POLICY NO: CHS/GOV/COM/IEC001	**SECTION TITLE:** **Investment Committee** **SUBJECT TITLE:** **Investment Committee Charter**
EFFECTIVE DATE: **November 12, 2009**	**AUTHORIZED BY:** **Board of Directors** **REVISION DATES: May 7, 2014, May 7, 2015, July 7, 2016 August 13, 2016, November 8, 2016, August 10, 2017, November 9, 2017, November 7, 2019, January 2022, July 2023, January 2024, February 2025, November 2025, August 2026, November 2026**

I. PURPOSE

The Board of Trustees of Chartwell Retirement Residences (together with its subsidiaries referred to herein as "Chartwell") bears responsibility for the stewardship of Chartwell. The Board of Directors of Chartwell Master Care Corporation (the "Board") supervises and directs Management of Chartwell in carrying out the business of Chartwell in the interest and for the benefit of its unitholders.

The purpose of the Investment Committee (the "Committee") of Chartwell is to assist the Board in (a) providing direction and oversight to Management regarding the investment strategy of Chartwell, (b) reviewing and approving investment decisions relating to: real estate acquisitions, dispositions and development; mezzanine loans; and internal growth projects (the "Portfolio") and providing oversight of such matters, and (c) performing such other duties and responsibilities as are enumerated in and consistent with this Charter or are specifically delegated by the Board.

II. COMPOSITION OF THE COMMITTEE AND OPERATING PROCEDURES

1. **Membership Appointment**. The Committee shall consist of at least three members of the Board. The Board, after consultation with the Committee Chairperson, shall appoint the members of the Committee.

2. **Independence.** The majority of the Committee members shall be independent within the meaning of any applicable law or stock exchange listing standard or rule, as determined by the Board.

3. **Expertise.** A majority of the Committee members and the Chairperson of the Committee must be qualified to assess real estate transactions. Such qualification shall be determined by the Board.

4. **Meetings and Procedures**. The Committee will meet as often as may be deemed necessary or appropriate in its judgment, but in no event shall the Committee convene fewer than four times per year. The Committee may meet in person or telephonically, and at such times or places as the Committee determines. The majority of the members shall be present to constitute a quorum for the transaction of business. The affirmative vote of a majority of Committee members is necessary for the adoption of a resolution. The Committee shall report regularly to the full Board with respect to its activities. As a matter of practice, the Committee expects to discuss significant matters, as determined by the Committee, with the full Board prior to taking final action on such matters.

5. **Removal**. The entire Committee or any individual Committee member may be removed from office with or without cause by the affirmative vote of the majority of the Board. The member that is proposed to be removed shall not be entitled to vote on a motion for his or her removal from office. Any Committee member may resign upon giving oral or written notice to the Chairman of the Board, which resignation shall be effective at the time such notice is given (unless the notice specifies a later time for effectiveness of such resignation). Upon the death, disability, resignation or removal of a member of the Committee, or upon such member becoming non-independent and therefore disqualified, the Board shall appoint a new Committee member as soon as practicable, and in no event later than the next annual meeting of Chartwell. If a resignation of a Committee member is effective at a future time, the Board may appoint a successor to take office when the resignation becomes effective.

6. **Chairperson.** A chairperson of the Committee (the "Chairperson") may be designated by the Board. In the absence of such designation, the members of the Committee may designate the Chairperson by a majority vote of the full Committee membership. The Chairperson shall approve the agenda, the frequency and the length of the meetings and shall have unlimited access to Management and information. Such Chairperson shall establish such other rules, as may from time to time be necessary and proper for the conduct of the business of the Committee.

7. **Secretary.** The Committee may appoint a Secretary whose duties and responsibilities shall be to keep appropriate records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. The Secretary need not be a member of the Committee.

8. **Background Material for Meetings.** Members of the Committee will be provided with an agenda and sufficient background material prepared by Management in a clear and concise manner relating to a forthcoming meeting to allow them to understand the

items to be discussed at the meeting and to enable the Committee members to make informed decisions.

9. **In Camera Sessions.** The members of the Committee shall meet at regularly scheduled sessions by themselves, without Management present.

10. **Delegation.** The Committee may, by resolution passed by a majority of the Committee, designate one or more subcommittees, each subcommittee to consist of one or more members of the Committee. Any such subcommittee, to the extent provided in the resolutions of the Committee and to the extent not limited by applicable law or stock exchange listing standard, shall have and may exercise all the powers and authority of the Committee. Each subcommittee shall have such name as may be determined from time to time by the Committee.

11. **Outside Advisors**. The Committee will have the authority to retain at the expense of Chartwell such outside consultants, counsel, and other experts and advisors as it determines is appropriate to assist it in the full performance of its functions, and to approve the consultant's fees and other retention terms.

III. OPERATING PRINCIPLES OF THE COMMITTEE

The Committee will fulfill its responsibilities within the context of the following operating principles:

1. **Committee Duties.** Committee members are required to act honestly and in good faith with a view to the best interests of Chartwell and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

2. **Committee Values.** The Committee and Management of Chartwell shall operate in compliance with all Chartwell policies and codes, and all laws and regulations governing Chartwell with respect to all investments.

3. **Communications.** The Chairperson and all members of the Committee expect to have direct, open and frank communications throughout the year with Management, other committee chairpersons and other key Committee advisors, as applicable. Further, the Committee shall be provided with Management reports and presentations to the Committee that are complete and accurate, and provided in good faith.

