



**NOTICE OF ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS AND PARTICIPATING POLICYHOLDERS**

You are invited to attend our annual and special meeting at the Sheraton Centre Toronto Hotel, 123 Queen Street West, 2nd Floor, Toronto, Ontario, on Thursday, April 28, 2016 at 3:00 p.m. for these purposes:

1. to receive and consider the financial statements for the year ended December 31, 2015 and the auditors' report on those financial statements;
2. to consider and, if thought advisable, to confirm by special resolution, a resolution of the board of directors amending sections 3.01 and 8.01 of the Company's amended and restated by-law to fix the number of directors at 10, being six shareholders' directors and four policyholders' directors;
3. to elect policyholders' directors and shareholders' directors;
4. to reappoint PricewaterhouseCoopers LLP as auditors and to authorize the directors to fix their remuneration; and
5. to transact other business as may properly come before the meeting.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "N. Ochrym", written in a cursive style.

Natalie A. Ochrym
General Counsel and Senior Vice-President, Human Resources
and Communications
March 14, 2016

If you are unable to attend the meeting in person, please complete, date and sign the enclosed form of proxy and return it to the stock transfer agent for the Company, CST Trust Company, in the envelope provided for that purpose or submit it electronically. To be valid, the proxy must be deposited with CST Trust Company at least 48 hours before the 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 (US, WE, EMPIRE, EMPIRE LIFE OR THE COMPANY) FOR USE AT THE COMPANY'S ANNUAL AND SPECIAL MEETING (MEETING) OF THE SHAREHOLDERS AND PARTICIPATING POLICYHOLDERS TO BE HELD AT THE SHERATON CENTRE TORONTO HOTEL, 123 QUEEN STREET WEST, 2nd FLOOR, TORONTO, ONTARIO, ON THURSDAY, APRIL 28, 2016, AT 3:00 P.M. TORONTO TIME.

The Notice of Annual and Special Meeting (**Notice of Meeting**), this Circular, the form of proxy and the 2015 Annual Report (**meeting materials**), are not available using notice-and-access.

We will solicit proxies by mail, and will bear the expense of this solicitation. We do not mail meeting materials directly to either registered or non-registered shareholders or participating policyholders. CST Trust Company (**CST**), 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 14, 2016.

VOTING SHARES

Only registered holders (or their proxy holders) of the common shares of the Company (**Common Shares**) of record at the close of business on March 14, 2016 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 person or company who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company's voting shares is E-L Financial Services Limited (a wholly-owned subsidiary of E-L Financial Limited Corporation, or **E-L**), which owns 968,607 or 98.3% of the Common Shares.

Voting in person

If you are a registered shareholder who will attend and vote in person at the Meeting, you do not need to complete or return the accompanying form of proxy. Please register your attendance with the scrutineer, CST, upon arrival at the Meeting.

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

Shareholders who do not plan to attend the Meeting and vote in person 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 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 fix the number of directors at 10, being six shareholders' directors and four policyholders' directors; and**
- (3) to reappoint PricewaterhouseCoopers LLP (PwC) as the Company's auditors, and to authorize the directors to fix their remuneration.**

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.

A shareholder has the right to appoint any person (who need not be a shareholder) to attend and act for him and on his behalf at the Meeting. This right may be exercised by inserting the other person's name in the blank space provided in the proxy.

To be voted at the Meeting, a proxy must be received by (i) the Company's Corporate Secretary at or before the beginning of the Meeting (or any postponement or adjournment of it) or (ii) CST, Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, not later than two business days before the Meeting (or any postponement or adjournment of it).

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 in person (or have another person attend and vote on his 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 in person (or have another person attend and vote on his 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 in person (or have another person attend and vote on his 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 in person (or have another person attend and vote on his 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.

Revocation

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

- (a) completing and signing a proxy bearing a later date and depositing it with CST or the Company 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: (i) 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 (ii) with the Chairman before the beginning of the Meeting on the day of the Meeting or any adjournment of it; 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.

