

# Sienna

Senior Living

**SIENNA SENIOR LIVING INC.**

**ANNUAL INFORMATION FORM  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**March 14, 2025**

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SCHEDULE “A” - CHARTER OF THE AUDIT COMMITTEE

## GENERAL MATTERS

The information contained in this Annual Information Form (“AIF”) is stated as at March 14, 2025, unless otherwise indicated.

All references in this AIF to “Sienna” and the “Company”, unless the context otherwise requires, means Sienna Senior Living Inc. (“SSLI”) and its direct and indirect subsidiary entities.

Market data and other statistical information used in this AIF are based on independent sector publications, government publications, reports by market research firms, or other published independent sources, including the Ontario Ministry of Long-term Care (“MLTC”), Canada Mortgage and Housing Corporation (“CMHC”), CBRE Limited, Ontario Health (Home and Community Care Support Services) and Statistics Canada, Cushman & Wakefield ULC. Some data is also based on the Company’s good faith estimates that are derived from its review of internal data and information, as well as independent sources, including those listed above. Although the Company believes these sources are reliable, the Company has not independently verified the information and cannot guarantee its accuracy or completeness.

All dollar amounts in this AIF are expressed in Canadian dollars and references to “\$” are to Canadian dollars, unless otherwise indicated.

## FORWARD-LOOKING STATEMENTS

Certain statements in this AIF may be considered “forward-looking information” as defined under applicable securities laws (“**forward-looking statements**”), that reflect management’s current expectations, estimates and projections about the future results, performance, achievements, prospects or opportunities for the Company, the senior living sector and government funding as of the date of this AIF. Forward-looking statements are based upon a number of assumptions and involve significant known and unknown risks and uncertainties, many of which are beyond the Company’s control and which could cause actual results to differ from those that are disclosed in or implied by such forward-looking statements. Forward-looking information may relate to the Company’s future financial outlook and anticipated events or results and may include information regarding, without limitation, possible events, statements with respect to possible events, expected capital expenditures, capital requirements, government regulation and funding of the senior living sector, the Company’s objectives and profile within the sector, its relationship with its team members and its ability to refinance debt maturities. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budgets”, “scheduled”, “projects”, “estimates”, “forecasts”, “intends”, “continues”, “anticipates”, “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” “be taken”, “occur”, “continue” or “be achieved”.

Forward-looking statements in this AIF include, but are not limited to statements made in the sections of this AIF entitled: “General Development of the Business”, “Sector Overview”, “Business of the Company”, “Risk Factors”, “Dividend Policy”, “Description of Capital Structure” and “Indebtedness”. These forward-looking statements reflect the current expectations of the Company’s management regarding future events and operating performance, and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, but are not limited to:

- actual future market conditions being different than anticipated by the Company’s management,
- material changes to governmental policy, regulations or funding affecting the Company’s operations,
- material shifts in demographic or economic trends,

- the impact of inflation, rising interest rates, tariffs, staffing challenges, supply chain issues and construction cost increases,
- volatility in financial markets,
- the impact of global pandemics, including COVID-19 outbreaks on the Company's operations and financial condition as well as the senior living sector,
- the impact of climate change,
- the uncertainties in the global economy created by the war in Ukraine and in the middle east; and
- the risks described under "Risk Factors" and those risks discussed from time to time in the Company's other public filings on the System for Electronic Document Analysis and Retrieval + ("SEDAR+"), accessible at [www.sedarplus.ca](http://www.sedarplus.ca).

Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Material estimates or assumptions that were applied in drawing a conclusion, which may prove to be incorrect, include, but are not limited to, the following:

- management's views regarding current and anticipated market and economic conditions and the competitive landscape,
- management's views as to demographic trends,
- expected government priorities and spending,
- an absence of material or substantive changes to financial markets and to governmental and/or environmental policy or regulations affecting the Company's operations,
- the Company's ability to recruit and retain qualified personnel and maintain good relationships with its team members, including its unionized team members,
- the Company's ability to successfully execute on its growth strategies and strategic priorities, including the renewal of maturing debt in due course,
- the successful completion of any acquisitions, dispositions or joint venture arrangements on the terms and conditions and at the times expected,
- the impact of global pandemics, including the COVID-19 pandemic, on the Company's operations, business and financial results, and
- the financial and operating attributes of the Company as at the date hereof.

Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. **Although forward-looking statements contained in this AIF are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements.** The forward-looking statements in this AIF speak only as of the date of this AIF. Except as required by applicable securities laws, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

## NON-IFRS MEASURES

This AIF uses certain supplemental measures of key performance that are not measures recognized under the standards adopted by the International Accounting Standards Board (“**IFRS Accounting Standards**”) and do not have standardized meanings prescribed by IFRS Accounting Standards, including net operating income (“**NOI**”). NOI is defined as property revenue and government assistance related to the pandemic, net of property operating expenses, including the Company’s share in certain equity-accounted joint ventures. The Company believes that NOI is a useful additional measure of operating performance as it provides a measure of core operations that is calculated prior to taking into account depreciation, amortization, administrative expenses, impairment loss, net finance charges, transaction costs, gain (loss) on disposal of properties and income taxes. The IFRS Accounting Standards measure most directly comparable to NOI is “net income”. For a full reconciliation of net income to NOI, as well as the definitions of the other non-IFRS Accounting Standards measures used by the Company and reconciliations of certain of those measures to the most directly comparable financial measures calculated and presented in accordance with IFRS Accounting Standards, please refer to page 2 of the Management’s Discussion and Analysis for the Company dated as of February 19, 2025 (“**MD&A**”) for the year ended December 31, 2024 which is incorporated by reference and available electronically under the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

## SIENNA SENIOR LIVING

The Company and its predecessors have been operating since 1972. The Company is a senior living provider serving the continuum of independent living (“**IL**”), independent supportive living (“**ISL**”), assisted living (“**AL**”), memory care (“**MC**”) and long-term care (“**long-term care**”) through the ownership and operation of senior living residences in the Provinces of Ontario, Saskatchewan and British Columbia. As at December 31, 2024, the Company owns and operates a total of 82 senior living residences: 40 retirement residences (“**retirement residences**”) (including the Company’s 50% joint venture interest in twelve retirement residences in Ontario and Saskatchewan, and a 70% joint venture interest in one residence in Ontario); 34 long-term care communities (“**long-term care communities**”); and eight senior living residences providing both private-pay IL/AL and funded long-term care (including the Company’s joint ownership in two residences in British Columbia). The Company also provides management services to an additional twelve senior living residences in the Provinces of Ontario, Alberta and British Columbia.

## CORPORATE STRUCTURE

### Incorporation and Name Change

Sienna Senior Living Inc. was incorporated under the *Business Corporations Act* (Ontario) as Leisureworld Senior Care Corporation on February 10, 2010 and was subsequently continued under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) on March 18, 2010. The Company closed the initial public offering (the “**IPO**”) of its common shares (“**Common Shares**”) on March 23, 2010. In connection with a Company-wide rebranding initiative that took effect on May 1, 2015, the Company changed its name from Leisureworld Senior Care Corporation to Sienna Senior Living Inc., pursuant to the filing of a Notice of Alteration with the British Columbia Registry Services on April 23, 2015. In connection with the name change to Sienna Senior Living Inc., the Common Shares commenced trading on the Toronto Stock Exchange (“**TSX**”) under the symbol “**SIA**”.

The head office of the Company is located at 302 Town Centre Blvd., Suite 300, Markham, Ontario, L3R 0E8. The registered office of the Company is located at 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3.

The Company’s business is carried on through a number of wholly owned limited partnerships formed under the laws of the Province of Ontario. In addition, the Company holds a 50% ownership interest in twelve retirement residences located in Ontario and Saskatchewan acquired in a joint venture with Sabra Health Care REIT Inc. (“**Sabra**”), a 70% ownership interest in one retirement residence in Ontario and 70% and 77% ownership interest in two long-term care communities in British Columbia.

## Intercorporate Relationships

The following chart illustrates, in simplified form, the structure of the Company and its material subsidiaries as at March 14, 2025 (including jurisdiction of establishment/incorporation of various entities):

Name	Jurisdiction	Shareholder	Holdings
Sienna Senior Living Inc.	British Columbia	Public	100%
Leisureworld Senior Care LP	Ontario	Sienna Senior Living Inc.	100%
The Royale LP	Ontario	Sienna Senior Living Inc.	100%
The Royale West Coast LP	Ontario	Sienna Senior Living Inc.	100%
The Royale Development LP	Ontario	Sienna Senior Living Inc.	100%
2371281 Investment LP	Ontario	Sienna Senior Living Inc.	100%
Sienna Baltic LP	Ontario	Sienna Senior Living Inc.	100%
Sienna Baltic Development LP	Ontario	Sienna Senior Living Inc.	100%
Sienna Ontario RH 2017 LP	Ontario	Sienna Senior Living Inc.	100%
Sienna-Sabra LP	Ontario	Sienna Senior Living Inc.	50%
Sienna-RSH Niagara Falls LP	Ontario	Sienna Senior Living Inc.	70%
SSLII Development LP	Ontario	Sienna Senior Living Inc.	100%
Vigour Limited Partnership	Ontario	Leisureworld Senior Care LP	100%
2063412 Investment LP	Ontario	Leisureworld Senior Care LP	100%
2063414 Investment LP	Ontario	Leisureworld Senior Care LP	100%
2063415 Investment LP	Ontario	Leisureworld Senior Care LP	100%
2067475 Investment LP	Ontario	Leisureworld Senior Care LP	100%

## GENERAL DEVELOPMENT OF THE BUSINESS

The general development of the Company’s business over the past three fiscal years, including key acquisitions, dispositions and financing activities is summarized below.

### 2022

On January 31, 2022, the Company completed the sale of Rideau Retirement Residence (“**Rideau**”) consisting of 138 suites in British Columbia. The gross proceeds on the sale were \$33.25 million. The property-level mortgage with an outstanding balance of approximately \$21.54 million was discharged on the closing date of the sale.

On February 1, 2022, Paul Boniferro was appointed as a member of the Company’s board of directors (the “**Board**”).

On February 3, 2022, the Company entered into an agreement to acquire a 50% ownership interest in a \$307.5 million portfolio of eleven private-pay retirement residences in Ontario and Saskatchewan consisting of 1,048 high-quality, private-pay IL, AL and MC suites (the “**JV Portfolio**”). This transaction was completed on May 18, 2022 and was financed through a combination of: (i) net proceeds from the Offering (as defined below); (ii) an acquisition term loan that was refinanced post-closing; (iii) net proceeds from the dispositions of Rideau and Camilla Care Community consisting of 236 beds in Ontario; and (iv) the assumption of two CMHC-insured property level mortgages. The Company acquired the JV Portfolio in partnership with Sabra, which acquired the other 50% interest, with the Company as the manager of the JV Portfolio.

On February 28, 2022, the Company entered into an agreement to acquire Woods Park Care Centre (“**Woods Park**”), which had historically been managed by the Company. Woods Park is located in Barrie, Ontario and offers a continuum of care, comprised of 53 private-pay independent living suites and 123 government-funded Class A long-term care beds.

On March 11, 2022, the Company entered into an agreement to purchase a 50% ownership interest in a retirement residence consisting of 186 high-quality, private-pay suites in Saskatoon, Saskatchewan (“**Hunter Village**”). This transaction was completed on June 1, 2022. The Company acquired Hunter Village (previously Village at Stonebridge) in partnership with Sabra, which acquired the other 50% interest, with the Company as the manager of the property.

On March 23, 2022, the Company completed a bought deal public offering of 5,750,000 Common Shares at a price of \$15.00 per Common Share for aggregate gross proceeds of approximately \$86.25 million (the “**Offering**”). This includes gross proceeds from the full exercise of the over-allotment option granted to the syndicate of underwriters to purchase an additional 750,000 Common Shares. The Company used the net proceeds of the offering to partially fund the previously announced acquisitions of (i) a 50% ownership interest in the JV Portfolio; (ii) a 50% ownership interest in Hunter Village; and (iii) Woods Park, and to pay the Company’s expenses in connection with the acquisitions.

On April 18, 2022, David Hung was appointed as Chief Financial Officer and Executive Vice President of the Company following Karen Hon’s resignation as Chief Financial Officer and Senior Vice President.

On June 28, 2022, Dr. Gina Parvaneh Cody was appointed as a member of the Board.

On August 11, 2022, Shelly Jamieson was appointed as the Company’s Chair of the Board following Dino Chiesa’s resignation as Board Chair and as a member of the Board.

## **2023**

On January 3, 2023, Sienna finalized the acquisition of Woods Park for a purchase price of \$26.3 million.

In the first quarter of 2023, the Company completed a corporate restructuring at its head office resulting in an approximate 10% work force reduction in an effort to reduce its general and administrative expenses.

On September 14, 2023, the Company entered into an agreement to acquire the remaining 60% interest in Nicola Lodge (“**Nicola Lodge**”), a 256-bed long-term care community managed and partially owned by the Company. Nicola Lodge is located in Port Coquitlam, British Columbia, was built in 2016 and offers long-term care with specialized services for bariatric care, dementia and mental health care. The transaction is taking place in two stages, each comprising a 30% interest to be purchased for approximately \$26.5 million, before closing costs. The first stage of the purchase was completed at the end of 2023 and the acquisition of the remaining 30% interest was completed on February 28, 2025, which was financed through the assumption of the Company’s remaining share of the in-place mortgage (estimated to be \$11.6 million in November 2024) and proceeds from the Company’s equity raise in August 2024.

On November 1, 2023, the Company entered into a management contract for a 70-suite retirement residence in a prime location in Calgary with Sabra. This is the Company’s inaugural entry into the Alberta market.

On November 9, 2023, Barbara Bellissimo was appointed as a member of the Board.

In the fourth quarter of 2023 (“**Q4 2023**”), the Company completed its joint venture development of a 150-suite retirement residence in Niagara Falls named Elgin Falls (“**Elgin Falls**”) for a total capital investment of approximately \$55 million. Sienna’s share of this greenfield joint venture with Reichmann Seniors Housing is 70%.

## **2024**

Effective January 1, 2024, Paula Jourdain Coleman resigned as a member of the Board.

On May 8, 2024, Geoff McIlmoyle joined the Company as the Executive Vice President, Retirement Operations following Mark Lugowski's resignation.

On August 28, 2024, the Company completed a bought deal public offering 9,591,000 Common Shares at a price of \$15.00 per Common Share for aggregate gross proceeds of \$143,654,000. This includes gross proceeds from the full exercise of the over-allotment option granted to the syndicate of underwriters to purchase an additional 1,251,000 Common Shares. The Company used the net proceeds of the offering to fund the approximately \$15 million equity purchase price for the Company's previously announced acquisition of an additional 30% ownership interest in Nicola Lodge and for general corporate purposes, which primarily include financing strategic growth initiatives including previously announced long-term care developments and future acquisition opportunities.

On October 16, 2024, the Company entered into an agreement to acquire a portfolio of four continuing care homes in Alberta, consisting of 540 suites in the Calgary Metropolitan Region, Edmonton, Fort Saskatchewan and Medicine Hat (the "**Portfolio**" or "**Acquisition**") for an aggregate gross purchase price of \$181.6 million, subject to certain adjustments, including an additional contingent payment of up to \$4 million, if certain performance targets are achieved prior to March 2026. Completion of the Acquisition is subject to customary closing conditions for transactions of this nature, including the receipt of all necessary regulatory approvals, including the approvals from the relevant health authorities in Alberta. The Company expects the completion of the Acquisition to occur at the end of the first quarter of 2025 ("**Q1 2025**"). The Acquisition will be financed through the assumption of approximately \$150 million of CMHC debt with a weighted average interest rate of approximately 4.6% and a remaining average term of approximately 4.7 years. The balance will be financed with the proceeds from the Company's equity raise in August 2024.

On October 17, 2024, the Company issued \$150 million aggregate principal amount of series D senior unsecured debentures ("**Series D Unsecured Debentures**"). The Series D Unsecured Debentures were issued at par, bear interest at a rate of 4.436% per annum and will mature on October 17, 2029. The Company used the net proceeds from the Series D Unsecured Debentures to repay existing indebtedness and for general corporate purposes (see "Indebtedness – Senior Unsecured Debentures – Series D Unsecured Debentures" section of this AIF).

On November 15, 2024, the Company announced that it is reinstating its Dividend Reinvestment Plan ("**DRIP**") effective with the Company's November 2024 dividend payable on December 13, 2024 to shareholders of record as of November 29, 2024. The DRIP allows eligible shareholders of the Company to direct their cash dividends to be reinvested in additional Common Shares of the Company at a 3% discount from the market price.

### **Subsequent Events**

On February 10, 2025, the Company entered into a purchase agreement to acquire Wildpine Residence, a 165-suite retirement residence in Stittsville, Ontario, for an aggregate purchase price of \$48 million, subject to certain customary adjustments and regulatory approvals. This transaction is expected to close in mid-2025.

On February 14, 2025, the Company entered into a purchase agreement to acquire Cawthra Gardens, a 192-bed Class A long-term care home in Mississauga, Ontario, for a gross purchase price of \$32.6 million, subject to certain customary adjustments and regulatory approvals, and a \$2 million capital allowance which the Company plans to use within the first twelve months after closing. This transaction is expected to close in early 2026.

On February 27, 2025, the Company completed a bought deal public offering 9,108,000 Common Shares at a price of \$15.80 per Common Share for aggregate gross proceeds of \$143,906,400. This includes gross proceeds from the full exercise of the over-allotment option granted to the syndicate of underwriters to purchase an additional 1,188,000 Common Shares. The Company intends to use the net proceeds of the offering to fund the Company's previously announced acquisitions of Wildpine Residence and Cawthra Gardens and for general corporate purposes, which include financing strategic growth initiatives such as future acquisition opportunities.

On February 28, 2025, the Company completed the acquisition of the remaining 30% interest in Nicola Lodge (see "General Development of the Business – 2023" section of this AIF).

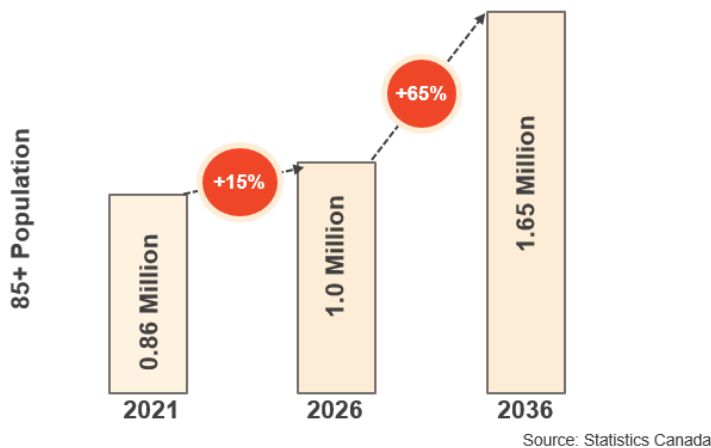
## SECTOR OVERVIEW

Some of the sector data provided in this section was prepared by third parties. Although the Company has no reason to believe such information is inaccurate or incomplete, the Company cannot guarantee the accuracy or completeness of such information.

### Demand Driven by Rapid Growth in Target Demographic

Demand for senior living is driven by an aging population. According to Statistics Canada, the cohort of seniors aged 85 and older is expected to grow to approximately one million by 2026. This number is projected to increase by an additional 65% over the following 10 years as a result of baby boomers reaching retirement age and life expectancy continuously increasing. In Canada, more than one quarter of the population aged 85 and older lives in some form of congregate care setting, such as a nursing home, long-term care or retirement residence.

The chart below highlights the projected population growth of seniors aged 85 or older in Canada:

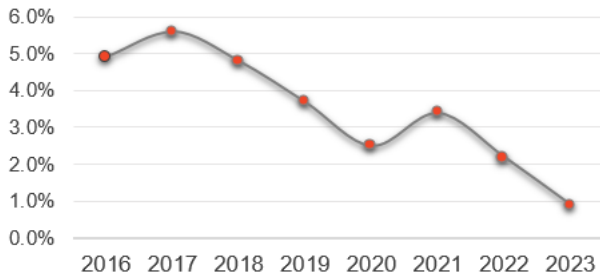


The needs-based driven demand for senior living is expected to outpace supply growth in the coming years due to a combination of factors that have delayed construction starts and increased building costs. In addition, the significant equity many seniors have built up in their homes over the decades will support demand in the coming years.

### Slowing Supply of Retirement Residences

Due to a combination of factors, including rising construction costs and interest rates, new construction activity of retirement residences in Canada has declined significantly in recent years. While development prior to the pandemic caused some headwinds in several regions across the country due to oversupply, slowing development activity since 2018 is resulting in less competition from newly completed developments and is expected to support continued occupancy growth in Canadian senior living.

The chart below highlights construction starts as a percentage of the total seniors' housing inventory in Canada:



Source: Cushman & Wakefield ULC

## Robust Fundamentals in Sienna’s Key Long-Term Care Markets

Demand for long-term care beds is higher than ever, with long waiting lists and increasing pressure on hospital systems. In Ontario, an estimated 45,000 people are waiting for long-term care. This waitlist is expected to continue to grow, according to the Ontario Long-Term Care Association (“**OLTCA**”). Similarly, there is strong demand for long-term care beds in British Columbia and continuing care spaces in Alberta.

