



## ADVANCE NOTICE POLICY

### INTRODUCTION

Medical Facilities Corporation (the “**Company**”) is committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote.

This Advance Notice Policy (the “**Policy**”) provides shareholders, directors and management of the Company with direction on the nomination of directors. The Policy sets a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and specifies the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

### NOMINATIONS OF DIRECTORS

1. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors of the Company (the “**Board**”) may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the “**Act**”), or a requisition of the shareholders made in accordance with the provisions of the Act; or
- (c) by any person (a “**Nominating Shareholder**”):
  - (i) who, at the close of business on the date of the giving of the notice provided for below in this Policy and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
  - (ii) who complies with the notice procedures set forth below in this Policy.

2. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Company at the principal executive offices of the Company.

3. To be timely, a Nominating Shareholder's notice must be received by the Secretary of the Company:

- (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that if (i) an annual meeting of shareholders is called for a date that is less than 50 days after the date on which the first public announcement (as defined below) of the date of the annual meeting was made, notice must be received not later than the close of business on the 10<sup>th</sup> day following the date on which the public announcement of the date of the annual meeting is first made by the Company, and (ii) the Company uses "notice-and-access" (as defined in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*) to send proxy-related materials to shareholders in connection with an annual meeting, notice must be received not less than 40 days prior to the date of the annual meeting; and
- (b) in the case of a special meeting of shareholders (which is not also an annual meeting of shareholders) called for the purpose of electing directors (whether or not called for other purposes) not later than the close of business on the 15<sup>th</sup> day following the day on which the public announcement of the date of the special meeting of shareholders is first made by the Company. The adjournment or postponement of a meeting of shareholders or the announcement thereof shall commence a new time period for the giving of a Nominating Shareholder's notice as described above.

4. To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Company must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
  - (i) the name, age, business address and residential address of the person;
  - (ii) the principal occupation or employment of the person;
  - (iii) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (iv) any relationships, agreements or arrangements, including financial, family, business, compensation and indemnity related relationships, agreements or

arrangements, between the Nominating Shareholder and each nominee, or any affiliates or associates of, or any person acting jointly or in concert with the Nominating Shareholder or each nominee or any of their respective affiliates; and

- (v) any other information relating to such person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
- (b) as to the Nominating Shareholder giving the notice:
- (i) the name and record address of the Nominating Shareholder;
  - (ii) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (iii) any derivatives or other economic or voting interests in the Company and any hedges implemented with respect to the Nominating Shareholder's interests in the Company;
  - (iv) any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company;
  - (v) whether such Nominating Shareholder intends to deliver a proxy circular and form of proxy to any shareholders of the Company in connection with the election of directors; and
  - (vi) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

Such notice must be accompanied by the written consent of each person to be named as a nominee and to serve as a director, if elected. The Company may require any proposed nominee to furnish, and the Company will disclose, such other information as may reasonably be required by the Company to determine the independence of such person or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee in the same manner as would be required and disclosed for nominees of the Company's management.

5. No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Policy. The chair of the meeting of shareholders at which an election of directors is held shall have the power and duty to determine

whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

6. For purposes of this Policy:

- (a) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and
- (b) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

7. Notwithstanding any other provision of this Policy, notice given to the Secretary of the Company pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Policy.

### **CURRENCY**

This Policy was approved by the Board on March 16, 2016 and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date.

### **GOVERNING LAW**

This Policy shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in that province.