



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS AND PARTICIPATING POLICYHOLDERS

Notice is hereby given that the Annual and Special Meeting of the shareholders and participating policyholders of **The Empire Life Insurance Company (Company)** will be held on Thursday, April 28, 2022 at 4:00 p.m. (Eastern Time) in a virtual meeting format via live audio webcast at <https://web.lumiagm.com/480257059>.

The meeting is being held for the following purposes:

1. To receive and consider the consolidated financial statements of the Company for the year ended December 31, 2021 together with the report of the auditor thereon;
2. To elect shareholders' directors and policyholders' directors;
3. To reappoint PricewaterhouseCoopers LLP as auditor and to authorize the directors to fix the auditor's remuneration;
4. To consider and, if thought advisable, to confirm by special resolution, the resolutions of the Board of Directors passed February 23, 2022, amending sections 3.01 and 8.01 of the Company's amended and restated by-law to, among other things:
 - (a) set the minimum number of directors at ten (10) and the maximum number of directors at twelve (12);
 - (b) fix the number of shareholders' directors at six (6);
 - (c) set the minimum number of policyholders' directors at four (4) and the maximum number of policyholders' directors at six (6); and
5. To transact such further or other business as may properly come before the meeting (or any postponement or adjournment thereof).

DATED at Kingston this 8th day of March, 2022.

By Order of the Board of Directors

A handwritten signature in cursive script that reads "Heather Christie".

Heather L. Christie
Corporate Secretary

SHAREHOLDERS AND PARTICIPATING POLICYHOLDERS ARE STRONGLY ENCOURAGED TO VOTE BY PROXY IN ADVANCE OF THE MEETING IF THEY HAVE ANY CONCERNS REGARDING THE PROCEDURES TO BE FOLLOWED FOR A VIRTUAL ONLY MEETING.

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THE EMPIRE LIFE INSURANCE COMPANY
MANAGEMENT INFORMATION CIRCULAR

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THE EMPIRE LIFE INSURANCE COMPANY

MANAGEMENT INFORMATION CIRCULAR

PROXY SOLICITATION

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY MANAGEMENT OF THE EMPIRE LIFE INSURANCE COMPANY (EMPIRE LIFE OR THE COMPANY) FOR USE AT THE COMPANY'S ANNUAL AND SPECIAL MEETING (MEETING) OF THE SHAREHOLDERS AND PARTICIPATING POLICYHOLDERS TO BE CONDUCTED VIA LIVE AUDIO WEBCAST ON THURSDAY, APRIL 28, 2022, AT 4:00 P.M. EASTERN TIME.

The Notice of Annual and Special Meeting (Notice of Meeting), this Circular, the form of proxy and the 2021 Annual Report (meeting materials), are not available using notice-and-access.

The solicitation of proxies will be by mail, the expense of which will be borne by the Company. The Company does not mail meeting materials directly to either registered or non-registered shareholders or participating policyholders. TSX Trust Company (TSX Trust), the Company's transfer agent, mails meeting materials to registered shareholders and participating policyholders. Broadridge Investor Communications Solutions (Broadridge), the service company for most intermediaries (as described below), distributes meeting materials to all non-registered shareholders who have requested them.

Unless otherwise indicated, the date of the information in this Circular is March 8, 2022.

Why Empire Life is Holding a Virtual Only Meeting

In order to address the public health concerns related to ongoing COVID-19 developments, and to mitigate the health risks to our shareholders, participating policyholders, employees and other stakeholders, Empire Life has decided to hold a virtual-only meeting again this year, which will be conducted via live audio webcast.

How to Attend the Meeting as a Shareholder or Policyholder

On the day of the meeting:

1. Log in: <https://web.lumiagm.com/480257059>. The link will be accessible one hour before the meeting start time to allow you to test your connection.
2. Click "I have a control number"
3. Enter your control number (on the proxy form included with the meeting materials or, for duly appointed proxy holders, in the email received from TSX Trust)
4. Enter your password: "empirelife2022" (case sensitive)

Registered shareholders, participating policyholders, and duly appointed proxyholders (including non-registered shareholders who have duly appointed themselves as proxyholder) will be able to listen, submit questions and vote in the Meeting in real time through a webcast platform instead of attending the Meeting in person. For more information about how to vote during the meeting and ask questions, please see pages 5 to 7 for registered shareholders and pages 7 to 9 for participating policyholders. Questions should be of interest to all shareholders and policyholders, not personal in nature. If your question relates to a personal matter, we will contact you after the meeting to follow up on your question. If we cannot answer a question during the meeting because of timing or technical limitations, we will respond in writing as soon as practical after the meeting.

How to Attend the Meeting as a Guest

Anyone can attend the meeting as a guest:

1. Log in: <https://web.lumiagm.com/480257059>.
2. Click "I am a guest" and complete the required fields.

Guests (including non-registered shareholders who have not duly appointed themselves as proxyholder) can log in to listen to the Meeting but will not be able to submit questions or vote during the meeting.

It is your responsibility to ensure internet connectivity for the duration of the Meeting and you should allow ample time to log in to the Meeting before it begins.

The virtual meeting platform is supported across browsers and devices that are running the most updated version of the applicable software plugins. Please use the latest versions of Chrome, Safari, Edge or Firefox. Please do not use Internet Explorer. Internal network security protocols including firewalls and VPN connections may block access to the platform. If you are experiencing any difficulty connecting to the Meeting, ensure your VPN setting is disabled or use a computer on a network not restricted to security settings. If you are still experiencing technical difficulties connecting to the Meeting, please contact support-ca@lumiglobal.com.

VOTING SHARES

Only registered holders (or their proxyholders) of the common shares of the Company (Common Shares) of record at the close of business on March 8, 2022 will be entitled to vote at the Meeting.

There are issued and outstanding 985,076 Common Shares, each of which is entitled to one vote.

Principal holders of voting shares

To the knowledge of the Company's directors and executive officers, the only persons or companies who beneficially own, or control or direct, directly or indirectly, more than 10% of the Company's voting shares are E-L Financial Corporation Limited (E-L) and E-L Financial Services Limited (ELFS). E-L owns 100% of ELFS, which owns 968,607 or 98.3% of the Common Shares. Of the remaining 1.7% of the Company's Common Shares, 1.1% or 10,561 of the Common Shares are owned by E-L directly, for a total of 99.4% or 979,168 of the Common Shares.

Voting at the Meeting

If you are a registered shareholder who will attend and vote at the Meeting virtually, you do not need to complete or return the accompanying form of proxy. You will need your control number to be able to vote or ask questions at the Meeting. Your control number will be located on the form of proxy. Please refer to the "How to Attend the Meeting as a Shareholder or Policyholder" section above and follow the instructions to access the Meeting. Once logged into the Meeting, cast your vote during the designated time through the live webcast platform by following the instructions on screen.

Non-registered shareholders who wish to attend and vote at the Meeting (or have another person attend and vote on their behalf) must complete the form of proxy by writing the name of the person who will attend and vote in the blank space provided in the proxy. This is further described under the heading "Non-Registered Shareholders" below.

Voting by and deposit of proxies

Registered shareholders who do not plan to attend the Meeting and vote virtually may vote by using the form of proxy.

The form of proxy confers a discretionary authority upon the people named in it with respect to amendments or variations to matters identified in the Notice of Meeting and other matters that may properly come before the Meeting. **The people named in the enclosed form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the instructions of the shareholders appointing them on any ballot that may be called for. In the absence of these instructions, the Common Shares will be voted:**

- (1) to elect the people named in this Circular as proposed nominees for election as directors;**
- (2) to reappoint PricewaterhouseCoopers LLP (PwC) as the Company's auditor, and to authorize the directors to fix the auditor's remuneration; and**
- (3) to confirm the resolution of the Board of Directors attached as Schedule A to this Circular, amending the Company's amended and restated By-Law to, among other things:**

- (a) **set the minimum number of directors at ten (10) and the maximum number of directors at twelve (12);**
- (b) **fix the number of shareholders' directors at six (6);**
- (c) **set the minimum number of policyholders' directors at four (4) and the maximum number of policyholders' directors at six (6).**

Management is not aware of any amendments, variations, shareholder proposals or other matter to be presented for action at the Meeting other than those set out in the Notice of Meeting. However, if any amendment, variation, shareholder proposal, or other matter properly comes before the Meeting, the Common Shares represented by proxies in favour of the management nominees will be voted on those matters in accordance with the best judgment of the proxy nominee.