## High Barriers to Entry

The senior living sector in Canada continues to be fragmented and highly regulated, with significant barriers to entry. The sector is regulated by provincial governments and regional health authorities, with growing and varied obligations placed on operators. Additionally, the sector requires an increasingly complex level of specialized expertise and a solid operating platform in order to succeed in meeting regulatory requirements and providing positive resident and family experiences. All long-term care and retirement residences require an approved licensed operator.

## Senior Living Continuum

Retirement residences are privately funded by the residents who are responsible to cover their monthly rent and cost of services. In long-term care, most residences are funded by the provincial governments. Residents’ monthly rent is typically subsidized and the care they receive is fully funded. Select long-term care residences across Canada also offer private-pay options.

Senior living residences provide a range of services and programs based on an individual’s needs and level of independence. Seniors who enjoy a high level of independence and require little assistance with the activities of daily living may choose to live in seniors’ apartments or condominiums with minimal or no assistance or with the option of care and services on an as-needed basis, while those who require extensive assistance with the activities of daily living, healthcare needs and access to 24-hour nursing care support are best suited to long-term care. A general and broad description of the services is detailed below:

- **Independent Living (IL):** IL provides the privacy and freedom of home combined with the convenience and security of on-call assistance and a maintenance-free environment. Residents typically have the option of purchasing à la carte services including meal packages, housekeeping, transportation and laundry. IL is typically apartment-style accommodation with a full kitchenette and is private-pay. Tenure may be rental or some form of ownership, such as condominium or life lease.
- **Independent Supportive Living (ISL):** ISL is designed for seniors who pay for services such as 24-hour response, housekeeping, laundry, meals, transportation and accommodation as part of a total monthly private-pay fee or rental rate. These residents require little or no assistance with daily living activities but benefit from the social setting and meal preparation. Some residences include a minimum amount of daily care but primarily this level of accommodation is for the senior who can live more independently with the option of additional care and services available on an as-needed basis. Accommodation is studio, one or two bedroom units with kitchenettes.

- **Assisted Living (AL):** AL is intended for seniors who need assistance with daily living activities but do not require skilled nursing care. While most of AL is provided as private-pay, residents may qualify for government-funded home care services, depending on provincial funding models.
- **Memory Care (MC):** MC serves seniors with memory impairment, Alzheimer's or other forms of dementia. Mild cases of dementia are typically suitably addressed within secure AL accommodation suites in a dedicated area within the residence, or more broadly throughout the residence. Moderate to severe cases require dedicated accommodation suites and specialized and more intensive care.
- **Long-term Care:** Long-term care is for those who are not able to live independently and require assistance with the activities of daily living and care, including skilled nursing care on a daily basis. Eligibility for access to a long-term care home is based on a person's assessed care requirements and is determined and arranged through government agencies. The resident pays for the accommodation as set by the government and the government typically pays for care, programs and supplies. In most provinces, there is a waiting period for access to long-term care accommodations. In certain provinces, there are also long-term care homes providing entirely private-pay accommodations and are subject to the same regulatory oversight.

## Retirement Residences

Retirement residences focus on IL, ISL, AL, and in some cases MC, and generally provide studio, one-bedroom or two-bedroom accommodation suites and amenity space. Suites are rented to residents on a monthly basis, and provide for meals, snacks, leisure activities, transportation and AL services, which include some care and services based on resident needs and preferences (such as assistance with bathing, medication administration and other activities of daily living (“ADL”)). Accommodation and services are private-pay based on market rates.

The retirement sector requires that a residence and operator must be licensed to operate. Retirement residences are regulated by the *Retirement Homes Act, 2010* (Ontario) (the “RHA”) in the Province of Ontario, *The Personal Care Homes Act* (Saskatchewan) (the “PCA”) in the Province of Saskatchewan, the *Continuing Care Act, 2022* (the “CCA”) in the Province of Alberta and the *Community Care and Assisted Living Act* (British Columbia) (the “CCALA”) in the Province of British Columbia. In Ontario, the Retirement Home Regulatory Authority (the “RHRA”), a regulatory body created by the RHA, provides consumer protection and regulation, but not funding, for the provision of care and services in retirement residences in the province. Retirement residences are required to be licensed by the RHRA in order to operate in Ontario and are inspected regularly by RHRA inspectors. In Saskatchewan, the Ministry of Health is responsible for the licensing and monitoring of personal care homes. The PCA governs the care, management and administration of care homes, including approving the services to be provided, and which care homes are subject to regular inspections. In Alberta, the CCA regulates the full spectrum of continuing care services and settings, including continuing care homes, supportive living accommodations, and home and community care. The CCA establishes authority and oversight for licensing, accommodations, and the delivery of publicly funded health care in the continuing care system. Pursuant to the Continuing Care Regulation under the CCA, adherence with Accommodation Standards – Supportive Living Accommodation is a mandated requirement for supportive living accommodation operators in Alberta. The Accommodation Standards - Supportive Living Accommodation provide the standards for voluntary, public, and private organizations operating supportive living accommodations in Alberta, which are maintained and enforced through Alberta Health Services. In British Columbia, the CCALA provides consumer protection and regulation of retirement residences in the province, such that all levels of senior living residences providing personal support in British Columbia must be registered with the Assisted Living Registry.

Further, expansion of retirement residences or new development require feasibility studies, which support that there is adequate income qualified demand for any given community to accommodate additional retirement residence capacity. Feasibility studies and proven demand are required for financing. The regulations and operational nature of the business and licensing requirements pose increasing barriers to entry.

## **Long-Term Care**

The long-term care sector in Ontario and British Columbia, the Company's key markets, is comprised of a number of private operators, public sector operators and not-for-profit organizations that offer a variety of services similar to those offered by the Company. The sector has experienced consolidation in recent years, which is expected to continue, although it remains fragmented with small operators (including not-for-profit operators) providing most of the beds.

The long-term care sector, which provides essential health services to its communities, can be distinguished from other segments of the senior living sector based on a number of factors, including the following:

- Provision of an essential service: Long-term care communities provide essential health services in the form of 24-hour registered nursing support, and assistance with ADL and mobility, to individuals with complex physical and medical care needs who may otherwise require hospital care.
- Significant barriers to entry: Barriers to entry are regulatory and operational. The long-term care sector requires that a residence and operator be licensed by the relevant regulatory authority in order to operate. In addition to the regulatory barriers to entry, the successful operation of a long-term care residence requires a broad range of specialized expertise (see "Sector Overview – High Barriers to Entry" section in this AIF).

### ***Long-Term Care Financial Model***

All aspects of the operation of long-term care are highly regulated by provincial government and regional health authorities. In British Columbia and Ontario, the two provinces where the Company operates long-term care communities, and Alberta, where the Company is expected to start operating long-term or government funded care communities, access to long-term care is controlled through a government agency based on eligibility. Provincial health programs provide funding for certain care services, with the residents contributing a co-payment (which rate is set by the regulatory body). Since each province establishes its own system for carrying out the oversight of long-term care communities and administering programs, there are differences in the regulations governing care providers, as well as in the actual funding programs.

#### ***Province of Ontario***

Licensed operators of Ontario long-term care communities are entitled to operational funding for care services to residents, as well as various other payments from the MLTC. Operational funding of long-term care communities is used to fund certain eligible care services and is currently paid monthly in what is known as flow-through "envelopes". Generally, a licensed long-term care operator is funded the 'level-of-care' per diem for every licensed or approved bed in the residence.

Funding received for flow-through envelopes in excess of the amounts spent by the operator must be returned to the MLTC during an annual reconciliation process. Funding provided pursuant to flow-through envelopes may only be applied to certain eligible expenses.

#### ***Province of British Columbia***

##### ***Funded Long-term Care Beds***

The funding contracts between long-term care operators and the applicable health authorities in British Columbia are on a per diem basis, adjusted annually, for the resident services provided and the capital cost of the residences, and outline the hours of direct care required by a resident per day, minimum occupancy thresholds and minimum levels of professional staffing.

### *Private-Pay Long-term Care Beds*

In British Columbia, operators may designate a number of beds for private-pay long-term care whereby the operator provides the same level of care and services to residents as the care provided to residents in funded beds. Rates paid by the resident are market driven and the beds are subject to the same regulations and inspection as funded long-term care beds.

### *Province of Alberta*

Alberta's Continuing Care System offers a range of services to support individuals with varying health and personal care needs due to aging, disability, or chronic conditions. It provides services along a continuum, from independent living with some support to highly specialized care.

The Company's four acquisition properties in Alberta fall under Continuing Care Homes Type B. They offer 24-hour care, assistance with daily activities, medication management, meals, social and recreational activities, and access to medical services.

The Government of Alberta (Alberta Health Services) will pay for the services assessed as required by a case manager, with residents paying an accommodation fee to cover their room rental and services including meals, housekeeping and building maintenance. The accommodation fee is set by the Government of Alberta each year, and is adjusted for inflation.

## **BUSINESS OF THE COMPANY**

The Company and its predecessors have been operating since 1972. Since inception, the Company has expanded through strategic acquisitions and development as well as organically to become one of Canada's largest and most diverse providers of senior living operating in the Provinces of Ontario, Saskatchewan and British Columbia. As a Canadian senior living provider serving the continuum of care, the Company owns and operates a total of 82 senior living communities and also provides internal and third party management services to senior living communities in the Provinces of Ontario, Saskatchewan, Alberta and British Columbia. Except where indicated, the information presented below is in respect of the year ended December 31, 2024.

### **Business Update**

2024 has been a year of considerable progress for the Company. In addition to the significant improvements in the Company's operating results, major highlights included a \$144 million equity raise and the issuance of \$150 million of unsecured debentures used to refinance the Company's Series A Unsecured Debentures, which matured in November 2024. These activities are supporting the Company's growth initiatives, including its platform expansion in Alberta, which is expected to be finalized in Q1 2025, and its development program. The Company's redevelopments located in North Bay and Brantford are expected to be completed during the second half of 2025, with construction at a third project located in Keswick, Ontario having started in the fourth quarter of 2024 ("**Q4 2024**").

With respect to the Company's financial results, Q4 2024 marked the Company's eighth consecutive quarter of year-over-year adjusted same property NOI growth since the beginning of 2023. On a normalized basis, excluding one-time items recognized in 2024, the Company generated a 16.0% increase in its adjusted same property NOI year-over-year in Q4 2024.

Capturing the growth potential inherent in the business for the past two years not only contributed to the notable expansion in Sienna's NOI, but set the stage for considerable growth and diversification opportunities in 2025 and beyond.

### ***Growth and Diversification Initiatives***

The Company maintains its strategy of growing its diversified portfolio of private-pay retirement residences and government-funded long-term care communities in Canada. The Company continues to actively pursue accretive acquisitions and is in a unique position to acquire campuses of care, which provide both retirement living and long-term care and are therefore best suited for diversified companies. In addition, the Company will continue to grow its asset base through its development program.

With deep experience and scale in both retirement living and long-term care, the Company runs two distinct business lines, while taking advantage of the benefits inherent in shared services and scale. Furthermore, the Company's expertise in clinical care within its long-term care operations can be applied across its retirement platform, where an increasing number of residents require support with daily living and healthcare. At the same time, many hospitality elements at the Company's retirement platform can also be applied at its long-term care operations to enhance the resident experience. This helps the Company differentiate itself within the Canadian senior living landscape.

The Company further believes that diversification adds to the financial strength of its business as it allows the Company to capture higher potential growth and operating margins inherent in its retirement portfolio, while benefiting from the stability of the government-funded long-term care operations.

#### *Expansion into Alberta with Portfolio Acquisition of Continuing Care Homes*

On October 16, 2024, the Company entered into an agreement to acquire the Portfolio consisting of 540 suites in the Calgary Metropolitan Region, Edmonton, Fort Saskatchewan and Medicine Hat for an aggregate purchase price of \$181.6 million.

The Portfolio presents a compelling expansion opportunity for the Company in Alberta, adding new, high-quality properties to the Company's senior housing portfolio in Western Canada, and further diversifying its portfolio. As the Company's first acquisition in Alberta, it not only provides immediate scale, but also establishes a platform for further expansion opportunities in a desirable growth market in Canada. The Portfolio is strategically located in vibrant, growing communities and benefits from favourable supply/demand fundamentals in their respective markets.

Occupancy of the Portfolio, excluding one community currently in lease-up, exceeds 98%.

With an average age of less than three years, the Portfolio offers contemporary senior living accommodations with extensive care and services offerings, reflecting the changing needs of seniors. The Portfolio falls under the Continuing Care Home Type B (formerly Designated Supportive Living 4) & Type B Secure Space (formerly Designated Supportive Living 4 Dementia) segment and will be classified as part of the Company's long-term care segment.

Property	Market	Opened	# of Suites			Occupancy (Dec. 2024)
			Type B	Type B Secure Space	Total	
Airdrie Care Community	Calgary Metropolitan Region, AB	Q2 2022	90	36	126	98.4%
Shasta Care Community	Edmonton, AB	Q4 2022	72	90	162	99.4%
Fort Saskatchewan Care Community	Fort Saskatchewan, AB	Q3 2023	72	54	126	98.0%
Medicine Hat Care Community	Medicine Hat, AB	Q3 2023	90	36	126	85.7%
<b>Total</b>			<b>324</b>	<b>216</b>	<b>540</b>	<b>95.6%</b>

The Portfolio's NOI is expected to be stabilized within the first year of operations and is accretive to AFFO and OFFO. The Company expects the Acquisition to generate an approximate 6.5% investment yield in the first twelve

months of operations following the closing of the transaction, with opportunity for additional growth, including synergies from potential further expansion in Western Canada.

The gross purchase price for the Portfolio is \$181.6 million, subject to certain adjustments, including an additional contingent payment of up to \$4.0 million, if certain performance targets are achieved prior to March 2026. The Acquisition will be financed through the assumption of approximately \$150.0 million of CMHC debt with a weighted average interest rate of approximately 4.6% and a remaining average term of approximately 4.4 years. The balance will be financed with the proceeds from the Company's equity raise in August 2024.

Completion of the Acquisition is subject to customary closing conditions for transactions of this nature, including the receipt of all necessary regulatory approvals, including the approvals from the relevant health authorities in Alberta. The Company expects the completion of the Acquisition to occur in Q1 2025.

#### *Acquisition of Ownership Interest in Nicola Lodge, Port Coquitlam, British Columbia*

On September 14, 2023, Sienna entered into an agreement to acquire the remaining 60% interest in Nicola Lodge, a 256-bed best-in-class long-term care community managed and partially owned by the Company. Nicola Lodge is located in Port Coquitlam, British Columbia, was built in 2016 and offers long-term care with specialized services for bariatric care, dementia and mental health care.

The transaction took place in two stages, each comprising a 30% interest. The first stage of the acquisition was completed at the end of 2023 and the acquisition of the remaining 30% interest, which was financed through the assumption of the Company's remaining share of the in-place mortgage (estimated to be \$11.6 million in November 2024) and proceeds from the Company's equity raise in August 2024, was completed on February 28, 2025.

#### *Joint Venture Retirement Residence in Ontario in Lease-Up*

The Company's joint venture development of a 150-suite retirement residence named Elgin Falls in Niagara Falls with Reichmann Seniors Housing was completed in Q4 2023. The total capital investment for 100% of Elgin Falls is approximately \$55 million, and the expected development yield is approximately 7.5%. The Company's share of Elgin Falls is 70%. The property is currently in lease-up and will be managed by the Company's joint venture partner until fully stabilized, at which point the Company has the option to acquire the remaining 30% interest and assume management of the retirement residence. As at December 31 2024, 55% of the suites are occupied and leasing for the remaining suites continues to progress well.

#### *Development and Redevelopment of Long-Term Care Portfolio in Ontario*

The Government of Ontario is committed to make significant investments with respect to developing new long-term care beds and upgrading existing beds. The investments are tailored to account for regional differences in land and construction costs.

To date, the Company has three projects under construction. The campus of care project in Brantford, where the Company is replacing 122 Class C long-term care beds with 160 Class A beds and adding a 147-suite retirement residence, is progressing well. In September 2024, the Company opened a sales centre for the retirement residence named Aspira Brants Landing in anticipation of completing this project in the second half of 2025. The estimated total development cost for the campus of care is approximately \$140 million, with an expected development yield of approximately 8.5%.

The Company is also progressing well with construction at its Northern Heights Care Community in North Bay, a 160-bed long-term care redevelopment, which will replace 148 older Class C beds. The total development cost for this project, which has an expected development yield of 8.0%, is close to \$80 million. Further details with respect to the expected development yields can be found under Developments in the Outlook section of the MD&A.

Both long-term care redevelopments in Brantford and North Bay are located on new sites and are expected to be completed in the second half of 2025.

With respect to the Company's newest long-term care redevelopment project in Keswick, Ontario, construction started in October 2024. Located on a campus comprising a 130-suite retirement residence and an older 60-bed Class B long-term care home, the Company will redevelop the current 60-bed long-term care home into a 160-bed community, adding 100 new beds. The expected development yield for this project with anticipated development costs of \$87 million is approximately 8.5%.

Combined, the development cost for Sienna's three projects currently under construction in North Bay, Brantford and Keswick is expected to be over \$300 million. Once completed and operational, these three projects are expected to have a significant impact on the Company's operating results and improve the Company's AFFO payout ratio.

These developments will support the Company's growth and renewal plans for its long-term care portfolio, contribute to the government's important goal of rebuilding Ontario's older long-term care homes, and ultimately benefit the fast growing seniors population.

### **Asset Optimization Initiatives**

The Company believes that there is a significant opportunity to optimize its existing portfolio and create value through a combination of renovations, repositioning, intensification and redevelopment initiatives. While renovations are expected to improve the market competitiveness of certain assets, intensification is focused on expanding the number of suites at retirement residences with already strong demand and excess land. Repositioning initiatives target a better market fit for an asset and may include changes in suite types to reflect the evolving needs of residents and may also require renovations. Redevelopment initiatives are focused on the Company's Class C long-term care portfolio in Ontario.

Key considerations with respect to the Company's asset optimization initiatives in addition to supply and demand dynamics, are the changing needs of seniors and government policy.

Optimizing the Company's existing portfolio is expected to unlock significant growth opportunities while modernizing its properties, and is considered to be one of the most effective uses of capital.

### **Retirement Operations Update**

As at December 31, 2024, the Company's owned retirement portfolio comprised 4,592 suites across Ontario, Saskatchewan and British Columbia and contributed approximately 45% to the adjusted NOI in Q4 2024. Adjusted same-property NOI increased by 15.3% year-over-year compared to Q4 2023.

Average occupancy in the Company's same property portfolio was 92.9% in Q4 2024, up 300 basis points year-over-year compared to Q4 2023. The Company's robust sales platform and intensified focus on generating strong interest in its residences, as well as continued improvements to its operations and exceptional supply/demand fundamentals all supported this significant occupancy improvement and put the Company on its path to achieving stabilized occupancy of 95%. This positive trend continued in January 2025 with same property occupancy reaching 93.1%.

The Company's results in the retirement segment were further supported by rate increases in line with market rates.

### *Marketing and Sales Initiatives*

Strong community engagement remains a key objective of the Company's sales teams, with a keen focus on building and maintaining excellent relationships with healthcare and business partners in the local communities of its residences.

The marketing strategy continues to be strengthened with new digital and print campaigns. The Company will also further leverage and strengthen its *Aspira* brand and signature programs to generate strong interest in its residences. In addition, the Company is focused on resident feedback to enhance the living experience, including dining, culinary, resident engagement and care.

In addition to the Company's local and centralized marketing and sales initiatives, targeted on-site sales, marketing, and community outreach support is provided to a number of homes with above average levels of vacancy.

The Company's efforts, coupled with strong demand in the majority of its key markets, resulted in 395 resident move-ins in its same property retirement portfolio in Q4 2024, offsetting 357 resident move-outs.

Strong lead generation, enhanced by a competitive sales commission plan and refocused sales training, further supported occupancy during Q4 2024 and subsequent to year end. In addition, the Company anticipates that annual rental rate increases in line with market rates will add to its continued adjusted NOI growth in the retirement segment.

### **Long-term Care Operations Update**

In Q4 2024, same property NOI increased by 29.0% to \$25.8 million year-over-year in the Company's owned long-term care portfolio, which comprises 6,572 beds in Ontario and British Columbia.

The Government of Ontario's increase to Other Accommodations ("OA") funding, which became effective as of April 2024 and compensates long-term care operators for the increased costs in recent years, has helped to support the increase in the Company's long-term care NOI. Further contributing to the Company's strong year-over-year results were high average occupancy levels of 98.4%, retroactive funding from the Government of British Columbia, as well as higher preferred accommodation revenues.

The Company's long-term care same property NOI contributed approximately 55% to its total adjusted NOI in Q4 2024.

### *Continued Improvements to Long-Term Care Platform*

Sienna's long-term care platform is deeply aligned with its purpose of Cultivating Happiness in Daily Life and is based on the Sienna's belief that happiness drives wellness.

Sienna's goal is to increase the quality of life of residents by providing holistic and integrated care and by elevating their experience with respect to dining, recreation and community-focused interactions, in addition to improving their move-in experience.