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 votes of Participating Policyholders as at March 14, 2016 is 71,331.

Voting in person

If you are a Participating Policyholder who will attend and vote in person at the Meeting, you do not need to complete or return the accompanying form of proxy. Please register your attendance with the scrutineer, CST, upon arrival at the Meeting.

Voting by and deposit of proxies

Participating Policyholders who do not plan to attend the Meeting and vote in person 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 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 fix the number of directors at 10, being six shareholders' directors and four policyholders' directors; and
- (3) to reappoint PwC as the Company's auditors, and to authorize the directors to fix their remuneration.

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.

A Participating Policyholder has the right to appoint any person (who need not be a Participating Policyholder) to attend and to act for him and on his behalf at the Meeting. This right may be exercised by inserting the other person's name in the blank space provided in the proxy.

To be voted at the Meeting, a proxy must be received by (i) the Company's Corporate Secretary at or before the beginning of the Meeting (or any postponement or adjournment of it) or (ii) CST, Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, not later than two business days before the Meeting (or any postponement or adjournment of it).

Revocation

A Participating Policyholder who has given a proxy may revoke the proxy by:

- (a) completing and signing a proxy bearing a later date and depositing it with CST or the Company 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: (i) 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 (ii) with the Chairman before the beginning of the Meeting on the day of the Meeting or any adjournment of it; or
- (c) in any other manner permitted by law.

MATTERS FOR CONSIDERATION OF SHAREHOLDERS AND PARTICIPATING POLICYHOLDERS

ELECTION OF DIRECTORS

Under the *Insurance Companies Act (Canada) (ICA)*, the term of office of all current directors expires at the end of the Meeting. A board of directors (**Board of Directors** or **Board**) of 10 directors is to be elected at the Meeting 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 and will be elected by cumulative voting, so that no shareholder will vote for more than the number of shareholders' directors to be elected and no Participating Policyholder will vote for more than the number of policyholders' directors to be elected.

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 holds Common Shares or Participating Policies.

Name, Province and Country of Residence	Shareholders' Directors		
	Position(s) / Title	Director Since⁽⁶⁾	Principal Occupation For Past Five Years
Duncan N. R. Jackman ⁽²⁾⁽³⁾⁽⁵⁾ Toronto, Ontario, Canada	Director (Chairman)	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⁾⁽⁵⁾ Oakville, Ontario, Canada	Director	April 30, 2014	Corporate Director (April 2014 to present); consultant (product development and actuarial evidence) (November 2009 to June 2011).
Edward M. Iacobucci ⁽¹⁾⁽⁴⁾ Toronto, Ontario, Canada	Director	April 29, 2009	Dean and James M. Tory Professor of Law at Faculty of Law, University of Toronto (January 1, 2015 to present); has held various other titles at the Faculty of Law, University of Toronto, since 1998.
Clive P. Rowe ⁽²⁾⁽⁵⁾ Orient, New York, USA	Director	April 5, 2000	Partner at Oskie Capital (June 2010 to present); partner at SLS Capital (July 1999 to February 2010).

Shareholders' Directors

Name, Province and Country of Residence	Position(s) / Title	Director Since⁽⁶⁾	Principal Occupation For Past Five Years
Stephen J.R. Smith ⁽²⁾⁽³⁾ Toronto, Ontario, Canada	Director	April 29, 2008	Chairman, Co-Founder, President and Chief Executive Officer of First National Financial LP (March 1988 to present); Chairman of Canada Guaranty Mortgage Insurance Company (April 2010 to present).
Mark M. Taylor ⁽¹⁾⁽²⁾ Mississauga, Ontario, Canada	Director	April 2, 2003	Treasurer, Dominion and Anglo Investment Corporation (April 2015 to present); Corporate Director, E-L (May 2003 to present); Executive Vice-President and Chief Financial Officer of E-L (September 2004 to March 2015).