To be voted at the Meeting, a proxy must be received by TSX Trust by one of the following methods not later than two business days before the Meeting (or any postponement or adjournment of it):

- **Mail:** Mark, sign, date and return the proxy in the envelope provided or to Proxy Department, TSX Trust Company, P.O. Box 721, Agincourt, Ontario M1S 0A1, Canada
- **Telephone:** Vote by telephone at 1 888 489-5760 (toll-free in North America). You will need your control number printed on the proxy
- **Email:** Mark, sign, date, scan and email all pages of the proxy to proxyvote@tmx.com
- **Internet:** Go to www.tsxtrust.com/vote-proxy and follow the instructions on screen. You will need your control number printed on the proxy

A shareholder has the right to appoint any person (who need not be a shareholder) to attend and act for them and on their behalf at the Meeting. This right may be exercised by inserting the other person's name in the blank space provided in the proxy, submitting the proxy to TSX Trust and registering the proxyholder as described below.

Registered shareholders or their proxyholder must complete an additional step of registering the proxyholder by calling TSX Trust at 1 866 751-6315 (within North America) or 1 212 235-5754 (outside North America) or by completing a form online using the following link <https://www.tsxtrust.com/control-number-request> not later than two business days before the Meeting (or any postponement or adjournment of it). Failure to register the proxyholder will result in your proxyholder not receiving a control number that is required to submit questions and vote at the meeting.

SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE THEIR SHARES BY PROXY IN ADVANCE OF THE MEETING IF THEY HAVE ANY CONCERNS REGARDING THE PROCEDURES TO BE FOLLOWED FOR A VIRTUAL ONLY MEETING.

Non-registered shareholders

In many cases, the Common Shares beneficially owned by a holder (non-registered shareholder) is registered either:

- (a) in the name of an intermediary (Intermediary) that the non-registered shareholder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a depository (such as CDS Clearing and Depository Services Inc., or CDS).

Intermediaries are required to forward meeting materials to non-registered shareholders unless a non-registered shareholder has waived the right to receive them. Typically, Intermediaries will use a service company such as Broadridge to forward the meeting materials to non-registered shareholders.

Non-registered shareholders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit non-registered shareholders to direct the voting of the Common Shares they beneficially own. Non-registered shareholders should follow the procedures set out below, depending on the type of form they receive:

- (a) Voting Instruction Form. In most cases, a non-registered shareholder will receive, as part of the meeting materials, a voting instruction form. If the non-registered shareholder does not wish to attend and vote at the Meeting virtually (or have another person attend and vote on their behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. Voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through the Internet at www.proxyvotecanada.com. If a non-registered shareholder wishes to attend and vote at the Meeting virtually (or have another person attend and vote on their behalf), the non-registered shareholder must complete, sign and return the voting instruction form in accordance with the directions provided, and a form of proxy giving the right to attend and vote will be forwarded to the non-registered shareholder; or
- (b) Form of Proxy. Less frequently, a non-registered shareholder will receive, as part of the meeting materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the non-registered shareholder but which is otherwise uncompleted. If the non-registered shareholder does not wish to attend and vote at the Meeting virtually (or have another person attend and vote on their behalf), the non-registered shareholder must complete the form of proxy and deposit it with the Company at 259 King Street East, Kingston, Ontario, K7L 3A8. If a non-registered shareholder wishes to attend and vote at the Meeting virtually (or have another person attend and vote on their behalf), the non-registered shareholder must insert the non-registered shareholder's (or that other person's) name in the blank space provided in the proxy.

Non-registered shareholders should follow the instructions on the forms they receive and contact their Intermediaries promptly if they need assistance.

Non-registered shareholders who wish to attend and vote at the Meeting virtually (or have another person attend and vote on their behalf) must complete an additional step of registering themselves (or another person) as proxyholder by calling TSX Trust at 1 866 751-6315 (within North America) or 1 212 235-5754 (outside North America) not later than two business days before the Meeting (or any postponement or adjournment of it). Failure to register the proxyholder will result in your proxyholder not receiving a control number that is required to submit questions and vote at the meeting.

Revocation

A registered shareholder who has given a proxy may revoke the proxy by:

- (a) executing a proxy bearing a later date and depositing it with TSX Trust as described above; or
- (b) depositing an instrument in writing executed by the shareholder or by the shareholder's authorized attorney or, if the shareholder is a corporation, under its corporate seal or by its authorized officer or attorney, at the Company's registered office at any time up to and including the last business day before the day of the Meeting, or any postponement or adjournment of it, at which the proxy is to be used; or
- (c) in any other manner permitted by law.

A non-registered shareholder may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive meeting materials and to vote that is not received by the Intermediary at least seven days before the Meeting.

If a registered shareholder or non-registered shareholder has followed the instructions for attending and voting at the Meeting virtually, voting at the Meeting through the live webcast platform will revoke any previous instructions.

VOTING PARTICIPATING POLICIES

Every person who owns a participating policy of the Company on which no premiums are due (Participating Policy) is entitled to attend and to vote in person or by proxy at the Meeting.

Each participating policyholder has one vote at all annual meetings of the Company at which participating policyholders are entitled to attend and vote.

The number of eligible votes of participating policyholders as at March 8, 2022 is 124,407.

Voting at the Meeting

If you are a participating policyholder who will attend and vote virtually at the Meeting, you do not need to complete or return the accompanying form of proxy. You will need your control number to vote or ask questions at the Meeting. Your control number will be located on the form of proxy. Please refer to the “How to Attend the Meeting as a Shareholder or Policyholder” section above and follow the instructions to access the Meeting. Once logged into the Meeting, cast your vote during the designated time through the live webcast platform by following the instructions on screen.

Voting by and deposit of proxies

Participating policyholders who do not plan to attend the Meeting and vote virtually may vote by using the form of proxy.

The form of proxy confers a discretionary authority upon the people named in it with respect to amendments or variations to matters identified in the Notice of Meeting and other matters that may properly come before the Meeting. **The people named in the enclosed form of proxy will vote the Participating Policies in respect of which they are appointed in accordance with the instructions of the participating policyholders appointing them on any ballot that may be called for. In the absence of these instructions, the Participating Policies will be voted:**

- (1) to elect the people named in this Circular as proposed nominees for election as directors;**
- (2) to reappoint PricewaterhouseCoopers LLP (PwC) as the Company’s auditor, and to authorize the directors to fix the auditor’s remuneration; and**
- (3) to confirm the resolution of the Board of Directors attached as Schedule A to this Circular, amending the Company’s amended and restated By-Law to, among other things:**
 - (a) set the minimum number of directors at ten (10) and the maximum number of directors at twelve (12);**
 - (b) fix the number of shareholders’ directors at six (6);**
 - (c) set the minimum number of policyholders’ directors at four (4) and the maximum number of policyholders’ directors at six (6).**

Management is not aware of any amendments, variations, policyholder proposals or other matter to be presented for action at the Meeting other than those set out in the Notice of Meeting. However, if any amendment, variation, policyholder proposal, or other matter properly comes before the Meeting, the Participating Policies represented by proxies in favour of the management nominees will be voted on those matters in accordance with the best judgment of the proxy nominee.

To be voted at the Meeting, a proxy must be received by TSX Trust by one of the following methods not later than two business days before the Meeting (or any postponement or adjournment of it):

- **Mail:** Mark, sign, date and return in the envelope provided or to Proxy Department, TSX Trust Company, P.O. Box 721, Agincourt, Ontario M1S 0A1, Canada
- **Telephone:** Vote by telephone at 1 888 489-7352 (toll-free in North America). You will need your control number printed on the proxy
- **Email:** Mark, sign, date, scan and email all pages of the proxy to proxyvote@tmx.com
- **Internet:** Go to www.tsxtrust.com/vote-proxy and follow the instructions on screen. You will need your control number printed on the proxy

A participating policyholder has the right to appoint any person (who need not be a participating policyholder) to attend and to act for them and on their behalf at the Meeting. This right may be exercised by

inserting the other person's name in the blank space provided in the proxy, submitting the proxy to TSX Trust and registering the proxyholder as described below.

Participating policyholders or their proxyholder must complete an additional step of registering the proxyholder by calling TSX Trust at 1 866 751-6315 (within North America) or 1 212 235-5754 (outside North America) or by completing a form online using the following link <https://www.tsxtrust.com/control-number-request> not later than two business days before the Meeting (or any postponement or adjournment of it). Failure to register the proxyholder will result in your proxyholder not receiving a control number that is required to submit questions and vote at the meeting.

PARTICIPATING POLICYHOLDERS ARE STRONGLY ENCOURAGED TO VOTE BY PROXY IN ADVANCE OF THE MEETING IF THEY HAVE ANY CONCERNS REGARDING THE PROCEDURES TO BE FOLLOWED FOR A VIRTUAL ONLY MEETING.