**Circle Platform** – In 2023, Sienna launched an updated long-term care platform called Circle. The platform design is based on best practices and the input from residents and families, with the aim to distinguish Sienna as a long-term care provider of choice. Sienna's Circle approach puts the resident at the centre of everything that the Company does.

The first two pillars of the Circle platform – "**Settle In**" and "**Savour It**" – were launched in 2023. Major programs under these pillars are an updated Move-In Guide, as well as a Culinary Academy and Circle Café. The remaining two pillars – "**Stimulate**" and "**Socialize**" – were launched in 2024. The Stimulate pillar is designed to empower

residents to pursue their interests and share their passions and talents by participating actively in the community. Under the Socialize pillar, a multidisciplinary team has gathered best practices to create a program designed to enhance the quality of visits between residents and their families.

#### *Update on Government Funding and Policy*

Ontario funding increases – the Government of Ontario made substantial funding increases in the long-term care sector in 2024, including

- up to \$1.8 billion to help connect residents to more hours of direct care per day, as set out in the Fixing Long-Term Care Act, 2021. This is a \$571 million increase over 2023;
- a \$353 million, or approximately 6.6%, increase to the level of care funding effective as at April 2024 to help homes continue to connect residents to specialized care, programs and meals, including
  - an approximate 4.5% increase in its flow-through funding, which covers the cost of care, nutritional support and programs provided to residents; and
  - an 11.5% increase in OA funding to offset inflation in recent years and support the increased costs of resident accommodation, comfort and safety.

The significant improvement to the level of care funding has supported Sienna in adding hundreds of important care staff positions during the second half of 2024.

- \$155.5 million to fast-track the construction of new or redeveloped long-term care homes in 2024, including
  - an extension of the Construction Funding Subsidy (CFS) top-up until November 30, 2024 of up to \$35 per bed, per day, for 25 years; and
- a one-time payment of \$2,543 per eligible long-term care bed as of March 1, 2024 to be applied against eligible expenditures to address key priorities such as building compliance, deferred maintenance and proceeding with development and redevelopment projects. With respect to Sienna's share of approximately \$13.4 million, approximately \$10.1 million relates to 2023, with the balance of approximately \$3.3 million relating to Q1 2024.

Combined, these funding increases are expected to have a lasting impact on the well-being of Ontario's seniors and the stability and growth of Sienna's long-term care segment.

**Ontario funding changes with respect to 3rd and 4th beds in multi-bed rooms** - During Q4 2024, the MLTC provided an update with respect to Sienna's 3rd and 4th beds in Ontario. The Company was advised that it would continue to receive full funding for the OA per diem until March 31, 2026. OA funding includes funding for dietary services, housekeeping, laundry services, building/property operations and maintenance and more, and needs to generate sufficient cash flow to fund routine capital maintenance, interest and principal payments on debt, income taxes and provide a return on equity.

In addition, the MLTC confirmed that funding for nursing and personal care as well as nutritional support, which was reduced to 50% from April 1, 2023 to March 31, 2024, with further reductions to 25% from April 1, 2024 to March 31, 2025, will not be extended past March 31, 2025. As a result, effective as of April 1, 2025, the Company will no longer receive any funding for nursing and personal care as well as nutritional support with respect to these 3rd and 4th beds.

Sienna has approximately 350 3rd and 4th beds in Ontario, of which 96 beds will be re-opened in private and semi-private rooms in its three redevelopment projects currently under construction. The Government of Ontario provides protection of the full OA funding for the 350 beds, which is currently \$66.56 per bed/per day until March 31, 2026, provides stability to the Company's operations.

Ontario licence renewals – In January 2025, the MLTC issued new five-year licences for all of the Company's Class C long-term care homes not currently under redevelopment, whose current term is expiring on June 30, 2025.

**British Columbia retroactive government funding announcements** - The British Columbia Ministry of Health has been providing funding for incremental costs associated with COVID-19 prevention and containment and PPE to long-term care homes in the province. Following substantial retroactive funding to cover eligible expenses incurred during the funding periods from April 2021 to March 2022 and April 2022 to March 2023, the Ministry confirmed additional retroactive funding in Q4 2024 for the period from April 2023 to March 2024.

Throughout these periods, Sienna experienced significant financial pressures as a result of out of pocket expenses to ensure the health and safety of its residents. This retroactive funding effectively addressed all previously uncovered expenses the Company incurred for COVID-19 prevention and containment measures between April 2021 and March 2024. In total, Sienna recognized approximately \$16.1 million of retroactive funding in 2024, including \$13.6 million in Q1 2024 and \$2.5 million in Q4 2024.

## **Staffing Update**

As part of the Company's strategic objectives, Sienna aims to offer a compelling team experience and nurture a purpose-driven culture. Sienna believes that the appeal of its purpose, vision and values differentiates Sienna from competitors and helps it attract and retain a highly engaged workforce and build a talent pipeline amid staffing shortages in the senior living sector and the wider health care sector. These efforts contributed to a decrease in team member turnover year-over-year of more than 30% in 2024. This marked the second consecutive year of substantial improvements in retention - a key priority at Sienna.

### *Staffing Strategy*

The Company continued with its proactive staffing strategy to limit reliance on agency staff and to position Sienna well for the gradual increase in direct hours of care across the long-term care platform. These significant improvements have resulted in the ongoing reduction of agency costs.

### *Improved Onboarding Process*

The Company has made improvements to its onboarding process, including enhancements to team member orientation, mentoring and a more streamlined pre-boarding process across the Company's long-term care communities. A key aspect of these changes is an enhanced multi-day orientation program for Executive Directors, personal support workers and clinical leaders, which is expected to improve team member engagement and help reduce turnover.

### *Campus Recruitment Campaigns*

As part of the Company's ongoing talent acquisition strategy, Sienna continually expands its collaboration with educational and government institutions. The Company further enhanced its campus recruitment campaigns at key colleges and universities across Ontario and British Columbia to ensure a talent pipeline for future staffing needs. The Company's collaboration with colleges and universities has resulted in approximately 2,500 student placements in 2024, many of whom Sienna intends to hire once they graduate.

## *SPARK*

Based on feedback from team member satisfaction surveys, team members seek opportunities to share their ideas. As a result, Sienna created SPARK, a program that allows team members to share ideas on how Sienna can grow, improve and fulfil its purpose of “Cultivating Happiness in Daily Life”. A small number of the submitted ideas are piloted with the most outstanding being rewarded with cash prizes of up to \$15,000. During the most recent round of submissions, 144 ideas were submitted with the finalists being announced in Q1 2025.

## *Sienna Ownership and Reward Program*

The Sienna Ownership and Reward (“**SOAR**”) program awards Common Shares of the Company to all permanent employees who have been with the Company for one year or longer. Eligible team members have the opportunity to receive a one-time award of Common Shares. To date, shares have been awarded to thousands of team members, including nearly 1,400 team members who received shares during the most recent round of awards in May 2024.

On February 19, 2025, the Board approved amendments (i) to provide the Company with the ability to use the SOAR program to issue shares to eligible employees to satisfy service awards and (ii) to increase the number of shares reserved for issuance under the SOAR program by 250,000 shares. Following this increase, a total of 390,000 shares will be available for issuance under the SOAR program after taking into account shares issued under the program to date. At the Company’s annual and special meeting of shareholders to be held on May 28, 2025, shareholders will be asked to consider and to approve the increase in the number of shares eligible for issuance under SOAR program.

## *Sienna “Leadership Essentials” and “Manager Essentials” Programs*

Sienna offers tailored development programs to its managers and senior leaders to ensure they are equipped with the necessary skills to navigate the complexities of the senior living industry. These programs are an important step in the Company’s strategy to enhance management and leadership capabilities and to foster a collaborative, high-performance culture across the organization.

## *“Sienna Connects” - Sienna's Team Member App*

During the third quarter of 2024, Sienna introduced a new and improved team member app to ensure team members stay informed, can connect, and grow together. The app, which is named “Sienna Connects”, provides a platform for two-way communication, increased recognition, and enhanced relationship-building features for team members.

## *Team Member Engagement*

In September 2024, Sienna conducted its most recent annual employee satisfaction survey, a third-party survey that allows team members to voice their opinions. Feedback from these surveys provide insights concerning team members’ level of engagement. It also allows Sienna to build and implement action plans to improve engagement and enhance the team member experience.

2024 was the fourth consecutive time Sienna’s employee engagement score increased, with significant improvements across key engagement drivers, demonstrating the positive impact of the Company’s ongoing efforts to foster a more engaged and connected workplace. In addition, the survey participation exceeded 80%, the highest participation rate to date at the Company, and a significant improvement from the prior years.

Sienna’s continued focus on enhancing team member engagement and reducing agency staffing has contributed to the notable improvement in team member retention and the significant stabilization of the Company’s business operations.

## Resident Satisfaction

### *Resident & Family Satisfaction Surveys*

At both the Company’s retirement residences and long-term care communities, Sienna measures its residents’ likelihood to promote its residences and communities based on the internationally recognized net promoter score method (“NPS”).

Sienna had good engagement with respect to its platform-wide NPS surveys to date, with excellent participation from both residents and families. An in-depth analysis of the survey results has provided important insights on what it takes to improve the residents’ happiness in daily life. It also helps the Company identify areas for improvement and prioritize operational changes.

Since its introduction in 2023, Sienna has seen notable improvements in the results across both operating platforms.

### *SPARKLE*

Aligned with Sienna’s purpose and values, the Company introduced the Sienna Sparkle Award, which honours residents from both its retirement and long-term care communities who go above and beyond to help cultivate happiness and create community. Nominations can be made by team members, residents and family members. Since the initiation of this program in early 2024, over 370 submission have been made to date with more than 70 residents having received awards.

## Summary of the Company’s Beds/Suites

The table below presents a breakdown by business segment of the number of beds or suites owned and operated or managed by the Company as of December 31, 2024.

Owned Residences	Retirement		Long-term Care		Total <sup>(1)</sup>	
	Residences	Suites	Residences	Beds <sup>(2)</sup>	Residences	Beds / Suites
100% Owned - operating	27	3,208	40	6,198	67	9,406
Partially Owned - operating <sup>(3)</sup>	13	1,384	2	374	15	1,758
Total Owned	40	4,592	42	6,572	82	11,164
Managed Residences	9	827	3	526	12	1,353
<b>Total</b>	<b>49</b>	<b>5,419</b>	<b>45</b>	<b>7,098</b>	<b>94</b>	<b>12,517</b>

Notes:

- 79.8%, 15.5%, 4.0% and 0.6% of total beds/suites are located in Ontario, British Columbia, Saskatchewan and Alberta, respectively.
- 180 of the long-term care beds are privately funded and 1,909 of the Total Owned long-term care beds are Class C beds.
- The Company has a 50% ownership interest in twelve retirement residences (1,234 suites), a 70% ownership in one retirement residence (150 beds), a 70% ownership in one long-term care community (256 beds) and a 77% ownership in one long-term care community (118 beds) as at December 31, 2024.

## Summary of the Company’s Residences

The table below presents the properties owned and operated by the Company as of December 31, 2024:

NAME OF COMMUNITY	LOCATION	FUNDED	PRIVATE	TOTAL BEDS/SUITES
<b>Retirement Owned</b>				
Aspira Astoria Retirement Living	Port Coquitlam, BC	—	135	135
Aspira Bearbrook Retirement Living	Ottawa, ON	—	101	101

<b>NAME OF COMMUNITY</b>	<b>LOCATION</b>	<b>FUNDED</b>	<b>PRIVATE</b>	<b>TOTAL BEDS/SUITES</b>
Aspira Carolina Retirement Living	Perth, ON	—	139	139
Aspira Cedarvale Lodge Retirement Living	Keswick, ON	—	130	130
Aspira Doon Village Retirement Living	Kitchener, ON	—	97	97
Aspira Heatherwood Retirement Living	St. Catharines, ON	—	163	163
Aspira Island Park Retirement Living	Campbellford, ON	—	140	140
Aspira Island View Retirement Living	Arnprior, ON	—	107	107
Aspira Kawartha Lakes Retirement Living	Bobcaygeon, ON	—	93	93
Aspira Kensington Place Retirement Living	Toronto, ON	—	101	101
Aspira Kingsmere Retirement Living	Alliston, ON	—	98	98
Aspira Lincoln Park Retirement Living	Grimsby, ON	—	70	70
Aspira Martindale Gardens Retirement Living	Milton, ON	—	75	75
Aspira Mayfair Terrace Retirement Living	Port Coquitlam, BC	—	95	95
Midland Gardens Seniors Apartments	Scarborough, ON	—	53	53
Aspira Pacifica Retirement Living	Surrey, BC	—	141	141
Aspira Peninsula Retirement Living	Surrey, BC	—	127	127
Aspira Quinte Gardens Retirement Living	Belleville, ON	—	237	237
Aspira Red Oak Retirement Living	Kanata, ON	—	157	157
Aspira Rosewood Retirement Living	Kingston, ON	—	69	69
Aspira Royale Place Retirement Living	Kingston, ON	—	136	136
Aspira Traditions of Durham Retirement Living	Oshawa, ON	—	141	141
Trillium Retirement Living	Kingston, ON	—	42	42
Aspira Villa Da Vinci Retirement Living	Woodbridge, ON	—	124	124
Aspira Waterford Barrie Retirement Living	Barrie, ON	—	202	202
Aspira Waterford Kingston Retirement Living	Kingston, ON	—	182	182
Woods Park Retirement Living	Barrie, ON	—	53	53
<b><i>Total Retirement Owned</i></b>		—	<b>3,208</b>	<b>3,208</b>
<b>Retirement Joint-Venture Properties</b>				
Aspira Bolton Mills Retirement Living	Bolton, ON	—	112	112
Aspira Cedar Crossing Retirement Living	Simcoe, ON	—	67	67
Aspira Douglas Crossing Retirement Living	Uxbridge, ON	—	148	148
Aspira Empire Crossing Retirement Living	Port Hope, ON	—	64	64
Aspira Harvest Crossing Retirement Living	Tillsonburg, ON	—	100	100
Aspira Lynde Creek Gardens Retirement Living	Whitby, ON	—	93	93
Aspira The Barrierview Retirement Living	Barrie, ON	—	124	124
Aspira Riverbend Crossing Memory Care	Regina, SK	—	67	67
Aspira Stonebridge Crossing Retirement Living	Saskatoon, SK	—	116	116
Aspira West Park Crossing Retirement Living	Moose Jaw, SK	—	79	79
Aspira Yorkton Crossing Retirement Living	Yorkton, SK	—	78	78
Aspira Hunter Village Retirement Living	Saskatoon, SK	—	186	186
Elgin Falls Retirement Community	Niagara Falls, ON	—	150	150
<b><i>Total Retirement Joint-Venture Properties</i></b>		—	<b>1,384</b>	<b>1,384</b>

NAME OF COMMUNITY	LOCATION	FUNDED	PRIVATE	TOTAL BEDS/SUITES
<b><i>Total Retirement</i></b>		—	4,592	4,592
<b>BC Long-term Care Owned</b>				
Brookside Lodge	Surrey, BC	102	14	116
Glenmore Lodge <sup>(1)</sup>	Kelowna, BC	100	18	118
Lake Country Lodge	Lake Country, BC	45	45	90
Lakeview Lodge	West Kelowna, BC	100	14	114
Mariposa Gardens	Osoyoos, BC	114	31	145
Nicola Lodge <sup>(2)</sup>	Port Coquitlam, BC	238	18	256
Ridgeview Lodge	Kamloops, BC	106	23	129
The Cascades	Chilliwack, BC	150	17	167
<b><i>Total BC Long-Term Care Properties Owned</i></b>		<b>955</b>	<b>180</b>	<b>1,135</b>
<b>ON Long-term Care Owned</b>				
Barnswallow Place Community	Elmira, ON	96	—	96
Bloomington Cove Community	Stouffville, ON	113	—	113
Bradford Valley Community	Bradford, ON	246	—	246
Case Manor Community	Bobcaygeon, ON	96	—	96
Cedarvale Lodge Community	Keswick, ON	60	—	60
Cheltenham Community	Toronto, ON	170	—	170
Creedan Valley Community	Creemore, ON	95	—	95
Deerwood Creek Community	Etobicoke, ON	160	—	160
Fieldstone Commons Community	Scarborough, ON	224	—	224
Fountain View Community	Toronto, ON	158	—	158
Fox Ridge Community	Brantford, ON	122	—	122
Glen Rouge Community	West Hill, ON	159	—	159
Granite Ridge Community	Stittsville, ON	224	—	224
Harmony Hills Community	Toronto, ON	160	—	160.
Hawthorn Woods Community	Brampton, ON	160	—	160
Langstaff Square Community	Richmond Hill, ON	160	—	160
Maple Grove Community	Brampton, ON	160	—	160
Midland Gardens Community	Scarborough, ON	299	—	299
Muskoka Shores Community	Gravenhurst, ON	183	—	183
Norfinch Community	North York, ON	160	—	160
Owen Hill Community	Barrie, ON	57	—	57
Rockcliffe Community	Scarborough, ON	204	—	204
Secord Trails Community	Ingersoll, ON	80	—	80
Silverthorn Community	Mississauga, ON	160	—	160
Spencer House, Orillia <sup>(3)</sup>	Orillia, ON	160	—	160
St. George Community	Toronto, ON	238	—	238
Streetsville Community	Mississauga, ON	118	—	118
Trillium Community	Kingston, ON	190	—	190

NAME OF COMMUNITY	LOCATION	FUNDED	PRIVATE	TOTAL BEDS/SUITES
Tullamore Community	Brampton, ON	159	—	159
Villa Santa Maria Community	Woodbridge, ON	224	—	224
Waters Edge Community	North Bay, ON	148	—	148
Weston Terrace Community	Toronto, ON	224	—	224
Woodhall Park Community	Brampton, ON	147	—	147
Woods Park Community	Barrie, ON	123	—	123
<b>Total ON Long-term Care Owned</b>		<b>5,437</b>	<b>—</b>	<b>5,437</b>
<b>Total BC &amp; ON Long-term Care Owned</b>		<b>6,392</b>	<b>180</b>	<b>6,572</b>
<b>Total Retirement and Long-term Care<sup>(4)</sup></b>		<b>6,392</b>	<b>4,772</b>	<b>11,164</b>

Notes:

- (1) The Company currently owns 77% of Glenmore Lodge and has the option to acquire up to a 100% interest.
- (2) As at December 31, 2024, the Company owned 70% of Nicola Lodge and completed the acquisition of the remaining 30% on February 28, 2025.
- (3) Spencer House Inc., a non-profit organization, holds the licence from the MLTC to operate the long-term care beds at Orillia. The Company is the appointed manager of the Orillia community, and is the owner of the land and buildings used to operate and manage the Orillia community (which land and buildings are leased to Spencer House Inc.).
- (4) The Company provides management services to an additional twelve senior living residences in the Provinces of Ontario, Alberta and British Columbia.

### Operational Permits

The Company holds the necessary licences and approvals required to operate its business. Management believes that each of the Company's residences and operations is in compliance, in all material respects, with applicable laws, including environmental and health and safety laws.

### Team Members (Employees)

As at December 31, 2024, the Company employed, directly and indirectly, approximately 13,500 team members. Approximately 84% of the Company's team members are represented by unions, including the following: Service Employees International Union (SEIU), the BC Nurses' Association (BCNU), Ontario Nurses Association (ONA), the Hospital Employees' Union (HEU), Christian Labour Association of Canada (CLAC), Canadian Union of Public Employees (CUPE), UNIFOR, British Columbia General Employees' Union (BCGEU), Healthcare, Office and Professional Employees Union (HOPE), National Organized Workers Union (NOW), Ontario Public Service Employees Union (OPSEU), Service Employees International Union West (SEIU West), Teamsters and United Food and Commercial Workers Union (UFCW). The *Hospital Labour Disputes Arbitration Act* (Ontario), which prohibits strikes and lockouts in the senior living sector, governs the Company's long-term care homes' labour relations in Ontario. Other provincial jurisdictions have other prescribed dispute resolution mechanisms in place including essential services legislation. The Company has comprehensive programs to continually develop the knowledge, skills and commitment of its team members, including: orientation and onboarding, online learning, management and leadership development, professional development, quality of work life initiatives, health and safety education, and awards and recognition programs. Employment engagement is evaluated annually.

### Timing, Seasonality and Cyclicity

The financial results of the Company are impacted by various factors including, but not limited to, timing of funding rate increases or additional funding, occupancy levels, timing of operating expenses and maintenance capital expenditures, seasonality of utility expenses, timing of resident co-payment increases, the timing of disposals and acquisitions, and capital market and financing activities. For the year ended December 31, 2024, the Company's

results were impacted by share of net loss in joint ventures, occupancy rates, increased costs pertaining to labour, food and other operating expenses.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE RESPONSIBILITY**

The Company's commitment to corporate social responsibility is highlighted in the continued enhancements of the Company's Environmental, Social and Governance ("ESG") initiatives and disclosures, including Sienna's 2023/2024 ESG Report published on August 8, 2024. For more information on Sienna's ESG initiatives, please refer to the ESG section on Sienna's website under <https://www.siennaliving.ca/investors/esg>.

