



## CORPORATE DISCLOSURE POLICY

### Table of Contents

Executive Summary .....	2
Policy .....	2
Disclosure Committee .....	3
Designated Spokespersons.....	4
Disclosure of Material Information .....	5
Trading Restrictions and Blackout Periods .....	6
Maintaining Confidentiality.....	6
News Releases.....	7
Conference Calls.....	8
Communications with Analysts, Investors and the Media .....	8
Reviewing Analyst Draft Reports and Models .....	9
Forward-Looking Information .....	10
Rumours .....	11
Disclosure Record.....	12
Communication, Education and Enforcement.....	12
Responsibility for Electronic Communications .....	12

## Executive Summary

Empire Company Limited ("Empire" or the "Company") is committed to a policy of full, true and plain public disclosure of all material information in a timely manner, in order to keep security holders and the investing public fully and equally informed about the Company's operations. Disclosures will be designed to provide broad, non-exclusionary distribution to the public in accordance with all applicable legal requirements.

This Disclosure Policy outlines Empire's approach toward the determination and dissemination of material information and the circumstances under which the confidentiality of information will be maintained. It also provides guidelines in order to achieve consistent disclosure practice across the Company. The intent of this Disclosure Policy is to ensure that disclosure of material information is in conformity with Canadian securities laws.

The policies and procedures contained herein are intended to supplement the policies and procedures set out in Empire's Code of Business Conduct and Ethics and the Insider Trading and Tipping and Insider Reporting Policy. In cases where this Disclosure Policy imposes more stringent standards, the standards in this Disclosure Policy shall apply.

***The policies and procedures set out in this Disclosure Policy are important. Failure to observe them may result in a breach of Canadian Securities Laws and have a negative impact on the business and operations of Empire. It may also result in disciplinary action, including, where appropriate, referring the matter to Canadian Securities Regulatory Authorities, or possibly termination of employment.***

## Policy

### Objective & Scope

The objective of this Disclosure Policy (this "Policy") is to ensure that communications with the investing public about the Company are:

- Timely, factual, accurate, balanced; and
- Broadly disseminated in accordance with all applicable legal and regulatory requirements.

This policy confirms in writing our existing disclosure policies and practices. Its goal is to raise awareness of the Company's approach to disclosure among the Board of Directors, senior management and employees. A significant benefit is to raise awareness of the risk of selective disclosures. Among other things, this better awareness can reduce the likelihood of inadvertent insider trading.

The Disclosure Committee (referred to in this document as the "Committee") is responsible for implementing this Policy. In so doing, the Committee plays a key role in assisting the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), (The "Executive Officers") in making quarterly and annual certifications.

This Disclosure Policy extends to all employees and directors of the Company and its subsidiaries and those authorized to speak on their behalf. It covers disclosures in documents filed with the securities regulators and written statements made in the Company's annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on the Company's website and other electronic communications. It extends to all oral statements, including those made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

### **Disclosure Committee**

The Company has established a Disclosure Committee responsible for ensuring that all securities regulatory disclosure requirements are met and for overseeing the Company's disclosure practices.

The membership of the Committee shall consist of the President & CEO (as an Ex-Officio member), Executive Vice-President & CFO, Vice-President & Comptroller, Vice-President Treasury and Investor Relations, Corporate Secretary and Senior Director Accounting and Control. The Executive Officers may from time to time change the membership of the Committee.

The Committee will invite other officers, directors, employees and advisors of the Company or its subsidiaries, when deemed advisable, to assist in the discussion and consideration of its duties. Those individuals representing the subsidiaries that are required to sign a quarterly sub-certification shall also be required to participate in the quarterly Disclosure Committee meeting.

### **The Committee is responsible for:**

- a) Design, implementation and regular evaluation of the Company's disclosure controls and procedures to ensure that information required to be disclosed in Company filings is made known to the Committee and recorded, processed, summarized and reported within the required time periods;
- b) Reviewing and providing feedback on any policies and procedures that impact the disclosure process;
- c) Educating directors, officers and employees about disclosure issues and this Disclosure Policy;
- d) Reviewing and authorizing disclosure (including electronic, written and oral disclosure in advance of its public release); and
- e) Monitoring the Company's website.

The Committee shall be kept fully apprised of all pending material Company developments in order to evaluate and discuss those events to determine the appropriateness and timing for public release of information. The section titled "Disclosure of Material Information" described how material information is handled in more detail.