Revocation

A participating policyholder who has given a proxy may revoke the proxy by:

- (a) executing a proxy bearing a later date and depositing it with TSX Trust as described above; or
- (b) depositing an instrument in writing executed by the participating policyholder or by the participating policyholder's authorized attorney or, if the participating policyholder is a corporation, under its corporate seal or by its authorized officer or attorney, at the Company's registered office at any time up to and including the last business day before the day of the Meeting, or any postponement or adjournment of it, at which the proxy is to be used; or
- (c) in any other manner permitted by law.

If a participating policyholder has followed the instructions for attending and voting at the Meeting virtually, voting at the Meeting through the live webcast platform will revoke any previous instructions.

MATTERS FOR CONSIDERATION OF SHAREHOLDERS AND PARTICIPATING POLICYHOLDERS

PROPOSED AMENDMENT TO BY-LAW

On February 23, 2022, the Board of Directors passed a resolution amending By-Law No. 32, being The Amended and Restated By-law of The Empire Life Insurance Company. The Company is proposing that Common Shareholders and Participating Policyholders entitled to vote at the Meeting confirm the by-law amendment by special resolution at the Meeting to amend the minimum and maximum number of directors, fixing the number of Shareholders' Directors in accordance with the *Insurance Companies Act (Canada)* (ICA).

The special resolution amending the Company's By-law is attached as Schedule A.

The special resolution must be passed by two-thirds of the votes cast, in person or by proxy at the Meeting, by the Common Shareholders and the Participating Policyholders, voting separately.

ELECTION OF DIRECTORS

Under the ICA, the term of office of all current directors expires at the end of the Meeting. In accordance with the Company's amended By-law, the Board of Directors has fixed the number of Shareholders' Directors and the number of Policyholders' Directors to be elected at the Meeting at six and four nominees respectively, to serve until the next annual meeting or until their successors are elected or appointed. Pursuant to the ICA and the Company's By-law, at least one-third of the Board must be elected as policyholders' directors and the balance elected as shareholders' directors such that, of the 10 nominees, six are nominated as shareholders' directors and four as policyholders' directors. All directors are subject to identical fiduciary duties.

Shareholders' directors will be elected by cumulative voting. As required under the ICA, where shareholders' directors are to be elected by cumulative voting, each shareholder entitled to vote at an election of shareholders' directors has the right to cast a number of votes equal to the number of votes attached to the Common Shares held by the shareholder, multiplied by the number of directors to be elected. The Shareholder may cast all such votes in

favour of one candidate or distribute them among the candidates in any manner. If a shareholder has voted for more than one candidate without specifying the distribution of the votes among the candidates, the shareholder is deemed to have distributed the votes equally among the candidates for whom the shareholder voted. If a shareholder wishes to distribute votes other than equally among the candidates for whom the shareholder has directed the proxyholder designated in their form of proxy or voting instruction form to vote, the shareholder must do so at the virtual Meeting or by another proper form of proxy which can be obtained from the Company's Corporate Secretary.

Unless the authority to do so is withheld, proxies in favour of management nominees will be voted for the election of the following proposed nominees as shareholders' directors or policyholders' directors, as the case may be. If any proposed nominee should for any reason be unable to serve as a director of the Company, the people named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their discretion, unless the shareholder or participating policyholder has specified in the proxy that the shares or Participating Policies are to be withheld from voting in the election of directors. The Company does not have an executive committee of its Board of Directors. None of the nominees hold Common Shares or Participating Policies.

Shareholders' Directors			
<u>Name, Province and Country of Residence</u>	<u>Position(s) / Title</u>	<u>Director Since⁽⁷⁾</u>	<u>Principal Occupation for Past Five Years</u>
Duncan N. R. Jackman ⁽⁶⁾ Toronto, Ontario, Canada	Director (Chair)	April 2, 1997	Chairman and President (February 2003 to present) and Chief Executive Officer (September 2004 to present) of E-L; Chairman (February 2001 to present) and President (February 2006 to present) of Economic Investment Trust Limited; and Chairman and President of United Corporations Limited (February 2001 to present).
John F. Brierley ⁽¹⁾⁽²⁾⁽⁶⁾ Alliston, Ontario, Canada	Director	April 30, 2014	Corporate Director (April 2014 to present).
Scott F. Ewert ⁽¹⁾⁽⁴⁾⁽⁶⁾ Burlington, Ontario, Canada	Director	May 2, 2019	Vice-President and Chief Financial Officer of E-L (January 2015 to present).
Edward M. Iacobucci ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾ Toronto, Ontario, Canada	Director	April 29, 2009	Professor & TSE Chair in Capital Markets at Faculty of Law, University of Toronto (January 2021 to present); Dean and James M. Tory Professor of Law at Faculty of Law, University of Toronto (January 2015 to December 2020).
Clive P. Rowe ⁽⁴⁾⁽⁶⁾ Delray Beach, Florida, USA	Director	April 5, 2000	Corporate Director (January 2020 to present); Partner at Oskie Capital (June 2010 to December 2019).
Patricia M. Volker ⁽¹⁾⁽³⁾⁽⁶⁾ Burlington, Ontario, Canada	Director	May 2, 2019	Corporate Director (2012 to present).

Policyholders' Directors

Name, Province and Country of Residence	Position(s) / Title	Director Since⁽⁷⁾	Principal Occupation for Past Five Years
Stephanie A. Bowman ⁽³⁾⁽⁵⁾⁽⁶⁾ Toronto, Ontario, Canada	Director	April 29, 2021	Corporate Director (June 2018 to present); Management Consultant (February 2017 to October 2021); Senior Vice-President at Scotiabank (August 2014 to Jan 2017).
Mark J. Fuller ⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾ Toronto, Ontario, Canada	Director	September 18, 2002	President and Chief Executive Officer of Ontario Pension Board (January 2009 to present); has held various other titles at the Ontario Pension Board since 1999.
Mark Sylvia Burlington, Ontario, Canada	Director, President and Chief Executive Officer	June 2, 2014	Director, President and Chief Executive Officer of Empire Life (June 2014 to present); Chair of the Board (June 2014 to present) and President and Chief Executive Officer (February 2015 to present) of Empire Life Investments Inc. (ELII).
Jacques Tremblay ⁽³⁾⁽⁵⁾⁽⁶⁾ Ajax, Ontario, Canada	Director (Vice-Chair)	April 30, 2014	Partner at Oliver Wyman (November 1994 to present).

- (1) Member of the Audit Committee. Four Audit Committee members are considered independent for the purposes of National Instrument 52-110 - Audit Committees, as amended from time to time (NI 52-110) and one is relying on an exemption from this independence requirement. All Audit Committee members are financially literate within the meaning of NI 52-110.
- (2) Member of the Conduct Review Committee.
- (3) Member of the Human Resources Committee.
- (4) Member of the Investment Committee.
- (5) Member of the IT Oversight Committee.
- (6) Member of the Risk and Capital Committee.
- (7) Each proposed nominee who is stated to have been a director since a specified year has served continuously from the year indicated.

Cease trade order or bankruptcies

To the knowledge of the Company, in the last 10 years, no director or executive officer of the Company has been a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person's ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets. Also, to the knowledge of the Company, in the last 10 years, no director or executive officer of the Company has 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 their assets.

To the knowledge of the Company, in the last 10 years, no director or executive officer of the Company is or has been a director or executive officer of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade order or similar order, or an order that denied the other issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued (i) while that person was acting in that capacity, or (ii) after that person was acting in that capacity and that resulted from an event that occurred while that person was acting in that capacity.

Penalties or sanctions

No director or executive officer of the Company has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

APPOINTMENT OF AUDITOR

Unless the authority to do so is withheld, proxies in favour of management nominees will be voted in favour of the reappointment of PwC as the Company's auditor and the authorization of the Board to fix their remuneration. A majority of votes cast is required to reappoint the auditor. The Company's management has been informed that no member of the firm has any direct or indirect financial or other interest in the Company.

CORPORATE GOVERNANCE DISCLOSURE

BOARD OF DIRECTORS

Empire Life's Board currently comprises 11 directors, eight of whom are considered "independent" under Canadian Securities laws, including NI 52-110. Pursuant to NI 52-110, an independent director is one who is free from any direct or indirect relationship that could, in the view of the Board, be reasonably expected to interfere with their independent judgment.

Mr. Sylvia is not considered to be independent under NI 52-110 as a result of his position as President and Chief Executive Officer of Empire Life; Mr. Jackman is not considered to be independent under NI 52-110 as a result of his position as President and Chief Executive Officer of E-L, the indirect majority shareholder of Empire Life; and Mr. Ewert is not considered to be independent under NI 52-110 as a result of his being the Chief Financial Officer of E-L.