ESG practices across Sienna's operations have long been integrated into its overall strategy and daily business practices and are reflected in the Company's actions and initiatives, each of which affect the quality of life and well-being of residents, their families and team members. In 2021, Sienna established an Environmental, Social and Governance Steering Committee ("**ESG Committee**") comprising senior leaders of the Company and published its first ESG Report. In 2023, with the direction of the ESG Committee, the Company implemented a Sustainability Policy, formalizing its commitment to sustainability and responsible environmental practices. This policy guides the Company's team members and stakeholders on how the Company intends to address environmental issues.

The ESG Steering Committee Charter provides that the purpose of the ESG Committee is to support the Company's ongoing commitment to environmental protection, health and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to the Company (collectively, "**ESG Matters**") by assisting the senior executive team and the Board in: (a) setting general strategy relating to ESG Matters; (b) developing, implementing, and monitoring initiatives and policies based on that strategy; (c) overseeing communications with team members, residents and their families, investors and stakeholders with respect to ESG Matters; and (d) monitoring and assessing developments relating to, and improving the Company's understanding of, ESG Matters.

For more information on the Company's ESG initiatives, including its ESG Report and ESG Steering Committee Charter, please refer to the ESG section on the Company's website under <https://www.siennaliving.ca/investors/esg>.

### *ESG Stewardship*

The Board has the ultimate responsibility for overseeing and monitoring the Company's ESG initiatives. The ESG Committee regularly receives reports from management on ESG initiatives and the status, implementation and expansion thereof. The Chair of the ESG Committee reports to the Compensation, Governance and Nominating Committee on ESG matters which, in turn, may make recommendations to the Board on relevant ESG initiatives.

### **Diversity, Equity and Inclusion**

The Company's approximate 13,500 team members are its most important asset. Creating a positive experience and supporting personal and professional growth are key objectives at Sienna. Attracting and retaining a diverse team and nurturing a culture in which women and people of diverse backgrounds have equal opportunity to achieve their potential are important to Sienna.

### *A Diverse and Inclusive Workforce*

Gender – Sienna's total workforce is predominantly female, with approximately 86% of team members being female. The high percentage of women in the Company's workforce is also reflected in its management team with over 70% of the Company's over 400 leadership positions being held by women.

Gender equality also extends to Sienna's Board of Directors which has been committed to increasing female representation on its board. 43% of Sienna's Board of Directors, including its Board Chair and Chair of the Investment Committee, are women.

Sienna has been recognized for the fourth consecutive year in the Globe and Mail's 2024 "Women Lead Here" for its commitment to gender diversity and support of female leaders.

Age - Sienna's workforce is equally distributed between the age ranges of under 35, 35 – 50, and over 50, with approximately one third of its team members in each of these age groups.

#### *Sienna Ownership and Reward Program*

The SOAR program was launched to recognize the compassion, effort and dedication that team members bring to Sienna's residents and communities every day. Through this ownership and reward program, team members are further invested in making Sienna a leader in seniors' quality of life and at the same time, have the opportunity to meaningfully invest in the Company and in their future (see "Business of the Company – Business Update – Staffing Update – Sienna Ownership and Reward Program" section of this AIF).

SOAR awards Common Shares of the Company to all permanent employees who have been with the Company for one year or longer. To date, shares have been awarded to nearly 7,000 team members.

#### *Labour Relations and Union Representation*

Labour rights are an important consideration with respect to Sienna's human capital management strategies. Sienna's labour strategy is focused on educating management teams at its local communities, cultivating strong relationships with union stakeholders and aligning collective agreements to its long-term operational strategies.

The Company respects team members' rights to unionize. Sienna has a strong, positive relationship with union leaders and a good working relationship with union representatives at its owned and managed residences.

Sienna's support of freedom of association and the right to collective bargaining is evidenced by the level of unionization in its communities and residences, which includes over 100 collective bargaining units and a unionization rate of approximately 84% among its team members.

Excluding management positions, this number would be even higher with nearly 90% of all non-management team members being represented by a union, and whose compensation is determined by collective bargaining agreements.

#### **Giving Back to the Community**

##### *Sienna for Seniors Foundation ("Foundation")*

The Foundation was formed in April 2021 as part of the Company's ongoing commitment to support the communities it serves across Canada. It allows the Company to raise funds and make donations to a variety of important seniors-related initiatives.

In 2024, the Foundation received support from external partners, strengthening its ability to support seniors' charities in the communities it serves. This allowed Sienna to issue grants to many impactful organizations, including Concerts in Care, an organization that brings world-class musicians into senior living settings to let seniors experience the joy of live music, the Ontario Tech University, and the Saskatchewan Council on Aging. Sienna will continue to partner with Canadian charities in 2025 to support their impactful work. As part of this

process, Sienna relies on its team members from across Canada to identify charities doing impactful work in their communities.

With food insecurity a pressing concern, one of the Foundation's ongoing initiatives is "Sienna Supper". Spearheaded by Sienna's communities and made possible through a key partnership with Second Harvest, team members provide fresh and nutritious meals to help nourish seniors and others in need in the communities Sienna serves. Through this initiative, thousands of meals have been donated to date.

#### *Sienna Senior Living Dino Chiesa Scholarship*

In August 2022, the Company announced the Sienna Senior Living Dino Chiesa Scholarship. Endowed with \$50,000, scholarships are awarded to Sienna employees enrolled in an accredited Canadian Personal Support Worker (PSW), Health Care Aide (HCA), or Continuing Care Assistant (CCA) education programs.

In Q4 2024, two scholarships were awarded, adding to the seven scholarships awarded in 2022/2023, as Sienna continues to support team members who strive to achieve career growth in the healthcare sector.

### **Improving Sienna's Environmental Footprint**

#### *Addressing Climate Change through Development*

Sienna's development plans are an opportunity to address climate change in both the Company's existing residences and the development portfolio as the Company adopts environmentally-friendly designs and install energy-efficient features, all with the goal of significantly reducing the environmental footprint of these homes.

The development plans include energy-efficient heating and cooling systems, LED lighting and updated energy-efficient windows and fixtures.

#### *Committing to Waste Reduction by Going Paperless*

Reducing the amount of paper use and ultimately "going paperless" is an important aspect of Sienna's waste reduction strategy. Team members are encouraged to minimize the use of physical paper whenever possible. Recent achievements include going digital with respect to all accounts payable invoices and frequently updated policy and procedure manuals at the Company's care communities and retirement residences.

#### *Exploring Alternatives to Divert Food Waste Away from Landfills*

The Company has been exploring several alternatives to divert food waste away from landfills and is always looking for opportunities to create operational efficiencies to further reduce food waste. Based on an idea from a team member who participated in Sienna's SPARK program, the Company has been working with Second Harvest since 2023 to redistribute excess food from its residences that would have otherwise been disposed of to Canadians living with food insecurity. Through this initiative, thousands of meals have been donated to date.

#### *Planting Pollinator Gardens*

Team members, residents and family members have embraced sustainability initiatives at Sienna's retirement residences by planting pollinator gardens, which play a critical role in preserving biodiversity at a time of declining pollinator populations. Pollinators, such as butterflies, bees and birds, are not only essential to ecosystems but also play a critical role in the world's food production.

## **RISK FACTORS**

There are certain risks inherent in an investment in the Company's securities and in the activities of the Company. The Company is exposed to a number of risks and uncertainties in the normal course of business that have the potential to affect operating performance. The Company has operating and risk management strategies and insurance programs to help minimize these operating risks and uncertainties. In addition, the Company has entity level controls and governance procedures, including a corporate code of business conduct and ethics, whistleblowing procedures, clearly articulated corporate values, and procedures in place to systematically identify matters warranting consideration of disclosure by its Disclosure Committee, and detailed policies outlining the delegation of authority within the Company.

To preserve and enhance shareholder value over the long-term, the Company approaches the management of risk strategically through its disciplined enterprise risk management ("ERM") program. The Company conducts an annual ERM assessment which is overseen by the Company's senior management team and is reported to the Board. A key element of the ERM program is the periodic review, identification and assessment of risk. The ERM framework sets out principles and tools for identifying, evaluating, prioritizing and managing risk effectively across the Company. Senior management participates in a detailed review of enterprise risk in four major categories: strategic, operational, compliance, financial and reporting. In addition, the Company monitors risks and changing economic conditions on an ongoing basis and adapts its operating strategies as needed.

This section describes the principal risks and uncertainties that could have a material adverse effect on the Company's business and financial results. The risks and uncertainties described below may not be the only risks that may impact the Company's business. Additional risks not currently known to the Company or that management currently believes are immaterial may have a material adverse effect on future business and operations. Investors should carefully consider these risks before investing in the securities of the Company. Any discussion about risks should be read in conjunction with "Forward-Looking Statements".

### **Risks Relating to the Business**

#### *General Business Risks*

The Company is subject to general business risks, including those inherent in the senior living sector. These risks include changes in government regulation and oversight, changes in consumer preferences, fluctuations in occupancy levels and business volumes, changes in government funding and reimbursement programs, competition from other seniors care providers, changes in neighborhood or location conditions and general economic conditions, natural disasters, health related risks (including disease outbreaks such as COVID-19 and influenza) and control risks, negative media reports or publicity, critical third party supply failures, imposition of new or increased taxes, capital expenditure requirements, and increased operating costs. Additional risks include possible future changes in labour relations, reduction of personnel below acceptable levels (including due to events such as pandemic illness or quarantine), increases in labour and other personnel costs (including pursuant to the pay equity litigation discussed below under "Developments Related to Pay Equity"). Any one or a combination of these factors may adversely affect the business, operating results or financial condition of the Company.

#### *Liability and Insurance*

The businesses which are carried on, directly or indirectly, by the Company entail an inherent risk of liability, including with respect to injury to, or death of, its residents. From time to time, the Company is subject to lawsuits as a result of the nature of its businesses, including the class actions described below. The market for insurance for the senior living sector has been challenging and has resulted in increased insurance costs for the Company. The Company maintains business and property insurance policies in amounts and with such coverage and deductibles as deemed appropriate, based on the nature and risks of the businesses, historical experience, industry standards and coverage availability to the sector. There can be no assurance, however, that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. There are certain types of risks, generally of a catastrophic

nature, such as floods, earthquakes, power outages, war, terrorism or environmental contamination, which are either uninsurable or are not insurable on an economic basis. A successful claim against the Company not covered by, or in excess of, its insurance may have a material adverse impact on the business, operating results and financial condition of the Company. Claims against the Company, regardless of their merit or eventual outcome, also may have a material adverse impact on the ability to attract residents or expand the Company's business, and requires management of the Company to devote time to matters unrelated to the operation of the business. Sienna and its consolidated subsidiaries are defendants in various actions and proceedings.

On January 21, 2022, the Superior Court of Justice (the “**Court**”) made an order consolidating six proposed class actions in the form ordered by the Court. The aggregate amount of damages claimed in the consolidated claim against the Company is \$260 million.

On March 7, 2024, the Court issued its decision certifying the consolidated claim against the Company on the terms set out in the decision, namely only in respect of the Ontario long-term homes owned by the Company with a gross negligence cause of action.

The Company intends to continue to vigorously defend itself against the consolidated claim.

Given the status of the proceeding, management is unable to assess the potential impact of the consolidated claim on the Company's financial results.

On November 20, 2020, the Government of Ontario enacted the *Supporting Ontario's Recovery Act* (the “**Recovery Act**”). The Recovery Act provides civil liability protection to organizations that made a good faith effort to follow public health guidance and COVID-19 related laws, and did not act with gross negligence. The Recovery Act also deems existing civil proceedings related to COVID-19 exposure to be dismissed without costs and will bar future proceedings from being brought, as long as the defendant acted in good faith and not with gross negligence.

#### *Developments Related to Pay Equity*

The Company along with a number of other industry participants and the Government of Ontario are currently engaged in various proceedings with several unions regarding pay equity maintenance for employees at long-term care facilities, for which wages and benefits are typically funded by the MLTC. In one such proceeding, the Supreme Court of Canada denied leave to appeal and upheld the appellate court ruling that the proxy method should be used and comparisons should be made to an outside sector. The Company and the other participants in the long-term care sector are working with the unions and government to assess the impact of the ruling and establish a framework for pay equity suitable for the sector.

Given the current status of the proceedings and significant number of judgements required in establishing the pay equity framework that will impact the measurement of any potential provision, including ongoing discussions with the unions amongst the parties, management has assessed the conditions required for a provision and have concluded that it is not possible to reliably measure the potential outflow of resources, and accordingly no provision has been recorded in the consolidated financial statements as at December 31, 2024.

#### *Labour Intensive Operations*

The business of the Company is labour intensive, with labour related costs comprising a substantial portion of the Company's direct operating expenses. The Company's businesses compete with other providers with respect to attracting and retaining qualified personnel. Any shortage of qualified personnel and general inflationary pressures may require the Company to enhance its pay and benefits package to compete effectively for such personnel or hire temporary agency staff. Long-term care communities in British Columbia are subject to direct care hour requirements by the respective health authorities for funding eligibility. An increase in labour-related costs or a failure to attract, train and retain qualified and skilled personnel may have a material adverse impact on the business, operating results and financial condition of the Company.

### *Reliance on Key Personnel*

The Company's success depends upon the retention of senior management. There can be no assurance that the Company would be able to find qualified replacements for the individuals who make up its senior management team if their services were no longer available. The loss of services of one or more members of such senior management team may have a material adverse impact on the business, operating results and financial condition of the Company. The Company does not currently carry any "key man" life insurance in respect of any of its executives.

### *Long-Term Care Funding*

The mandate of certain provincial and regional health regulators includes the authorization to determine the co-payment fees that residents pay to long-term care communities. Provincial and regional health regulators also provide funding for care and support programs in long-term care communities and subsidize accommodation costs for qualifying residents. Risk exists that provincial and regional health regulators may reduce the level of, or eliminate, such fees, payments or subsidies to residences in the future. There can be no assurance that the current level of such fees, payments and subsidies will be continued or that such fees, payments and subsidies will increase commensurate with expenses of operating long-term care communities. A reduction of these fees, payments or subsidies or their failure to increase commensurate with expenses may have a material adverse impact on the business, operating results and financial condition of the Company.

### *Funding Adjustments in the Current Year*

Reconciliations of funding versus actual expenses are performed annually, based on previous calendar years. From time to time, the reconciliations will result in current year adjustments made in respect of the prior years. These "prior period adjustments" can have either a favourable or unfavourable impact on NOI generally related to differences identified in the reconciliation attributable to occupancy days, special circumstances and differences between projected and actual property tax.

### *Interest Rate and Inflation Risk*

The Company is exposed to interest rate risk primarily through its variable-rate debt and the refinancing of maturing fixed-rate debt. In a rising interest rate environment, the cost of acquisitions and financing rises, which may negatively impact the Company's business, financial condition and results of operations. To mitigate this risk, the Company utilizes interest rate hedging strategies where appropriate and maintains a diversified debt maturity profile.

The rate of inflation impacts the general economic and business environment in which the Company operates. Inflationary pressures experienced domestically and globally, external supply constraints, tight labour markets and strong demand for goods and resources, together with the imposition by governments of higher interest rates or wage and price controls as a means of curbing inflationary increases, puts pressure on the Company's acquisition, financing, operation and labour costs and could negatively impact the Company's business, financial condition and results of operations. If inflation persists and interest rates increase, an economic contraction is possible. Higher inflation and the prospect of moderated growth also negatively impacts the debt and equity markets in which the Company may seek capital, and in turn might impact its ability to obtain capital in the future on favourable terms, or at all. While the Company's market position provides it with flexibility to navigate volatile economic conditions, there can be no assurances regarding the impact of a significant economic contraction on its business, operations, and financial performance.

### *Information Technology Risk*

The Company is a party to agreements with third parties for hardware, software, network, telecommunications and other information technology ("IT") services in connection with its operations. The Company's efficient operation of its business depends, in part, on computer hardware and software systems and on how well the Company and

its suppliers protect networks, equipment, systems and software against damage from a number of threats (including cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, malware, vandalism, ransomware and theft). The Company's operations also depend on the timely maintenance, upgrade and replacement of systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in IT system failures, delays and/or increase in capital expenses. The failure of IT systems could, depending on the nature of any such failure, adversely impact the Company's reputation and may have a material adverse impact on the business, operating results and financial condition of the Company.

#### *Privacy and Cybersecurity Risk*

Information systems are vulnerable to security threats, including cybersecurity incidents. A cybersecurity incident is considered to be any intentional or unintentional material adverse event that threatens the confidentiality, integrity or availability of the Company's information resources, including malicious software, attempts to gain unauthorized access to data or information systems, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Moreover, cybersecurity attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use or disrupting business operations. As a custodian of personal information, including health information, relating to residents and employees, the Company is exposed to the potential loss, misuse or theft of any such information, which could result in reputational damage, potential liability to third parties, additional regulatory scrutiny and fines and litigation and other costs and expenses.

The Company takes data privacy and protection seriously and has implemented processes, procedures and controls to help mitigate these risks. Access to personal data is controlled through physical security and IT security measures, and team members are frequently trained in the safeguarding of sensitive information. For information stored with or processed by third parties, the Company undertakes due diligence prior to working with them and uses contractual means to ensure compliance to standards set by the Company. Additionally, the Company monitors and assesses risks surrounding collection, use, storage and protection practices of personal data. However, these measures, as well as its increased awareness of a risk of a cybersecurity incident, do not guarantee that the Company's financial results would not be negatively impacted by such an incident.

Although to date the Company has not experienced any material losses relating to cybersecurity or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As cybersecurity threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities. Any of the foregoing events could have a material adverse impact on the business, operating results and financial condition of the Company.

#### *Government Regulation*

Both long-term care communities and retirement residences are subject to extensive regulation with the potential for regulatory change. There can be no assurance that future regulatory changes affecting the seniors' housing industry would not have a material adverse impact on the business, operating results and financial condition of the Company.

All long-term care communities and retirement residences are required to adhere to quality control, public health, infection control and other care-related operating standards. Accordingly, all long-term care communities and retirement residences are subject to regulatory inspections to ensure compliance with applicable regulations and to investigate complaints, including complaints related to resident injury or death. It is not unusual for the stringent inspection procedures to identify deficiencies in operations. Every effort is made by the Company to correct legitimate problem areas that have been identified. It is possible that the Company may not be able to remedy deficiencies or address complaints within the time frames allowed or in a manner satisfactory to the applicable

regulatory authority, which could lead to periods of enhanced monitoring and the imposition of sanctions (such as limiting admissions in the case of a long-term care community), and penalties and fines, which, in turn, may have a material adverse impact on the business, operating results and financial condition of the Company. Further, once deficiencies have been corrected, it could nonetheless take a period of time before public records note the compliance.

The retirement sector requires that a residence and operator must be licensed to operate. Retirement residences are regulated by the RHA in the Province of Ontario, the PCA in the Province of Saskatchewan, the CCA in the Province of Alberta and the CCALA in the Province of British Columbia. In Ontario, the RHRA, a regulatory body created by the RHA, provides consumer protection and regulation, but not funding, for the provision of care and services in retirement residences in the province. Retirement residences are required to be licensed by the RHRA in order to operate in Ontario and are inspected regularly by RHRA inspectors. In Saskatchewan, the Ministry of Health is responsible for the licensing and monitoring of personal care homes. The PCA governs the care, management and administration of care homes, including approving the services to be provided, and which are subject to regular inspections. In Alberta, the CCA regulates the full spectrum of continuing care services and settings, including continuing care homes, supportive living accommodations, and home and community care. The CCA establishes authority and oversight for licensing, accommodations, and the delivery of publicly funded health care in the continuing care system. Pursuant to the Continuing Care Regulation under the CCA, adherence with Accommodation Standards – Supportive Living Accommodation is a mandated requirement for supportive living accommodation operators in Alberta. The Accommodation Standards - Supportive Living Accommodation provide the standards for voluntary, public, and private organizations operating supportive living accommodations in Alberta, which are maintained and enforced through Alberta Health Services. In British Columbia, the CCALA provides consumer protection and regulation of retirement residences in the province, such that all levels of senior living residences providing personal support in British Columbia must be registered with the Assisted Living Registry.

While the Company has obtained all currently required licences and registrations, there can be no assurances that the Company will be able to obtain all necessary licenses and registrations in the future or that future regulatory changes affecting retirement residences would not have a material adverse impact on the business, operating results and financial condition of the Company.

### *Competition*

Numerous other senior living residences, predominantly retirement residences, compete with the Company's retirement residences in seeking residents. The existence of competing owners and competition for the Company's residents may have a material adverse impact on the Company's ability to attract residents to its senior living residences and on the rents charged, and may have a material adverse impact on the business, operating results and financial condition of the Company.

### *Tariffs and Trade Restrictions*

The Company's operations and financial performance may be impacted by changes in tariffs, trade restrictions, or other regulatory measures imposed by domestic or foreign governments. The announced imposition of tariffs by the United States (the "U.S. Tariffs") and retaliatory measures between governments may cause multifaceted effects on the Canadian economy and the senior living sector. While the Company operates exclusively in Canada, the U.S. Tariffs may adversely impact the Company's operations by causing supply chain disruptions, economic downturn, inflationary pressures, and uncertainty in capital markets. Failure of the Company to mitigate the negative effects of the U.S. Tariffs on its business could have a material adverse impact on the operating results and financial condition of the Company.

### *Credit Ratings*

The credit ratings assigned to the Company are an assessment of the Company's ability to pay its obligations. The Company received a "BBB" investment grade credit rating with a "Stable" trend from DBRS Limited ("DBRS").

