareholders each year, reducing printing and delivery costs and environmental footprint. Also, since 2014, the Corporation has been delivering to its Board and management all materials in electronic format only, further reducing supply, printing, and delivery costs and corresponding environmental footprint. The Corporation also encourages its employees at the corporate offices in Toronto, Ontario and Franklin, Tennessee to store records electronically, and print double sided, set printers to black and white printing, use refurbished printer toners, and recycle printer toners. While both Toronto and Franklin offices lease their office space from independent third-parties, the corporate staff follows the recycling programs of their respective landlords.

Social Issues

Patient Experience

The Facilities aim to provide the highest standard of care to their patients, efficiently and cost-effectively. This aim is achieved through implementation of quality assessment and performance improvement programs, the focus of which is to deliver safe, professional, and cost-effective patient care through ongoing quality performance analysis and timely review and responses to patient feedbacks. The quality performance analysis is facility-wide and data driven. The Facilities consistently rank high in industry-leading surveys and studies of patient satisfaction.

Community Investment

The Facilities are distinguished in each of their respective marketplaces. Most provide services in smaller communities that boost the local economy, while serving as medical destinations which draw visitors from neighboring towns, cities, and states. The Facilities also contribute to their communities by supporting local charities.

Employee Health and Safety

The Facilities are fully committed to providing a safe working environment. To achieve this, the Facilities have in place employee health and safety programs and policies aimed at providing a healthy atmosphere for the employees, preventing transmission of infections, detecting and controlling outbreaks of infections, encouraging good personal hygiene, safety, and healthy habits. These include verification of immunizations upon hiring, mandatory flu vaccination programs, annual health and tuberculosis screens as well as health and safety education for employees.

The Facilities also have departments responsible for ensuring a healthy work environment through coordinating occupational exposure and injury follow-up. Occupational exposure and injury follow-up policies are developed by following guidance from the CDC, Department of Health and Human Services ("**DOH**"), and Occupational Safety and Health Administration. Other policies and programs include:

- Safe medical devices policies and procedures designed to identify, report, and evaluate medical devices that are not properly functioning.

- Hazard communication program establishing guidelines to keep employees informed about potentially hazardous materials, chemicals and substances that employees may encounter as they perform their job duties.

- Emergency eye wash stations policies providing guidelines concerning the proper use, safety, testing, and maintenance of emergency eye wash stations.

Employee Diversity and Inclusion

The Corporation and the Facilities have adopted non-discrimination and non-harassment policies assuring provision of benefits, services, and employment to all persons without regard to any status protected by applicable law, or otherwise discriminate against any person on such grounds. In addition, the Corporation's corporate office in Franklin, Tennessee and the Facilities have adopted equal employment opportunity policies and affirmative action plans to ensure recruitment, hiring, training, promotion, and compensation of persons in all job titles without regard to any protected status.

Compliance Programs

The Facilities are subject to numerous regulations related to fraud, abuse, bribery and corruption, including, but not limited to, U.S. federal physician self-referral law or Stark Law, *The Patient Protection and Affordable Care Act*, Anti-Kickback Statute, and *False Claims Act*. The Regulation section in the Corporation's annual information form includes detailed discussion about these and other regulations.

Consistent with the Office of the Inspector General ("**OIG**") of the DOH Compliance Program Guidance for Hospitals, the Corporation maintains a robust compliance program that reflects the Corporation's and Facilities' commitment to complying with all laws, rules and regulations applicable to their business, and that meets ethical obligations in conducting business. The Corporation's compliance plan includes the seven elements noted in the OIG guidance, along with written policies and procedures addressing compliance with the Anti-Kickback Statute and the Stark Law, among others. In addition, the Corporation's compliance advisor periodically reviews a substantial number of the Facilities' arrangements with referral sources to determine the extent to which they comply with their policies and procedures and with the Anti-Kickback Statute, the Stark Law and similar state statutes.

The Facilities' staff, shareholders, and vendors receive compliance education. Furthermore, non-retaliatory reporting processes are in place and anonymous, 24/7 whistleblower hotlines are provided for reporting.

CMS regulations for hospitals and ASCs mandate several policies and procedures to retain licensure. Those regulations include, but are not limited to:

- Governing body oversight of all programs and policies;
- Maintenance of safety programs;
- Performance monitoring;
- Initial and annual safety and emergency policies and processes for all staff; and
- Maintenance of quality and safety plans that serve to identify and resolve potential quality, health and safety issues for staff and patients.

The Facilities are in compliance with these regulations.

Vendor Relationships

The Facilities conduct business with a multitude of vendors and suppliers. As part of their compliance programs, the Facilities have in place vendor relationship policies establishing procedures for relationships, transactions with, and ethical conduct of vendors and other organizations that provide products, equipment, services, or tangible support to the Facilities. In addition, the Corporation has adopted Corporate Guidelines re: Medical Vendor Relationships which outline key policy components that Facilities' vendor relationship policies must include.

The Facilities vigorously vet vendors and suppliers, which includes conducting background checks with the following governmental agencies:

- The OIG's List of Excluded Individuals/Entities provides information to the healthcare industry regarding individuals and entities that are excluded from participation in all federal healthcare programs.
- The System for Award Management is used for registering businesses with the federal government. The site provides information on contractor performance, contract data, subcontracts, and more.

Privacy, Electronic Health Records and Data Security

As providers of healthcare services, information technology is a critical component of the day-to-day operation of the Facilities. The Facilities rely on information technology to create, process, transmit and store sensitive and confidential data, including protected health information, personally identifiable information, and proprietary and confidential business performance data. The Facilities utilize electronic health records and other health information technology, along with additional technology systems, in connection with their operations, including for, among other things, billing and supply chain and labour management. The Facilities' information systems and applications also require continual maintenance, upgrading and enhancement to meet their operational needs.