Policyholders' Directors

Name, Province and Country of Residence	Position(s) / Title	Director Since⁽⁶⁾	Principal Occupation For Past Five Years
Mark Sylvia ⁽⁵⁾ Burlington, Ontario, Canada	Director, President and Chief Executive Officer	June 2, 2014	Director, President and Chief Executive Officer of Empire (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); President of Clarity Underwriting Managers Inc. (August 2010 to June 2014).
Mark J. Fuller ⁽²⁾⁽³⁾⁽⁴⁾ 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.
Harold W. Hillier ⁽²⁾⁽⁴⁾ Newmarket, Ontario, Canada	Director	April 25, 2012	Corporate Director (May 2011 to present); Chairman of Hillier Artworks Canada Inc. (July 2009 to present); Chairman of Shiawela Capital Inc. (February 2001 to present).
Jacques Tremblay ⁽³⁾⁽⁵⁾ Ajax, Ontario, Canada	Director	April 30, 2014	Partner at Oliver Wyman (November 1994 to present).

(1) Member of the Audit Committee. Two 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) Current members of the Investment Committee. Mr. Jackman will be standing down from the Investment Committee at the Board meeting immediately following the Meeting.

(3) Member of the Human Resources Committee.

(4) Member of the Conduct Review Committee.

(5) Member of the Risk and Capital Committee.

(6) 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 his 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 his 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 AUDITORS

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 auditors and the authorization of the Board to fix their remuneration. A majority of votes cast is required to reappoint the auditors. 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. PwC was appointed the Company's auditors on April 27, 2011.

CORPORATE GOVERNANCE DISCLOSURE

BOARD OF DIRECTORS

Empire's Board currently comprises 13 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 his 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; 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; Mr. Rooney is not considered to be independent under NI 52-110 as a result of his employer, Burgundy Asset Management Ltd., providing investment management services to E-L for a fee; Mr. Taylor is not considered to be independent under NI 52-110 as a result of his being the Chief Financial Officer of E-L within the past three years; and Mr. Tremblay is not considered to be independent under NI 52-110 as a result of his position as a partner with the actuarial consulting practice of Oliver Wyman, which has a business relationship with Empire. Mr. Rooney is not standing for re-election at the Meeting.

Messrs Brierley, Fuller, Hillier, Iacobucci, Rowe, and Smith 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 E-L Dream Global Real Estate Investment Trust Dream Office Real Estate Investment Trust First National Financial Corporation Labrador Iron Ore Royalty Corporation Economic Investment Trust Limited United Corporations Limited
Mark Fuller	Labrador Iron Ore Royalty Corporation
Harold Hillier	Guardian Capital Group Limited
Clive P. Rowe	Algoma Central Corporation E-L
Stephen J.R. Smith (Director and President)	First National Financial Corporation First National Financial LP
Mark Taylor	Economic Investment Trust Limited E-L United Corporations Limited

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 five 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 Chairman of the Board is not an independent director and the Board does not have a lead independent director. The Chairman provides leadership to all directors, and the Board from time to time may engage external advisors to help assess the activities of management. 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, 2015 is set out in the following table.