DBRS has also assigned a rating of “BBB”, with a “Stable” trend, to the Company’s 3.45% series B senior unsecured debentures due February 26, 2026 (the “**Series B Unsecured Debentures**”), the 2.82% Series C Unsecured Debentures due March 31, 2027 (the “**Series C Unsecured Debentures**”) and the 4.436% Series D Unsecured Debentures due October 17, 2029. There is no assurance the Company will continue to receive such credit ratings. Thus, real or anticipated changes in the Company’s credit ratings may affect its capital structure and may have a material adverse impact on the business, operating results and financial condition of the Company.

### *Financing Risk*

The Company expects its working capital needs and capital expenditure needs to increase in the future as it continues to expand and enhance its portfolio. The Company’s ability to raise additional capital will depend on the financial success of its current business and the successful implementation of its key strategic initiatives as well as, financial, economic and market conditions and other factors, some of which are beyond its control. No assurance can be given that it will be successful in raising the required capital at reasonable cost and at the required times, or at all. Further equity financings may have a dilutive effect on the value of the Common Shares. If the Company is unsuccessful in raising additional capital, it may not be able to continue its business operations and advance its growth initiatives, which may have a material adverse impact on the business, operating results and financial condition of the Company.

The Company was in compliance with its financial covenants as at December 31, 2024. However, there can be no assurance that future covenant requirements will be met. The Company’s bank lines and other debt may be affected by its ability to remain in compliance with their respective terms. If the Company does not remain in compliance with its financial covenants, its ability to amend the covenants or refinance its debt may be affected.

A portion of the Company’s cash flow is devoted to servicing its debt and there can be no assurance that the Company will continue to generate sufficient cash flow from operations to meet the required interest and principal payments on its debt. If the Company were unable to meet such interest or principal payments, it may be required to seek renegotiation of such payments or obtain additional equity, debt or other financing. If this were to occur, it may have a material adverse impact on the business, operating results and financial condition of the Company. The Company is subject to the risk that its existing indebtedness may not be able to be refinanced at maturity or that the terms of any refinancing may not be as favourable as the terms of its existing indebtedness. If the Company requires additional debt financing, its lenders may require it to agree to restrictive covenants that could limit its flexibility in conducting future business activities or that contain provisions that, upon an event of default, result in the acceleration of repayment of amounts owed and that restrict the amount of dividends, if any, that may be paid to its shareholders. Some of the Company’s current debt instruments include such covenants.

### *Acquisitions, Dispositions and Development*

The success of the Company’s business acquisition, disposition and development activities will be determined by numerous factors, including the ability of the Company to identify suitable acquisition or development targets, competition for transactional opportunities, purchase and sale prices, the Company’s ability to obtain adequate financing on reasonable terms, the financial performance of acquired businesses and the ability of the Company to effectively integrate and operate acquired businesses. Acquisitions, dispositions and development agreements entered into with third parties may be subject to unknown, unexpected or undisclosed liabilities which could have a material adverse impact on the Company’s operations and financial results. Representations and warranties given by such third parties to the Company may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. Further, the acquired businesses may not meet financial or operational expectations of performance due to unexpected costs associated with the acquisition or development of an acquired property, as well as the general investment risks inherent in any real estate investment. In addition, the letters of intent and purchase or sale agreements entered into with third parties with respect to such acquisitions or dispositions, as applicable, are generally subject to certain closing conditions, and in some cases, the granting of regulatory approvals. Such acquisitions or dispositions may not be completed due to the failure to satisfy closing conditions or the failure to receive required regulatory approvals and certain funds paid by the Company may not be recoverable. Moreover, new acquisitions may require significant attention

from management of the Company or capital expenditures that would otherwise be allocated to existing businesses. Any failure by the Company to identify suitable targets for acquisition or disposition, or to operate acquired businesses effectively, may have a material adverse impact on the business, operating results and financial condition of the Company.

The Company is pursuing development activities with partners. These activities create development-specific risks, including liens, constructions delays, increasing costs, labour disputes, delays in obtaining municipal and regional approvals and disputes with development partners. Any of the foregoing may have a material adverse impact on the business, operating results and financial condition of the Company.

#### *Redevelopment of Class B and C Residences*

The redevelopment of the Company's Class B and Class C beds in Ontario require regulatory approvals and may include significant capital outlays. To the extent such redevelopment plans proceed on significantly different timing or terms, including with respect to budgets or the levels of expected funding, there may be a material adverse impact on the business, operating results and financial condition of the Company.

#### *Capital Intensive Industry*

The ability of the Company to maintain and enhance its properties in a suitable condition to meet regulatory standards, operate efficiently and remain competitive in its markets requires it to commit a portion of cash to its facilities and equipment. Significant future capital requirements may have a material adverse impact on the business, operating results and financial condition of the Company.

#### *Labour Relations*

A majority of the team members working at the Company's properties are unionized with approximately 84% of team members represented by unions, including the following: Service Employees International Union (SEIU), the BC Nurses' Association (BCNU), Ontario Nurses Association (ONA), the Hospital Employees' Union (HEU), Christian Labour Association of Canada (CLAC), Canadian Union of Public Employees (CUPE), UNIFOR, British Columbia General Employees' Union (BCGEU), Healthcare, Office and Professional Employees Union (HOPE), National Organized Workers Union (NOW), Ontario Public Service Employees Union (OPSEU), Service Employees International Union West (SEIU West), Teamsters and United Food and Commercial Workers Union (UFCW). While the Company has traditionally maintained positive labour relations, there can be no assurance the Company will not at any time, whether in connection with a renegotiation process or otherwise, experience strikes, labour stoppages or any other type of conflict with unions or team members, which may have a material adverse impact on the business, operating results and financial condition of the Company. Notwithstanding the foregoing, all long-term care communities in Ontario are governed by the *Hospital Labour Disputes Arbitration Act*, which prohibits strikes and lockouts in the senior living industry. As a result, collective bargaining disputes in Ontario are more likely to be resolved through compulsory third party arbitration. Other provincial jurisdictions have other prescribed dispute resolution mechanisms in place including essential services legislation.

#### *Workplace Health and Safety*

Failure to comply with appropriate and established workplace health and safety policies and procedures or applicable legislative requirements could result in increased work-related injury or illness, fines and/or penalties and reputational harm and thus have a material adverse effect on the business, results of operations and financial condition of the Company.

#### *Joint Venture Interests*

The Company has entered into several joint-venture arrangements in respect of certain of the Company's seniors' housing operations and continues to seek more such opportunities. Joint-venture arrangements have the benefit of sharing the risks associated with ownership and management of properties, including those risks described

elsewhere in this section. However, if joint venture arrangements or partnerships do not perform as expected or default on financial obligations, the Company has an associated risk. The Company aims to reduce this risk by seeking to negotiate contractual rights upon default, by entering into agreements with financially stable partners and by working with partners who have a successful record of operating and completing development projects. Nevertheless, such investments may involve risks not present in investments where a third party is not involved, including, without limitation, (i) the possibility that a co-venturer may have financial difficulties resulting in a negative impact on such investment; (ii) the possibility that a co-venturer may have economic or business interests or goals which are inconsistent with those of the Company (including relating to the sale of properties held in the joint venture or the timing of the termination and liquidation of such joint venture); (iii) the risk that a co-venturer may be in a position to take action contrary to the Company's investment objectives; (iv) the risk that a co-venturer may, through its activities on behalf of or in the name of the joint venture or partnership, expose or subject the Company to liability; or (v) the need to obtain a co-venturer's consent with respect to major decisions or the inability to have any decision making authority. In addition, the sale or transfer of interests in certain of joint ventures may be subject to certain requirements, such as rights of first refusal, rights of first offer or drag-along rights, and certain of the joint venture agreements may provide for buy-sell or similar arrangements. Such rights may limit the Company's ability to sell an interest in a property or a joint venture within the time frame or otherwise on the basis the Company desires. Additionally, drag-along rights may be triggered at a time when the Company may not intend to sell a property and the Company may be forced to do so at a time when it would not otherwise be in the Company's best interest or on disadvantageous terms. Any of the foregoing may have a material adverse impact on the business, operating results and financial condition of the Company.

#### *Real Property Ownership*

All real property investments are subject to a degree of risk. They are affected by various factors, including changes in general economic conditions (such as the availability of long-term mortgage funding) and in local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to residents, competition from other available space and various other factors, including increasing property taxes. In addition, fluctuations in interest rates may have a material adverse impact on the business, operating results and financial condition of the Company.

#### *Damage to Administrative Operations or Properties*

The Company's ability to sustain or grow its business is heavily dependent on efficient, proper and uninterrupted operations at its properties. Power failures or disruptions, breakdown, failure or substandard performance of equipment, improper installation or operation of equipment and destruction of buildings, equipment and other facilities due to natural disasters or other causes could severely affect its ability to continue operations. While the Company does maintain certain insurance policies covering losses due to fire, lightning and explosions, there can be no assurance its coverage would be adequate to compensate the Company for the actual cost of replacing such buildings, equipment and infrastructure nor can there be any assurance that such events would not have a material adverse impact on the business, operating results and financial condition of the Company.

#### *Licence Terms*

In Ontario, the *Fixing Long-Term Care Act* ("FLTCA") establishes a licence term regime for all long-term care communities. The licence terms for the Company's residences range from 15 years for Class B and C residences to 30 years for Class A residences. Under the FLTCA, ultimate control of long-term care licences in Ontario remains with the MLTC, including approval of new licences, and transfer, renewal or revocation of existing licences. Although the licence does not support any guarantee of continued operation beyond the term of the licence, based on the current demographics in Canada and the demand for long-term care beds which is projected to increase, management of the Company is of the view that licences will continue to be renewed. In British Columbia, the CCALE establishes a licence term regime for all long-term care communities. In Saskatchewan, the PCA and the Personal Care Homes Regulations establish a licence term regime for all personal care homes. A failure of the Company's long-term care licences to be renewed or conditionally renewed may have a material adverse impact on the business, operating results and financial condition of the Company.

### *Outbreaks*

The occurrence of a pandemic, epidemic, or other outbreak of an infectious illness or other public health crisis in areas in which the Company operates could have a material adverse effect on the business, operating results and financial condition of the Company. Enhanced procedures, protocols and care put in place to assist in reducing the likelihood of exposure or addressing actual illness in the Company's long-term care communities and retirement residences (for example, bans, limits or suspensions of admissions, testing of residents and team members, enhanced screening and use of PPE) may result in increased costs. In addition, a pandemic, epidemic or other outbreak may adversely impact the Company's operations by causing staffing and supply shortages. Resident satisfaction and team member engagement may also be adversely impacted during this period.

Although continued or enhanced government funding or assistance may mitigate some of these impacts, there is no certainty of the extent to which that will be the case. In addition, outbreaks, such as COVID-19, cause the Company's residences and its management to spend considerable time planning for and addressing such events, which diverts their attention from other business matters.

Any outbreak may cause an economic slowdown and increased volatility in financial markets, which could have a material adverse effect on the business, results of operations and financial condition of the Company with the potential to impact, among others: (i) the valuation of the Company's properties and assets; (ii) the availability or the terms of financing that the Company has or may anticipate utilizing; (iii) the Company's ability to make principal and interest payments on, or refinance, any outstanding debt when due; (iv) the occupancy rates in the Company's properties; (v) the ability of residents to satisfy their payment obligations to the Company, including the payment of rent; and (vi) the market price for the equity securities of the Company. Further, the Company may be exposed to claims related to COVID-19 and other outbreaks, including class actions and other lawsuits, labour proceedings, union complaints, inquiries and investigations.

The Company has been named as a defendant in litigation related to its handling of the COVID-19 pandemic in its residences. There is risk that further litigation could be commenced by, or on behalf of, persons impacted by an outbreak at a Sienna residence which, even if not meritorious and even if covered by the Company's insurance, could result in increased operating costs to the Company.

The impact of COVID-19 on the overall economy may adversely affect credit markets, which may make it more difficult for the Company to access credit or, if able to do so, it may be at a higher cost or on less favourable terms, potentially impacting, among other things, re-financings and the Company's development plans and timelines. Governments and central banks have attempted to stabilize economic conditions through monetary and fiscal interventions, which have impacted the financial markets, interest rate volatility and the economy in general and may continue to have unknown impacts going forward.

COVID-19 outbreaks and other infectious disease outbreaks may result in some or all of these negative outcomes and adversely impact the business, operating results and financial condition of the Company. There can be no assurances that a pandemic, epidemic or outbreak of a contagious illness would not have a material adverse effect on the business, operating results and financial condition of the Company.

### *Climate Change*

The Company is exposed to climate change risk from natural disasters and severe weather, such as floods, ice storms, windstorms, earthquakes, wildfires or other severe weather that may result in damage or loss to its long-term care communities or retirement residences. These adverse events could cause substantial damage and/or revenue losses as well as cost increases. There can be no assurance that damages or losses caused by these adverse weather and natural events will be fully covered by insurance. Climate change may also have indirect effects on the Company's business by increasing the cost of property insurance on terms the Company finds acceptable or making it unavailable.

Over time, climate change may also affect the Company's operational expenses, including utilities and preventative maintenance expenses, as temperatures fluctuate. In addition, changes in federal, provincial or local legislation and regulation on climate change could result in increased capital expenditures to improve the energy efficiency of existing properties and could also require the Company to spend more on new developments or redevelopments without a corresponding increase in revenue.

#### *Environmental Liabilities*

The Company is subject to various environmental laws and regulations under which it could become liable for the costs of removing or remediating certain hazardous, toxic or regulated substances released on or in the properties it owns or manages, or which have been disposed of at other locations, in some cases regardless of whether or not the Company knew of or was responsible for their presence. The failure to address such issues may adversely affect the Company's ability to sell properties or to borrow using properties as collateral and/or could potentially result in claims against the Company. Management of the Company is not currently aware of any material non-compliance, liability or other claim in connection with any of the Company's owned properties or those it manages. It is the Company's operating policy to obtain a Phase I environmental site assessment, conducted by an independent and experienced environmental consultant, prior to acquiring or financing any property, or to otherwise obtain applicable reliance letters in respect thereof. Where Phase I environmental site assessments identify sufficient environmental concerns or recommend further assessments, Phase II or Phase III environmental site assessments are conducted. Notwithstanding the foregoing, there can be no assurance that the Company will not be required, at some future date, to incur significant costs to comply with environmental laws, or that its operations, business, assets, cash flow or the market price of the Common Shares will not be materially adversely affected by current or future environmental liabilities.

Environmental laws and regulations may change and the Company may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations may have a material adverse impact on the business, operating results and financial condition of the Company.

#### *Corporate Responsibility and ESG*

There is an increasing focus by investors, institutional investors, market participants, and other stakeholders on sustainability practices and ESG initiatives of companies. Although the Company makes disclosures surrounding ESG and prioritizes diversity and sustainability initiatives, there can be no assurances that it will score highly on ESG matters in the future. Investors may use ESG scores to compare peer companies when evaluating their investment strategies. The criteria by which ESG practices are assessed are constantly evolving, which could result in greater expectations and may require the Company to undertake costly initiatives to satisfy any new criteria. If the Company elects not to or is unable to satisfy new criteria, including not meeting the criteria of a specific third-party evaluator of ESG scores, some investors may conclude that the Company's business practices are inadequate. The Company may face reputational damages in the event that its corporate responsibility standards do not meet the standards that various stakeholders seek. In the event that the Company communicates to undertake certain ESG goals or initiatives, and should it fail or perceive to have failed in achieving the goals or initiatives, it could be criticized for the scope of its goals or initiatives. If the Company fails to meet or satisfy the ESG expectations of stakeholders or investors, or its initiatives are not executed as planned, this could negatively impact its financial condition and performance and cause the value of the Common Shares to decline. In addition, the Company could incur additional costs and require additional resources to help monitor, reply, and comply with various ESG practices. Investors may decide to refrain from investing in the Company as a result of their assessment of it approach and consideration of various ESG factors.

#### *Tax Rules and Regulations*

The Company is subject to audits from federal and provincial tax jurisdictions and is therefore subject to risk in the interpretation of tax legislation and regulations. Tax rules and regulations are complex and require careful review by the Company's tax management and its external tax consultants. Differences in interpretation of tax

rules and regulations could result in tax assessments and penalties for the untimely payment of the determined tax liability, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

#### *Geographic Concentration*

A majority of the business and operations of the Company is conducted in Ontario, although the Company also has a significant presence in Saskatchewan and British Columbia and manages a property in Alberta. In 2024, the Company agreed to purchase four continuing care homes in Alberta. This acquisition is expected to be completed in early 2025. The fair value of the Company's assets and the income generated therefrom may be adversely impacted by changes in local and regional economic conditions in these jurisdictions.

#### *Social Media and Company Publicity*

There has been a marked increase in the use of social media platforms and similar channels, including blogs, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. The availability and impact of information on social media platforms is virtually immediate and the accuracy of such information is not independently verified. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. The Company's reputation is important for attracting new residents and team members as well as providing continued services to existing residents. While the Company believes that it has a good reputation and that it provides residents with a superior service, there can be no assurance that the Company will continue to maintain a good relationship with its residents or team members or avoid negative publicity. Negative posts or comments about the Company or its business on the internet or any social networking website or platform could damage the Company's reputation. In addition, despite the Company's efforts to educate and inform its team members regarding confidential information, they or others may disclose non-public material information relating to the Company's business through these or other channels. Any such breach of confidentiality or negative publicity could have a material adverse effect on the Company's reputation, business, financial condition, operating results and cash flows.

#### *Artificial Intelligence*

The Company may incorporate artificial intelligence ("AI") solutions into its IT infrastructure, and these applications may become important in its operations over time. The Company's competitors or other third parties may incorporate AI into their products and services more quickly or more successfully than the Company, which could impair its ability to compete effectively and adversely affect its results of operations. Additionally, if the content, analyses, search results or recommendations that AI applications assist in producing are, or are alleged to be, deficient, inaccurate, or biased, the Company's business, reputation, financial condition, and results of operations could be adversely affected.

The use of AI applications may result in cybersecurity incidents which could adversely affect the Company's reputation and results of operations. AI also presents emerging ethical issues, such as the proper use of copyrighted material with AI applications, and if the Company's use of AI becomes controversial, it may experience brand or reputational harm, competitive harm, or legal liability. The rapid evolution of AI, including potential government regulation of AI, may require significant resources to develop, test and maintain the Company's IT infrastructure and systems to ensure the Company implements AI ethically and minimizes any unintended and harmful impacts.

### **Risks Relating to a Public Company and Common Shares**

#### *Volatile Market Price for Securities of the Company*

The market price for securities of the Company, including the Common Shares, may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- changes in estimates of future results of operations of the Company or securities research analysts;
- changes in the economic performance or market valuations of other companies that investors deem comparable to the Company;
- additions to, or departures of, the Company's senior management and other key personnel;
- imposition or removal of re-sale restrictions on Common Shares issued pursuant to exemptions under applicable securities laws;
- sales or anticipated sales of additional securities, including Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and
- news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets may experience price and volume fluctuations that affect the market prices of equity securities of companies and that are unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the securities of the Company may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that fluctuations in price and volume will not occur due to these and other factors.

#### *Sienna Senior Living Inc. is a Holding Company*

SSLI is a holding company and a substantial portion of its assets consist of the partnership units of its subsidiaries. As a result, investors in SSLI are subject to the risks attributable to its subsidiaries. As a holding company, SSLI conducts substantially all of its business through its subsidiaries, which generate substantially all of its revenues. Consequently, the Company's cash flows and ability to complete existing or future opportunities are dependent on the earnings of its subsidiaries and the distribution of those earnings to SSLI. The ability of these entities to pay distributions to SSLI depends on their operating results and may be subject to applicable laws and regulations and to contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of the Company's subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to SSLI.

#### *Dividend Policy*

Commencing with the December 2012 dividend, the Board established a dividend policy authorizing the declaration and payment of an annual dividend of \$0.90 per Common Share, to be paid to holders of Common Shares on a monthly basis. The annual dividend increased by 2% to \$0.918 per Common Share starting with the September 2018 dividend for shareholders of record on August 31, 2018. The annual dividend was further increased by 2% to \$0.936 per Common Share starting with the September 2019 dividend for shareholders of record on August 30, 2019. Any determination to pay cash dividends is at the discretion of the Board after taking into account such factors as the Company's financial condition, results of operations, current and anticipated cash needs, regulatory capital requirements, the requirements of any future financing agreements and other factors that the Board may deem relevant. Cash dividends are not guaranteed and may fluctuate or cease based on the performance of the Company.

### *Compliance with Financial Reporting and Other Requirements as a Public Company*

The Company is subject to reporting and other obligations under applicable Canadian securities laws and Toronto Stock Exchange rules, including Canadian Securities Administrators (“CSA”) National Instrument 52-109. These reporting and other obligations place significant demands on the Company’s management, administrative, operational and accounting resources. Moreover, any failure to maintain effective internal controls could cause the Company to fail to meet its reporting obligations or result in material misstatements in its consolidated financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed, which could also cause investors to lose confidence in the Company’s reported financial information, which could result in a lower trading price of its securities.