Messrs. Brierley, Fuller, Hillier, Iacobucci, Rowe, Tremblay and Mss. Bowman and Volker are independent directors. If all of the proposed directors are elected at the Meeting, a majority of the Board will be independent.

In addition to their principal occupations, the proposed Company directors are also directors of other reporting issuers as shown in the table below.

DIRECTOR	REPORTING ISSUER
Duncan N.R. Jackman	Algoma Central Corporation Dream Unlimited Corp. First National Financial Corporation
Mark J. Fuller	Labrador Iron Ore Royalty Corporation
Clive P. Rowe	Algoma Central Corporation E-L
Patricia M. Volker	Denison Mines Corp. Labrador Iron Ore Royalty Corporation

The independent directors do not hold regularly scheduled meetings at which the non-independent directors and members of management are not in attendance. The Board, and each of its six committees, meets regularly without the presence of management, and this helps to create an atmosphere conducive to candid and open discussions among all directors. The Chair of the Board is not an independent director and the Board does not have a lead independent director. The Chair provides leadership to all directors, and the Board from time to time may engage external advisors to help assess the activities of management. The Board has established a Vice-Chair of the Board position and appointed independent director Jacques Tremblay as Vice-Chair. The Vice-Chair assists with the execution of the duties of the Chair of the Board and provides overall leadership to enhance the effectiveness of the Board. Individual directors may engage external advisors at the expense of the Company in appropriate circumstances.

The attendance for each director for the year ended December 31, 2021 is set out in the following table.

Name of Director	Board of Directors	Audit Committee	Conduct Review Committee	Human Resources Committee	Investment Committee	IT Oversight Committee ⁽¹⁾	Risk and Capital Committee	Total %
Stephanie A. Bowman ⁽²⁾	5/5	-	-	4/4	-	2/2	2/2	100
John F. Brierley	9/9	4/4	4/4	-	-	-	4/4	100
Scott F. Ewert	9/9	4/4	-	-	4/4	-	4/4	100
Mark J. Fuller	9/9	-	4/4	6/6	-	2/2	3/4	96
Harold W. Hillier	9/9	4/4	4/4	6/6	4/4	-	-	100
Edward M. Iacobucci	9/9	4/4	4/4	6/6	-	2/2	-	100
Duncan N. R. Jackman	9/9	-	-	-	-	-	4/4	100
Clive P. Rowe	9/9	-	-	-	4/4	-	4/4	100
Mark A. Sylvia	9/9	-	-	-	-	-	-	100
Jacques Tremblay	9/9	-	-	6/6	-	2/2	4/4	100
Patricia M. Volker	9/9	4/4	-	6/6	-	-	4/4	100
Total	95/95	20/20	16/16	34/34	12/12	8/8	29/30	99

(1) The IT Oversight Committee was established by the Board effective April 29, 2021.

(2) Stephanie Bowman became a member of the Board, Human Resources Committee, IT Oversight Committee and Risk and Capital Committee effective April 29, 2021.

BOARD MANDATE

The Board's mandate is to oversee the conduct of the Company's business, including monitoring its risk management. The Board has adopted a written mandate setting out its responsibility for strategic planning, risk management, financial management, succession planning, oversight functions, culture and ethics, policyholder rights, charitable donations, pension plan oversight and other responsibilities. The Board discharges these responsibilities directly and through delegation to various Board committees and management. The full text of the Board's mandate is attached as Schedule B.

The risks overseen by the Board of Directors include investment risk, market risk, equity risk, interest rate risk, foreign exchange rate risk, liquidity risk, credit risk (including counterparty risk), hedging risk, product risk, mortality risk, policyholder behavior risk, expense risk, morbidity risk, product design and pricing risk, underwriting and claims risk, reinsurance risk, operational risk, legal and regulatory compliance risk, model risk, human resources risk, third party risk, technology and information security risk, business continuity risk, reliance on key personnel, pension risk, risk with respect to risk management policies, business and strategic risk, risk with respect to financial strength, capital adequacy risk, risk with respect to competition, risk with respect to distribution channels, risk with respect to changes to applicable income tax legislation, risk to reputation, risk with respect to intellectual property, risk with respect to significant ownership of common shares, risk relating to securities of Empire Life, risk with respect to market value, risk with respect to regulatory constraints and risk relating to the COVID-19 pandemic. Primary responsibility for oversight of some of these risks is delegated to the six standing committees of the Board of Directors, whose roles and responsibilities are specifically defined. Those not delegated to a standing committee remain with the Board.

POSITION DESCRIPTIONS

The Board has developed a written position description for the Chair of the Board, Vice-Chair of the Board and the Chair of each Board Committee.

The Board and the President and Chief Executive Officer have developed a written mandate for the President and Chief Executive Officer.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has established six committees: the Audit Committee, the Conduct Review Committee, the Human Resources Committee, the Investment Committee, the IT Oversight Committee and the Risk and Capital Committee.

Audit Committee

NI 52-110 sets out requirements concerning the composition and responsibilities of an issuer's audit committee, and its reporting obligations with respect to audit-related matters. Empire Life's Audit Committee is currently composed of John F. Brierley, Scott F. Ewert, Harold W. Hillier, Edward M. Iacobucci, and Patricia M. Volker, each of whom is financially literate within the meaning of NI 52-110. Messrs. Brierley, Hillier, Iacobucci and Ms. Volker are considered independent within the meaning of NI 52-110. Mr. Ewert is exempt from the independence requirements of NI 52-110 under section 3.3(2) of NI 52-110 as, among other things, the Board has determined in its reasonable judgment that Mr. Ewert is able to exercise the impartial judgment necessary for him to fulfill his responsibilities as an Audit Committee member, and that his appointment is in the best interests of Empire Life and its shareholders given his financial expertise.

The Audit Committee has statutory responsibility under the ICA to oversee, on behalf of the Board of Directors, the Company's financial reporting, accounting and financial reporting systems, and internal controls. The Board has adopted a written mandate for the Audit Committee that sets out these responsibilities, as well as responsibility for: (i) reviewing the Company's financial statements and public disclosure documents containing financial information and reporting on this review to the Board of Directors, (ii) ensuring that adequate procedures are in place for the review of Company's public disclosure documents that contain financial information, (iii) overseeing the work of the external auditor, (iv) reviewing, evaluating and approving Empire Life's internal control procedures, and (v) overseeing work related to stress testing. The external auditor receives notice of and is entitled to attend all Audit Committee meetings. The Audit Committee's mandate and other information with respect to it is set out in the Company's February 24, 2022 Annual Information Form, which is available on SEDAR at www.sedar.com.

Mr. Hillier is not standing for re-election at the Meeting and will no longer be an Audit Committee member.

Conduct Review Committee

The Conduct Review Committee currently comprises John F. Brierley, Mark J. Fuller, Harold W. Hillier, and Edward M. Iacobucci. It is primarily responsible for overseeing procedures established to identify material related-party transactions pursuant to the ICA. It also monitors certain corporate policies, including procedures with respect to the Code of Business Conduct, conflicts of interest, Empire Life's personal trading policy, confidentiality of information, consumer complaints, privacy, regulatory compliance and outsourcing. Management reports at least annually to the Conduct Review Committee concerning these matters, and seeks direction from it concerning transactions involving directors, officers or related parties, or should any serious issues of non-compliance with any of these policies arise. Some matters, such as certain related party transactions, require approval of the Conduct Review Committee before management may proceed with them. The Conduct Review Committee reports at least annually to the Board of Directors concerning these matters.

The Conduct Review Committee is also responsible for providing to the Office of the Superintendent of Financial Institutions (OSFI) its annual report to the Board outlining the steps taken by the Conduct Review Committee in carrying out its responsibilities under the ICA. The external auditor receives notice of and is entitled to attend all Conduct Review Committee meetings.

Mr. Hillier is not standing for re-election at the Meeting and will no longer be a Conduct Review Committee member.

Human Resources Committee

The Human Resources Committee currently comprises Stephanie A. Bowman, Mark J. Fuller, Harold W. Hillier, Edward M. Iacobucci, Jacques Tremblay and Patricia M. Volker. It is responsible for reviewing and monitoring Empire Life's human resources practices, including employee and executive compensation, succession planning, diversity and inclusion programs, workforce planning, and pension and benefit plans. The Human Resources Committee also acts as the Board's nominating committee and its compensation committee, reviewing performance and compensation for the directors and executive officers. For more details on compensation, please see "Statement of Executive Compensation" below.