As discussed in detail in the Corporation's annual information form, the Facilities are subject to *The Health Insurance Portability and Accountability Act of 1996*, as amended ("**HIPAA**"), which includes a number of provisions designed to: (i) streamline the electronic transmission of health claims and other standard transactions; (ii) provide certain privacy rights; (iii) protect the privacy and security of personal health information; and (iv) ensure notification to individuals and the government regulators when there has been a breach of such information. In addition to HIPAA, the Facilities are subject to numerous other laws and legislative and regulatory initiatives at the federal and state levels addressing privacy, security and breach notification obligations.

As such, Facilities have privacy and security processes in place to protect sensitive health and business information and the Corporation and the Facilities have implemented strong controls over data privacy and security measures to mitigate material risks for the patients, employees, vendors, and other stakeholders. These include:

- Incident response policies and processes that provide for prompt identification and management of security incidents to facilitate maintenance and/or restoration of business continuity.

- Quarterly internal control testing on each Facility of information technology risks.

- As part of HIPAA Security Rule requirements, internal and external vulnerability assessments, to identify potential information security risks and mitigate these risks appropriately on a regular basis.

- Obtaining insurance against cyber risks and attacks. Through the Corporation's cyber insurance carrier, quarterly testing is conducted that includes assessments and scoring of security, ransomware and cyber extortion, phishing and dark web monitoring, and business interruption and system failure domains.

- As part of the onboarding process, training new employees on information security and appropriate codes of conducts regarding computer and mobile device usage.

At the corporate level, all employees are required to participate in a security awareness training program. In addition, the Corporation has adopted a Privacy Breach Policy the purpose of which is to guide the Corporation's personnel on how to proceed in the event of a privacy breach. It outlines the steps that need to be taken to determine if a breach has occurred, and, if this is the case, how to respond and contain the breach, notify those affected, report the breach to the Office of the Privacy Commissioner of Canada, and document, investigate, and implement changes to prevent future breaches.

The Corporation believes that operation of the Facilities, and associated business associate relationships in the corporate family, is conducted in material compliance with HIPAA requirements, as well as state laws regarding the confidentiality of personally identifiable information. However, the Corporation and the Facilities recognize that compliance does not equate to invincibility, and the Corporation and the Facilities continue to evaluate and invest in good information privacy and security programs and practices. To date, the Corporation and the Facilities have not experienced any material information security breaches.

Hospital Price Transparency

All hospitals that operate in the United States, including the Corporation's surgical hospitals, are required to comply with CMS' Price Transparency Requirements detailed in its Final Rule (the "**Rule**"). This Rule requires that hospitals establish, update, and make public a list of the hospital's standard charges for the items and services that the hospital provides. These actions aim to promote price transparency in healthcare and public access to hospital standard charges and allow the public, including patients, employers, clinicians, and other third parties, to have the information necessary to make more informed decisions about their care. All of the Corporation's surgical hospitals are in material compliance with the Rule.

Opioid Stewardship

The incidence of narcotic dependence and addiction is significant in the U.S. populace. The Facilities and practitioners utilize "best practices" to monitor and limit the number of opioid prescriptions that are dispensed to patients. Several alternative pain treatment modalities are also utilized to reduce dependance on narcotics for pain management.

Antibiotic Stewardship

In an effort to measure and improve how antibiotics are prescribed by the Facilities' clinicians and used by patients, the Facilities' practitioners use CDC guidelines to improve antibiotic prescription. Antibiotic stewardship is critical to effectively prevent and treat infections and protect patients from potential harms caused by unnecessary antibiotic use and combat antibiotic resistance.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, no informed person of the Corporation, as defined in applicable securities laws, nor any proposed director, nor any associate or affiliate of any informed person or proposed director, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of business, the Corporation and its subsidiaries may, from time to time, be subject to various pending and threatened lawsuits in which claims for monetary damages are asserted. None of the Corporation or its subsidiaries is involved in any legal proceedings which have a material effect on the Corporation. To the knowledge of management, no legal proceedings of a material nature involving the Corporation or its subsidiaries have been pending or threatened by any individuals, entities or governmental authorities.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. located in Vancouver, British Columbia.

OTHER BUSINESS

The directors are not aware of any matters intended to come before the Meeting other than those items of business set forth in the attached Notice of Meeting accompanying this information circular. If any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy to vote in respect of those matters in accordance with their judgment.

ADDITIONAL INFORMATION

Financial information concerning the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for the year ended December 31, 2022. A copy of the Corporation's audited annual financial statements, interim financial statements, management's discussion and analysis, annual information form and management information circular may be found on SEDAR at **www.sedar.com** or the Corporation's website at **www.medicalfacilitiescorp.ca**. In the alternative, copies may be obtained from the CFO of the Corporation upon written request. The Corporation's annual reports may be found on its website at **www.medicalfacilitiescorp.ca**.

APPROVAL OF DIRECTORS

The contents and the sending of this information circular to the Shareholders have been approved by the Board of Directors.

Dated: March 27, 2023

BY ORDER OF THE BOARD OF DIRECTORS

"*Michael V. Gisser*"

Chair of the Board of Directors
Medical Facilities Corporation

SCHEDULE “A”

BOARD OF DIRECTORS CHARTER

PURPOSE

The Board of Directors (the “**Board**”) is elected annually by the shareholders of Medical Facilities Corporation (the “**Corporation**”) to supervise the management of the business and affairs of the Corporation, in the best interests of the Corporation. The Board shall assume responsibility for the stewardship of the Corporation by undertaking the following:

- Review and approve the strategic plan and business objectives of the Corporation that are submitted by executive management and monitor the implementation by executive management of the strategic plan. During at least one meeting each year, the Board will review the Corporation’s long-term strategic plans and the principal issues that the Corporation expects to face.

- Review the principal strategic, reporting and compliance risks for the Corporation and oversee, with the assistance of the Board’s standing committees, the implementation and monitoring of appropriate risk management systems and the monitoring of risks.