All written and planned oral public disclosures, if appropriate, shall be circulated for review by all members of the Committee, unless deemed confidential by the CEO and

CFO. In this circumstance the CEO, CFO and Vice President Treasury and Investor Relations may approve the disclosure.

Once approved by the CEO and CFO, the following disclosure documents shall be reviewed by the Disclosure Committee and recommended for approval. The disclosure documents shall be reviewed in whole or in part by the appropriate committee of the Board and recommended for approval by the Board.

- Annual and interim financial statements and related MD&A;
- Information circulars for any meetings of shareholders and related press releases;
- Annual information form (AIF);
- Any press release containing material information except for routine press releases or where immediate release is required to comply with law or stock exchange rules; and
- Any other disclosure required by securities laws.

The Committee will review and update, if necessary, this Disclosure Policy annually or as needed to ensure compliance with changing regulatory requirements, and make recommendation to the Audit Committee for any appropriate changes to the policy. The Chair of the Committee, the Vice-President and Comptroller, will report to the Audit Committee quarterly on specific disclosure issues, the process followed, the assessment of the disclosure and other relevant disclosure matters.

### **Designated Spokespersons**

Empire has designated a limited number of spokespersons for communication relating to financial matters with the media, analysts, investors, brokers and other members of the investment community. The CEO, the CFO and the Vice-President, Treasury and Investor Relations are the official spokespersons for the Company. The CEO of Sobeys, the CFO of Sobeys and the Senior Vice-President, Finance and Treasurer of Sobeys are the official spokespersons for Sobeys. These spokespersons may, from time to time, designate others to speak on behalf of Empire or to respond to specific inquires from the investment community or the media. Employees who are not authorized spokespersons must not respond to inquiries from the investment community, the media or other persons, unless specifically asked to do so by an authorized spokesperson. All such inquiries shall be initially referred to an authorized spokesperson.

The Committee is responsible for ensuring that Company spokespersons receive adequate training, that the stock exchanges on which the Company is listed have comprehensive contact information for the Company spokespersons and that Company staff are aware of their responsibilities if the stock exchange or its representatives calls the Company

The spokespersons shall be responsible for ensuring that they are fully informed about the Company and its disclosure policies, the regulatory requirements of continuous disclosure and the risks applicable to analyst or investor communications. The spokespersons shall also be responsible for preparing for all meetings with analysts which shall include the preparation of a script for any spokespersons who will be making presentations or remarks during such a meeting, and the preparation of anticipated

questions and answers likely to arise during the meeting, all of which shall be reviewed for accuracy by the appropriate Company personnel and, when appropriate, legal counsel.

It is expected that business units within Empire will keep the Empire CEO and CFO fully apprised of all significant developments in order to determine the materiality and the appropriateness of and timing for public release of such information.

### **Disclosure of Material Information**

Material information is any information (including material facts and material changes) relating to the business and affairs of the Company that results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions. The determination of materiality may be made by the CEO, CFO and Vice-President Treasury and Investor Relations. In complying with the requirement to immediately disclose all material information under applicable laws and stock exchange rules, the Company will adhere to the following basic disclosure principles:

- Material information will be publicly disclosed immediately via news release;
- Disclosure must include any information the omission of which would make the rest of the disclosure misleading (half truths are misleading);
- Unfavorable material information must be disclosed as promptly and completely as favourable information;
- There must be no selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an investor meeting or during a telephone conversation with an analyst). If previously undisclosed material information is inadvertently disclosed, this information must be broadly disclosed immediately via news release. If the information is inadvertently disclosed during RS business hours, the Company must call RS to discuss and/or discuss a halt in trading while the news release is written;
- In some circumstances involving a material change, the Executive Officers and the Vice President Treasury and Investor Relations may determine that disclosure would be unduly detrimental to the Company (for example, if release of the information would prejudice negotiations in a corporate transaction), in which case the information may be kept confidential until the CEO and CFO determines it is appropriate to publicly disclose. In this circumstance, the Executive Officers and the Vice President Treasury and Investor Relations will cause a confidential material change report to be filed with the applicable securities regulator, and will periodically (at least every 10 days) review its decision to keep the information confidential (see "Rumours");
- Disclosure should be consistent among all audiences, including the investment community, the media, customers, and employees. Derivative information (information extracted from a document filed on behalf of another person or company), which is included in a document or oral statement, should include a reference identifying the document that was the source of the information;
- Disclosure on the Company's website alone does not constitute adequate disclosure of material information; and

- Disclosure must be corrected immediately if the Company subsequently learns that earlier disclosure contained a material error at the time it was given.

