

EMPIRE LIFE CLASS PLUS 3.0

INFORMATION FOLDER ADDENDUM AND CONTRACT PROVISIONS ENDORSEMENT

November 12, 2018

This Information Folder Addendum and Contract Provisions Endorsement apply to any Class Plus 3.0 contract issued on or after November 12, 2018 and amend the October 2017 version of the Class Plus 3.0 Information Folder and Contract Provisions.

Changes introduced with this Information Folder Addendum and Contract Provisions Endorsement include:

1. Adding a new purchase fee option, the no load option or “NL option”;
2. Adding new funds; and
3. Clarifying wording and making corrections.

This Information Folder Addendum and Contract Provisions Endorsement form part of the Information Folder and Contract Provisions.

EMPIRE LIFE CLASS PLUS 3.0

INFORMATION FOLDER ADDENDUM

For any Class Plus 3.0 contract issued on or after November 12, 2018, the October 2017 version of the Class Plus 3.0 Information Folder is amended as outlined below. This Addendum forms part of the Information Folder.

1.1 Definitions

The following definition is added:

“**no load option**” (“**NL option**”) means one of the purchase fee options available under the terms of the contract;

3.1 General Information

The last paragraph is deleted and replaced with the following:

You can choose to make deposits using the NL option, the FE option and the DSC option within the same contract; you can also choose to make deposits using the NL option and the LL option within the same contract. No other purchase fee option combinations are allowed.

8.1 General Information

This section is deleted and replaced with the following:

8.1 General Information

Depending on the purchase fee option you have selected you may have to pay a sales charge at the time you make a deposit or pay a withdrawal fee at the time you make a withdrawal. We currently offer a NL option, a FE option, a DSC option, a LL option and a FFS option. You can choose to make deposits using the NL option, the FE option and the DSC option within the same contract; you can also choose to make deposits using the NL option and the LL option within the same contract. No other purchase fee option combinations are allowed.

There is a fee charged to cover the maturity, death and GWB guarantees on the contract. The fee is paid from the contract, through the withdrawal of fund class units (see Section 8.3 Class Plus Fee).

8.2 Purchase Fee Options

Section “8.2.1 FE Option” is renumbered as follows:

8.2.2 FE Option

The following is added as the new section 8.2.1:

8.2.1 NL Option

If you select the NL option, the entire amount of your deposit is applied towards the purchase of fund class units and we pay a commission to your advisor. No withdrawal fees will apply should you wish to make a withdrawal of some or all of the market value of the fund class units at the credit of your contract; depending on when your deposit was made, your advisor may have to return a portion of their commission.

8.2.2 DSC and LL Options

Section “8.2.2 DSC and LL Options” is renumbered and renamed as follows:

8.2.3 DSC Option and LL Option

8.2.3 FFS Option

Section “8.2.3 FFS Option” is deleted and replaced with the following:

8.2.4 FFS Option

You can only select the FFS option if you have a fee-based account with an investment dealer who works with your advisor. The sales charges for the FFS option are negotiated between you, your advisor and/or your investment dealer. The dealer collects these sales charges directly from you and not from amounts deposited to your contract.

If you select the FFS option, the entire amount of your deposit is applied towards the purchase of fund class units.

We will not pay any commissions to your advisor or your investment dealer whenever a deposit is applied towards the purchase of fund class units and no withdrawal fees will apply in the event that you wish to withdraw the market value of some or all of the fund class units at the credit of your contract.

If we are notified that you no longer have a fee based account, we reserve the right to transfer the fund class units purchased under the FFS option to the FE option, in accordance with our rules. This switch will not result in a taxable disposition and it will not affect the maturity and death benefit guarantees or the GWB guarantee.

8.3.1 Annual Fund Fee Rate

The following annual fund fee rates are added to the chart for each new fund added under Section 11.3:

Fund	Annual Fund Fee Rate
Empire Life Global Asset Allocation Fund GIF	1.25%
Empire Life Emblem Global Conservative Portfolio GIF	1.00%
Empire Life Emblem Global Balanced Portfolio GIF	1.15%
Empire Life Emblem Global Moderate Growth Portfolio GIF	1.25%

11.3 Segregated Funds Offered

The following funds are added to the segregated fund offered under the terms of the Class Plus 3.0 contract:

Fund Name
Empire Life Global Asset Allocation GIF
Empire Life Emblem Global Conservative Portfolio GIF
Empire Life Emblem Global Balanced Portfolio GIF
Empire Life Emblem Global Moderate Growth Portfolio GIF

11.8.1 Management Fee

This section is deleted and replaced with the following:

11.8.1 Management Fee

The annual management fee for each fund available is specified in the charts below. A management fee can only be increased after we have provided advance notice to you (see Section 11.15 Fundamental Changes).