- Ensure, with the assistance of the Corporate Governance, Nominating and Compensation Committee, the effective functioning of the Board and its committees in compliance with the corporate governance requirements of applicable laws, regulatory requirements, and policies of the Canadian Securities Administrators, and that such compliance is reviewed periodically by the Corporate Governance, Nominating and Compensation Committee.

- Ensure internal controls and management information systems for the Corporation are adequately designed, implemented, and monitored and are evaluated and reviewed periodically on the initiative of the Audit Committee.

- With the assistance of the Corporate Governance, Nominating and Compensation Committee, assess the performance of the Corporation’s executive management, including oversight of the appropriate training, performance reviews and succession planning.

- Be responsible for the hiring and termination of the Chief Executive Officer (“**CEO**”), the role of the CEO and the performance review of the CEO, including the development of policies and principles for CEO selection and performance review and policies regarding succession in an emergency or upon retirement of the CEO.

- Monitor the compensation levels of executive management based on determinations and recommendations made by the Corporate Governance, Nominating and Compensation Committee.

- Ensure that the Corporation has in place a disclosure policy for effective communication with shareholders, other stakeholders and the public generally.

- Review and, where appropriate, approve the recommendations made by the various committees of the Board, including, without limitation, to: select nominees for election to the Board; appoint directors to fill vacancies on the Board; appoint members of the various committees of the Board; and establish the form and amount of director compensation.

COMPOSITION

The directors (individually, a “**Director**” or, collectively, “**Directors**”) shall be elected by the shareholders at each annual meeting of shareholders to hold office until the next annual meeting of shareholders or until their successors are elected or appointed. The appointment and removal of Directors shall occur in accordance with the Corporation’s by-laws. A majority of the Board shall meet the independence requirements of applicable legislation, regulatory requirements, and policies of the Canadian Securities Administrators.

The Board should be comprised of that number of individuals which will permit the Board's effective functioning. The Board collectively should possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight and stewardship of the Corporation's business. All such factors will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. In maximizing the Board's effectiveness, the Corporation takes a long-term, sustainable, and measured approach. All Board appointments shall be based exclusively on merit, with the prime consideration being to maintain and enhance the Board's overall effectiveness. The Corporation recognizes the importance of diversity, including gender diversity, in key decision-making points in organizations and is supportive of the requirements of the Canadian Securities Administrators in this regard. Accordingly, the Board has adopted a Diversity Policy and will be guided by the principles set forth in the Diversity Policy in identifying and nominating candidates for election or re-election.

The Board shall not be required to establish a limit on the number of times a Director may stand for election, but shall consider nominations for re-election in the context of seeking an optimum composition to maximize overall effectiveness.

COMMITTEES

The Board may delegate authority to individual Directors and committees where the Board determines it is appropriate to do so. The Board expects to accomplish a substantial amount of its work through committees and shall form at least the following committees: the Audit Committee and the Corporate Governance, Nominating and Compensation Committee. The Board may, from time to time, establish or maintain additional standing or special committees as it determines to be necessary or appropriate. Each committee should have a written charter and should report regularly to the Board, summarizing the committee's actions and any significant issues considered by the committee.

RESPONSIBILITIES

The mandate of the Directors is the stewardship of the Corporation, and their responsibilities include, without limitation to their general mandate (as outlined above under "**Purpose**"), the following specific responsibilities:

1. Review and approve the Corporation's strategic plan as recommended by executive management, defining the longer-term objectives and accomplishments aspired for the organization which take into account, among other things, the business opportunities, and risks. Annually monitor the performance of the Corporation against the strategic plan.

2. Develop, together with the appropriate committee(s) of the Board, the Corporation's approach to: (i) the nomination of the Directors; (ii) the enhancement of governance; (iii) matters relating to compensation of the Directors; and (iv) matters relating to strategy, financial reporting and internal controls.

3. Maintain a high standard for integrity and work ethic within the Board and management of the Corporation. The Board shall satisfy itself, to the extent feasible:

    (a) as to the integrity of the CEO and other members of the management of the Corporation; and

    (b) that the CEO and executives of the Corporation create a culture of integrity throughout the organization.

4. With the assistance of the Corporate Governance, Nominating and Compensation Committee:

    (a) review the composition of the Board and ensure it respects the objectives of this charter;

    (b) ensure that an appropriate review and selection process for new nominees as Directors is in place;

    (c) ensure that an appropriate orientation and education program for new Directors is in place; and

    (d) adopt disclosure and securities compliance policies, including, without limiting the foregoing, communication policies of the Corporation.

5. With the assistance of the Audit Committee:

   (a) ensure the integrity of the Corporation's internal controls and management information systems;

   (b) ensure the Corporation's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Corporation's own governing documents;

   (c) identify the principal financial and non-financial enterprise risks of the Corporation's business and ensure that appropriate systems are in place to manage these risks;

   (d) review and approve significant operational and financial matters and provide direction to management on these matters; and

   (e) review and approve the interim and annual financial statements, including the notes thereto, and related disclosure materials.

6. Oversee policies for disclosure of corporate information to facilitate effective communications with shareholders, other stakeholders and the public, and monitor and review feedback provided by the Corporation's various stakeholders.

7. Declare dividends payable to the shareholders.

8. Review major decisions which require the approval of the Board and, where appropriate, approve such decisions as they arise.

9. Review, assess and update this charter as deemed appropriate by the Board.

10. Perform such other functions as prescribed by law or assigned to the Board in the by-laws of the Corporation.

MEETINGS

The Board will meet a minimum of four times per year and as needed to conduct the business of the Board. All members of the Board should strive to be at all meetings. Subject to the Corporation's by-laws, a quorum for the transaction of business at any meeting of the Board shall consist of a majority of the number of Directors then holding office and, notwithstanding any vacancy among the number of Directors, a quorum of Directors may exercise all of the powers of the Directors.