### **Trading Restrictions and Blackout Periods**

Insiders and employees with knowledge of confidential material information about the Company or counter-parties in negotiations of potentially material transactions are prohibited from trading securities of the Company or any other counter-party until the information has been fully-disclosed and a reasonable period has passed for the information to be widely disseminated.

Further details on the requirements for insiders can be found in the Insider Trading and Tipping and Insider Reporting Policy.

Quarterly trading blackout period will apply to all employees during the period when financial statements are being prepared but results have not yet been publicly disclosed. Quarterly trading blackouts will commence the earlier of the first business day following the end of a quarter or when preliminary financial statements for the quarter are available, and will end one clear business day following the issuance of a news release disclosing quarterly financial results.

During the blackout period, the Company will not communicate with analysts, media, investors or other market professionals about the Company's performance or earnings expectations or any other topic (such as industry trends or factors) which could be seen as influencing corporate performance. In addition, the Company will normally stop all communications with these individuals or institutions during the blackout period. On occasion, the Company will want to participate in investor conferences during the blackout period, discussing non-earnings related information while making it clear to participants that it will not discuss matters related to earnings prospects.

Blackout periods may be prescribed from time to time by the Committee as a result of special circumstances relating to the Company when insiders would be precluded from trading in its securities. All parties with knowledge of such special circumstances should be covered by the blackout. These parties may include external advisors such as legal counsel, investment bankers, investor relations consultants and other professional advisors, and counter-parties in negotiation of material potential transactions.

### **Maintaining Confidentiality**

Any employee privy to confidential information will be so advised and is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business. Efforts will be made to limit access to confidential material information to only those who need to know the information and those persons will be advised that the information is to be kept confidential.

Outside parties privy to undisclosed material information concerning the Company will be told that they must not divulge this information to anyone else, other than in the necessary course of business and that they may not trade in the Company's securities until the information is publicly disclosed. Such outside parties should confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

To prevent the misuse or inadvertent disclosure of material information, the following procedures should be observed at all times:

- Documents and files containing confidential information should be kept in a safe place, with access restricted to individuals who “need to know” that information in the necessary course of business. Code names should be used if necessary;
- Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis;
- Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them;
- Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office;
- Transmission of documents by electronic means such as by fax, email or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions;
- Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed; and
- Access to confidential electronic data should be restricted through the use of passwords.

## **News Releases**

Once the Executive Officers and the Vice President Treasury and Investor Relations determine that a development is material, they will authorize the issuance of a news release unless they determine that such developments must remain confidential for the time being. If developments are to remain confidential, appropriate confidential filings must be made and control of the inside information must be instituted. Should a material statement inadvertently be made in a selective forum, the Company will immediately issue a news release to fully disclose that information. If the inadvertent disclosure occurs during business hours of RS, the Company must call RS to discuss and/or request a halt in trading while the news release is written.

The Audit Committee and the Board will review news releases containing guidance and financial results prior to issuance. Financial results will be publicly released immediately following the Audit Committee and Board approval of the MD&A, financial statements and notes.

When a press release is not approved in advance by the Board because immediate release is required, the release should be approved in advance by at least two of the CEO, CFO and Vice-President Treasury and Investor Relations and shall be delivered to the Board and appropriate Committee as soon as possible.

If the stock exchange upon which shares of the Company are listed is open for trading at the time of a proposed announcement, prior notice of a news release announcing material information must be provided to market surveillance division to enable a trading halt, if deemed necessary by the stock exchange. If a news release announcing material information is issued outside of trading hours, RS must be notified promptly and in any event before the market reopens.

News releases will be disseminated through an approved news wire service that provides simultaneous national and/or international distribution. News releases will be transmitted to all stock exchange members, relevant regulatory bodies, major business wires, national financial media and the local media in areas where the Company has its headquarters and operations.

News releases will be posted on the Company's website immediately after release over the news wire. The news release page of the website shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent news releases.

If the subject of a press release is a material change for the Company, a material change report will also be filed with applicable securities regulators as soon as practicable, but in any event within 10 days of the issuance of the news release.

### **Conference Calls**

Conference calls will be held for the purpose of reviewing quarterly earnings statements and other major corporate developments as required. These calls will be accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a webcast over the internet. The call will be preceded by a news release containing all relevant material information. At the beginning of the call, a Company spokesperson will provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties.