Management of the Company does not expect the Company’s disclosure controls and procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that its objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management of the Company’s override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

### *Future Sales of the Company’s Securities by Directors and Executive Officers*

Subject to compliance with applicable securities laws, officers and directors and their associates may sell some or all of their securities in the Company in the future. No prediction can be made as to the effect, if any, such future sales will have on the market price of the Company’s securities prevailing from time to time. However, the future sale of a substantial number of securities by the Company’s officers and directors and their associates, or the perception that such sales could occur, may have a material adverse impact on prevailing market prices for the Company’s securities.

### *Conflicts of Interest*

Certain of the directors and officers of the Company may also serve as directors and/or officers of other companies and consequently there exists the possibility for such directors and officers to be in a position of conflict. Pursuant to applicable law, any decision made by any of such directors and officers involving the Company must be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company.

### *Dilution and Future Sales of the Company’s Securities*

The Company’s articles permit the issuance of an unlimited number of Common Shares and an unlimited number of preferred shares, and shareholders have no pre-emptive rights in connection with such further issuances. The directors of the Company have the discretion, subject to compliance with applicable laws, to determine the price and the terms of issue of further issuances of Common Shares and the Company’s preferred shares (the “**Preferred Shares**”).

## **DIVIDEND POLICY**

The Company’s dividend policy is at the discretion of the Board.

The chart below sets out the amount of cash dividends paid by the Company for each of the three most recently completed fiscal years.

Year-Ended December 31	Cash Dividend per Common Share
2022	\$0.936 <sup>(1)</sup>
2023	\$0.936 <sup>(2)</sup>
2024	\$0.936 <sup>(3)</sup>

Notes:

- (1) Based on a monthly distribution of \$0.0780 per Common Share for the months of January – December 2022
- (2) Based on a monthly distribution of \$0.0780 per Common Share for the months of January – December 2023
- (3) Based on a monthly distribution of \$0.0780 per Common Share for the months of January – December 2024

Future dividends, if any, will depend on the operations and assets of the Company and will be subject to various factors, including, without limitation, the Company’s financial performance, fluctuations in its working capital, the sustainability of its margins, its capital expenditure requirements, obligations under its credit facilities, provisions of applicable law (including satisfying the dividend solvency test applicable to BCBCA companies) and other factors that the Board may deem relevant from time to time. There can be no guarantee that the Company will maintain its current dividend policy. See “Risk Factors”.

### DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company consists of: (a) one special share; (b) an unlimited number of Common Shares; and (c) an unlimited number of Preferred Shares, issuable in series. The special share was issued on the formation of SSLI and was redeemed, for nominal consideration, immediately following closing of the IPO and no further special shares may be issued. As at the close of business on March 14, 2025, the Company had 91,933,444 outstanding Common Shares and no outstanding Preferred Shares.

#### Common Shares

Holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company, except meetings of holders of another class of shares. Each Common Share entitles the holder thereof to one vote.

Subject to the preferences accorded to holders of any other shares of the Company ranking senior to the Common Shares from time to time with respect to the payment of dividends, holders of Common Shares are entitled to receive, if, as and when declared by the Board, such dividends as may be declared thereon by the Board from time to time in equal amounts per share on the Common Shares at the time outstanding, without preference or priority.

In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Company, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs (a “**Distribution**”), holders of Common Shares are entitled, after payment of debts and other liabilities, in each case subject to the preferences accorded to the holders of any other shares of the Company ranking senior to the Common Shares from time to time with respect to payment on a Distribution, to share equally, share for share, in the remaining property of the Company.

#### Preferred Shares

The Preferred Shares in the capital of the Company are issuable at any time and from time to time in one or more series. The Board is authorized to fix before issue the number of, the consideration per share of, the designation of, and the provisions attaching to, the Preferred Shares of each series, which may include voting rights, the whole subject to the issue of a certificate of amendment setting forth the designation and provisions attaching to the Preferred Shares or shares of the series. The Preferred Shares of each series will rank on par with the Preferred

Shares of every other series and will be entitled to preference over the Common Shares and any other shares ranking junior to the Preferred Shares with respect to payment of dividends and on a Distribution. If any cumulative dividends (whether or not declared), non-cumulative dividends declared or amounts payable on a return of capital are not paid in full, the Preferred Shares of all series will participate rateably in accordance with the amounts that would be payable on such Preferred Shares if all such dividends were declared and paid in full or the sums that would be payable on such shares on the return of capital were paid in full, as the case may be.

## **Fourth Amended and Restated Shareholders' Rights Plan**

### ***Background***

On March 23, 2010, following the Company's IPO, the Board adopted the original shareholder rights plan of the Company, which has been amended and restated to reflect certain amendments over time and was most recently reconfirmed by shareholders at the annual and special meeting of the shareholders held on April 19, 2022 (the "**Rights Plan**").

### ***Summary***

The following is a summary of certain material provisions of the Rights Plan, a copy of which is available on SEDAR+ (accessible at [www.sedarplus.ca](http://www.sedarplus.ca)) or on the Company's website at [www.siennaliving.ca](http://www.siennaliving.ca). This summary does not purport to be complete and is qualified entirely by the Rights Plan. Capitalized terms used in this summary and not otherwise defined have the meaning ascribed thereto in the text of the Rights Plan.

Pursuant to the Rights Plan, the Company has issued one right (a "**Right**") for each Common Share that is currently outstanding and will issue one Right for each Common Share issued during the currency of the Rights Plan.

The Rights Plan utilizes the mechanism of the "**Permitted Bid**" (as described below) to require all potential bidders for the Company to comply with the conditions specified in the Permitted Bid provisions or else be subject to the dilutive features of the Rights Plan. The Rights Plan is designed to make it impractical for any person to acquire more than 20% of the outstanding Common Shares without the approval of the Directors except pursuant to the Permitted Bid procedures or pursuant to certain other exempt transactions outlined below.

### ***Separation Time***

The Rights will separate and trade separately from the Common Shares after the Separation Time (as defined below). Following the Separation Time, separate certificates evidencing the Rights ("**Rights Certificates**") will be provided for shareholders as of the Separation Time and each separate Rights Certificate alone will evidence the Rights. Registration of interests in and transfer of the Rights will be made only through a book entry system administered by CDS Clearing and Depository Services Inc.

The "**Separation Time**" is the close of business on the 10<sup>th</sup> Business Day following the earliest of:

- (a) the date of the first public announcement made by the Company or an Acquiring Person that a person has become an Acquiring Person;
- (b) the date of the commencement of, or first public announcement of the intent to commence, a take-over bid (other than a Permitted Bid or a Competing Permitted Bid) by any person (an "**Offeror**") for the Common Shares;
- (c) the date upon which a Permitted Bid ceased to be a Permitted Bid; or
- (d) such later date as may be determined by the Board.

If any take-over bid triggering the Separation Time expires or is cancelled, terminated or otherwise withdrawn prior to the Separation Time, the bid shall be deemed, for the purposes of determining the Separation Time, never to have been made.

#### *Exercise Price of Rights*

The initial exercise price established under the Rights Plan is \$100 per Common Share. After the Separation Time and prior to the occurrence of a Flip-In Event (as defined below), each Right entitles the registered holder to purchase one Common Share at the exercise price of \$100 per Common Share, subject to certain anti-dilution adjustments and other rights as will be set out in the Rights Plan. The terms of the Rights adjust significantly upon the occurrence of a “Flip-In Event”, as described below.

#### *Flip-In Event*

A “**Flip-In Event**” is triggered when a person becomes an Acquiring Person. Upon the occurrence of a Flip-in Event, the Company must take such action as shall be necessary to ensure that each Right (except for Rights beneficially owned by the persons specified below) shall thereafter constitute the right to purchase from the Company upon exercise thereof in accordance with the terms of the Rights Plan that number of Common Shares having an aggregate market price on the date of the consummation or occurrence of such Flip-In Event equal to twice the exercise price, for an amount in cash equal to the exercise price. By way of example, if at the time of such announcement the exercise price of the Rights is \$100 and the Common Shares have a market price of \$10 per Common Share, the holder of each Right would be entitled to purchase the number of Common Shares that has in the aggregate a market price of \$200 (i.e., 20 Common Shares in this example) for a price of \$100, that is, at a 50% discount.

The Rights Plan provides that Rights that are beneficially owned by:

- (a) an Acquiring Person, any affiliate or associate of an Acquiring Person, any person acting jointly or in concert with an Acquiring Person, or any affiliate or associate of such Acquiring Person; or
- (b) a transferee, direct or indirect, of Rights from any of the foregoing,

shall in certain circumstances become null and void without any further action and any holder of such Rights (including transferees) shall not have any rights whatsoever to exercise such Rights under any provision of the Rights Plan.

#### *Acquiring Person*

An “**Acquiring Person**” is a person who beneficially owns 20% or more of the outstanding Common Shares. An Acquiring Person does not, however, include:

- (a) the Company or any other affiliate controlled by the Company;
- (b) any person who owns, directly or indirectly, 20% or more of the securities of SSLI on closing of the IPO (a “**Grandfathered Person**”), provided, however, that this exemption shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after closing of the IPO, become the owner, directly or indirectly, of an additional 1% of the outstanding Common Shares, other than pursuant to certain exempt transactions described below; or
- (c) any person who becomes the beneficial owner of 20% or more of the Common Shares as a result of certain exempt transactions.

Where a Person is deemed to beneficially own the Common Shares issuable under that Person's Convertible Securities, those Common Shares will be considered to be outstanding for purposes of calculating the number and percentage of Common Shares beneficially owned by that Person.

Exempt transactions include:

- (a) specified acquisitions or redemptions of Common Shares;
- (b) acquisitions pursuant to a Permitted Bid (which may include a Competing Permitted Bid), as described below; or
- (c) acquisitions of Common Shares in exchange for additional properties being acquired by the Company.

*Permitted Bids and Competing Permitted Bids*

A "**Permitted Bid**" means a bid which is made by an Offeror by means of a take-over bid circular and which also complies with the following additional provisions:

- (a) the bid is made to all holders of Common Shares, other than the Offeror, as registered on the books of the Company;
- (b) the bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, irrevocable and unqualified conditions that (A) no Common Shares shall be taken up or paid for pursuant to the bid prior to the close of business on the date which is not less than 105 days following the date of the bid and (B) no Common Shares shall be taken up or paid for pursuant to the bid unless, at the date referred to in (A) above, more than 50% of the Common Shares held by independent shareholders shall have been deposited or tendered pursuant to the bid and not withdrawn;
- (c) the bid contains an irrevocable and unqualified provision that, unless the bid is withdrawn, Common Shares may be deposited pursuant to such bid at any time prior to the close of business on the date of first take-up or payment for Common Shares and that any Common Shares deposited pursuant to the bid may be withdrawn until taken up and paid for; and
- (d) the bid contains an irrevocable and unqualified provision that if, on the date on which Common Shares may be taken up or paid for, more than 50% of the Common Shares held by independent shareholders shall have been deposited or tendered pursuant to the bid and not withdrawn, the Offeror will make a public announcement of that fact and the bid will remain open for deposits and tenders of Common Shares for not less than 10 days from the date of such public announcement;

provided that if a bid constitutes a Competing Permitted Bid, the term "Permitted Bid" shall also mean the Competing Permitted Bid.

A "**Competing Permitted Bid**" means a bid that:

- (a) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry of the Permitted Bid or other Competing Permitted Bid;
- (b) satisfies all components of the definition of a Permitted Bid other than the requirements set out in paragraph (b) of the definition of Permitted Bid as described above; and

- (c) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Common Shares will be taken up or paid for pursuant to the bid prior to the close of business on a date that is no earlier than the later of (A) the last day on which the bid must be open for acceptance after the date of such bid under applicable Canadian securities legislation and (B) the earliest date on which securities may be taken up or paid for under any prior bid.

Neither a Permitted Bid nor a Competing Permitted Bid is required to be approved by the Board and such bids may be made directly to shareholders. Acquisitions of Common Shares made pursuant to a Permitted Bid or a Competing Permitted Bid do not give rise to a Flip-In Event.

#### *Redemption and Waiver*

The Board, with the consent of the holders of Common Shares, may, at any time prior to the occurrence of a Flip-In Event, elect to redeem all but not less than all of the Rights at a redemption price of \$0.0001 per Right (the “**Redemption Price**”). Rights will be deemed to immediately be redeemed at the Redemption Price where a person acquires Common Shares pursuant to a Permitted Bid or Competing Permitted Bid. If the Board elects or is deemed to have elected to redeem the Rights, the right to exercise the Rights will terminate and each Right will after redemption be null and void and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.

The Board, with the consent of the holders of Common Shares, may waive application of the Rights Plan to a take-over bid prior to the occurrence of a Flip-In Event that would occur as a result of an acquisition of Common Shares otherwise than pursuant to a take-over bid made by way of take-over bid circular sent to all holders of voting securities of the Company. In such event, the Board shall extend the Separation Time to a date at least 10 business days subsequent to the meeting of shareholders called to approve such waiver.

The Board, in its discretion, may waive application of the Rights Plan to a take-over bid prior to the occurrence of a Flip-In Event that would occur as a result of a take-over bid made by way of take-over bid circular sent to all holders of Common Shares. Once the Board has exercised its discretion to waive application of the Rights Plan in respect of any particular take-over bid and another take-over bid is made, the Board shall be deemed to have waived the application of the Rights Plan to such other take-over bid provided that such other take-over bid is made by way of a formal take-over bid circular to all holders of Common Shares prior to the expiry of the take-over bid in respect of which the waiver has been granted.

#### *Reconfirmation and Amendment*

In order to remain effective, the Rights Plan must be reconfirmed by shareholders at every third annual meeting of the Company. The Rights Plan was reconfirmed by shareholders at the Company’s annual and special meeting of shareholders held on Tuesday, April 19, 2022 and will be reconsidered by the shareholders at the Company’s annual and special meeting of shareholders in 2025.

## **INDEBTEDNESS**

### **Debt Strategy and Maturity Schedule**

The Company’s objectives are to access and maintain the lowest cost of debt with the most flexible terms available. The Company’s debt strategy involves primarily unsecured debentures, conventional and CMHC insured mortgages, and secured and unsecured credit facilities.

The Company’s goal is to continue to optimize its debt maturity schedule over a 10-year period in order to manage interest rate and financial risks. The Company’s strategy is to build a 10-year debt maturity ladder by refinancing approximately 10% of its debt annually, which is approximately \$101,235 as at December 31, 2024.

The Company's total debt is comprised as follows:

Thousands of Canadian dollars	December 31, 2024	December 31, 2023
Series A Unsecured Debentures	—	150,000
Series B Unsecured Debentures	175,000	175,000
Series C Unsecured Debentures	125,000	125,000
Series D Unsecured Debentures	150,000	—
Construction Loans	30,208	—
Credit facilities	—	25,000
Mortgages	548,001	542,806
Lease liability	3,434	4,131
	<b>1,031,643</b>	1,021,937
Fair value adjustments on assumed debt	1,815	1,792
Less: Deferred financing costs	(21,113)	(17,080)
<b>Total debt</b>	<b>1,012,345</b>	1,006,649

The Company's total debt as at December 31, 2024 was \$1,012,345 (December 31, 2023 - \$1,006,649). The increase of \$5,696 was primarily due to the drawdown of construction loans and the addition of property-level mortgages partially offset by the repayment of the Company's credit facilities (see "Indebtedness – Credit Facilities – Non-Revolving Credit Facilities" section of this AIF).

The following table summarizes the scheduled principal maturities of the Company's long-term debt commitments as at December 31, 2024:

Thousands of Canadian dollars, except interest rate						Mortgages				Total	Consolidated Weighted Average Interest Rate on Maturing Debt
Year	Series B Unsecured Debentures <sup>(1)</sup>	Series C Unsecured Debentures <sup>(2)</sup>	Series D Unsecured Debentures <sup>(3)</sup>	Construction Loan	Capitalized Lease Principal Payments <sup>(4)</sup>	Regular Principal Repayments	Principal Due at Maturity	Weighted Average Interest Rate on Maturing Mortgages			
2025	—	—	—	16,014	795	17,225	41,112	3.79 %	75,146	4.29 %	
2026	175,000	—	—	—	825	17,589	—	— %	193,414	3.45 %	
2027	—	125,000	—	—	856	17,107	35,115	3.31 %	178,078	2.95 %	
2028	—	—	—	—	563	12,424	125,154	3.47 %	138,141	3.47 %	
2029	—	—	150,000	14,194	395	8,493	—	— %	173,082	4.54 %	
2030	—	—	—	—	—	8,537	9,230	1.65 %	17,767	1.65 %	
2031	—	—	—	—	—	8,675	—	— %	8,675	— %	
Thereafter	—	—	—	—	—	30,270	217,070	4.26 %	247,340	4.26 %	
	<b>175,000</b>	<b>125,000</b>	<b>150,000</b>	<b>30,208</b>	<b>3,434</b>	<b>120,320</b>	<b>427,681</b>	<b>3.88 %</b>	<b>1,031,643</b>	<b>3.81 %</b>	
Fair value adjustments on assumed debt									1,815		
Less: Deferred financing costs									(21,113)		
<b>Total debt</b>									<b>1,012,345</b>		

Notes:

1. The interest rate for the Series B Unsecured Debentures is 3.450%.
2. The interest rate for the Series C Unsecured Debentures is 2.820%.
3. The interest rate for the Series D Unsecured Debentures is 4.436%.
4. The weighted average interest rate for capitalized lease principal payments is 3.87% for each year.

The following tables are supplemental information and summarize the components of the Company's debt for its equity-accounted joint venture:

Thousands of Canadian dollars	<b>December 31, 2024</b>	December 31, 2023
Mortgages	<b>24,327</b>	25,262
Construction loan	<b>27,283</b>	22,705
Fair value adjustments on assumed debt	<b>(2,120)</b>	(2,318)
Less: Deferred financing costs	<b>(10)</b>	(11)
<b>Total debt</b>	<b>49,480</b>	45,638

<b>Year</b>	<b>Regular Principal Repayments</b>
2025	957
2026	28,261
2027	1,000
2028	1,023
2029	1,046
2030	1,069
2031	1,094
Thereafter	17,160
	51,610
Fair value adjustments on assumed debt	(2,120)
Less: Deferred financing costs	(10)
<b>Total debt</b>	<b>49,480</b>

## Senior Unsecured Debentures

### *Series A Unsecured Debentures*

On November 4, 2019, the Company issued the Series A Unsecured Debentures. The net proceeds from the issuance were used to repay a portion of the Company's existing indebtedness and for general corporate purposes.

The Series A Unsecured Debentures were issued pursuant to a first supplemental indenture dated November 4, 2019 to the master trust indenture dated as of November 4, 2019 between the Company and BNY Trust Company of Canada (collectively, the "**Series A Unsecured Trust Indenture**"). Interest on the Series A Unsecured Debentures, at 3.109% per annum, was paid in equal semi-annual instalments in arrears in May and November of each year and matured on November 4, 2024. The Company fully repaid the Series A Debentures on November 4, 2024.

### *Series B Unsecured Debentures*

On October 2, 2020, the Company issued the Series B Unsecured Debentures. The net proceeds from the issuance, together with the \$100 million secured term credit facility that had an initial term of one year and was due on October 2, 2021 (the "**Secured Credit Facility**"), were used to repay all of the Company's outstanding 3.474% series B senior secured debentures that were due on February 3, 2021 and for general corporate purposes.

The Series B Unsecured Debentures were issued pursuant to a second supplemental indenture to the master trust indenture dated as of November 4, 2019 between the Company and BNY Trust Company of Canada (collectively, the "**Series B Unsecured Trust Indenture**"). Interest on the Series B Unsecured Debentures, at 3.45% per annum, is payable in equal semi-annual instalments in arrears in February and August of each year and mature on February 27, 2026. The Series B Unsecured Debentures are redeemable in whole or in part at the option of Company at any time, upon not less than 10 days' and not more than 60 days' notice to the holders of the Series B Unsecured Debentures, at a redemption price equal to: (A) prior to January 27, 2026 (the "**Series B Par Call Date**"), the greater of (i) the face amount of such notes and (ii) the Canada Yield Price, as defined in the Series B Unsecured Trust Indenture on the business day preceding the date notice of redemption is given, in each case together with

accrued and unpaid interest, and (B) following the Series B Par Call Date, the face amount of such notes, together with accrued and unpaid interest. The Series B Unsecured Debentures may be purchased for cancellation at any time, in whole or in part, in the market or by tender or private contract at any price.

The Series B Unsecured Trust Indenture includes customary restrictions on the business of the Company and its subsidiary entities. These include restrictions on consolidation and mergers, and incurrence of additional indebtedness which, among other things, is based on the Company not exceeding a specified indebtedness percentage. In addition, the Series B Unsecured Trust Indenture includes customary events of default, including failure to meet covenants with respect to ratios for interest expense and maintenance of unencumbered assets, respectively. The Series B Unsecured Debentures are direct senior unsecured obligations of the Company and rank equally and rateably in right of payment with all other present and future unsecured and unsubordinated indebtedness of the Company.

#### *Series C Unsecured Debentures*

On June 3, 2021, the Company issued the Series C Unsecured Debentures. On June 4, 2021, the Company used the proceeds from the issuance of the Series C Unsecured Debentures to fully repay the Secured Credit Facility.