Director	Board meetings attended	Audit Committee meetings attended	Conduct Review Committee meetings attended	Human Resources Committee meetings attended	Investment Committee meetings attended	Risk and Capital Committee meetings attended
Andrew S. Birrell ^{*(5)}	9 of 9	N/A	N/A	N/A	N/A	4 of 4
John F. Brierley ⁽¹⁾⁽⁵⁾	9 of 9	4 of 4	N/A	N/A	N/A	4 of 4
Mark J. Fuller ⁽²⁾⁽³⁾⁽⁴⁾	9 of 9	N/A	1 of 1	3 of 3	4 of 4	N/A
Harold W. Hillier ⁽²⁾⁽⁴⁾	9 of 9	N/A	1 of 1	N/A	4 of 4	N/A
Edward M. Iacobucci ⁽¹⁾⁽²⁾	9 of 9	4 of 4	1 of 1	N/A	N/A	N/A
Duncan N. R. Jackman ^{†(1)(2)(3)(4)(5)}	9 of 9	2 of 2	1 of 1	3 of 3	4 of 4	4 of 4
Richard E. Rooney ⁽³⁾⁽⁴⁾	6 of 9	N/A	N/A	2 of 3	3 of 4	N/A
Clive P. Rowe ^{‡(4)(5)}	8 of 9	N/A	N/A	N/A	4 of 4	3 of 3
Stephen J.R. Smith ⁽³⁾⁽⁴⁾	8 of 9	N/A	N/A	3 of 3	3 of 4	N/A
Mark Sylvia ⁽⁵⁾	9 of 9	N/A	N/A	N/A	N/A	4 of 4
Mark M. Taylor ^{§(1)(4)}	9 of 9	2 of 2	N/A	N/A	4 of 4	N/A
Douglas C. Townsend ⁽¹⁾⁽³⁾⁽⁵⁾	7 of 9	4 of 4	N/A	3 of 3	N/A	4 of 4
Jacques Tremblay ^{** (3)(5)}	9 of 9	2 of 2	N/A	3 of 3	N/A	4 of 4
Jonathan J. Yates ⁽⁵⁾	8 of 9	N/A	N/A	N/A	N/A	4 of 4

Summary of Board and Committee Meetings Held

Board.....	9
⁽¹⁾ Audit Committee.....	4
⁽²⁾ Conduct Review Committee.....	1
⁽³⁾ Human Resources Committee.....	3
⁽⁴⁾ Investment Committee.....	4
⁽⁵⁾ Risk and Capital Committee (formerly Ad Hoc Capital Committee).....	4
Total Number of meetings held.....	25

* Andrew s. Birrell resigned from the Board effective December 17, 2015.

† Duncan N. R. Jackman ceased being a member of the Audit Committee and Conduct Review Committee effective April 29, 2015.

‡ Clive Rowe became a member of the Risk and Capital Committee effective February 27, 2015.

§ Mark M. Taylor became a member of the Audit Committee effective June 25, 2015.

** Jacques Tremblay ceased being a member of the Audit Committee effective June 25, 2015.

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 market risk (including equity risk, interest rate risk and foreign exchange rate risk), liquidity risk, credit risk (including counterparty risk), hedging risk, insurance risk (including product design and pricing risk, underwriting and claims risk, and reinsurance risk), business risk (including risk with respect to competition, risk with respect to financial strength, capital adequacy risk, risk with respect to distribution channels, risk with respect to changes to applicable income tax legislation, risk to reputation, and risk with respect to intellectual property), operational risk (including legal and regulatory risk, model risk, ability to attract employees, third party risk, technology, information security and business continuity risk, reliance on key personnel, and pension risk), and risks with respect to Empire Life securities. Primary responsibility for oversight of some of these risks is delegated to the five 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 Chairman of the Board and the Chair of each Board Committee.

COMMITTEES OF THE BOARD OF DIRECTORS

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

Investment Committee

The Investment Committee currently comprises Duncan N.R. Jackman, Clive P. Rowe, Stephen J.R. Smith, Mark M. Taylor, Mark J. Fuller, Harold W. Hillier and Richard E. Rooney. 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. Rooney is not standing for re-election at the Meeting, and will no longer be an Investment Committee member.

Conduct Review Committee

The Conduct Review Committee comprises Harold W. Hillier, Mark J. Fuller and Edward 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 Ethics, conflicts of interest, Empire Life's personal trading policy, confidentiality of information, consumer complaints, 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 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.