The non-executive Directors of the Board may meet separately, periodically, without executive management, and may request any member of executive management or the Corporation's outside counsel or independent auditor to attend meetings of the Board or with advisors thereto.

Minutes shall be maintained for all meetings together with copies of materials presented at meetings and copies made available to all Board members, with the exception of special meetings of the non-executive Directors for which the maintenance and distribution of minutes shall be at the discretion of the Chair of the Board.

The Chair, in consultation with the CEO, will develop the agenda for each Board meeting. Agendas will be distributed to the Directors before each meeting, and all Directors shall be free to suggest additions to the agenda in advance of the meeting.

Whenever practicable, information and reports pertaining to Board meeting agenda items will be circulated to the Directors in advance of the meeting. Reports may be presented during the meeting by members of the Board, management and/or staff, or by invited outside advisors. It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it will not be prudent or appropriate to distribute written materials in advance.

INDEPENDENT ADVICE

In discharging its mandate, the Board shall have the authority to retain, at the expense of the Corporation, special legal, accounting, or other advisors as the Board determines to be necessary to permit it to carry out its duties.

ANNUAL EVALUATION

Annually, or more frequently at the request of the Chair as a result of legislative or regulatory changes, the Board through the Corporate Governance, Nominating and Compensation Committee shall, in a manner it determines to be appropriate:

- Perform a review and evaluation of the performance of the Board and its members and committees, including the compliance of the Board with this charter.

- Review and assess the adequacy of this charter and those of its committees and make any changes the Board determines appropriate.

MEASURES FOR RECEIVING FEEDBACK

All publicly disseminated materials shall provide for a mechanism for feedback from the Corporation's stakeholders.

SCHEDULE "B"

CORPORATE GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE CHARTER

PURPOSE

The Corporate Governance, Nominating and Compensation Committee (the "**Committee**") of Medical Facilities Corporation (the "**Corporation**") is appointed by the board of directors of the Corporation (the "**Board**") to assist the Board in discharging its responsibilities relating to the:

a) development and recommendation of appropriate corporate governance guidelines for the Corporation;

b) annual review of the performance of the Board, its committees and individual directors;

c) review and oversight of the annual regulatory filings;

d) development and recommendation of criteria for selecting new Board members and identifying and considering candidates;

e) recommendation of the director nominees for each annual meeting of shareholders and for membership of each committee of the Board;

f) recommendation of the form and quantum of compensation for non-executive directors, committees and chairs of the Board and its committees;

g) review and oversight of the evaluation of the performance of the Corporation's senior executives;

h) design and recommendation of the compensation framework of the Corporation's senior executives, including compensation plans, benefit plans, policies and programs;

i) oversight of succession planning and development with respect to the Corporation's senior executives;

j) oversight of the executive performance at the Corporation's direct subsidiaries, Medical Facilities America, Inc. ("**MFA**") and Medical Facilities IMD Holdings, Inc. ("**MF IMD**") and indirect subsidiary, Medical Facilities (USA) Holdings, Inc. ("**MFH**") (together with the Corporation, the "**MFC Group**"); and

k) oversight of the responsibilities and contractual rights of MFA, MF IMD and MFH in respect of executive performance at the Corporation's subsidiaries.

REPORTS

The Committee shall report to the Board on a regular basis and before any public disclosure by the Corporation on compensation and governance matters.

The Committee shall review and approve reports on executive compensation as required by applicable legislation and regulations and/or pursuant to the Corporation's undertaking to provide necessary information to comply with its disclosure obligations.

The Committee shall prepare a report on the Corporation's corporate governance practices for inclusion in the management information circular or other public disclosure documents of the Corporation, including a report disclosing the extent (if any) to which the Corporation does not comply with corporate governance guidelines of applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators or other relevant corporate governance guidelines.

The Committee shall report to the Board annually with an assessment of the performance of the Board, its committees and individual directors. The chair of the Board shall also discuss the report with all members of the Board.

COMPOSITION

The members of the Committee shall be two or more Board members who are appointed (and may be replaced) by the Board. The members shall be appointed annually and the chair shall be determined by the Board, failing which the committee members and chair shall continue on the Committee. The Committee shall meet the independence requirements of any relevant regulatory authority or stock exchange on which securities of the Corporation are listed.

Any member of the Committee will abstain from voting on any matter in which he or she has, or may have, a conflict of interest. In such event, the Board or the Committee members who are not so conflicted may appoint from the Board an interim member of the Committee for purposes of considering and/or approving such matter. Such interim member may serve only for such purpose.

REMUNERATION OF THE COMMITTEE MEMBERS

The members of the Committee and the chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

RESPONSIBILITIES

CORPORATE GOVERNANCE AND COMPLIANCE

The Committee shall:

a) Make recommendations concerning the oversight of senior management.

b) Annually review the size of the Board and the number of Board members who are independent for the purpose of applicable requirements or guidelines and Corporation policies regarding Board member independence.

c) Annually review the adequacy of the corporate governance practices of the Corporation and recommend any proposed changes to the Board for approval.

d) Annually review the practices of the Board (including separate meetings of non-executive Board members) to identify improvements in corporate governance practices.

e) Annually review the powers, mandates and performance, and the membership of the various committees of the Board and, if appropriate, make recommendations to the Board.

f) Annually review the performance of the Board, its committees, Board and committee chairs, and individual directors and report to the Board the results of the review. The chair of the Board will review with each of the individual directors the results of their review.

g) Annually review the relationship between senior management and the Board and, if appropriate, make recommendations to the Board with a view to ensuring that the Board is able to function independently of management.

h) Annually review with the Board the succession plans relating to the position of the CEO and, in consultation with the CEO, other senior positions, and make recommendations to the Board with respect to the selections of individuals to occupy these positions.

i) Review and make recommendations to the Board with respect to the annual information form and the management information circular and other annual security filings prior to public disclosure by the Corporation.

j) Review and oversee the Corporation's significant environmental, social and governance risks, strategies, policies, programs and practices.

