

Corporate Governance

Empire is committed to the highest level of corporate governance. Good governance and long-term sustainability are interdependent.

We believe that a strict code of business conduct – emphasizing accountability – and a comprehensive disclosure policy – ensuring transparency – forms the foundation for a successful company.

Sustaining leadership in corporate governance – indeed, sustaining Empire's earnings growth – requires constantly reviewing, monitoring and improving governance policies and practices. Empire's Board of Directors is committed to delivering value to our stakeholders while assuming the explicit responsibility of stewardship of the Company. Our priority for fiscal 2008 is to clearly redefine the roles and responsibilities of the Board and management.

A comprehensive review of our existing corporate governance policies and practices can be found in our Management Information Circular and on our website at www.empireco.ca. A detailed explanation of our Corporate Disclosure Policy – approved by our Corporate Governance and Nominating Committee – and our Code of Business Conduct are also available on our website.

BOARD COMMITTEES

Governance at Empire is the responsibility of the Board of Directors, supported by three key committees: Corporate Governance and Nominating Committee, Human Resources Committee, and Audit Committee. All members of the Corporate Governance and Nominating Committee and Audit Committee are independent directors according to independence standards established by applicable corporate and securities laws as well as Empire's own Board of Directors. In addition, members of the Audit Committee meet the independence and financial literacy tests set out in Multilateral Instrument 52-110 adopted by most of the Canadian securities regulators.

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The primary responsibilities of each committee of the Board are as follows:

AUDIT COMMITTEE

Reviews and assesses the Company's financial reporting practices and procedures; reviews the adequacy and reporting of internal accounting controls and the independence of external auditors from management; recommends the appointment of the external auditor; communicates directly with internal and external auditors; directly oversees the work of the external auditor; reviews and assesses the Company's risk management; and reviews consolidated quarterly and annual financial statements and related financial communications prior to public disclosure.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

Develops Empire's corporate governance policies, including responsibility for disclosure; monitors and ensures compliance with those policies; monitors the composition of the Board for skill and expertise; identifies, evaluates and recommends suitable candidates for election or appointment as directors of the Company; annually reviews and assesses the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors; and recommends suitable compensation of directors.

HUMAN RESOURCES COMMITTEE

Reviews and approves management compensation and compensation disclosure; reviews the Company's management training and development programs; undertakes CEO and executive succession planning and monitors management succession planning; conducts the CEO's annual performance review; establishes annual and longer-term objectives for the CEO; and oversees the Company's pension plan.