



## **POLICY RE DIRECTORS' OWNERSHIP OF SECURITIES**

### **PURPOSE**

The Board of Directors (the “**Board**”) of Medical Facilities Corporation (the “**Corporation**”) has adopted this securities ownership policy (the “**Policy**”) to align the interests of the Corporation’s directors with the long-term interests of the Corporation’s shareholders. This Policy does not apply to directors who are also executives of the Corporation.

### **OWNERSHIP**

The Board expects that each director own common shares (“**Common Shares**”) and/or deferred share units with an aggregate value not less than 300% of the value of then applicable annual Board retainer<sup>1</sup> within five years from the date of becoming a director of the Corporation or from the effective date of the annual Board retainer increase<sup>2</sup>.

### **GENERAL**

This Policy may be amended, varied or withdrawn at any time by the Board in its discretion. The Policy articulates a Board expectation; the Board has the authority to grant discretionary exceptions from the provisions of this Policy.

The value of Common Shares and deferred share units held will be calculated once per year, on the first day of the fiscal year. For purposes of determining compliance with this Policy: “value” of a Common Share and of a deferred share unit means the average of the closing price of the Common Shares on the Toronto Stock Exchange on the last trading day of each of the previous four fiscal quarters. A director is not required to acquire Common Shares in accordance with this Policy if the purchase would result in a violation of the Corporation’s Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities (the “**Trading Policy**”). In such a scenario, the director is required to comply with this securities ownership Policy as soon as reasonably feasible after the expiry of any blackout period or other trading restriction contained in the Trading Policy. In the event of a decline in the price of the Common Shares by 25% or more in any year such that the “value” of a director’s Common Shares falls below the threshold

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<sup>1</sup> US\$205,000 per annum to the Chair of the Board and US\$135,000 per annum to other Board members at the date of the latest revision of this Policy. No less than 50% of the Board retainer must be received in the form of deferred share units.

<sup>2</sup> October 1, 2021 being the date of the latest annual Board retainer increase.

set out above, the director will have a period of one year to come into compliance with this Policy. 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 Deferred Share Unit Plan ("**DSU Plan**") to have 100% of his or her Fees (as defined in the DSU Plan) contributed to the DSU Plan until the securities ownership guidelines set forth in this Policy are met.

#### **ADMINISTRATION OF THE POLICY**

This Policy shall be administered by the Corporate Governance, Nominating and Compensation Committee of the Corporation, which committee will have the sole and complete authority to interpret and apply this Policy, including the authority to permit exceptions from this Policy from time to time.