The Series C Unsecured Debentures were issued pursuant to a fourth supplemental indenture dated as of June 3, 2021 to the master trust indenture dated as of November 4, 2019 between the Company and BNY Trust Company of Canada (collectively, the “**Series C Unsecured Trust Indenture**”). Interest on the Series C Unsecured Debentures, at 2.82% per annum, is payable in equal semi-annual instalments in arrears in September and March of each year and mature on March 31, 2027. The Series C Unsecured Debentures are redeemable in whole or in part at the option of Company at any time, upon not less than 10 days’ and not more than 60 days’ notice to the holders of the Series C Unsecured Debentures, at a redemption price equal to: (A) prior to January 31, 2027 (the “**Series C Par Call Date**”), the greater of (i) the face amount of such notes and (ii) the Canada Yield Price, as defined in the Series C Unsecured Trust Indenture on the business day preceding the date notice of redemption is given, in each case together with accrued and unpaid interest, and (B) following the Series C Par Call Date, the face amount of such notes, together with accrued and unpaid interest. The Series C Unsecured Debentures may be purchased for cancellation at any time, in whole or in part, in the market or by tender or private contract at any price.

The Series C Unsecured Trust Indenture includes customary restrictions on the business of the Company and its subsidiary entities. These include restrictions on consolidation and mergers, and incurrence of additional indebtedness which, among other things, is based on the Company not exceeding a specified indebtedness percentage. In addition, the Series C Unsecured Trust Indenture includes customary events of default, including failure to meet covenants with respect to ratios for interest expense and maintenance of unencumbered assets, respectively. The Series C Unsecured Debentures are direct senior unsecured obligations of the Company and rank equally and rateably in right of payment with all other present and future unsecured and unsubordinated indebtedness of the Company.

#### *Series D Unsecured Debentures*

On October 17, 2024, the Company issued the Series D Unsecured Debentures. The net proceeds from the Series D Unsecured Debentures were used to repay existing indebtedness and for general corporate purposes.

The Series D Unsecured Debentures were issued pursuant to a fifth supplemental indenture dated as of October 17, 2024 to the master trust indenture dated as of November 4, 2019 between the Company and BNY Trust Company of Canada (collectively, the “**Series D Unsecured Trust Indenture**”). Interest on the Series D Unsecured Debentures, at 4.436% per annum, is payable in equal semi-annual instalments in arrears on April 17 and October 17 of each year commencing on April 17, 2025 until October 17, 2029. The Series D Unsecured Debentures are redeemable in whole or in part at the option of Company at any time, upon not less than 10 days’ and not more than 60 days’ notice to the holders of the Series D Unsecured Debentures, at a redemption price equal to: (A) prior to September 17, 2029 (the “**Series D Par Call Date**”), the greater of (i) the face amount of

such notes and (ii) the Canada Yield Price, as defined in the Series D Unsecured Trust Indenture on the business day preceding the date notice of redemption is given, in each case together with accrued and unpaid interest, and (B) following the Series D Par Call Date, the face amount of such notes, together with accrued and unpaid interest. The Series D Unsecured Debentures may be purchased for cancellation at any time, in whole or in part, in the market or by tender or private contract at any price.

The Series D Unsecured Trust Indenture includes customary restrictions on the business of the Company and its subsidiary entities. These include restrictions on consolidation and mergers, and incurrence of additional indebtedness which, among other things, is based on the Company not exceeding a specified indebtedness percentage. In addition, the Series D Unsecured Trust Indenture includes customary events of default, including failure to meet covenants with respect to ratios for interest expense and maintenance of unencumbered assets, respectively. The Series D Unsecured Debentures are direct senior unsecured obligations of the Company and rank equally and rateably in right of payment with all other present and future unsecured and unsubordinated indebtedness of the Company.

The foregoing summaries are qualified in their entirety by reference to the Series A Unsecured Trust Indenture, the Series B Unsecured Trust Indenture, the Series C Unsecured Trust Indenture and the Series D Unsecured Trust Indenture and their governing terms.

## **Credit Ratings**

The following information relating to DBRS credit ratings is based on information made available to the public by DBRS. DBRS has assigned a rating of “BBB” with a “Stable” trend to the Series B Unsecured Debentures, Series C Unsecured Debentures and Series D Unsecured Debentures. A credit rating of “BBB” by DBRS is the fourth highest of 10 categories and is assigned to debt that is considered to be of adequate credit quality, where the capacity for payment of financial obligations is considered acceptable but the issuing entity may be vulnerable to future events. The assignment of a “(high)” or “(low)” modifier within each rating category indicates relative standing within such category. The absence of either a “(high)” or “(low)” designation indicates that the rating is in the middle of the category. The assignment of a “Positive”, “Stable” or “Negative” trend modifier provides guidance in respect of DBRS’ opinion regarding the outlook for the rating. The rating trend indicates the direction in which DBRS considers the rating may move if present circumstances continue, or in certain cases, unless challenges are addressed by the issuer; a “Positive” or “Negative” trend does not necessarily indicate that a rating change is imminent.

There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, withdrawn or revised by DRBS if in its judgment circumstances so warrant. The rating of any debt securities is not a recommendation to buy, sell or hold such securities, inasmuch as such rating does not comment as to market price or suitability for a particular investor.

## **Credit Facilities**

### ***Revolving Credit Facilities***

On March 19, 2020, the Company entered into a credit agreement with a syndicate of lenders led by a Canadian chartered bank for a \$200 million senior unsecured revolving credit facility (the “**Unsecured Revolving Credit Facility**”). On October 26, 2022, this facility was increased by \$100 million to \$300 million and its maturity term was extended by two years to March 2027.

The Company has other property-level credit facilities totaling \$2.5 million that can be accessed for general working capital purposes. Borrowings pursuant to these facilities are available by way of loans at an interest rate of the Canadian prime plus 50 basis points per annum.

### ***Non-Revolving Credit Facilities***

On May 16, 2022, the Company entered into an acquisition term loan, on which it drew down \$90 million, in connection with the acquisition of the Portfolio bearing interest at 145 basis points per annum over the floating bankers' acceptance ("BA") rate for a 12-month term from the closing. This term loan matured on May 16, 2023 and has been fully repaid by the Company.

Further, the Company has a non-revolving acquisition loan facility in the amount of \$6 million that matures on June 6, 2025. Borrowings under this facility are available by way of loans at an interest rate of the Canadian prime plus 75 basis points per annum and/or BAs at the BA rate plus 175 basis points per annum, at the Company's option.

### **MARKET FOR SECURITIES**

The outstanding Common Shares of the Company trade on the TSX under the symbol "SIA". The following table sets out the reported high and low prices and the volume traded of the Common Shares on the TSX for each month during 2024:

Month	Toronto Stock Exchange		
	High	Low	Volume
January.....	\$12.34	\$12.15	5,500,965
February.....	\$13.45	\$13.20	4,991,643
March.....	\$13.62	\$13.45	5,130,658
April.....	\$13.58	\$13.34	4,871,463
May.....	\$15.30	\$14.87	6,632,744
June.....	\$14.89	\$14.70	5,779,495
July .....	\$15.90	\$15.59	4,197,812
August .....	\$15.91	\$15.61	5,724,777
September.....	\$17.12	\$16.88	4,560,599
October .....	\$17.60	\$17.35	4,199,802
November .....	\$17.55	\$17.03	4,356,547
December.....	\$17.15	\$16.89	3,999,832

### **ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER**

To the Company's knowledge, there are no Common Shares that are in escrow or that are subject to a contractual restriction on transfer.

### **DIRECTORS AND EXECUTIVE OFFICERS**

The following table sets out, as of the date hereof, for each of the directors and executive officers of the Company, the person's name, municipality of residence, positions with the Company (i.e., directorship) and principal occupation. Mr. Sender, Mr. Johnston, Mr. Jain, Ms. Jamieson, Mr. Boniferro, Dr. Cody and Ms. Bellissimo were appointed to the Board on May 23, 2017, May 22, 2019, June 11, 2020, November 23, 2021, February 1, 2022, June 27, 2022 and November 9, 2023, respectively. The term of office for each of the directors will expire at the time of the next annual meeting of the shareholders of the Company.

As at the close of business on March 14, 2025, the directors and executive officers of the Company collectively beneficially own, directly or indirectly, or exercise control and direction over 118,083 Common Shares (representing in the aggregate approximately 0.13% of the issued and outstanding Common Shares as at such date).

<b>Name and Municipality of Residence</b>	<b>Position with the Company</b>	<b>Date on which became a Director and Principal Occupation if Different from Position Held</b>
<b><u>Directors</u></b>		
Barbara Bellissimo <sup>(1)(2)(3)(4)</sup> Kleinburg, Ontario	Director	Director since November 2023; Independent; President and Chief Executive Officer of HSB Canada, part of Munich Re
Paul Bonifermo <sup>(1)(2)(3)(4)</sup> Toronto, Ontario	Director Chair of Quality Committee	Director since February 2022; Independent; Corporate Director
Dr. Gina Parvaneh Cody <sup>(1),(2)(4)</sup> Toronto, Ontario	Director Chair of Investment Committee	Director since June 2022; Independent; Corporate Director
Nitin Jain <sup>(3)(4)(5)</sup> Toronto, Ontario	Director, President and Chief Executive Officer	Director since June 2020; Non-independent
Shelly Jamieson <sup>(6)</sup> Norwood, Ontario	Director Board Chair	Director since November 2021; Independent; Corporate Director
Brian Johnston <sup>(1),(2)(4)</sup> Toronto, Ontario	Director Chair of Compensation, Governance and Nominating Committee	Director since May 2019; Independent; Corporate Director
Stephen Sender <sup>(1),(2)(4)</sup> Thornhill, Ontario	Director Chair of Audit Committee	Director since May 2017; Independent; Corporate Director
<b><u>Officers</u></b>		
Nitin Jain Toronto, Ontario	President and Chief Executive Officer	June 11, 2020
David Hung <sup>(7)</sup> Richmond Hill, Ontario	Chief Financial Officer and Executive Vice President, Investments	N/A
Jennifer Anderson <sup>(8)</sup> Newmarket, Ontario	Executive Vice President, Long Term Care Operations	N/A

<b><u>Name and Municipality of Residence</u></b>	<b><u>Position with the Company</u></b>	<b><u>Date on which became a Director and Principal Occupation if Different from Position Held</u></b>
Teresa Fritsch <sup>(9)</sup> Burlington, Ontario	Chief Corporate Officer and Executive Vice President	N/A
Olga Giovannello <sup>(10)</sup> Toronto, Ontario	Chief Human Resources Officer and Executive Vice President	N/A
Geoff McIlmoyle <sup>(11)</sup> Toronto, Ontario	Executive Vice President, Retirement Operations	N/A
Adam Walsh <sup>(12)</sup> Toronto, Ontario	General Counsel, Executive Vice President, Legal and Corporate Secretary	N/A
Nancy Webb <sup>(13)</sup> Stouffville, Ontario	Executive Vice President, Corporate Affairs and Marketing	N/A

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation, Governance and Nominating Committee.
- (3) Member of the Quality Committee.
- (4) Member of the Investment Committee.
- (5) Mr. Jain is the President and Chief Executive Officer of the Company. Previously, Mr. Jain was the Chief Financial Officer and Chief Investment Officer of the Company.
- (6) Ms. Jamieson is an ex-officio member of the Audit Committee, Compensation, Governance and Nominating Committee, the Quality Committee and the Investment Committee.
- (7) Mr. Hung is the Chief Financial Officer and Executive Vice President, Investments of the Company. Previously, Mr. Hung was the Chief Investment Officer and Executive Vice President, Corporate Services; Senior Vice President, Corporate Services and Investments; and Vice President, Finance of the Company.
- (8) Ms. Anderson is the Executive Vice President, Long Term Care Operations of the Company. Prior to joining the Company, she was the Chief of Operations and Service Excellence Officer of the Workplace Safety Insurance Board.
- (9) Ms. Fritsch is the Chief Corporate Officer and Executive Vice President of the Company. Prior to joining the Company, she was the Senior Vice President, Real Estate & Investments at Chartwell Retirement Residences.
- (10) Ms. Giovannello is the Chief Human Resources Officer and Executive Vice President of the Company. Prior to joining the Company, she was the Senior Vice President, Human Resources and Organizational Effectiveness at Canadian Tire Corporation.
- (11) Mr. McIlmoyle is the Executive Vice President, Retirement Operations of the Company. Prior to joining the Company, he was the Vice President, Mark's Commercial at Mark's, a division of Canadian Tire Corporation.
- (12) Mr. Walsh is the General Counsel, Executive Vice President, Legal and Corporate Secretary of the Company. Prior to joining the Company, he was the Vice President, General Counsel at Choice Properties REIT.
- (13) Ms. Webb is the Executive Vice President, Corporate Affairs and Marketing of the Company. Prior to joining the Company, she was Vice-President, Communications and Stakeholder Relations for the Technical Standards and Safety Authority; Chief Executive Officer, Registrar (Interim) and Director of Communications and Stakeholder Relations for the Retirement Homes Regulatory Authority; and Executive Director, Public Affairs for the Ontario Medical Association.

## **Biographies**

The following are brief profiles of the directors of the Company. The principal occupations of each of the directors of the Company for the five years preceding the date of this AIF are set out below.

### ***Barbara Bellissimo — Director***

Ms. Barbara Bellissimo is an accomplished executive with extensive leadership experience in the insurance and financial services industry, currently serving as President and Chief Executive Officer of HSB Canada, a Munich Re company. She previously led State Farm Canada as Chief Agent (Chief Executive Officer), overseeing a \$3 billion business and its successful integration into Desjardins.

With deep expertise in regulated industries, risk management, and large-scale operations, Ms. Bellissimo has held key board roles, including past appointments to the Financial Services Regulatory Authority of Ontario (FSRA), Chair of the Institute for Catastrophic Loss Reduction (ICLR), and as a board member of the Insurance Bureau of Canada (IBC). She is also the Past Chair of Southlake Regional Health Centre Foundation and a former Board Member and Treasurer of the International Women's Forum (IWF) Global. Recognized with the Government of Ontario Community Service Award, she brings strategic insight, governance expertise, and a strong commitment to corporate and community leadership.

Ms. Bellissimo holds a Bachelor of Arts from the University of Western Ontario and is a Fellow Chartered Insurance Professional (FCIP).

### ***Paul Boniferro — Director***

Mr. Paul Boniferro is an experienced labour and employment lawyer with a diverse background from different sectors, as well as political and public service experience. Mr. Boniferro was Ontario's Deputy Attorney General and was the Senior Crown Law Advisor to the Government on all matters. He also acted as a Senior Policy Advisor to the Ontario Minister of Labour, where he advised the government on changes to the Labour Relations Act, the Workers' Compensation Act, the Employment Standards Act and the Pay Equity Act.

Prior to being appointed Deputy Attorney General, Mr. Boniferro was the National Leader of People and Practices and served on the Board of Partners at McCarthy Tétrault, where he practiced for more than 22 years. As a Partner he co-managed the 600-lawyer firm and led the Labour and Employment practice group, where he was involved in some of the country's highest profile collective bargaining and other negotiations both in the private and public sector.

Mr. Boniferro sits on the AECO Innovation Lab Board of Advisors, and the provincial government has appointed him as Transition Supervisory Officer to oversee the Ontario College of Teachers' transition to a new governance structure.

Mr. Boniferro holds a Bachelor of Public Administration Policy from Western University and a law degree from Osgoode Hall. He is called to the bar in both Ontario and Alberta.

### ***Dr. Gina Cody — Director***

Dr. Cody has over 30 years experience as a professional engineer, corporate executive and principal shareholder of a national engineering firm, providing services to some of Canada's largest REITs, financial institutions, builders and developers.

Dr. Cody serves as the Chair on the Board of Trustees for TSX-listed Canadian Apartment Properties REIT and European Residential REIT. Dr. Cody is also the benefactor and namesake of the Gina Cody School of Engineering and Computer Science at Concordia University in Montreal, the first engineering facility in Canada, and one of the first internationally, to be named after a woman. Dr. Cody is also the Chancellor of Concordia University.

Previously, Dr. Cody was the Executive Chair of CCI Group Inc. (“CCI”). Under her tenor, CCI was recognized as one of Canada’s Best Managed Companies, through Canada’s leading business awards program and, in 2010 and 2011, Dr. Cody was named one of Canada’s Top Women Entrepreneurs by Profit Magazine.

Dr. Cody is a member of the Order of Montreal and the Order of Canada and was named one of the Top 25 Women of Influence in Canada in 2020.

Dr. Cody holds a Masters and a PhD in Building Engineering from Concordia University. She is the first woman awarded a PhD in Building Engineering in Canada. Dr. Cody was awarded an honorary doctorate in engineering in 2022 by University of Sherbrooke and is an Honourary Lieutenant Colonel of the Canadian Armed Forces, Engineering Brigade.

***Nitin Jain — Director, President & Chief Executive Officer***

Mr. Jain is the President and Chief Executive Officer of the Company. From 2014 until appointment to his current role, he was the Chief Investment Officer and Chief Financial Officer of the Company. Previously, Mr. Jain held several senior leadership roles at Canadian Tire Corporation and General Electric across Canada and the United States. Mr. Jain also brings extensive hospitality operations experience from his time working with leading hotel chains across India, the United States and the Middle East.

Mr. Jain holds a Masters of Business Administration from the University of Notre Dame and obtained his undergraduate degree in Hotel and Hospitality Management from Widener University and the Indian Institute of Hotel Management. Mr. Jain is also a graduate of the Director Education Program at Rotman School of Management at the University of Toronto and has earned his Institute of Corporate Director designation (ICD.D).

***Shelly Jamieson — Director***

Ms. Jamieson brings an extensive and unique balance of private, not-for-profit and public sector experience at the most senior levels of government and in the health care sector. She retired in 2017 as the CEO of the Canadian Partnership Against Cancer, an independent organization funded by Health Canada to accelerate action on cancer control for all Canadians.

Previously, Ms. Jamieson held Ontario’s highest-ranking civil servant role as Secretary of Cabinet Head of the Ontario Public Service and Clerk of the Executive Council. She was also Ontario’s Deputy Minister of Transportation, Vice-Chair of Health Quality Ontario’s Board and was recently a member of the Ontario Health Board as Chair of the Governance Committee.

Before joining government, Ms. Jamieson worked extensively in long-term care and home care. Former roles held by Ms. Jamieson include President of Extendicare Canada, volunteer commissioner on the Health Services Restructuring Commission, and Executive Director of the Ontario Nursing Home Association (now the OLTCA). Early in her career, Ms. Jamieson ran her own research and consulting firm specializing in geriatric care environments.

Ms. Jamieson has been a member of the Board of Directors for High Liner Foods Incorporated, a publicly traded company, since 2012 and currently serves as Chair of its Governance Committee. Ms. Jamieson is also a member of the Women’s Executive Network Hall of Fame and was awarded the Queen Elizabeth Diamond Jubilee Medal for public service.

Ms. Jamieson holds a Bachelor of Arts (Honours) from the University of Toronto.

***Brian Johnston — Director***

Mr. Johnston has over 30 years of management experience and is the former Chief Executive Officer of CreateTO, the City of Toronto's real estate entity. From 2012 to 2018, Mr. Johnston served as Chief Operating Officer of Mattamy Homes. From 2000 to 2012, Mr. Johnston was President of Monarch Corporation.

Mr. Johnston currently serves as a Director of the C.D. Howe Institute, EnerQuality Corporation, a wholly owned subsidiary of the Ontario Home Builders' Association, the Mortgage Company of Canada and is a member of the Board of Regents at Victoria University in the University of Toronto.

Mr. Johnston holds a Bachelor's Degree from the University of Toronto and holds a CPA designation.

***Stephen Sender — Director***

Mr. Sender served as an investment banker for over 30 years in Canada and abroad and was Managing Director, Industry Head — Real Estate in Scotiabank's Global Banking and Markets division, representing the bank's capital markets activities in the Canadian real estate industry. Since the early 1990s, Mr. Sender specialized in the Canadian real estate sector, providing investment banking advice to numerous public entities with respect to capital markets activities. He has been directly involved in raising equity and debt capital in a large number of transactions and has provided financial advice in numerous large transactions including mergers, takeovers and related party transactions.

Mr. Sender currently serves as a member of the Board of Trustees for Allied Properties REIT and is a former trustee of H&R Real Estate Investment Trust.

Mr. Sender has been a frequent moderator/speaker at conferences in Canada focusing on capital markets developments in the real estate sector and was a part time instructor at York University, Schulich School of Business.

Mr. Sender holds a B.Comm. (Honours) degree from the University of Cape Town and qualified as a C.A. (S.A.) in 1984.

**Directorships**

Except as described above, none of the directors are currently directors of other issuers that are also reporting issuers (or the equivalent) in a territory of Canada or in a foreign territory.

**CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

None of the directors or executive officers of the Company is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any person or company (including the Company) that was subject to one of the following orders, that was in effect for a period of more than 30 consecutive days:

- (a) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued while the director or executive officer was acting in the capacity as director or executive officer; or
- (b) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the directors or executive officers of the Company, or shareholders holding a sufficient number of securities of the Company to affect materially its control:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) 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
- (b) has, within the 10 years before the date of this AIF, 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, executive officer of the shareholder; or
- (c) has had imposed any penalties or sanctions by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security regulatory authority or has had imposed any penalties or sanctions by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **CONFLICTS OF INTEREST**

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. However, the Company's directors and officers may serve on the boards and/or as officers of other companies which may compete in the same sector as the Company, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which the Company may participate or enter into contracts with the Company, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that a conflict of interest arises at a meeting of the directors of the Company, such conflict of interest must be declared and the declaring parties must recuse themselves from the meeting and abstain from participating and voting for or against the approval of any project or opportunity in which they may have an interest. Provided such steps are followed and subject to any limitations in the Company's constating documents or the BCBCA, a transaction would not be void or voidable because it was made between the Company and one or more of its directors or by reason of such director being present at the meeting at which such agreement or transaction was approved. The remaining directors will determine whether or not the Company will participate in any such project or opportunity.

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company, directors, officers or other members of management of the Company as a result of their outside business interests.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

### **AUDIT COMMITTEE INFORMATION**

#### ***Audit Committee Charter***

The text of the Audit Committee's charter is attached as Schedule "A".

### ***Composition of Audit Committee***

The members of the Company's Audit Committee are:

Stephen Sender (Chair)	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Barbara Bellissimo	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Paul Boniferro	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Dr. Gina Parvaneh Cody	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Brian Johnston	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Shelly Jamieson <sup>(3)</sup>	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>

Notes:

- (1) Pursuant National Instrument 52-110 - Audit Committees, as amended, of the CSA ("NI 52-110"), a member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment. Despite the foregoing, NI 52-110 provides certain circumstances in which an individual is considered to have a material relationship with an issuer.
- (2) An individual is financially literate if they have the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The Board has determined that each member of the Audit Committee is financially literate, having reference to the definition contained in NI 52-110 and consideration of the relevant education and experience of each member of the Audit Committee.
- (3) Ms. Jamieson is an ex-officio member of the Audit Committee.

### ***Relevant Education and Experience***

The Board believes that the composition of the Audit Committee reflects a high level of financial literacy. Each member of the Company's Audit Committee has education and experience (see "Directors and Executive Officers" section of this AIF) that is relevant to their performance as an Audit Committee member and has, in particular, education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements;
- (b) the ability to assess the general application of the above noted principles in connection with estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

In addition, as a Chartered Accountant, the Board believes that Mr. Sender qualifies as an audit financial expert.

### ***Reliance on Certain Exemptions***

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Sections 2.4 (De Minimis Non-audit Services), 3.2 (Initial Public Offerings), 3.3(2) (Controlled Companies), 3.4 (Events Outside Control of Members), 3.5 (Death, Disability or Resignation of Audit Committee Member), 3.6 (Temporary Exemption for Limited and Exceptional Circumstances), 3.8 (Acquisition of Financial Literacy) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 thereof.

### ***Audit Committee Oversight***

At no time since the commencement of the Company’s most recently completed financial year has the Audit Committee made a recommendation to nominate or compensate an external auditor not adopted by the Board.

### ***Pre-Approval Policies and Procedures***

The Audit Committee is authorized by the Board to review the performance of the Company’s external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chair of the Audit Committee deems is necessary, and the Chair will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the committee’s consideration, and if thought fit, approval in writing.

### ***External Auditor Service Fees***

The fees billed by the Company’s external auditors for the last three fiscal years are as follows:

<b>Year</b>	<b>Audit Fees</b>	<b>Audit Related Fees<sup>(1)</sup></b>	<b>Tax Fees<sup>(2)</sup></b>	<b>All Other Fees<sup>(3)</sup></b>	<b>Total Fees</b>
2024.....	\$986,255 <sup>(4)</sup>	\$25,541	\$nil	\$109,962	\$1,121,758
2023.....	\$752,494	\$nil	\$nil	\$nil	\$752,494
2022.....	\$1,023,850 <sup>(4)</sup>	\$nil	\$nil	\$55,000	\$1,078,850

Notes:

- (1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees charged for consulting services related to the Company’s operations.
- (4) Included Audit Fees charged for assurance services in connection with the Company’s equity offering.

## **PROMOTERS**

No person was considered a promoter of the Company for the purposes of applicable securities legislation during the last two completed fiscal years of the Company.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

The Company’s business is involved in various legal actions and proceedings which arise from time to time in the ordinary course.

See “Risk Factors – Risks Relating to the Business of the Company – Liability and Insurance”.

On February 5, 2025, Aspira Traditions of Durham Retirement Living was charged with criminal negligence causing death under the Criminal Code. The charge relates to the death of a resident at this retirement residence in April 2023. Sienna intends to defend itself through the courts.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

No director, executive officer or shareholder who beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the outstanding Common Shares, or any known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction within the last three years or in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary entity of the Company.

### **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal offices located in Toronto, Ontario.

### **MATERIAL CONTRACTS**

The following are the only material contracts, other than contracts in the ordinary course of business, which have been entered into by SSLI and/or its subsidiary entities and which are still in effect:

- Series B Unsecured Trust Indenture (see “Indebtedness – Senior Unsecured Debentures” section of this AIF)
- Series C Unsecured Trust Indenture (see “Indebtedness – Senior Unsecured Debentures” section of this AIF)
- Series D Unsecured Trust Indenture (see “Indebtedness – Senior Unsecured Debentures” section of this AIF)
- Unsecured Revolving Credit Facility (see “Indebtedness – Credit Facilities – Revolving Credit Facilities” section of this AIF)
- Rights Plan (see “Description of Capital Structure – Fourth Amended and Restated Shareholders’ Rights Plan” section of this AIF)
- the Underwriting Agreement in connection with the offering, as described in the prospectus dated March 11, 2022
- the Underwriting Agreement in connection with the offering, as described in the prospectus dated August 23, 2024

### **INTERESTS OF EXPERTS**

The Company’s consolidated financial statements for the years ended December 31, 2024 and 2023 include the auditor’s reports of the Company’s current auditor, Deloitte LLP, dated February 19, 2025. Deloitte LLP, located in Toronto, Ontario, is independent of the Company within the meaning of the *Rules of Professional Conduct of the Chartered Professional Accountants of Ontario*. Deloitte LLP was appointed as auditor of the Company on June 2, 2021.

### **ADDITIONAL INFORMATION**

Additional information, including directors' and officers' remuneration and indebtedness, and principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, will be contained in the Company's information circular for its May 28, 2025 annual and special meeting of shareholders. Additional financial information is provided in the MD&A and the Company's consolidated financial statements for the year ended December 31, 2024. Such documentation, as well as additional information relating to the Company, may be found under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or on the Company's website at [www.siennaliving.ca](http://www.siennaliving.ca).

**SCHEDULE "A"**

**CHARTER OF THE AUDIT COMMITTEE**

# Charter of the Audit Committee

## 1. Purpose

The Audit Committee (the “**Committee**”) is appointed by the board of directors (the “**Board**”) of Sienna Senior Living Inc. (the “**Company**”) to assist in the oversight and evaluation of:

- the quality and integrity of the financial statements and other financial information relating to the Company;
- the design and implementation of the Company’s internal controls and disclosure controls;
- the compliance by the Company with legal and regulatory requirements in respect of financial disclosure;
- the qualification, independence and performance of the Company’s independent auditor;
- the development, review and assessment of the Company’s complaints procedure with respect of the reporting of illegal or unethical behaviour;
- the oversight and monitoring of risks delegated to the Committee by the Board in connection with the Enterprise Risk Management program;
- the performance of the Company’s Chief Financial Officer; and
- any additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

In addition, the Committee provides an avenue for communication between the independent auditor, the Company’s Chief Financial Officer and other senior financial management, other employees and the Board concerning accounting, and auditing matters.

The Committee is directly responsible for the appointment, compensation, retention (and termination) and oversight of the work of the independent auditor (including oversight of the resolution of any disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing audit reports or performing other audit, review or attest services for the Company.

The Committee is not responsible for:

- planning or conducting audits,
- certifying or determining the completeness or accuracy of the Company's financial statements or that those financial statements are in accordance with generally accepted accounting principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"), or
- guaranteeing the report of the Company's independent auditor.

Each member of the Committee shall be entitled to rely in good faith upon:

- financial statements of the Company represented to him or her by senior management of the Company or in a written report of the independent auditor to present fairly the financial position of the Company in accordance with GAAP or IFRS, as applicable; and
- any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

In this context, "**good faith reliance**" means that the Committee member has considered the relevant issues, questioned the information provided and assumptions used, and assessed whether the analysis provided by senior management or the expert is reasonable. Generally, good faith reliance does not require that the member question the honesty, competence and integrity of senior management or the expert unless there is a reason to doubt their honesty, competency and integrity.

The fundamental responsibility for the Company's financial statements and disclosure rests with senior management and the independent auditor is responsible for auditing those financial statements. It is not the duty of the Committee to conduct investigations, to itself resolve disagreements (if any) between senior management and the independent auditor or to ensure compliance with applicable legal and regulatory requirements.

## 2. Reports

The Committee shall report to the Board on a regular basis and, in any event, before the public disclosure by the Company of its quarterly and annual financial results. The reports of the Committee shall include any issues of which the Committee is aware with respect to:

- the quality or integrity of the Company's financial statements;
- compliance by the Company with legal or regulatory requirements in respect of financial matters and disclosure;
- the performance and independence of the Company's independent auditor;
- the effectiveness of systems of control (including risk management) established by management to safeguard the assets (real and intangible) of the Company; and
- the proper maintenance of accounting and other records.

The Committee shall also prepare, as required by applicable law, any audit committee report required for inclusion in the Company's publicly filed documents.

### 3. Composition

The members of the Committee shall be three or more individuals who are appointed (and may be replaced) by the Board on the recommendation of the Company's Compensation, Governance and Nominating Committee. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of Shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed. The Board may appoint a member to fill a vacancy that occurs in the Committee between annual elections of Directors. Any member of the Committee may be removed from the Committee by a resolution of the Board. Unless the Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the members of the Committee.

Each of the members of the Committee shall be independent and financially literate as defined for the purposes of in National Instrument NI 52-110 – *Audit Committees*, as it may be amended or replaced from time to time. No member of the Committee shall:

- accept (directly or indirectly) any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries<sup>1</sup> (other than remuneration for acting in his or her capacity as a director) or be an “affiliated person”<sup>2</sup> of the Company or any of its subsidiaries; or
- concurrently serve on the audit committee of a competitor or client without the prior approval of the Committee, the Compensation, Governance and Nominating Committee and the Board.

### 4. Responsibilities

It is recognized that, in fulfilling their responsibilities, members of the Committee are not full-time employees of the Company. As such, it is not the duty or responsibility of the Committee or its members to conduct “field work” or other types of auditing or accounting reviews or procedures or to determine that the Company's financial statements are complete and accurate. Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information, and (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board).

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<sup>1</sup> A person or company is considered to be a subsidiary of another person or company if (a) it is controlled by (i) that other, or (ii) that other and one or more persons or companies each of which is controlled by that other, or (iii) two or more persons or companies, each of which is controlled by that other; or (b) it is a subsidiary of a person or company that is the other's subsidiary.

<sup>2</sup> A person or company is considered to be an affiliated entity of a person or company if (a) one of them controls or is controlled by the other or if both persons or companies are controlled by the same person or company or (b) the person is an individual who (i) both a director and an employee of an affiliated entity, or (ii) an executive officer, general partner or managing member of an affiliated entity.

The Committee shall have authority over, and shall be responsible for, the following specific matters:

#### **4.1 Independent Auditor**

The Committee shall:

- Recommend to the Board the independent auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Company.
- Establish the compensation of the independent auditor.
- Obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the Committee and the Board.
- Oversee the independent auditor and, in the context thereof, require the independent auditor to report to the Committee (among other things) any disagreement between management and the independent auditor regarding financial reporting and the resolution of each such disagreement.
- Pre-approve all audit and non-audit services (subject to any restrictions on such non-audit services imposed by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators).
- Adopt such policies and procedures as it determines appropriate for the pre-approval of the retention of the independent auditor by the Company and any of its subsidiaries for any audit and permitted non-audit services, including procedures for the delegation of authority to provide such approval to one or more members of the Committee.
- At least annually, review the qualifications, performance and independence of the independent auditor. In doing so, the Committee should, among other things, undertake the measures set forth in Appendix "A" to this Charter.
- At least annually, obtain and review a report by the auditor describing: (A) the auditor's internal quality-control procedures, including the safeguarding of confidential information; and (B) any material issues raised by (i) the most recent internal quality control review or peer review of the auditor which relates to services provided to the Company or its subsidiaries by the auditor, or (ii) the review of the auditor by any independent oversight body, such as the Canadian Public Accountability Board or governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the auditor (but only where the results of such review have been made publicly available), and in the case of each of (i) and (ii), the steps taken to deal with any issues raised in any such review;

#### **4.2 The Audit Process, Financial Statements and Related Disclosure**

The Committee shall:

- Meet with senior management and/or the independent auditor to review and discuss:
  - the planning and staffing of the audit by the independent auditor;
  - before public disclosure, the Company's annual audited financial statements and quarterly unaudited financial statements, the Company's accompanying disclosure of Management's Discussion and Analysis ("MD&A") and earnings press releases and make recommendations to the Board as to the approval and dissemination of those statements and disclosure;

- the adequacy of the procedures for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements, other than the public disclosure referred to in the immediately preceding paragraph and periodically assess the adequacy of those procedures and consider whether they are complete and consistent with the information known to committee members;
- financial information and any earnings guidance provided to analysts and rating agencies, recognizing that this review and discussion may be done generally (consisting of a discussion of the types of information to be disclosed and the types of presentations to be made) and need not take place in advance of the disclosure of each release or provision of guidance;
- any significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including any significant changes in the selection or application of accounting principles, any major issues regarding auditing principles and practices, and the adequacy of internal controls that could significantly affect the Company’s financial statements;
- all critical accounting policies and practices used;
- all alternative treatments of financial information within GAAP or IFRS, as applicable, that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;
- the use of “pro forma” or “adjusted” non-GAAP or non-IFRS information;
- the effect of new regulatory and accounting pronouncements
- the effect of any material off-balance sheet structures, transactions, arrangements and obligations (contingent or otherwise), on the Company’s financial statements;
- any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls or disclosure controls made to the Committee by the Chief Executive Officer and the Chief Financial Officer during their certification process in documents filed with applicable securities regulators;
- the adequacy of the Company’s internal accounting controls and management information systems and its financial, auditing and accounting organizations and personnel and any special steps adopted in light of any material control deficiencies; and
- the establishment, and periodic review, of procedures for the review of financial information extracted or derived from the Company’s consolidated financial statements.
- In conducting its review of the financial statements and related management’s discussion and analysis:
  - consider the quality of, and not just the acceptability of, the accounting principles, and the reasonableness of senior management’s judgments, analyses and estimates made in connection with the preparation of the financial statements or that have a significant effect upon the financial statements, and the clarity of the disclosures in the financial statements;

- discuss the effect of off-balance sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, and/or significant components of revenues and expenses;
  - consider any proposed changes in accounting practices or policies and their impact on consolidated financial statements of the Company;
  - discuss with senior management, the auditor and, if necessary, legal counsel, a report from senior management describing any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters have been disclosed in the financial statements;
  - discuss with senior management and the auditor any correspondence with regulators or governmental agencies, employee or other complaints or published reports that raise material issues regarding the Company's consolidated financial statements or accounting policies;
  - discuss with the auditor any special audit steps taken in light of material weaknesses in internal control;
  - review the results of the audit, including any reservations or qualifications in the auditor's opinion;
  - discuss with senior management all significant variances between comparative reporting periods;
  - discuss with the auditor any difficulties encountered in the course of the audit work, including any restrictions on the scope of their procedures and access to requested information, accounting adjustments proposed by the auditor which were not applied (because they were immaterial or otherwise) and significant disagreements with senior management and the method of resolution;
  - discuss with the auditor any material issues relating to the Company's activities on which the Company's audit team consulted the auditor's national office;
  - discuss with senior management and the auditor the appropriate disclosure of any transactions between the Company and its officers, directors, or other related parties; and
  - consider any other matter which in its judgment should be taken into account in reaching its recommendation to the Board concerning the approval of the financial statements.
- Review with the independent auditor:
    - the quality as well as the acceptability of the accounting principles that have been applied;
    - any problems or difficulties the independent auditor may have encountered during the provision of its audit services, including any restrictions on the scope of activities or access to requested information and any significant disagreements with management, any management letter provided by the independent auditor or other material communication (including any schedules of unadjusted differences) to management and the Company's response to that letter or communication; and

- any changes to the Company’s significant accounting principles and practices suggested by the independent auditor or members of management.
- Review with management all related party transactions and the development of policies and procedures related to those transactions.
- Following completion of the annual audit, review with each of management and the independent auditors any significant issues, concerns or difficulties encountered during the course of the audit including:
  - restrictions on the scope of work or on access to required or requested information;
  - issues or concerns that arose during the course of the audit concerning the Company’s internal accounting controls, or the fair presentation, completeness or accuracy of the financial statements; and
  - analyses prepared by management or the auditors setting forth significant financial reporting issues and judgments made in connection with preparation of the financial statements (including analysis of the effects of alternative treatments under generally accepted accounting principles).
- Periodically review reports on the Company’s information technology systems that support the financial reporting process.
- Receive and review reports from other Board committees with regard to matters that could affect the audit or results of operations.
- Oversee appropriate disclosure of the Charter, and other information required to be disclosed by applicable legislation in the Company’s public disclosure documents, including any management information circular distributed in connection with the solicitation of proxies from the Company’s security holders.

### **4.3 Compliance**

The Committee shall, as it determines appropriate:

- Obtain reports from senior management that the Company and its subsidiaries are in conformity with applicable legal requirements;
- Review with the Company’s Chief Financial Officer, other members of management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Company’s financial statements or accounting policies.
- Review senior management’s written representations to the independent auditor.
- Advise the Board with respect to the Company’s policies and procedures regarding compliance with applicable laws and regulations and with the Corporation’s Code of Business Conduct and Ethics.
- Review with the Company’s General Counsel and/or external legal counsel legal matters that may have a material impact on the financial statements, the Company’s compliance policies and any material reports or inquiries received from regulators or governmental agencies.
- Discuss with senior management the guidelines and policies utilized by senior management with respect to financial risk assessment and management, and the major financial risk exposures and the procedures to monitor and control such exposures in order to assist the Committee in assessing the completeness, adequacy and appropriateness of financial risk disclosure in

Management's Discussion and Analysis and in the financial statements.

- Establish procedures for:
  - the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and
  - the confidential, anonymous submission by employees of the Company with concerns regarding any accounting or auditing matters.
- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

#### **4.4 Delegation**

To avoid any confusion, the Committee responsibilities identified above are the sole responsibility of the Committee and may not be delegated to a different committee.

### **5. Meetings**

The Committee shall meet in accordance with a schedule established each year by the Committee, and at other times that the Committee may determine. Quorum for all meetings shall be a majority of the Committee members or such greater number as the Committee shall, by resolution, determine. Minutes shall be maintained of all meetings of the Committee and copies of the minutes shall be made available to all members of the Board.

The Committee shall meet separately, periodically, with the Chief Financial Officer and other financial management, and the independent auditor and may request any member of the Company's senior management, the General Counsel or external legal counsel or independent auditor to attend meetings of the Committee or with any members of, or advisors to, the Committee.

Meeting agendas shall be developed by the Committee chair in consultation with the Company's management and the independent auditors. Committee members may propose agenda items through communication with the Chair of the Committee or the Chief Financial Officer. Agendas, together with appropriate briefing materials, shall be circulated to Committee members prior to meetings. At the discretion of the Committee, members of management and others may attend Committee meetings other than the separate sessions with the Chief Financial Officer, the independent auditor and General Counsel and/or external legal counsel.

The auditor is entitled to receive notice of every meeting of the Committee and, at the expense of the Company, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the auditor.

### **6. Resources and Authority**

The Committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to engage and establish the compensation of, at the expense of the Company, outside advisors including experts in particular areas of accounting, legal counsel and other experts or consultants as it determines necessary to carry out its duties, without seeking approval of the Board or management. The Committee will advise the Board of any such action taken.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and has direct access to the independent auditor as well as anyone in the Company.

## 7. Annual Evaluation

At least annually, the Committee shall, in a manner it determines to be appropriate:

- Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter.
- Review and assess the adequacy of its Charter (including with respect to the procedures regarding the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements) and recommend to the Board any improvements to this Charter that the Committee determines to be appropriate.

### Appendix "A"

#### Qualifications, Performance and Independence of Independent Auditor

- Review the experience and qualifications of the senior members of the independent auditor's team.
- Confirm with the independent auditor that it is in compliance with applicable legal, regulatory and professional standards relating to auditor independence.
- Review and approve clear policies for the hiring by the Company of employees or partners or former employees or former partners of the current and former independent auditor.
- Review annual reports from the independent auditor regarding its independence and consider whether there are any non-audit services or relationships that may affect the objectivity and independence of the independent auditor and, if so, recommend that the Board take appropriate action to satisfy itself of the independence of the independent auditor.
- Obtain and review such report(s) from the independent auditor as may be required by applicable legal and regulatory requirements.
- Conduct an evaluation (taking into account the opinions of management) of the independent auditors qualification, performance and independence and present to the Board the Committee's conclusion in such regard.
- Review, as required, the independent auditors' plans with respect to the partner rotation.