The Company will provide advance notice of each conference call or webcast by issuing a news release announcing the date and time and providing information on how interested parties may access the call and/or webcast. Any nonmaterial supplemental information provided to participants will also be posted to the website for others to view. A tape recording of the conference call and/or an archived audio webcast on the internet will be made available following the call for a minimum of 90 days, for anyone interested in listening to a replay.

The CFO and Vice-President Treasury and Investor Relations will hold a debriefing meeting immediately after the conference call and if it determines that selective disclosure of previously undisclosed material information or misleading disclosure has occurred, the Company will immediately disclose or correct the information broadly via news release. If the inadvertent disclosure occurs during business hours of the RS, the Company must call RS to discuss and/or request a halt in trading while the new release is written.

### **Communications with Analysts, Investors and the Media**

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Company intends to discuss material information at an analyst or shareholder meeting or a press conference or conference call, the discussion must be preceded by a news release of the material information.

The Company recognizes that meetings with analysts and significant investors are an important element of the Company's investor relations program. The Company will meet with analysts and investors on an individual or small group basis on an as needed basis and, in such circumstances, will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Disclosure Policy.

Spokespersons will provide no previously undisclosed earnings guidance or material information in non-public forums. Any information disclosed will be fully disclosed in accordance with this Policy. The Company will not render material financial guidance immaterial by breaking it into ostensibly non-material pieces. Further, the Company will not provide any indication to analysts that the Company's anticipated earnings are higher than, lower than or at what an analyst is forecasting.

The Company will maintain a 'frequently asked questions' section on its website. The Company will provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors and may post this information on its website.

Where practical, spokespersons will keep notes of telephone conversations with analysts and investors and where practical more than one Company representative will be present at all individual and group meetings. A debriefing will be held after such meetings and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Company will immediately disclose such information broadly via news release.

Members of the media should not receive material information on an exclusive, embargoed or selective basis. They will receive material information at the same time as everyone else: when a full public announcement is made. Where practical, Company spokespersons will keep notes of telephone conversations with reporters and will follow-up with reporters when there is an inaccuracy in an article, in order to set the record straight, and ensure that the same error does not recur in future articles.

### **Reviewing Analyst Draft Reports and Models**

It is the Company's policy to review, upon request, analysts' draft research reports or financial models. The Company will review the report or model for the purpose of pointing out errors in fact based on publicly disclosed information. It is the Company's policy, when an analyst inquires with respect to his/her estimates, to question an analyst's assumptions if the estimate is a significant outlier among the range of estimates and/or the Company's published earnings guidance. The Company will limit its comments in responding to such inquiries to non-material information. The Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's model and earnings estimates.

To avoid appearing to endorse an analyst's report or model, Empire will provide its comment orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

Analyst reports are proprietary products of the analyst's firm. Distributing, referring to or providing links to analyst reports may be viewed as an endorsement by the Company of

the reports. For these reasons, the Company will not provide analyst reports through any means to persons outside the Company or generally to employees of the Company, including posting such reports on its website. Notwithstanding the foregoing, the Company will distribute analyst reports to its directors and senior officers to monitor the communications of the Company and to assist them in understanding how the marketplace values the Company and how corporate developments affect the analysis.

Analyst reports may also be provided to the Company's financial and professional advisors in the necessary course of business. Empire may place on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Company. This list will not include links to the analysts' or any other third party websites or publications

All investor relations' presentations will be placed on the Company's website concurrent with the presentation. Where the Company spokespersons are involved in non-public meetings, notes documenting the presentation and any questions and answers should be made and retained.

Subject to the other requirements of this Disclosure Policy, the Company may elect to participate in investor sponsored conferences. The Company will encourage organizers of any such events participated in by the Company to webcast the event live. The Company will pre-announce any such webcast by news release.

### **Forward-Looking Financial Information**

A consistent approach to disclosure is important. Should the Company elect to disclose forward-looking financial information (including FOFI and financial outlooks) in continuous disclosure documents, speeches, conference calls, etc., the following guidelines must be observed and are necessary in order to qualify for safe harbour protection under applicable securities laws that extend statutory civil liability to secondary market disclosures for the Company:

- All material forward-looking financial information will be broadly disseminated via news release;
- The forward-looking financial information will be published only if there is a reasonable basis for drawing the conclusions set out in it, including that it is limited to a period for which the information can be reasonably estimated and uses the accounting policies the Company expects to use to prepare its historical financial statements for the period covered;
- The document or oral statement containing forward-looking financial information must have proximate to that information:
  1. Reasonable cautionary language identifying the forward-looking financial information as such, stating that actual results could differ materially and identifying material factors that could cause actual results to differ materially from the forward-looking financial information;

