

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Medical Facilities Corporation (the “Corporation”)
45 St. Clair Avenue West, Suite 200
Toronto, Ontario
M4V 1K6

Item 2 Date of Material Change

October 24, 2017

Item 3 News Release

A press release was issued by the Corporation on October 24, 2017 in Toronto, Ontario and disseminated across Canada by Canada Newswire. A copy of the news release is attached hereto as Schedule A.

Item 4 Summary of Material Change

On October 24, 2017, the board of directors of the Corporation announced the appointment of Robert O. Horrар as President and Chief Executive Officer effective October 25, 2017. Mr. Horrар was previously the Chief Operating Officer of the Corporation. Mr. Horrар succeeds Jeffrey C. Lozon, who has served as interim President and Chief Executive Officer. Mr. Lozon will continue as a director of the Corporation.

Item 5 Full Description of Material Change

For a full description of the material change, see the press release attached as Schedule A.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, please contact:

Robert Horrар
President and Chief Executive Officer
Tel: 615-610-3705

Item 9 Date of Report

October 25, 2017

SCHEDULE A

NEWS RELEASE
October 24, 2017



Medical Facilities Corporation Appoints New President and Chief Executive Officer

Healthcare Veteran Robert O. Horrar to Lead Growing Company

TORONTO, Ontario, October 24, 2017 - Medical Facilities Corporation ("Medical Facilities" or the "Company") (TSX: DR) announced today the appointment of Robert O. Horrar as President and Chief Executive Officer effective October 25, 2017. Mr. Horrar previously served as Chief Operating Officer of Medical Facilities.

"After a thorough search process, the Board of Directors is confident we have found the best individual to assume leadership of Medical Facilities," said Marilynne Day-Linton, Chair of the Board of Directors. "Rob brings a track record of strong leadership, which he has demonstrated during his tenure as the Company's COO. With the combination of his deep industry knowledge, effective personal style and commitment to producing results, we are confident of Rob's ability to lead the Company."

As President and CEO, Mr. Horrar will work closely with the Board, Hospital and Center leadership, and physician partners to ensure the Company further strengthens the excellent patient care offered at its facilities throughout the U.S. and pursues dynamic growth opportunities in today's evolving healthcare landscape.

"I am honored to assume leadership of Medical Facilities during such an exciting time of change and opportunity in the industry," said Mr. Horrar. "The Company has successfully evolved to meet the ever-changing demands of the U.S. healthcare environment and is in an excellent position to achieve both organic and acquisitive growth. In tandem with our Hospital and Center leadership and physician partners, I look forward to further building shareholder value."

Rob Horrar is a 25-year healthcare veteran, having served in various leadership positions at prominent healthcare organizations including Community Health Systems (CHS), Inc. and Humana, Inc. Most recently, he served as a Division President of CHS where he was responsible for overseeing the operations of affiliated hospitals in Indiana, Tennessee and West Virginia. Before CHS, Rob served in several key management positions at Humana, Inc. He holds a Bachelor of Science degree in economics from Centre College in Kentucky and a Master of Science in Healthcare Administration from Trinity University in Texas.

Rob Horrar replaces Jeffrey Lozon, interim President and CEO of Medical Facilities. Mr. Lozon will continue as a director of the Company.

"On behalf of the Board I would like to thank Jeff Lozon for his leadership, professionalism and guidance as interim President and CEO, and I look forward to a seamless transition and the continued execution of our growth strategy," added Ms. Day-Linton.

About Medical Facilities Corporation

Medical Facilities owns controlling interests in five specialty surgical hospitals located in Arkansas, Indiana, Oklahoma and South Dakota, as well as an ambulatory surgery center in California. The

specialty hospitals perform scheduled surgical, imaging, diagnostic and other procedures, including primary and urgent care, and derive their revenue from the fees charged for the use of their facilities. The ambulatory surgery center specializes in outpatient surgical procedures, with patient stays of less than 24 hours. In addition, Medical Facilities owns controlling interest in a diversified healthcare service company located in Oklahoma City that provides third-party business solutions to healthcare entities such as physician practices, facilities, and insurance companies. Medical Facilities is structured so that a majority of its free cash flow from operations is distributed to the holders of its common shares in the form of dividends. For more information, please visit www.medicalfacilitiescorp.ca.

Caution concerning forward-looking statements

Statements made in this news release, other than those concerning historical financial information, may be forward-looking and therefore subject to various risks and uncertainties. Some forward-looking statements may be identified by words like “may”, “will”, “anticipate”, “estimate”, “expect”, “intend”, or “continue” or the negative thereof or similar variations. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Factors that could cause results to vary include those identified in Medical Facilities’ filings with Canadian securities regulatory authorities such as legislative or regulatory developments, intensifying competition, technological change and general economic conditions. All forward-looking statements presented herein should be considered in conjunction with such filings. Medical Facilities does not undertake to update any forward-looking statements; such statements speak only as of the date made.

For further information, please contact:

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