DIRECTOR CANDIDATES

The Committee shall:

a) Review annually the competencies, skills, diversity and personal qualities required of Board members, including: the objective of adding value to the Corporation in light of the opportunities and risks facing the Corporation and the Corporation's proposed strategies; the need to ensure the adequacy of expertise relevant to the Corporation's lines of business and markets; the need to ensure that a majority of the Board is comprised of individuals who meet the independence requirements of the applicable stock exchange rules, legislation or other guidelines; and that the Board is representative of the diversity of gender, cultural, demographic and geographic characteristics of the communities in which it operates and investors it represents.

b) Review annually the policies of the Board with respect to Board member tenure, retirement and succession and Board member commitments and, if appropriate, make recommendations to the Board.

c) Establish and oversee an appropriate orientation and education program for new Board members in order to familiarize them with the Corporation and its business (including the Corporation's reporting structure, strategic plans, significant financial, accounting and risk issues, compliance programs and policies, management and the external auditors).

d) Actively seek individuals qualified (in context of the Corporation's needs and any formal criteria established by the Board) to become members of the Board for recommendation to the Board.

e) Annually review directors' and officers' insurance coverage and, from time to time, review the directors' and officers' indemnification agreement and recommend any changes to the Board.

f) Review and recommend to the Board the membership and allocation of Board members to the various committees of the Board, and the chairs thereof.

g) From time to time, review and make recommendations to the Board with respect to the compensation of non-executive Board members, the chair of the Board, and those acting as committee chairs to, among other things, ensure their compensation appropriately reflects the responsibilities they are assuming.

h) Appoint and, if appropriate, terminate any search firm to be used to identify Board candidates and any compensation consultant to be used to assist in the evaluation of Board compensation and to approve the search firm's and compensation consultant's fees and other retention terms.

ENGAGEMENT/COMPENSATION OF SENIOR EXECUTIVES

The Committee shall:

a) Make recommendations to the Board concerning the hiring and termination of the CEO of the Corporation. The CEO shall inform the Committee concerning the hiring and termination of the CEO's direct reports.

b) Annually review the Corporation's compensation strategy to ensure it is viable, current and aligned with the long-term goals and objectives of the Corporation.

c) Annually review and make recommendations, as appropriate, to the Board with respect to the Corporation's executive compensation programs and practices for senior executives, including incentive-compensation plans, equity-based plans, the terms of any employment agreements, severance arrangements, and change in control arrangements or provisions, and any special or supplemental benefits.

d) Annually review and approve the position description and performance goals and objectives of the CEO. Recommend to the Board the CEO's performance goals annually to ensure his or her goals are aligned with the strategy and goals of the Corporation. Evaluate the CEO's annual performance in light of those goals and objectives, and recommend to the Board the CEO's compensation levels based on that evaluation.

e) Approve share-based and option-based awards to senior executives pursuant to the Board's approval of total periodic awards under any of the Corporation's stock option or share-based plans.

f) Annually, in consultation with the CEO, review key human resources policies and programs in place and under development related to manpower planning, management development, succession planning, career path planning and performance evaluation and their consistency with the strategy of the Corporation.

g) Annually, in consultation with the CEO, review the Corporation's policies on salary administration, recruitment, job evaluation, pay and employment equity, basic incentive and total cash compensation, retirement benefits, and long-term incentives and recommend changes to the Board, if appropriate.

h) Annually review the Corporation's policies and practices for ensuring that the Corporation complies with legal prohibitions, disclosure and other requirements on making or arranging for personal loans and amending or extending any such loans or arrangements.

i) Select and engage any compensation consultant to assist in the evaluation of senior executive compensation and approve the consultant's fees and other retention terms.

j) Review and recommend to the Board all executive compensation disclosure prior to public disclosure by the Corporation.

k) Provide advice concerning the above-listed matters in respect of management of MFA, MF IMD and MFH.

l) Advise the Board concerning MFH's oversight responsibilities and contractual rights in respect of executive performance at the Corporation's indirect subsidiaries.

MEETINGS

The Committee shall meet at least quarterly and more frequently as circumstances require. A quorum for meetings shall be a majority of the members of the Committee present in person or by telephone. All decisions shall be decided by a majority of the members present at the meeting.

Minutes of meetings shall be maintained, together with copies of materials presented at meetings, and copies be made available to all Board members.

The Committee may request any officer or employee of the Corporation or the Corporation's outside counsel to attend meetings of the Committee or with any members of, or advisors to, the Committee. The CEO may be present at meetings of the Committee.

The Committee may form and delegate authority to individual members and subcommittees where the Committee determines it is appropriate to do so.

INDEPENDENT ADVICE

In discharging its mandate, the Committee shall have the authority to retain, at the expense of the Corporation, special advisors as the Committee determines to be necessary to permit it to carry out its duties.

ANNUAL EVALUATION

Annually, the Committee shall, in a manner it determines to be appropriate:

a) Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this charter.

b) Review and assess the adequacy of this charter and recommend to the Board any improvements to this charter that the Committee believes to be appropriate.

SCHEDULE “C”

AMENDED AND RESTATED PERFORMANCE SHARE UNIT PLAN

The following is a summary of key terms of Medical Facilities Corporation’s (the “**Corporation**”) Amended and Restated Performance Share Unit Plan (the “**PSU Plan**”).