As part of its responsibilities, the Human Resources Committee reviews the criteria and process for assessing the performance of the Board and its committees, and these assessments are reviewed and discussed annually by the Board of Directors and each committee. The Human Resources Committee is also responsible for establishing and reviewing individual director self-assessments, which are conducted annually. These assessments address, among other things, individual director overall skills, knowledge and experience, and individual director financial literacy. The committee and individual director self-assessments provide an opportunity for directors to recommend changes to the composition of the Board of Directors and its committees and to the effectiveness of their operation annually.

The Human Resource Committee is also responsible for identifying individuals qualified to become members of the Board of Directors and committees of the Board, and for recommending that the Board of Directors select these people as nominees for election or appointment to the Board. In fulfilling these responsibilities, the committee considers a number of factors, including the character and size of the Board, the nature of Empire Life's business, the competencies, skills, strengths and development needs of current directors, the competencies, skills and level of commitment needed in any proposed nominee, applicable regulatory requirements, and other criteria established by the Board or the Human Resources Committee from time to time.

All members of the Human Resources Committee, including its Chair, are independent. The Board believes that its nomination and other processes are effective.

Mr. Hillier is not standing for re-election at the Meeting and will no longer be a Human Resources Committee member.

Investment Committee

The Investment Committee currently comprises Scott F. Ewert, Harold W. Hillier and Clive P. Rowe. The Investment Committee assists the Board in monitoring the Company's investment and lending policies, standards and procedures, and the political, socio-economic and social conditions affecting its investments, investment activities and portfolios. Some of the activities of the Investment Committee are prescribed by the Company's Investment Guidelines, which reflect the requirements of the ICA. The ICA requires the Board to establish, and the Company to adhere to, investment and lending policies, standards and procedures that a reasonable and prudent person would apply in respect of a portfolio of investments and loans, in order to avoid undue risk of loss and obtain a reasonable return.

Mr. Hillier is not standing for re-election at the Meeting and will no longer be an Investment Committee member.

IT Oversight Committee

The IT Oversight Committee currently comprises Stephanie A. Bowman, Mark J. Fuller, Edward M. Iacobucci and Jacques Tremblay. The IT Oversight Committee assists the Board with oversight of technology and information security related risks, as well as management efforts to mitigate those risks. As part of its responsibilities, the IT Oversight Committee assesses the effectiveness of the Company's IT strategy in supporting the Company's business objectives and strategic direction, including reviewing strategic information technology-related projects, initiatives and technology architecture.

Risk and Capital Committee

The Risk and Capital Committee currently comprises Stephanie A. Bowman, Scott F. Ewert, John F. Brierley, Mark J. Fuller, Duncan N.R. Jackman, Clive P. Rowe, Jacques Tremblay and Patricia M. Volker. It is responsible for overseeing Empire Life's risk and capital management activities. It assists the Board in its oversight role with respect to the management of the Company's enterprise risk management framework and risk appetite framework; the identification, review and assessment of the Company's primary risks; the review and assessment of the Company's risk management strategies; and the deployment and use of capital. It also oversees activities related to product development and business continuity.

ORIENTATION AND CONTINUING EDUCATION

Management provides new directors with a comprehensive package of information dealing with matters such as corporate governance, mandates of the Board of Directors and its committees, the Company's by-laws, Board

administration, directors' and officers' insurance, as well as material corporate policies and codes. Management and existing Board members contribute to the orientation of new directors.

The Board does not provide a pre-set program of continuing education for its directors. Directors maintain the skill and knowledge necessary to meet their obligations as directors by learning from one another and from a variety of outside advisors as new issues or opportunities arise. Ad hoc educational sessions are held periodically on topics of interest and importance to directors in fulfilling their oversight responsibilities.

ETHICAL BUSINESS CONDUCT

The Board of Directors has adopted a written code of business conduct that applies to all Company officers, directors and employees (Code of Business Conduct). Officers, directors and employees are required to read and acknowledge their understanding of the Code of Business Conduct on an annual basis. The Chief Compliance Officer reports at least annually to the Conduct Review Committee regarding the type, nature and outcome of any Code matters addressed during the year. The Code of Business Conduct provides a mechanism for confidential reporting of actual or suspected violations of the Code. A copy of the Code of Business Conduct may be obtained at www.sedar.com or the Company's website at www.empire.ca.

Empire Life also has terms of reference for its Board members, which set out the duties, skills and behaviours expected of each member. The terms of reference are intended to guide directors in fulfilling their responsibilities and to assist the Board Chair in assessing directors' contributions to Empire Life and the Board of Directors.

In addition, to further encourage and promote a culture of ethical business conduct, the Board's mandate requires that the Board be satisfied with the integrity of the Chief Executive Officer and other executive officers, and that these officers are creating a culture of integrity throughout Empire Life. The mandate also requires directors to promptly inform the Board Chair of any actual or potential conflict, and to refrain from voting on or participating in discussion of the related matter. The fact that a director has abstained from discussing and voting on a matter is noted in the minutes of the meeting.

NOMINATION OF DIRECTORS

In accordance with the ICA and the Company's By-law, at least one-third of the Empire Life Board is elected as policyholders' directors, and the balance is elected as shareholders' directors. Currently the Board has four policyholders' directors and seven shareholders' directors. For more detail on the nomination process for directors, please see "Human Resources Committee", above.

NO MAJORITY VOTING POLICY

Empire Life is exempt from the TSX requirement to have a majority voting policy as E-L will beneficially own, or control or direct, directly or indirectly, voting securities carrying 50% or more of the voting rights for the election of Empire Life's directors as of the Meeting's record date.

COMPENSATION

The Empire Life Board determines the compensation for its directors and executive officers. Its approach to doing so is set out in the "Statement of Executive Compensation" below.

The Human Resources Committee (which is composed entirely of independent directors) makes recommendations to the Board regarding compensation for Empire Life's executives. The Board determines the compensation of Mark Sylvia, the Company's Named Executive Officer who is also a member of the Board. Consistent with the approach required for all conflicts of interest, Mr. Sylvia does not participate in the Board's deliberations concerning his compensation. Further information is set out in the "Statement of Executive Compensation", below.

ASSESSMENTS

The Board has implemented an annual self-assessment process designed to identify Board, individual director, and committee strengths and development opportunities. The skills and needs of the Board are evaluated as part of this

assessment process. From time to time, the Board may engage external reviewers to assist with the assessment of Board and committee effectiveness. Please also see “Human Resources Committee”, above.

BOARD EFFECTIVENESS AND RENEWAL

Annually, the Board reviews Board and committee membership as part of its succession planning and to determine whether the Board and its committees have the appropriate mix of knowledge, skills and experience to effectively oversee the Company’s operations. While Empire Life has not adopted term limits for Board members, the Board has established a maximum age of 70 for election as a director to the Board.

The Board is of the view that it is important to have experienced directors who are familiar with the operations of the Company and its subsidiaries. While the Board welcomes fresh points of view, on balance it is felt that the Board and the Company are better served with the experience of long serving Board members. Adopting term limits would result in a loss of legacy knowledge of the business and operations of the Company and its subsidiaries.

Empire Life has not adopted a written policy relating to the identification and nomination of women directors. The Board’s view is that directors are identified and nominated from time to time, regardless of gender, in consideration of the Board’s skills and requirements.

Empire Life’s human resources goal, at the Board, executive level and throughout management, is to recruit the most qualified person for any position. Empire Life has not adopted a target regarding women on its Board or in executive positions. The Board considers the level of representation of women on the board, and in executive level positions, in identifying and nominating candidates for election to the Board, and when making executive officer appointments, as the case may be. The Board regularly reviews and assesses Board composition, as well as executive officer appointments. As of December 31, 2021, the number of women serving on the Board was 2 or 18% overall and 25% in the case of independent directors. If the proposed directors are elected at the Meeting, the number of women who will serve on the Board will be 2 or 20% overall and 29% for independent directors. Out of the 30 executives at Empire Life, 11 are women, or 37%.

Diversity and Inclusion

Empire Life is committed to developing, promoting and continuously evolving a diverse and inclusive organizational culture to be a preferred employer with successful and sustainable business practices. As part of this ongoing process, in 2021 the Board established a renewal and succession policy that considers and supports the Company’s corporate statement for diversity and inclusion (D&I) being:

Respect. Embrace. Inspire.

- *cultivate a culture of respect and equity,*
- *embrace and value our differences, stories, experiences, ideas,*
- *inspire each other and create an environment of learning.*

We are stronger together and together we all thrive.