Risk and Capital Committee

The Risk and Capital Committee currently comprises Mark Sylvia, Douglas C. Townsend, Jacques Tremblay, Clive P. Rowe, John F. Brierley, Jonathan J. Yates, and Duncan N.R. Jackman. It is responsible for overseeing Empire's risk and capital management activities. It also monitors capital use and risk identification and assessment in accordance with the Company's approved risk management policies and risk appetite framework. Messrs Townsend and Yates are not standing for re-election at the Meeting, and will no longer be Risk and Capital Committee members.

Human Resources Committee

The Human Resources Committee currently comprises Douglas C. Townsend, Richard E. Rooney, Mark J. Fuller, Jacques Tremblay, Stephen J.R. Smith and Duncan N.R. Jackman. It is responsible for reviewing and monitoring Empire's human resources practices, including employee and executive compensation, workforce, 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 senior executives. 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'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.

With the exception of Mr. Duncan N.R. Jackman, all members of the Human Resources Committee, including its Chairman, are independent. The Board believes that its nomination and other processes are effective.

Messrs Rooney and Townsend are not standing for re-election at the Meeting, and will no longer be Human Resources Committee members.

Audit Committee

NI 52-110 sets out requirements concerning the composition and responsibilities of an issuer's audit committee, and concerning its reporting obligations with respect to audit-related matters. Empire's Audit Committee is currently composed of John F. Brierley, Edward M. Iacobucci, Mark M. Taylor and Douglas C. Townsend, each of whom is financially literate within the meaning of NI 52-110. Messrs Brierley, Iacobucci and Townsend are considered independent within the meaning of NI 52-110. Mr. Taylor 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. Taylor 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's internal control procedures, and (v) overseeing work related to stress testing. The Audit Committee's mandate and other information with respect to it is set out in the Company's March 2, 2016 Annual Information Form, which is available on SEDAR at www.sedar.com.

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

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 ethics for sound business conduct that applies to all of the Company's officers, directors and employees (**Code of Ethics**). Officers, directors and employees are required to read and acknowledge their understanding of the Code of Ethics on an annual basis. The Chief Compliance Officer reports annually to the Conduct Review Committee regarding the type, nature and outcome of any Code matters addressed during the year. The Code of Ethics provides a mechanism for confidential reporting to the Corporate Secretary of actual or suspected violations of the Code. A copy of the Code of Ethics may be obtained by contacting the Corporate Secretary at Secretary@empire.ca.

Empire 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 Chairman 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 Chairman 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 five policyholders' directors and eight shareholders' directors. As not all current directors are standing for re-election at the Meeting, it is proposed that six directors be elected by Empire's shareholders and four by its Participating Policyholders. 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'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 not composed entirely of independent directors) makes recommendations to the Board regarding compensation for Empire's executives. The Board determines the compensation of Mark Sylvia, the Company's Named Executive Officer who is also 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. Empire Life has not adopted term limits for Board members.

Empire 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 executive level and throughout management, is to recruit and retain the most qualified person for any position. Empire has not adopted a target regarding women on its Board or in executive positions. The Company believes its processes are effective at identifying and selecting the best candidate for the position being sought to fill, whether at an executive or Board level. Empire has no directors who are women. Empire has two female executive officers (out of eight, or 25%).

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The Empire Life Board determines the compensation of its directors and executive officers. Empire's five Named Executive Officers are Mr. Mark Sylvia (President and Chief Executive Officer), Mr. Gary McCabe (Senior Vice President and Chief Financial Officer), Ms. Gaelen Morphet (Senior Vice President and Chief Investment Officer), Mr. Sean Kilburn (Senior Vice President, Retail), and Mr. Steve Pong (Senior Vice-President, Group Solutions).

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 takes into account 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 company or companies, but may use as a resource informal compensation surveys of other insurance companies and more formal 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.

Named Executive Officers

Mr. Sylvia receives compensation in the form of salary and pension as enumerated in the “Summary Compensation Table” below.