Eligibility:

Key employees (as defined in the PSU Plan) are eligible to participate in the PSU Plan (“**Eligible Participants**”). The Corporate Governance, Nominating and Compensation Committee (the “**CGNC Committee**”) may from time to time determine the number of share units (the “**Share Units**”) to be granted to Eligible Participants, or it may also delegate to management of the Corporation such determination and the allocation of the Share Units among Eligible Participants. The CGNC Committee has discretion to establish at the time of each grant, within the restrictions set forth in the PSU Plan, the date of grant, the vesting date, the level of performance which must be attained over a specific time period for the vesting of all or some of the Share Units, and other particulars applicable to awards granted thereunder. The CGNC Committee also has discretion to determine whether the Share Units will be in the form of performance share units (“**PSUs**”) or deferred share units (“**DSUs**”). Generally, Eligible Participants will receive DSUs until they achieve their share ownership requirements, after which time they may elect to receive DSUs or PSUs in accordance with the terms of the PSU Plan.

Non-Assignability:

Rights and privileges granted under the PSU Plan are non-assignable and non-transferable, in whole or in part, either directly or by operation of law other than by will or pursuant to the laws of succession.

Vesting:

Share Units granted to an Eligible Participant (an “**Award**”) will vest three years following the date on which such Share Units are granted, or on such earlier date or series of earlier dates, as may be determined by the CGNC Committee and specified in the award letter (as defined in the PSU Plan), provided that applicable considerations set out in the PSU Plan and any conditions set forth by the CGNC Committee are met. In no case will the vesting date of an Award occur more than three years after the date such Award is granted. The CGNC Committee includes performance objectives as a condition for the vesting of all or some of the Share Units.

The PSU Plan provides that Awards may vest before their vesting date or expire, as the case may be, in several circumstances, including in the case of death of a Share Unit holder, termination as a result of a permanent long-term disability (as defined in the PSU Plan), retirement, voluntary termination of employment, or termination for cause or without cause (as defined in the PSU Plan). In the case of death of a Share Unit holder, retirement, or termination of a Share Unit holder’s employment as a result of a permanent long-term disability or without cause, the Share Unit holder (or his or her legal representative, as applicable) will be entitled to receive cash settlements based on a pro-rated vesting calculation as specified in the PSU Plan.

Cash Settlement:

Unless an Award has expired prior to the vesting date, and subject to certain provisions in the PSU Plan, the Corporation will settle (a) an Award of PSUs as reasonably promptly as possible following the end of the vesting period of such Award of PSUs and (b) an Award of DSUs as reasonably promptly as possible following the date that such DSU holder ceases to be an employee of the Corporation, in each case by paying to the Share Unit holder (or, if deceased, his or her legal representative) an amount in cash equal to: (i) the number of Share Units forming part of the vested Award, adjusted pursuant to the PSU Plan, multiplied by (ii) the level of achievement of performance objectives, multiplied by (iii) the weighted average trading price per common share of the Corporation on the Toronto Stock Exchange for the five days preceding the date on which the Share Units are vested or, in the case of DSUs, the date of death or termination, as applicable. The PSU Plan is non-dilutive and will not rely upon common shares from treasury, nor are there any corresponding common shares reserved in treasury for purposes of the PSU Plan.

Amendment:

The CGNC Committee may amend, suspend or terminate the PSU Plan in whole or in part at any time and from time to time, provided no such amendment, suspension or termination impairs the rights of any Share Unit holder accrued to the date of the amendment, suspension or termination without the consent or deemed consent of the Share Unit holder.

SCHEDULE “D”

RESTRICTED SHARE UNIT PLAN

The following is a summary of key terms of Medical Facilities Corporation’s (the “**Corporation**”) Restricted Share Unit Plan (the “**RSU Plan**”).

Eligibility:

Key employees (as defined in the RSU Plan) are eligible to participate in the RSU Plan (“**Eligible Participants**”). The Corporate Governance, Nominating and Compensation Committee (the “**CGNC Committee**”) may from time to time determine the number of restricted share units (the “**RSUs**”) to be granted to Eligible Participants, or it may also delegate to management of the Corporation such determination and the allocation of RSUs among Eligible Participants. The CGNC Committee has discretion to establish at the time of each grant, within the restrictions set forth in the RSU Plan, the date of grant, the vesting date, the minimum level of performance which must be attained over a specific time period, as an additional condition for the vesting of the RSUs, and other particulars applicable to awards granted thereunder.

Non-Assignability:

Rights and privileges granted under the RSU Plan are non-assignable and non-transferable, in whole or in part, either directly or by operation of law other than by will or pursuant to the laws of succession.

Vesting:

RSUs granted to an Eligible Participant (an “**Award**”) will vest three years following the date on which such RSUs are granted, or on such earlier date or series of earlier dates, as may be determined by the CGNC Committee and specified in the award letter (as defined in the RSU Plan). In no cases will the vesting date of an Award occur more than three years after the date such Award is granted. RSUs vesting incrementally over three years will be administered as if each increment were a distinct, smaller Award with its own vesting date.

The RSU Plan provides that Awards will vest before their vesting date or expire, as the case may be, in several circumstances. Awards will vest in the case of death, retirement, resignation due to long-term disability, or termination without cause in the event of a change of control. Awards will expire on voluntary termination of employment or termination for cause. In the case of death of an RSU holder or termination of an RSU holder’s employment without cause, the RSU holder (or his or her legal representative, as applicable) will be entitled to receive cash settlements based on a pro-rated vesting calculation as specified in the RSU Plan.

Cash Settlement:

Unless an Award has expired prior to the vesting date, and subject to certain provisions in the RSU Plan, the Corporation will settle an Award as reasonably promptly as possible following the end of the vesting period of such Award by paying to the RSU holder (or, if deceased, his or her legal representative) an amount in cash equal to: (i) the number of RSUs forming part of the vested Award, adjusted pursuant to the RSU Plan, multiplied by (ii) the weighted average trading price per common share of the Corporation on the Toronto Stock Exchange for the five days preceding the date on which the RSUs are vested. The RSU Plan is non-dilutive and will not rely upon common shares from treasury, nor are there any corresponding common shares reserved in treasury for purposes of the RSU Plan.