Empire Life reinforced its ongoing commitment to diversity, equity and inclusion by progressively fostering such a culture. Key organizational achievements in 2020 and 2021 include:

- establishing a corporate D&I program and D&I Committee to build and sustain a diverse and inclusive workplace,
- engaging external partnerships with leading networks that support diversity and inclusion initiatives,
- providing unconscious bias training to all senior management with the same training offered to all employees,
- launching a new employee mentoring program to support inclusion efforts for new employees, especially important in a work from home environment,
- creating a dedicated role to help champion organizational D&I initiatives with two co-chairs helping lead the work of the D&I Committee,

- revising workforce policies with a D&I lens, including increasing parental leave benefits to better accommodate and retain employees, and
- establishing universal leadership objectives and competencies which, among other things, target the fostering of an inclusive work culture.

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The Empire Life Board determines the compensation of its directors and executive officers. Empire Life’s Named Executive Officers are as shown on the Summary Compensation Table.

The Board’s objective with regard to executive compensation is to provide a compensation package that will attract, retain and motivate qualified and experienced executives. The Board considers the compensation practices of other companies in the financial services sector so that executive compensation is competitive, both in terms of the individual components and in aggregate. Compensation surveys and management recommendations may be used by the Board as part of this process. The Company does not benchmark to any particular companies but uses as a resource compensation surveys of insurance and other financial services companies performed by human resource consulting companies. The Human Resources Committee assists the Board in overseeing human resources practices, including executive compensation and Board compensation.

All members of the Human Resources Committee have direct experience in their current or previous employment relevant to their Empire Life responsibilities for executive compensation and have direct experience dealing with senior executive compensation other than with the Company. These responsibilities are similar to those discharged at Empire Life, including reviewing performance and compensation for the chief executive officer and senior executives, reviewing and recommending to its Board any changes to pensions and benefits, and monitoring succession planning.

Executive Compensation Program

Executive compensation is comprised of base salary, short-term bonus, long-term bonus and pension benefits. The long-term bonus plan was introduced in 2016.

The average mix of total direct compensation by level, based on target pay is summarized below:

Role	Base Salary	Short-Term Incentive Plan	Long-Term Incentive Plan
President	46%	35%	19%
Senior Vice-President	59%	29%	12%

None of the Named Executive Officers receives director’s fees. A description of the Company’s approach to salary and bonus follows. The pensions of the Named Executive Officers are described under “Retirement Plans”, below.

Salaries

Executives’ base salaries are reviewed annually and are based on market salary information and the executive’s responsibility, experience and performance. The Human Resources Committee performs the salary review for the Chief Executive Officer and reviews other executives’ salaries based on the Chief Executive Officer’s recommendations. The Board determines the compensation for the executives based on the Human Resources Committee’s recommendations.

Short-Term Incentive Plan

The Short-Term Incentive Plan annually rewards individuals based on achievements of annual performance objectives.

For Empire Life executive officers, including the Named Executive Officers the short-term incentive plan is made up of two components: a discretionary bonus based on individual performance and a bonus based on

management's contribution to business objectives including growth, profitability and management of expenses. The discretionary bonus awards have a 25% weighting and are determined based on evaluation of individual contributions during the year. Performance is assessed against individual performance objectives for the year. The business objectives bonus has a 75% weighting and is based upon corporate results. The maximum overall Short-Term Incentive payout for exceptional results and individual performance is 160% of target for the executive team.

Long-Term Incentive Plan

The Long-Term Incentive Plan delivers a portion of competitive pay that is deferred to support employee retention and to align with shareholder interests. Long-term incentive awards are granted in cash and are paid before December 31 of the third year following the performance period for which it is declared.

For Named Executive Officers the plan design has a wide range of potential payout (0-200% of individual funding allocation but no greater than the maximum individual funding amount). Target funding levels are 20% of salary for Senior Vice-Presidents and 40% of salary for the President and Chief Executive Officer. Awards are granted based on competitive practice, position level and individual performance and potential. The performance measure is Operating Net Income as a percentage of Shareholder Equity for the calendar year. Maximum funding levels are 500% of target funding levels for Senior Vice-Presidents and 300% for the President.

Generally, to be eligible for payment of an award, eligible employees must be either (i) employed on the date the award is paid or (ii) not employed on the date the award is paid as a result of the employee's voluntary retirement from the Company, termination without cause or death.

Risk Management and Regulatory Compliance

Empire Life understands the importance of effective risk management and regulatory compliance, both generally and in the context of compensation policies. Risk management and regulatory compliance activities are integrated into management's decision-making processes and these activities are regularly reported to the Board or to committees of the Board. The Board does not have compensation practices that, for example, reward or incent excessive risk taking, or in which short-term results are much more heavily weighted than longer-term results.

Empire Life has risk management processes that are designed so that its operations are consistent with its business objectives and risk philosophy while maintaining an appropriate risk/reward balance, and has established a Board-approved enterprise risk management program. Senior management shares responsibility for the Company's risk management and is represented on various inter-functional risk management committees. The purpose of the risk management process is to identify and manage the financial risks and reputational risks to which the Company may be exposed, so that corporate performance is positively affected in the short and long terms.

As described above, the compensation programs have discretionary bonuses that are largely dependent on corporate performance and individual contributions to corporate performance. The compensation program does not reward risk-taking but is designed to achieve the appropriate balance of achievement of both shorter-term and longer-term goals, in accordance with the business plans approved by the Board. The Human Resources Committee has a high degree of involvement with the compensation programs and annual incentive awards for executives, and these awards are reviewed annually with the Board in the context of its oversight of senior management.

SUMMARY COMPENSATION TABLE

Name and Position	Year	Salary (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
			Annual	MTIP/LTIP			
Mark Sylvia President and Chief Executive Officer	2021	647,360	753,721	329,442	117,678		1,848,201
	2020	647,360	632,007	383,000	112,219		1,774,586
	2019	637,360	657,819	296,793	111,218		1,703,190
Rebecca Rycroft Senior Vice-President and Chief Financial Officer ⁽¹⁾	2021	82,500	55,696	25,000	11,481		174,677
Steve Pong Senior Vice-President, Retail	2021	402,692	295,012	124,000	121,303		943,007
	2020	392,692	243,862	154,000	48,228		838,782
	2019	362,825	238,667	104,000	464,576		1,170,068
Edward Gibson Senior Vice-President, Capital Management and Chief Actuary ⁽²⁾	2021	380,000	277,894	117,000	38,199		813,093
	2020	377,692	234,547	148,000	27,532		787,771
	2019	363,077	238,832	104,000	440,377		1,146,286
Michael Perry Senior Vice-President, Group Solutions	2021	325,385	235,123	101,000	48,976		710,484
	2020	307,692	183,385	121,000	30,100		642,177
	2019	267,577	124,320	57,000	76,970		525,867

- (1) Ms. Rycroft was appointed Senior Vice-President, Corporate Finance effective September 27, 2021, and was promoted to Senior Vice-President and Chief Financial Officer effective December 1, 2021.
- (2) Mr. Gibson served as Senior Vice-President, Chief Financial Officer and Chief Actuary until November 30, 2021 and was appointed Senior Vice-President, Capital Management and Chief Actuary effective December 1, 2021.

DEFINED BENEFIT PENSION TABLE⁽¹⁾

Name and Position	Years of credited service ⁽²⁾	Annual benefits payable (\$)		Accrued obligation at start of year ⁽⁵⁾ (\$)	Compensatory change ⁽⁶⁾ (\$)	Non- compensatory change ⁽⁷⁾ (\$)	Accrued obligation at year- end ⁽⁸⁾ (\$)
		at year end ⁽³⁾	at age 65 ⁽⁴⁾				
Mark Sylvia President and CEO	7.58	62,174	62,174	926,496	117,678	71,953	972,221
Rebecca Rycroft Senior Vice-President and Chief Financial Officer	0.33	433	25,975	0	11,481	1,757	9,724
Steve Pong Senior Vice-President, Retail	24.08	183,862	213,390	3,082,869	121,303	149,722	3,054,450
Edward Gibson, Senior Vice-President, Capital Management and Chief Actuary	33.67	245,234	286,390	4,346,310	38,199	194,882	4,186,627
Michael Perry Senior Vice-President, Group Solutions	5.08	7,901	23,831	144,158	48,976	7,865	185,269

- (1) The same assumptions used to prepare the Company's financial statements were used to prepare this table.
- (2) Years of service reflected in calculation of pension accrued as of the end of 2021.
- (3) The pension that the executive is entitled to receive, payable at age 65, based on credited service and pensionable earnings up to December 31, 2021.
- (4) The pension that the executive is projected to receive if they remain employed until age 65, but only based on pensionable earnings up to December 31, 2021 (no projection of pensionable earnings to retirement).
- (5) The liability that the Company has accrued in respect of the pension that the executive has accrued up to December 31, 2021, based on the assumptions used to determine the pension liabilities disclosed in the financial statements as of December 31, 2021.