The compensation policy for the Empire Life Named Executive Officers is straightforward. Executive compensation is composed of base salary, annual bonus, pension, and a mid-term bonus or long-term bonus. Executive officers who have a broad scope of responsibility and ability to influence corporate performance have a higher variable compensation component. The bonus may also reflect the achievement of short term objectives and other accomplishments within the context of longer-term business strategies. For some Named Executive Officers, bonuses are determined within a range and, where such a range applies, the target bonus is approximately two-thirds of the maximum.

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.

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.

For Empire Life executive officers, including the Named Executive Officers but excluding the Chief Investment Officer, the incentive plan includes a mid-term bonus and an annual bonus. The mid-term bonus is intended to reward embedded value growth, unadjusted, expressed as a percentage of shareholders’ equity, over a three-year time horizon. The annual bonus is made up of two components: a discretionary bonus based on individual performance and a bonus based on management’s contribution to embedded value measures, adjusted to remove the impact of certain reserve changes, and management of expenses. The discretionary bonus awards are determined subjectively; however, in determining annual bonuses, the Board takes into consideration the Company’s performance relative to expected business results and the Board’s assessment of the executive’s contribution to the Company and corporate results. The Board does not rely heavily on performance measures for determining discretionary bonuses, and discretionary bonuses are not generated by a formula based on performance measures. However, certain performance measures are considered as a guidepost in assessing an executive’s performance and contribution.

The Chief Investment Officer has a unique bonus plan that consists of a short term incentive plan and a long term incentive plan, with targets and maximums expressed as a percentage of salary. The short term incentive plan is made up of two components, a discretionary bonus based on individual performance (target 12.5%, maximum 25%), and a performance component based on the performance of (a) various segregated funds relative to the segregated fund universe over a one- to three- year time horizon; and (b) the Company assets relative to external benchmarks over a one- to four- year time horizon (overall performance target 70%, maximum 100%). The long-

term incentive plan considers investment performance over a three- to four- year time horizon, net income and leadership (overall long term incentive plan target 60%, maximum 120%).

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 ⁽¹⁾⁽²⁾⁽³⁾ President and CEO	2015	560,000	457,744	121,520	112,351	13,945	1,265,560
	2014	312,308	337,854	72,705	22,028	8,945	753,840
Gary McCabe ⁽³⁾ Senior Vice President and Chief Financial Officer	2015	259,659	130,585	42,428	27,232	12,428	472,433
	2014	255,000	104,425	36,816	38,087	12,395	446,723
	2013	240,000	104,976	48,000	10,615	12,395	415,986
Gaelen Morphet ⁽³⁾ Senior Vice President and Chief Investment Officer	2015	507,500	592,148	547,390	94,278	17,208	1,758,524
	2014	507,500	466,570	517,193	81,745	13,945	1,586,953
	2013	507,500	428,367	481,770	88,929	17,591	1,524,157
Sean Kilburn ⁽³⁾⁽⁴⁾ Senior Vice President, Retail	2015	329,231	173,933	53,796	53,743	17,945	628,648
	2014	300,000	139,830	48,780	28,545	12,000	529,155
	2013	259,615	349,854	51,923	34,889	16,395	712,676
Steve Pong ⁽³⁾ Senior Vice President, Group Solutions	2015	256,604	135,564	41,929	33,538	14,373	482,008
	2014	252,000	122,316	36,538	27,315	12,659	450,828
	2013	241,000	90,991	48,220	38,992	14,583	433,786

(1) Mr. Sylvia was appointed President and Chief Executive Officer on June 2, 2014.

(2) Mr. Sylvia’s annual award includes a \$100,000 additional discretionary bonus.

(3) The awards for Messrs Sylvia, McCabe, Kilburn and Pong are mid-term bonuses; Ms. Morphet’s award is a long term bonus.

(4) Mr. Kilburn commenced employment on February 11, 2013. He was paid a signing bonus in 2013 of \$235,000 and this is included in “Annual Non-equity incentive plan compensation”.