The management fee covers the charges related to professional investment management and the administration of a fund.

The management fee is subject to applicable taxes (e.g. the GST or in some jurisdictions, the HST). Management fees are calculated and accrued on a daily basis and paid to Empire Life on the next business day. The management fee for each fund in a fund class is calculated as a percentage of the fund's net asset value attributable to that fund class, which in turn reduces the fund class unit value.

The annual management fees (excluding applicable taxes) for the NL option, FE option, DSC option and LL option are:

Fund	Annual Management Fee
Empire Life Money Market GIF	1.00%
Empire Life Bond GIF	1.80%
Empire Life Income GIF	2.05%
Empire Life Balanced GIF	2.10%
Empire Life Monthly Income GIF	2.10%
Empire Life Asset Allocation GIF	2.20%
Empire Life Global Asset Allocation Fund GIF	2.30%
Empire Life Global Balanced GIF	2.20%
Empire Life Dividend Balanced GIF	2.20%

Fund	Annual Management Fee
Empire Life Elite Balanced GIF	2.20%
Empire Life Emblem Diversified Income Portfolio GIF	2.05%
Empire Life Emblem Conservative Portfolio GIF	2.05%
Empire Life Emblem Balanced Portfolio GIF	2.10%
Empire Life Emblem Moderate Growth Portfolio GIF	2.15%
Empire Life Emblem Growth Portfolio GIF	2.20%
Empire Life Emblem Global Conservative Portfolio GIF	2.10%
Empire Life Emblem Global Balanced Portfolio GIF	2.15%
Empire Life Emblem Global Moderate Growth Portfolio GIF	2.20%

The annual management fees (excluding applicable taxes) for the FFS option are:

Empire Life Money Market GIF	0.80%
Empire Life Bond GIF	1.30%
Empire Life Income GIF	1.05%
Empire Life Balanced GIF	1.10%
Empire Life Monthly Income GIF	1.10%
Empire Life Asset Allocation GIF	1.20%
Empire Life Global Asset Allocation Fund GIF	1.30%
Empire Life Global Balanced GIF	1.20%
Empire Life Dividend Balanced GIF	1.20%
Empire Life Elite Balanced GIF	1.20%
Empire Life Emblem Diversified Income Portfolio GIF	1.05%
Empire Life Emblem Conservative Portfolio GIF	1.05%
Empire Life Emblem Balanced Portfolio GIF	1.10%
Empire Life Emblem Moderate Growth Portfolio GIF	1.15%
Empire Life Emblem Growth Portfolio GIF	1.20%
Empire Life Emblem Global Conservative Portfolio GIF	1.10%
Empire Life Emblem Global Balanced Portfolio GIF	1.15%
Empire Life Emblem Global Moderate Growth Portfolio GIF	1.20%

12.1 General

The following as added before the last paragraph:

The voting of securities in the investment portfolio of any fund is left to the discretion of the fund manager.

13.1 General

This section is amended by adding the following brief descriptions of each new fund added under Section 11.3:

EMPIRE LIFE GLOBAL ASSET ALLOCATION GIF

Investment Objective

The fundamental investment objective of the Empire Life Global Asset Allocation GIF is long-term growth achieved by actively managing the asset mix of money market instruments, fixed income investments and equity investments in the fund according to current market and economic conditions.

Principal Investment Strategies

In order to achieve its objective the fund will focus on a bottom-up, value oriented investment approach as the primary driver of long-term returns, investing in a diversified mix of primarily global equity and fixed income securities. The fund will also tactically shift its asset allocation to take advantage of investment opportunities. The fund may acquire securities directly or hold units of other Empire Life segregated funds, invest in money market instruments such as treasury bills and short-term government and corporate debt securities and ETFs. For a list of the Empire Life segregated funds in which the fund currently invests, if any, please refer to the fund's fund facts document. The fund may use derivative instruments. The fund may enter into repurchase transactions, reverse repurchase transactions or securities lending transactions.

Principal Risks

Business risk, credit risk, ETF risk, foreign currency risk, fund in fund risk, general derivatives risk, interest rate movement risk, large investor risk, market risk, repurchase and reverse repurchase transactions and securities lending risk, sovereign risk, special equities risk, trust investment risk, cash deposit risk, convertible securities risk, emerging countries risk, liquidity risk, series risk and yield fluctuations risk.