- (6) The increase in accrued obligation that is attributable to the executive's compensation. The key elements are the cost of the additional benefits accrued in the current year, and the impact of changes in the level of the executive's projected earnings at retirement relative to prior year assumptions.
- (7) The increase in accrued obligation that is not related to the executive's compensation, such as changes in the interest rate used to determine the accrued obligation.
- (8) The Company's obligation in respect of the pension that the executive has accrued up to December 31, 2021, based on the assumptions used to determine the pension liabilities disclosed in the financial statements as of December 31, 2021.

DEFINED CONTRIBUTION TABLE

Name	Accumulated value at start of year (\$)	Compensatory (\$)	Accumulated value at end of year (\$)
Mark Sylvia	246,622	14,605	329,767
Rebecca Rycroft	0	5,331	10,662
Michael Perry	114,187	14,605	162,769

RETIREMENT PLANS

Empire Life maintains a registered pension plan (Plan) for Empire Life and E-L employees. The Plan has (i) a defined benefit component that covers employees hired before October 1, 2011 who did not elect to convert to the defined contribution component of the Plan on January 1, 2012, and (ii) a defined contribution component that covers employees hired on or after October 1, 2011, and all employees previously covered by the defined benefit component of the Plan who elected to convert to coverage under the defined contribution component of the Plan. The normal retirement date under the Plan is the first day of the month following attainment of age 65.

For the Named Executive Officers who are members of the defined benefit component of the Plan

Contribution rates for executives are 4% of pensionable earnings up to the yearly maximum pensionable earnings (YMPE) under the Canada Pension Plan, and 6% of pensionable earnings over the YMPE up to an annual maximum of 50% of the maximum contribution to a defined contribution pension plan under the *Income Tax Act (Canada)* (Tax Act).

The benefit for credited service:

1. Up to December 31, 2020: 1.58% of final average pensionable earnings up to the final average YMPE plus 2% of final average pensionable earnings in excess of the final average YMPE, multiplied by the number of years of credited service;
2. From January 1, 2021 to December 31, 2024: 1.46% of final average pensionable earnings up to the final average YMPE plus 2% of final average pensionable earnings in excess of the final average YMPE, multiplied by the number of years of credited service; and
3. From January 1, 2025 onwards: 1.35% of final average pensionable earnings up to the final average YMPE plus 1.35% of final average pensionable earnings between the final average YMPE and the final average year's additional maximum pensionable earnings (YAMPE) plus 2% of final average pensionable earnings in excess of the final average YAMPE, multiplied by the number of years of credited service.

Final average pensionable earnings are based on the average annual earnings while a member of the Plan, using the highest 36 consecutive months' earnings in the 10 years preceding the date of retirement or termination of employment. The final average YMPE is calculated as the average annual YMPE for the 36 months preceding the date of retirement or termination of employment. The final average YAMPE is calculated as the average annual YAMPE for the 36 months preceding the date of retirement or termination of employment. Benefits payable from the Plan are limited to the maximums permitted under the Tax Act.

The Plan has provisions for early retirement on or after attaining age 55. The benefit earned is reduced by a factor based on years of service and on the number of years and months by which the early retirement date precedes the normal retirement date.

For the Named Executive Officers who are members of the defined contribution component of the Plan

Required executive contributions are 4.5% of earnings. All members may choose to make voluntary contributions of up to 1.5% in increments of 0.5% (0.5%, 1.0% or 1.5%). Mandatory and voluntary contributions are matched by the Company. All contributions are invested according to individual employee investment instructions in the investment funds made available in the Plan. The annual contribution maximum (including employer contributions) is the maximum amount permitted by the Tax Act for a defined contribution plan in the Plan year.

Annual retirement income is determined based on the contributions made to the Plan, investment earnings and market rates at the time the executive begins to receive benefits. Benefits are not guaranteed.

Supplementary Pension Plan

Benefits earned in excess of the Canada Revenue Agency maximum under the defined benefit or defined contribution component of the Plan are provided through a supplementary pension plan (SPP). The actual amount of benefits payable under the SPP is determined at the employee's retirement date. The SPP does not require any additional employee contributions.

TERMINATION AND CHANGE OF CONTROL BENEFITS

There are employment agreements in place with each Named Executive Officer that provide for termination benefits. There are no change of control benefits in place. All such employment agreements are for an indeterminate term and include confidentiality covenants which apply indefinitely.

The non-solicitation covenant applies during employment and for a period of twelve months following termination for all Named Executives. All Named Executives have employment agreements that specify their entitlements in a termination without cause scenario. These entitlements, as outlined below, are conditional on the executive signing a full and final release and remaining bound by covenants in their employment agreement.

For all Named Executive Officers, the payment in case of termination without cause is equal to 60 weeks of average annual compensation for the first two years of completed service plus three weeks of average annual compensation for every year of completed service after the second completed year of service, to a maximum of 93 weeks of average annual compensation. Payment made in a lump sum will result in an enhanced payment value equal to 6% of the base salary portion of the average annual compensation pro-rated for the number of weeks determined above. The executive may elect to have their current base salary paid as a salary continuance, with the balance paid as a lump sum with continuation of benefits for the duration of the payments.

Additionally, for all Named Executive Officers, the executive is entitled to an amount in lieu of pro-rata bonus for the year in which the termination date occurs based on the average annual incentive compensation awarded for the preceding 36 months.

If the executive becomes re-employed or secures a consulting arrangement during a salary continuance period, severance payments will cease and a lump sum of 50% of the remaining severance payments will be paid to the executive and benefits will no longer be provided.

Average annual compensation includes an average of the base salary and annual incentive compensation for the preceding 36 months.

The following table summarizes the payments which would be owed to each Named Executive Officer in the event of a termination without cause, assuming a termination date of December 31, 2021:

Name	Termination without Cause Payout (\$)
Mark Sylvia	1,924,648
Rebecca Rycroft	444,705
Steve Pong	1,178,919
Edward Gibson	1,130,470
Michael Perry	664,712

DIRECTORS' COMPENSATION

Board members are compensated by way of annual retainer, an additional retainer for sitting as a chair of a Board committee, and meeting attendance fees. The Board does not have a compensation committee composed entirely of independent directors. The Board periodically reviews the compensation of directors, recognizing the need for competitive compensation, as well as the risk, workload and time involved in being a director. The 2021 director fees are set out below.

Board of Directors	
Annual retainer for directors	\$ 40,000
Annual retainer for Vice-Chair of the Board	\$ 50,000
Annual retainer for Chair of the Board	\$ 211,150
Board Committees	
Annual retainer for the Chair of the Audit Committee	\$ 12,750
Annual retainer for the Chair of the Human Resources Committee	\$ 12,750
Annual retainer for the Chair of the Conduct Review Committee	\$ 9,000
Annual retainer for the Chair of the Investment Committee	\$ 9,000
Annual retainer for the Chair of the Risk and Capital Committee	\$ 12,750
Meeting Attendance Fee (Board and each committee)	\$ 1,530

Directors' Compensation Table

Name	Fees earned (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Stephanie A. Bowman	54,480	0	0	54,480
John F. Brierley ⁽¹⁾	87,940	0	0	87,940
Scott F. Ewert ⁽¹⁾	75,190	0	0	75,190
Mark J. Fuller ⁽¹⁾	92,530	0	0	92,530
Harold W. Hillier ⁽¹⁾⁽²⁾	95,080	0	0	95,080
Edward M. Iacobucci ⁽¹⁾	90,310	0	0	90,310
Duncan N.R. Jackman ⁽³⁾	211,150	0	0	211,150
Clive P. Rowe ⁽¹⁾⁽²⁾	93,370	0	0	93,370
Mark Sylvia ⁽⁴⁾	0	0	0	0
Jacques Tremblay ⁽¹⁾	144,060	0	0	144,060
Patricia M. Volker ⁽¹⁾	76,720	0	0	76,720

- (1) Fees include an educational session on September 30, 2021.
(2) Fees include information meetings with management during 2021.
(3) The Chair of the Board does not receive meeting attendance fees.
(4) The President does not receive director's remuneration.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company, together with E-L, has purchased liability insurance in the amount of \$25 million for their protection, and for the protection of its directors and officers against liability incurred by them in their capacities as directors and officers. The deductible amount on the policy is \$1,000,000 and the Company's share of the total premium for the period from January 1, 2021 to December 31, 2021 is \$108,857.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

There is no indebtedness from any director, executive officer or employee of the Company or ELII other than routine indebtedness. Loans to employees that are fully secured against the employee's residence and do not exceed the borrower's annual salary are considered routine indebtedness.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found at www.sedar.com. This includes financial information for the year ended December 31, 2021 provided in the interim and annual financial statements and in Management's Discussion and Analysis for the year ended December 31, 2021. In addition to being available on SEDAR, copies of this information are available free of charge upon written request to the Corporate Secretary at the head office of the Company.