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	1.58	12,634	53,187	66,740	112,351	(5,682)	173,409
Gary McCabe Senior Vice President and Chief Financial Officer	22.75	108,880	151,949	1,533,324	27,232	(8,629)	1,551,927
Gaelen Morphet Senior Vice President and Chief Investment Officer	6.08	60,406	162,217	765,197	94,278	17,249	876,724
Sean Kilburn Senior Vice President, Retail	2.83	8,978	49,645	80,372	53,743	4,116	138,231
Steve Pong Senior Vice President, Group Solutions	18.08	86,074	133,284	1,164,728	33,538	19,605	1,217,871

- (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 2015.
- (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, 2015.
- (4) The pension that the executive is projected to receive if he remains employed until age 65, but only based on pensionable earnings up to December 31, 2015 (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, 2015, based on the assumptions used to determine the pension liabilities disclosed in the financial statements as of December 31, 2015.
- (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, 2015, based on the assumptions used to determine the pension liabilities disclosed in the financial statements as of December 31, 2015.

DEFINED CONTRIBUTION TABLE

Name	Accumulated value at start of year (\$)	Compensatory (\$)	Accumulated value at end of year (\$)
Mark Sylvia	26,068.12	12,685.00	54,065.46
Sean Kilburn	57,593.88	12,685.00	88,178.30

RETIREMENT PLANS

Empire Life maintains a registered pension plan (**Plan**) for its and E-L's 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.

Most Named Executive Officers are members of the defined benefit component of the Plan. Two Named Executive Officers are members of 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 is 1 7/12% 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. 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. 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 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.

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. Typically these fees will increase annually by a similar percentage as Empire Life's general staff salary increases. The 2015 director fees are set out below.

Board of Directors

Annual retainer for directors	\$	30,000
Meeting attendance fee (for each meeting attended)	\$	1,500

Board Committees

Annual retainer for the Chair of the Audit Committee	\$	12,500
Annual retainer for the Chair of the Human Resources Committee	\$	12,500
Annual retainer for the Chair of the Conduct Review Committee	\$	4,000
Annual retainer for the Chair of the Risk and Capital Committee	\$	12,500
Annual retainer for the Chair of the Investment Committee	\$	4,000

Meeting Attendance Fee (Board and each committee)	\$	1,500
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Directors' Compensation Table

Name	Fees earned (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Andrew S. Birrell ⁽¹⁾	52,500	0	0	52,500
John F. Brierley	64,750	0	0	64,750
Mark J. Fuller	69,500	0	0	69,500
Harold W. Hillier	51,000	0	0	51,000
Edward M. Iacobucci	55,000	0	0	55,000
Duncan N.R. Jackman	136,745	0	0	136,745
Richard E. Rooney	49,500	0	0	49,500
Clive P. Rowe	57,500	0	0	57,500
Stephen J.R. Smith	51,000	0	0	51,000
Mark Sylvia ⁽²⁾	0	0	0	0
Mark M. Taylor ⁽³⁾	52,500	0	0	52,500
Douglas C. Townsend	74,000	0	0	74,000
Jacques Tremblay	67,750	0	0	67,750
Jonathan J. Yates ⁽¹⁾	48,000	0	0	48,000

(1) Fees were paid to Guardian Assurance Limited.

(2) President does not receive director's remuneration.

(3) February 2015 attendance fees for Mr. Taylor were paid to E-L. Mr. Taylor retired from E-L in March 2015. All fees payable following his retirement are paid to Mr. Taylor directly.

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, 2015 to December 31, 2015 is \$87,255.

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, 2015 provided in our interim and annual financial statements and in Management's Discussion and Analysis for the year ended December 31, 2015. In addition to being available on SEDAR, copies of this information is available free of charge upon written request to the Corporate Secretary at our head office.

CERTIFICATE

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

DATED at Toronto, Ontario as of the 14th day of March, 2016.