EMPIRE LIFE EMBLEM GLOBAL CONSERVATIVE PORTFOLIO GIF

Investment Objective

The fundamental investment objective of the Empire Life Emblem Global Conservative Portfolio GIF is to aim to provide stable long-term capital growth and earn income by investing primarily in a broadly diversified mix of global fixed income and equity securities.

Principal Investment Strategies

In order to achieve its objective, the fund may invest directly in securities or indirectly through the use of secondary fund(s). The fund may enter into repurchase transactions, reverse repurchase transactions or securities lending transactions.

The investment strategies of the fund are to invest in a mix of equity and fixed income securities. Currently, the target asset mix of the fund is 70% in fixed income securities and 30% in equity securities. The fund will be monitored and re-balanced from time to time at the discretion of the portfolio manager, consistent with the fund's investment objective and target asset mix. The fund may use derivative instruments.

Principal Risks

Business risk, credit risk, ETF risk, foreign currency risk, fund in fund risk, general derivatives risk, interest rate movement risk, large investor risk, market risk, repurchase and reverse repurchase transactions and securities lending risk, sovereign risk, special equities risk, trust investment risk, asset-backed and mortgage-backed securities risk, bank loans and loan participations risk, cash deposit risk, convertible securities risk, emerging countries risk, floating rate note risk, liquidity risk, series risk and yield fluctuations risk.

EMPIRE LIFE EMBLEM GLOBAL BALANCED PORTFOLIO GIF

Investment Objective

The fundamental investment objective of the Empire Life Emblem Global Balanced Portfolio GIF is to aim to provide a balance between earning a high level of income and long-term capital growth by investing primarily in a broadly diversified mix of global fixed income and equity securities.

Principal Investment Strategies

In order to achieve its objective, the fund may invest directly in securities or indirectly through the use of secondary fund(s). The fund may enter into repurchase transactions, reverse repurchase transactions or securities lending transactions.

The investment strategies of the fund are to invest in a mix of equity and fixed income securities. Currently, the target asset mix of the fund is 50% in equity securities and 50% in fixed income securities. The fund will be monitored and re-balanced from time to time at the discretion of the portfolio manager, consistent with the fund's investment objective and target asset mix. The fund may use derivative instruments.

Principal Risks

Business risk, credit risk, ETF risk, foreign currency risk, fund in fund risk, general derivatives risk, interest rate movement risk, large investor risk, market risk, repurchase and reverse repurchase transactions and securities lending risk, sovereign risk, special equities risk, trust investment risk, asset-backed and mortgage-backed securities risk, bank loans and loan participations risk, cash deposit risk, convertible securities risk, emerging countries risk, floating rate note risk, liquidity risk, series risk and yield fluctuations risk.

EMPIRE LIFE EMBLEM GLOBAL MODERATE GROWTH PORTFOLIO GIF

Investment Objective

The fundamental investment objective of the Empire Life Emblem Global Moderate Growth Portfolio GIF is to aim to provide long-term capital growth and earn income by investing primarily in a broadly diversified mix of global equity and fixed income securities.

Principal Investment Strategies

In order to achieve its objective, the fund may invest directly in securities or indirectly through the use of secondary fund(s). The fund may enter into repurchase transactions, reverse repurchase transactions or securities lending transactions.

The investment strategies of the fund are to invest in a mix of equity and fixed income securities. Currently, the target asset mix of the fund is 70% in equity securities and 30% in fixed income securities. The fund will be monitored and re-balanced from time to time at the discretion of the portfolio manager, consistent with the fund's investment objective and target asset mix. The fund may use derivative instruments.

Principal Risks

Business risk, credit risk, ETF risk, foreign currency risk, fund in fund risk, general derivatives risk, interest rate movement risk, large investor risk, market risk, repurchase and reverse repurchase transactions and securities lending risk, sovereign risk, special equities risk, trust investment risk, asset-backed and mortgage-backed securities risk, bank loans and loan participations risk, cash deposit risk, convertible securities risk, emerging countries risk, floating rate note risk, liquidity risk, series risk and yield fluctuations risk.

13.1 General

The description for EMPIRE LIFE MONTHLY INCOME GIF is updated by adding "market risk" and "tax risk" under the Principal Risks heading.