CERTIFICATE

The contents and sending of this Circular have been approved by the Company's Board of Directors.

DATED at Kingston, Ontario as of the 8th day of March, 2022.

A handwritten signature in black ink that reads "Heather Christie". The signature is written in a cursive, flowing style.

Heather L. Christie
Corporate Secretary

SCHEDULE A

SPECIAL RESOLUTION OF THE DIRECTORS CONFIRMATION OF BY-LAW AMENDMENT

BE IT RESOLVED THAT the amendments to sections 3.01 and 8.01 of By-Law No. 32, being The Amended and Restated By-law of The Empire Life Insurance Company, made by resolution of the Board of Directors on February 23, 2022, be and are hereby confirmed as follows:

“3.01 Number of Directors

The Board of Directors shall consist of a minimum of ~~ten (10)~~ eight (8) Directors and a maximum of twelve (12) Directors; ~~provided that the number of Shareholders' Directors shall be set at six (6). The minimum number of Shareholders' Directors shall be five (5) and the maximum shall be seven (7).~~ The minimum number of Policyholders' Directors shall be ~~four (4)~~ three (3) and the maximum shall be ~~six (6)~~ five (5). The number of Shareholders' Directors and the number of Policyholders' Directors must each be at least one-third of the total number of Directors. The number of Directors to be elected at any Annual Meeting of the ~~shareholders and~~ policyholders shall be such number as is fixed by the Board of Directors prior to the Annual Meeting. The Directors shall designate every member of the Board of Directors as being either a Shareholders' Director or a Policyholders' Director.”

“8.01 Effective Date

By-law No. 32, other than Section ~~3.01~~ 3-04, shall take effect immediately. Section ~~3.01~~ 3-04 of this By-law No. 32 shall take effect on ~~April 28, 2022~~ May 2, 2019, provided that this By-law No. 32 is approved by special resolution at a meeting of shareholders and policyholders of the Company on such date, or on such other date as it is so approved.”

SCHEDULE B

MANDATE OF THE BOARD OF DIRECTORS

The purpose of this mandate of the board of directors (the Board) is to provide guidance to Board members as to their responsibilities. The power and authority of the Board is subject to the provisions of applicable law.

PURPOSE OF THE BOARD

The Board is responsible for the stewardship of the Company. This requires the Board to oversee the conduct of the business and affairs of the Company. The Board discharges some of its responsibilities directly and discharges others through delegation to management or to a Board committee. Any responsibility that has not been delegated to senior management or to a Board committee remains with the full Board.

MEMBERSHIP

The Board consists of directors elected by the shareholders and participating policyholders of the Company as provided for in the Company's constituting documents and in accordance with applicable law. From time to time, the Board reviews its size and membership to be satisfied that it facilitates effective oversight and decision-making by the Board in the fulfillment of its responsibilities.

ETHICS

Board members act in accordance with applicable law and the Company's letters patent, by-laws and corporate governance resolutions. Board members carry out their responsibilities objectively, honestly and in good faith with a view to the best interests of the Company. If an actual or potential conflict of interest arises with respect to a director, they will promptly inform the Board Chair or Vice-Chair of the Board and will refrain from voting or participating in discussion of the matter in respect of which they have an actual or potential conflict of interest.

MEETINGS

The Board meets in accordance with a schedule established each year by the Board, and at other times as the Board may determine. Quorum for the transaction of business at any Board meeting is the lesser of seven directors or a majority of the number of directors fixed at that time as the full membership of the Board. Meeting agendas are developed in consultation with the Chair or, in the Chair's absence or as requested by the Chair, the Vice-Chair, and Board members may propose agenda items through communication with the Chair or Vice-Chair accordingly. Members of management and others may attend meetings as directed by the Board at its discretion.

RESPONSIBILITIES OF THE BOARD

The Board:

Strategic Planning

1. oversees the Company's strategic planning process, including by:
 - a. requiring management to implement a strategic planning process, which establishes goals, objectives and strategies for the Company, taking into account the opportunities and risks of the business,
 - b. at least annually reviewing and approving the strategic plan prepared by management,
 - c. reviewing and approving the Company's financial objectives, plans and budgets, including capital allocations and expenditures outside the ordinary course of business, and
 - d. monitoring corporate performance against the strategic plans, including operating and capital budgets,

2. oversees significant changes to operations and strategy that may materially impact the financial status of the Company, and
3. approves acquisitions and divestitures of business operations and similar strategic investments;

Risk Management

4. monitors the principal risks of the Company's businesses and oversees appropriate risk management, including by at least annually reviewing and approving the Company's enterprise risk management framework, operational risk management framework and risk appetite framework, and
5. receives the annual Own Risk and Solvency Assessment Report and reviews the reasonableness and appropriateness of the results in the context of the Company's risk appetite, risk limits and strategic plan;

Financial Management

6. monitors the integrity of the Company's accounting and financial reporting systems, disclosure controls and procedures, internal controls and management information systems, and
7. reviews and approves the compensation of the external auditor as recommended by the Audit Committee;

Succession Planning

8. oversees and approves succession planning with respect to the Board, Chief Executive Officer, and senior executives and officers, including the oversight functions (the Chief Financial Officer, Appointed Actuary, Chief Actuary, Chief Auditor, Chief Risk Officer and Chief Compliance Officer), and approves the appointment, reassignment, replacement or dismissal of the Appointed Actuary;

Oversight Functions

9. appoints, monitors the performance of, and approves the compensation of the Chief Executive Officer, senior executives and officers, including the oversight functions,
10. on an ongoing basis, refines and discloses the Company's principles and approach to corporate governance, including through the assessment of the effectiveness of the Board, Board committees and individual directors, the nomination for election and orientation of new directors, and the continuing education of all directors, and
11. periodically conducts a review of the mandates, authority, independence and resources of the oversight functions;

Culture and Ethics

12. satisfies itself with respect to the integrity of the Chief Executive Officer and other senior executives and officers, and that they are creating a culture of integrity throughout the Company, and
13. requires management to establish material corporate policies and codes, including but not limited to the Company Code of Business Conduct and policies and procedures required by regulators;

Policyholder Rights

14. establishes the Company's policy for determining dividends to be paid to participating policyholders, and approving dividends to be paid to shareholders and participating policyholders, and
15. establishes the Company's policy for overseeing and managing changes to policies with adjustable features sold by the Company;

Charitable Donations

16. reviews and approves the Company's charitable donation/community investment budget;

Pension Plan Oversight

17. oversees the Company's activities in respect of the Company's registered pension plan and pension fund, and the Company's supplemental pension plan, including by approving substantive changes to the plans and plan funding policies; and

Other Responsibilities

18. reviews and approves changes to Company policies and frameworks relating to contracting, adjustable policies, participating accounts, participating policy dividends, risk management and risk appetite, and trading blackouts.

BOARD'S RELATIONSHIP WITH MANAGEMENT

The Board operates independently of management and has delegated responsibility for the day-to-day management and operation of the Company's business to management. The Board is responsible for supervising management in carrying out this responsibility.

The Board recognizes the importance of having procedures in place to facilitate the effective and independent operation of the Board. The Board therefore requires timely and accurate reporting from management and has complete access to the Company's management for the purpose of carrying out its duties. At their sole discretion, the Board and its Committees shall meet independently of management to discuss important matters and to facilitate open discussion and dialogue between Board and Committee members.

BOARD COMMITTEES

Subject to limits on delegation contained in the by-laws, the *Insurance Companies Act* and in corporate laws applicable to the Company, the Board has the authority to establish and carry out its duties through committees and to appoint directors to be members of these committees. The Board assesses the matters to be delegated to committees of the Board and the constitution of such committees annually or more frequently, as circumstances require. The Board has established the following standing committees of the Board:

- Audit Committee
- Conduct Review Committee
- Investment Committee
- IT Oversight Committee
- Human Resources Committee
- Risk and Capital Committee

The responsibilities delegated by the Board to each committee are set out in their respective mandates. From time to time the Board may create ad hoc committees to examine specific issues on behalf of the Board.

BOARD GOVERNANCE

The Board is responsible for establishing a process for periodic review of Board and committee effectiveness. The Board has implemented an annual self-assessment process designed to identify Board and committee strengths and development opportunities. From time to time, the Board may engage external reviewers to assist with the assessment of Board and committee effectiveness.

The Board reviews Board and committee membership annually as part of its succession planning and to determine whether the Board and its committees have the appropriate mix of knowledge, skills and experience to effectively oversee the operations of the Company.