A handwritten signature in black ink, appearing to read 'N. Ochrym', is written on a light yellow rectangular background.

Natalie A. Ochrym
General Counsel and Senior Vice-President,
Human Resources and Communications

SCHEDULE A

SPECIAL RESOLUTION OF THE DIRECTORS CONFIRMATION OF BY-LAW AMENDMENT

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 25, 2016, be and are hereby confirmed as follows:

“3.01 Number of Directors

The Board of Directors shall consist of ~~fourteen (14)~~ ten Directors. The number of Shareholders' Directors shall be ~~nine (9)~~ six and the number of Policyholders' Directors shall be ~~five (5)~~ four. 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, shall take effect immediately. Section 3.01 of this By-law No. 32 shall take effect on April ~~30, 2014~~, 28, 2016 provided that this By-law 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 (“Mandate”) of the board of directors (the “Board”) of The Empire Life Insurance Company (the “Company”) 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 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 shall review 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 shall act in accordance with applicable law and the Company’s letters patent, by-laws and corporate governance resolutions. Board members shall 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, a director shall promptly inform the Board Chair and shall refrain from voting or participating in discussion of the matter in respect of which he or she has an actual or potential conflict of interest.

MEETINGS

The Board shall meet in accordance with a schedule established each year by the Board, and at such 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 shall be developed in consultation with the Chair and Board members may propose agenda items through communication with the Chair. Members of management and others may attend meetings as directed by the Board at its discretion.

RESPONSIBILITIES OF THE BOARD

Strategic Planning

1. Overseeing the Company’s strategic planning process, which includes:
 - 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. Annually (or more frequently) 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. Overseeing significant changes to operations and strategy that may materially impact the financial status of the Company;
3. Approving acquisitions and divestitures of business operations and similar strategic investments;

Risk Management

4. Monitoring the principal risks of the Company's businesses and overseeing appropriate risk management, including, but not limited to, annually (or more frequently) reviewing and approving the Company's risk management policy and risk management/risk appetite framework.
5. Receive the annual Own Risk and Solvency Assessment Report and review the reasonableness and appropriateness of the results in the context of the Company's risk appetite, risk limits and strategic plan.

Financial Management

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

Succession Planning

8. Overseeing and approving succession planning with respect to the Board, Chief Executive Officer, senior executives, and officers, including oversight functions (the Chief Financial Officer, Appointed Actuary, Chief Actuary, Chief Internal Auditor, Chief Risk Officer, and Chief Compliance Officer).

Oversight Functions

9. Appointing, monitoring the performance of and approving the compensation of the Chief Executive Officer, senior executives, and officers, including the oversight functions;
10. Ongoing refinement and disclosure of the Company's principles and approach to corporate governance, including: assessing 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;
11. Periodically conducting a review of oversight functions to assess their effectiveness, and being satisfied that these functions are adequately resourced;

Culture and Ethics

12. Being satisfied with the integrity of the Chief Executive Officer and other executive officers and that these officers are creating a culture of integrity throughout the Company;
13. Requiring management to establish material corporate policies and codes, including but not limited to the company Code of Ethics, and policies and procedures required by regulators;

Policyholder Rights

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

Charitable Donations

16. Reviewing and approving the Company's charitable donation/community investment budget; and

Pension Plan Oversight

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

Other Responsibilities

18. Review and (where appropriate) approve amendments to the following Company policies:
 - a. Contracting Guidelines (Signing Authorities Only);
 - b. Criteria for Determining Changes to Adjustable Policies;
 - c. Participating Account Management Policy;
 - d. Participating Policy Dividends and Bonus Policy;
 - e. Enterprise Risk Management Policy and Risk Appetite Framework;
 - f. Trading Blackout Policy; and
 - g. Such other policies as may be determined by the Board from time to time.'

and periodically receive reports from management on their operation.

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
- 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.

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 operations of the Company.