Amendment:

The CGNC Committee may amend, suspend or terminate the RSU Plan in whole or in part at any time and from time to time, provided no such amendment, suspension or termination impairs the rights of any RSU holder accrued to the date of the amendment, suspension or termination without the consent or deemed consent of the RSU holder.

SCHEDULE "E"

STOCK OPTION PLAN

The following is a summary of key terms of Medical Facilities Corporation's (the "**Corporation**") Stock Option Plan (the "**Stock Option Plan**").

Eligibility:

Employees of the Corporation who contribute significantly to the financial success of the Corporation are eligible to voluntarily participate in the Stock Option Plan (for greater certainty, non-employee directors are not eligible to participate). The Corporate Governance, Nominating and Compensation Committee is generally responsible for administering the Stock Option Plan and the board of directors of the Corporation (the "**Board**") will make the final determination, at its discretion, as to who is eligible to receive options under the Stock Option Plan.

Non-Assignability:

Options granted pursuant to the Stock Option Plan, or any right in respect thereof, may not be assigned or transferred, other than by will or pursuant to the laws of succession. Options may not be exercised by anyone other than the person to whom an option has been granted pursuant to the Stock Option Plan (the "**Optionee**").

Shares Offered:

The total number of authorized and unissued common shares of the Corporation available for options under the Stock Option Plan is equal to 3,100,000.

The Stock Option Plan provides that any one individual cannot receive options under the Stock Option Plan which will entitle such individual to receive more than 5% of the number of common shares issued and outstanding. Common shares in respect of which options are granted but not exercised prior to the termination of such options due to the expiration, termination or lapse of such options or otherwise, are to be available for new grants of options pursuant to the provisions of the Stock Option Plan.

The table below summarizes the option activity, including grants and cancellations, from May 10, 2022 to March 27, 2023 under the Stock Option Plan.

	As at May 10, 2022		**Activity**		**As at March 27, 2023**	
	# of Options	**% of Common Shares Outstanding**	**# of Options Granted**	**# of Options Cancelled**	**# of Options**	**% of Common Shares Outstanding**
Options granted and outstanding	1,944,906	6.4%	-	(850,000)	1,094,906	4.3%
Options available for future grants	1,155,094	3.8%	-	850,000	2,005,094	7.8%
Total:	**3,100,000**	**10.2%**	**-**	**-**	**3,100,000**	**12.1%**

Exercise Price:

The exercise price for an option granted pursuant to the Stock Option Plan will be determined by the Board and may not be less than the volume weighted average trading price per common share of the Corporation on the Toronto Stock Exchange for the five days preceding the date on which the option is granted.

Vesting:

Unless otherwise determined by the Board, options granted pursuant to the Stock Option Plan will be subject to the vesting schedule specified in the option agreement (the "**Option Agreement**") between the Corporation and the Optionee. The vesting schedule in the Option Agreement will be determined by the Board in order to fulfil the purposes of the Stock Option Plan. The Board expects that options will typically vest after five years of employment subject to certain early vesting triggers.

Term:

Unless otherwise provided in the Stock Option Plan or the Option Agreement, each option may be exercised only during the period commencing as per the vesting schedule specified in the Option Agreement and expiring on the last day of the tenth year following the date on which the option is granted (the "**Option Period**"). If the Option Period expires during a period self-imposed by the Corporation during which directors, officers and certain employees of the Corporation shall not trade the securities of the Corporation (a "**Blackout Period**"), the expiry of the Option Period shall be extended for ten business days after the end of the Blackout Period.

Cessation:

<u>Leaves, Retirement or Permanent Long-Term Disability</u>

If an Optionee, before the expiration of the Option Period: (i) is granted authorized leave of absence for sickness or other reasons; (ii) becomes a retiree (as defined in the Stock Option Plan); or (iii) voluntarily terminates his or her employment as a result of permanent Long-Term Disability (as defined in the Stock Option Plan), the Optionee will be entitled to exercise his or her options in accordance with the regular vesting and exercise schedule.

<u>Death</u>

If an Optionee dies before the expiration of the Option Period, his or her legal representatives will be entitled to exercise his or her vested options within a period of one year following such death. A pro-rata amount of the unvested options will vest as of the date of death based upon the length of time between the grant date and death as a percentage of the length of time between the grant date and the vesting date of the options.

<u>Termination of Employment or Resignation</u>

Except as described above or otherwise provided in the Option Agreement or an employment agreement in respect of options granted prior to the effective date of the Stock Option Plan, if an Optionee's employment is terminated, or if an Optionee resigned from his or her employment with the Corporation, all of the Optionee's unvested options will expire effective on the date of such termination or resignation. The Optionee will have a period of 30 days from the date of such termination or resignation to exercise his or her unexercised vested options.

If an Optionee's employment is terminated without cause within 24 calendar months following a change of control (as defined in the Stock Option Plan): (i) each unexercised vested option held by the Optionee will remain exercisable for a period of 24 calendar months from the date of termination, but not later than the end of the Option Period; and (ii) each unvested option then held by the Optionee will become exercisable upon such termination and will remain exercisable for a period of 24 calendar months from the date of termination, but not later than the end of the Option Period.

<u>Competing Activities</u>

The rights of an Optionee (or his or her legal representatives) with respect to his or her options in the event of retirement, permanent long-term disability, death, termination of employment or resignation are subject to the Stock Option Plan's provisions regarding competing activities.

The unexercised vested options of an Optionee will be forfeited and his or her unvested options will expire immediately, if: (i) during the Optionee's employment with the Corporation or at any time within the two-year period following the end of such employment, the Optionee, without the prior written consent of the Corporation: (a) engages in any activity that directly or indirectly competes with any business carried on by the Corporation; (b) directly or indirectly acts as a consultant to any other person, firm or corporation, who or which competes with any business carried on by the Corporation; or (c) engages in any other activity which is prejudicial to the interests of the

Corporation; (ii) during the Optionee's employment with the Corporation or at any time thereafter, the Optionee discloses any confidential information, trade secrets, records, intellectual property or other private affairs of the Corporation to any person, without the prior written consent of the Corporation; or (iii) the Optionee's employment with the Corporation is terminated for cause (as defined in the Stock Option Plan).

