

Corporate Governance Practices

At Empire, we are committed to the highest level of corporate governance. We believe that a strict code of business conduct - emphasizing accountability - and a comprehensive disclosure policy - ensuring transparency - are the pillars of a successful firm. Empire's Board is committed to delivering value to its stakeholders while assuming the explicit responsibility of the stewardship of the company.

At Empire, we constantly review and monitor our own governance policies and practices. We consistently examine our policies with a strict eye to ensure that Empire is a leader in governance practices.

A comprehensive review of our corporate governance policies and practices can be found in our Proxy Circular and on our website at www.empireco.ca. Further, a detailed explanation of our Corporate Disclosure Policy, approved by our Corporate Governance and Nominating Committee of our Board of Directors, as well as our Code of Business Conduct is available on our website.

Board Committees

At Empire, the governance of the corporation is the responsibility of the Board of Directors which is supported by three key committees: the Corporate Governance and Nominating

Committee, the Human Resources Committee, and the Audit Committee. All members of the Audit Committee and the Corporate Governance and Nominating Committee are independent directors and all are unrelated as recommended by TSX Guidelines. The Human Resource Committee is entirely composed of outside directors, of which all but three are unrelated. In addition, the Audit Committee meets the independence and financial literacy tests set out in Multilateral Instrument 52-110 adopted by most of the Canadian securities regulators. The responsibilities of each committee of the Board are as follows:

Corporate Governance and Nominating Committee – develops the Company's corporate governance policies, including responsibility for disclosure; reviews and assesses the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors; recommends suitable compensation of directors; and is responsible for recommending nominees for election or appointment as Directors.

Human Resource Committee – monitors management compensation and succession planning; reviews the Company's management training and development programs; conducts the annual performance review for the CEO and establishes annual and longer term objectives for the CEO; oversees the Company's pension plan.

Audit Committee – reviews and assesses the Company's financial reporting practices and procedures; reviews the adequacy and reporting of its internal accounting controls and the independence of external auditors from management; assesses risk management and reviews consolidated quarterly and annual financial statements and related communications; communicates directly with internal and external auditors; and directly oversees the work of the external auditor. The external auditor communicates directly to the Audit Committee.

- 1 Audit Committee Member
- 2 Audit Committee Chairman
- 3 Human Resources Committee Member
- 4 Human Resources Committee Chairman
- 5 Corporate Governance and Nominating Committee Member
- 6 Corporate Governance and Nominating Committee Chairman