4. **Time Commitment.** Members of the Committee are expected to commit whatever time may be necessary to fulfill the mandate of the Committee. Members should prepare for Committee meetings by reviewing the materials sent to them by Management for discussion at the meeting, as well as other material they feel is necessary. Members are expected to attend (in person or by telephone) all meetings of the Committee and to participate in those meetings through the asking of relevant questions and the expression of opinions on items being discussed.

5. **Reliance on Experts and Management.** In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee will be entitled to rely in good faith upon outside advisors who are experts in their field or whose profession lends credibility to a statement made by such person and upon the reports and presentations of Management.

IV. RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

The following shall be the common recurring responsibilities and duties of the Committee in carrying out its oversight functions.

The Committee shall:

1. Providing direction and oversight to Management and advice to the Board regarding the investment strategy of Chartwell.

2. Provide oversight of the following real estate matters: acquisitions, dispositions, development, mezzanine lending and portfolio management. The authority to approve variances to real estate title registrations that Management considers immaterial has been delegated to the Chief Executive Officer.

   Evaluate and where appropriate authorize, all proposed acquisitions and dispositions of real estate investments by Chartwell, provided that Board approval on the Committee's recommendation is required for any such transaction with an aggregate gross value of more than $250 million (including assumption of debt, deferred payments, professional fees and closing costs) or any transaction that:

   (a) involves the acquisition of a publicly-listed issuer;
   (b) represents a material investment in a new business line;
   (c) represents a material investment with an expected new strategic partner for development or investments;
   (d) utilizes a substantially new type of investment vehicle; or
   (e) would be made in a new country or a Canadian Province in which Chartwell does not yet operate.

   The authority to approve any transaction with (i) aggregate gross asset value of $50 million or less (including assumption of debt and deferred payments), or (ii) investment value of $50 million or less (at share) where the transaction is to acquire an interest in an asset that is already partially owned by Chartwell, (in each case other than those listed in (a) to (e) above) has been delegated to the CEO with a requirement for quarterly reporting to the Committee.

   The authority to approve and authorize changes to the terms of any transaction previously approved by the Committee (the "Transaction Modifications") has been delegated to the Chair of the Committee provided that:

(a) The Chair reports any such Transaction Modifications to the Committee at its next quarterly meeting;

(b) The Transaction Modifications do not have a material negative impact to the Corporation;
(c) Any such approval and authorization shall comply with the provisions of the then current Limited Partnership Agreement of Chartwell Master Care LP (the "LP Agreement"); and
(d) in no circumstances shall such delegation and authority extend to any matter which may not be so delegated pursuant to the provisions of the LP Agreement.

Evaluate and where appropriate authorize, all proposed development projects of Chartwell, whether or not such projects are undertaken by Chartwell or by a third party on behalf of, in partnership with, for, as agent, or as licensee of Chartwell or its brand, provided that the authority to approve any such development project with an aggregate cost of $15 million or less has been delegated to the CEO with a requirement for quarterly reporting to the Committee. The authority to approve and authorize changes to property-specific development and capital expenditure budgets (the "Budget Modifications") previously approved by the Committee has been delegated to the Chair of the Committee, provided that:

(e) The Chair report any such Budget Modifications to the Committee at its next quarterly meeting;

(f) The Budget Modifications do not materially negatively affect the overall cost or investment return of the projects;
(g) Any such approval and authorization shall comply with the provisions of the LP Agreement; and
(h) in no circumstances shall such delegation and authority extend to any matter which may not be so delegated pursuant to the provisions of the LP Agreement.

3. Evaluate and where appropriate authorize, all mezzanine and other loans to be granted by Chartwell and all changes to any such loans, and conduct an annual review of Chartwell's borrowers in such manner as the Committee deems appropriate. The authority to approve any mezzanine or other loan to be granted for a project with an aggregate loan amount of up to $15 million has been delegated to the CEO with requirements for quarterly reporting to the Committee provided that:

(a) the loan is secured by the project and the project is a seniors housing project which is either (i) jointly owned by Chartwell, or (ii) subject to a forward purchase or call agreement with Chartwell, and (iii) the loan is further secured by corporate guarantees as applicable;
(b) loan-to-cost (if asset securing the loan is not constructed) and loan-to-value (once asset is completed) does not exceed 90% or 80%, respectively, as applicable;
(c) interest rate on the loan is a market rate, as determined by Management; and
(d) all other terms of the loan are market, as determined by Management, for loans of a similar nature.

4. Evaluate all requests for guarantees from Chartwell of third party or subsidiary obligations, and, where appropriate and in compliance with Chartwell's declaration of trust, approve such guarantees or recommend approval of such guarantees to the Board, as applicable.

5. Provide input to Compensation, Governance and Nominating Committee regarding performance of the Investment Officer (or acting Investment Officer) and review related corporate goals and objectives.

6. Provide education to Committee members on a regular basis on strategic topics of interest to the Committee.

7. Create and maintain a delegation policy that delegates to Management those responsibilities that the Committee deems appropriate.

8. Provide oversight to Chartwell's portfolio management strategy, including the identification of underperforming assets and markets.

9. Provide oversight of Chartwell's growth guidelines and framework.

10. Provide oversight to aspects of the Company's Environmental, Social and Governance program related to Chartwell's overall investment strategy, acquisitions, dispositions and developments.
11. Review this Charter annually and provide recommendations regarding amendments to this Charter to the Board.

12. Report to the Board on its activities on a quarterly basis.

13. Perform such other duties and responsibilities as are consistent with the purposes of the Committee and as the Board or the Committee deem appropriate.

V. LIMITATIONS ON COMMITTEE MEMBERS' DUTIES

1. Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. It is not the duty of the Committee to negotiate transactions, projects or loans or prepare materials relating thereto. These are the responsibilities of Management and Chartwell's and Management's advisors.