14. POTENTIAL RISKS OF INVESTING

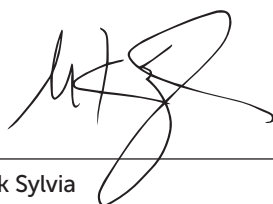
The following is added to the list of principal risk definitions:

Tax Risk

If a fund experiences a "loss restriction event" (i) the fund will be deemed to have a year-end for tax purposes, and (ii) the fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses, the expiry of capital losses, and restrictions on their ability to carry forward non-capital losses. Generally, a fund could be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the fund, as those terms are defined in the affiliated persons rules and loss restriction event rules contained in sections 251.1 and 251.2 of the Income Tax Act. Generally, a majority-interest beneficiary of a fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a beneficial interest in the income or capital of the fund that is greater than 50% of the beneficial fair market value of all interests in the income or capital, respectively, in the fund. Generally, a person is deemed not to become a majority-interest beneficiary, and a group of persons is deemed not to become a majority-interest group of beneficiaries of a fund, if the fund meets certain investment requirements and qualifies as an "investment fund" under the rules.

CERTIFICATION

This is to certify that this information folder ("**folder**") including the fund facts provides brief and plain disclosure of all material facts relating to the Class Plus 3.0 contract issued by Empire Life. The folder is incomplete unless the fund facts have been received with the folder. The folder is for information purposes only and is not an insurance contract.



Mark Sylvia

President and Chief Executive Officer



Edward Gibson

Senior Vice-President, Chief Financial Officer and
Chief Actuary

EMPIRE LIFE CLASS PLUS 3.0

CONTRACT PROVISIONS ENDORSEMENT FOR CONTRACTS ISSUED ON OR AFTER NOVEMBER 12, 2018

1.1 Definitions

The following definition is added:

“**no load option**” (“**NL option**”) means one of the purchase fee options available under the terms of the contract;

7.1 General Information

This section is deleted and replaced with the following:

7.1 General Information

Depending on the purchase fee option you have selected you may have to pay a sales charge at the time you make a deposit or pay a withdrawal fee at the time you make a withdrawal. We currently offer a NL option, a FE option, a DSC option, a LL option and a FFS option. Deposits can be made under the NL option, FE option and the DSC option within the same contract; deposits can also be made under the NL option and the LL option within the same contract. No other purchase fee option combinations are allowed.

7.2 Purchase Fee Options

Section “7.2.1 FE Option” is renumbered as follows:

7.2.2 FE Option

The following is added as the new section 7.2.1:

7.2.1 NL Option

If you select the NL option, the entire amount of your deposit is applied towards the purchase of fund class units and we pay a commission to your advisor. No withdrawal fees will apply should you wish to make a withdrawal of some or all of the market value of the fund class units at the credit of your contract; depending on when your deposit was made, your advisor may have to return a portion of their commission.

7.2.2 DSC and LL Options

Section “7.2.2 DSC and LL Options” is renumbered and renamed as follows:

7.2.3 DSC Option and LL Option

7.2.2 FFS Option

Section “7.2.2 FFS Option” is deleted and replaced with the following:

7.2.4 FFS Option

You can only select the FFS option if you have a fee-based account with an investment dealer who works with your advisor. The sales charges for the FFS option are negotiated between you, your advisor and/or your investment dealer. The dealer collects these charges directly from you and not from amounts deposited to your contract.

If you select the FFS option, the entire amount of your deposit is applied towards the purchase of fund class units.

We will not pay any commissions to your advisor or your investment dealer whenever a deposit is applied towards the purchase of fund class units. No withdrawal fees will apply should you make a withdrawal of some or all of the market value of the fund class units at the credit of your contract.

If we are notified that you no longer have a fee-based account, we reserve the right to transfer the fund class units purchased under the FFS option to the FE option, in accordance with our rules. This switch will not result in a taxable disposition and it will not affect the maturity and death benefit guarantees or the GWB guarantee.



Mark Sylvia

President and Chief Executive Officer

The Empire Life Insurance Company (Empire Life) is a proud Canadian company that has been in business since 1923. We offer individual and group life and health insurance, investment and retirement products, including mutual funds through our wholly-owned subsidiary Empire Life Investments Inc.

Empire Life is among the top 10 life insurance companies in Canada¹ and is rated A (Excellent) by A.M. Best Company². Our mission is to make it simple, fast and easy for Canadians to get the investment, insurance and group benefits coverage they need to build wealth, generate income, and achieve financial security.

Follow Empire Life on Twitter @EmpireLife or visit our website, www.empire.ca for more information.

¹ *Globe and Mail* Report on Business, June 2018, based on revenue

² As at June 7, 2018. For the latest rating, access www.ambest.com.

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