Insider Participation Limit:

The number of common shares issuable to insiders, at any time, and the number of common shares issued to insiders within any one-year period, in each case under the Stock Option Plan, or when combined with all of the Corporation's other security-based compensation arrangements, shall not exceed 10% of the issued common shares.

Amendment:

The Board has the sole discretion, subject to receipt of requisite regulatory approval where required, to make the following amendments, without having to obtain shareholder approval. Such changes include, without limitation: (i) amendments of a "housekeeping" or clerical nature; (ii) amendments clarifying any provision of the Stock Option Plan; (iii) a change to the vesting provisions of an option; (iv) a change to the termination provisions of an option which does not entail an extension beyond the original Option Period, as extended by the Blackout Extension Term (as defined in the Stock Option Plan), if applicable; (v) a change to the number of options granted to an Optionee and the options' exercise price, in the event of a declaration of a stock dividend or a subdivision, consolidation or reclassification, or other change or action affecting the common shares; and (vi) suspending or terminating the Stock Option Plan.

The Stock Option Plan provides that shareholder approval will be required in the case of: (i) any amendments to the number of common shares issuable under the Stock Option Plan subject to the terms of the Stock Option Plan; (ii) any change which would allow non-employee directors to participate in the Stock Option Plan; (iii) any amendment which would permit any option granted under the Stock Option Plan to be transferable or assignable other than by will or pursuant to the laws of succession; (iv) any reduction in the exercise price of an option after the option has been granted or any cancellation of an option and the substitution of that option by a new option with a reduced exercise price (other than in connection with a declaration of a stock dividend or a subdivision, consolidation or reclassification, or other change or action affecting the common shares); (v) any extension to the term of an option beyond the original Option Period, unless the term is being extended by the Blackout Period; (vi) any increase to the insider participation limit referenced above subject to the terms of the Stock Option Plan; and (vii) any change to the Stock Option Plan's amendment provision other than amendments of a "housekeeping" or clerical nature or to clarify such provision

SCHEDULE “F”

AUDITOR CHANGE REPORTING PACKAGE

NOTICE OF CHANGE OF AUDITOR

March 20, 2023

KPMG LLP
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5

- and -

Grant Thornton LLP
801 Brickell Avenue
Suite 2450
Miami, FL 33131

Re: Notice of Change of Auditor – Medical Facilities Corporation (the "Corporation")

This Notice is made pursuant to section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**").

On March 17, 2023, the Board of Directors of the Corporation concluded that it is in the best interest of the Corporation to propose that shareholders of the Corporation approve the appointment of Grant Thornton LLP as the new auditors of the Corporation to replace KPMG LLP upon the expiration of KPMG's term at the annual general meeting to be held on May 11, 2023, until the next annual meeting of shareholders of the Corporation.

There have been no reservations in the reports of KPMG LLP on the financial statements of the Corporation for the two most recently completed fiscal years preceding the date of this Notice.

In the opinion of the Corporation, there have been no reportable events (as defined in NI 51-102) that have occurred in connection with the audits conducted for the two most recently completed fiscal years or in the subsequent period preceding the date of this Notice.

Yours very truly,

MEDICAL FACILITIES CORPORATION

DocuSigned by:

Per: Jason Redman
8C54D1A0E99E43B...
Name: Jason Redman
Title: Interim President and Chief Executive Officer

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KPMG LLP
Bay Adelaide Centre
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To:
Alberta Securities Commission
British Columbia Securities Commission
The Manitoba Securities Commission
Financial and Consumer Services Commission, New Brunswick
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Office of the Superintendent of Securities, Northwest Territories
Nova Scotia Securities Commission
Nunavut Securities Office
Ontario Securities Commission
The Office of Superintendent of Securities, Consumer, Corporate and Insurance Services Division, Prince Edward Island
Autorité des marchés financiers
Financial and Consumer Affairs Authority of Saskatchewan
Office of the Yukon Superintendent of Securities

March 27, 2023

Dear Sirs/Mesdames

Re: Notice of Change of Auditor – Medical Facilities Corporation (the "Corporation")

We have read the Notice of Change of Auditor dated March 20, 2023 from the Corporation (the "**Notice**"), delivered to us pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*. We confirm that we are in agreement with the information contained in the Notice, except that we are not in a position to agree or disagree with the Corporation's statement that the date of the Board of Directors meeting was March 17, 2023.

Yours very truly,

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada

Grant Thornton

March 28, 2023

Grant Thornton LLP

801 Brickell Avenue, Suite 2450
Miami, FL 33131-4944

T 305.341.8040
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www.GrantThornton.com

To: Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
New Brunswick Financial and Consumer Services Commission
Nova Scotia Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Prince Edward Island Office of the Superintendent of Securities
Superintendent of Securities (Newfoundland and Labrador)

Re: Notice of Change of Auditor – Medical Facilities Corporation

We have reviewed the information contained in the Notice of Change of Auditor of Medical Facilities Corporation dated March 20, 2023 (the "Notice"), which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

Based on our knowledge of such information at this time, we agree with the statements made in the Notice.

Yours sincerely,

Grant Thornton LLP

Richard Sacher

Richard Sacher
Partner

Miami, Florida

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MEDICAL FACILITIES CORPORATION

www.medicalfacilitiescorp.ca

1.877.402.7162 | 416.848.7380 | investors@medicalfc.com

If you have any questions or require any voting assistance, please contact our strategic shareholder advisor and proxy solicitation agent, Laurel Hill Advisory Group at:

LH LAUREL HILL

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