2. A statement of the material factors or assumption that were applied in drawing a conclusion set out in the forward-looking financial information;
  3. A statement explaining the purpose of the forward-looking financial information and cautioning readers that the information may not be appropriate for other purposes.
- Additionally, the information may be accompanied by supplementary information such as a range of reasonably possible outcomes or a sensitivity analysis to indicate the extent to which different business conditions may affect the actual outcome.
  - Public oral statements containing forward-looking financial information also require cautionary statement that actual results could differ materially and a reference to material factors and assumptions that could cause actual results to differ materially and to one or more readily available documents that outline such factors or assumptions.

The information will be accompanied by a statement that the information is stated as of the current date, is subject to change after that date and the Company does not undertake to update any forward-looking financial information that is contained in that particular disclosure document or other communications, except as required by applicable securities laws.

Once disclosed, the Company will update material forward-looking financial information in its MD&A in accordance with section 5.8 of National Instrument 51-102, including:

- Updates – events and circumstances that occurred during the period to which the MD&A relates that are reasonably likely to cause actual results to differ materially from material forward-looking financial information for a period that is not yet complete, and the expected differences;
- Comparison to Actual – material differences between actual results for the annual or interim period to which the MD&A relates and any forward-looking financial information for the period that the Company previously disclosed.
- Withdrawal – disclosure of any decision to withdraw forward-looking financial information that the Company previously disclosed, and the events and circumstances that led to that decision, including a discussion of the assumptions underlying the forward-looking financial information that are no longer valid.

## **Rumours**

Empire does not comment, affirmatively or negatively, on rumours. This also applies to rumours on the internet. The Company's designated spokespersons will respond consistently to such rumours saying, "*It is our policy not to comment on market rumours or speculation*".

Should the stock exchange request that the Company make a definitive statement in response to a market rumour that is causing significant volatility in the stock, the Executive Officers and the Vice President Treasury and Investor Relations and/or the Committee will consider the matter and decide whether to make a policy exception. If

the rumour is true in whole or in part, this may be evidence of a leak, and the Company will immediately issue a news release disclosing the relevant material information.

### **Disclosure Record**

The Investor Relations Department will maintain a seven-year record of all public information about the Company, including continuous disclosure documents, news releases, analysts' reports, transcripts or recordings of conference calls and any applicable debriefing notes, notes from meeting and telephone conversations with analysts and investors and newspaper articles.

### **Communication, Education and Enforcement**

Directors, officers, senior management, and employees of Empire and its subsidiaries will be promptly advised of this Disclosure Policy and its importance. It will also be brought to the attention of these individuals on an annual basis.

An employee who violates the Disclosure Policy may face disciplinary action up to and including termination of employment. The violation of this Disclosure Policy may also violate certain securities laws, which could expose directors, officers or employees to personal liability. If it appears that an employee may have violated such securities laws the Company may refer the matter to the appropriate regulatory authorities, which could potentially lead to penalties, fines or imprisonment.

### **Responsibility for Electronic Communications**

This Disclosure Policy also applies to electronic communications. Accordingly, the Disclosure Committee is also responsible for ensuring that postings on the Company's website are reviewed and approved and that such disclosure is accurate, complete, up-to-date and in compliance with relevant securities laws.

Disclosure on the Company's website alone does not constitute adequately disclosure of information that is considered material non-public information. Any disclosures of material information on the website will be preceded by the issuance of a news release.

All continuous disclosure documents will be provided in the Investor Relations section of the Company's website. All information posted, including text and audio-visual material, will show the date the material was issued. Any material changes in information must be updated immediately, following issuance of a news release. The website will include a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent disclosures.

The Investor Relation department ("IRD") will ensure that a log is maintained indicating the date that material information is posted and/or removed from the Investor Relations section of the website. Documents filed with securities regulators will be maintained on the website for a minimum of two years.

The IRD will ensure that all links from the Company to third-party websites are approved. The website will include a notice that advises readers they are leaving the Company's website and that the Company is not responsible for the contents of the other site.

The IRD will ensure that responses are provided to electronic inquiries. Only public information or information that could otherwise be disclosed in accordance with this Disclosure Policy shall be used to respond to electronic inquiries. The IRD will maintain a file of these responses to inquiries for two years.

In accordance with this Disclosure Policy, employees (including designated spokespersons) are prohibited from participating in internet chat rooms or newsgroup discussion on matters pertaining to the Company's activities or its securities.