

EMPIRE COMPANY LIMITED

OVERSIGHT COMMITTEE MANDATE

This mandate sets out the roles and responsibilities of the Oversight Committee (“the Committee”) for oversight, on behalf of the Board of Directors (the “Board”) of all matters related to business process optimization and Information Technology (“IT”) undertaken by the management of the Company.

COMPOSITION

The Committee shall be appointed by the Board and composed of a minimum of three directors, and the majority comprised of independent directors, according to the independence standards established by the Board and all applicable corporate and securities law. In addition, it is expected that senior members of Empire and Sobeys management shall regularly be invited to attend and be involved in meeting of the Committee. Particularly, it is expected that the Sobeys Chief Financial Officer, Sobeys Chief Information Officer and Sobeys Chief Auditor shall be regularly involved in Committee meetings.

The members of the Committee shall be appointed or reappointed annually by the Board, with such appointments to take effect immediately following the Annual Meeting of the Shareholders of the Company. Each member of the Committee shall continue to be a member thereof until their successor is appointed, unless they resign or are removed by the Board, or shall cease to be a director of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than the minimum membership.

The Board shall appoint a Chair from among the members of the Committee to preside at its meetings. In the absence of the Chair, one of the present Committee members shall be chosen by the Committee to preside at the meeting. The Chair presiding at any meeting of the Committee shall have a casting vote in case of deadlock. The Committee shall also appoint a secretary who need not be a director.

MEETINGS

The Committee shall report and make recommendations to the Board as appropriate.

The Committee shall meet with such frequency as is determined to be appropriate by the members of the Committee or as directed by the Board. The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof provided that:

- (a) A quorum of meeting shall be a majority of the members, present in person or by telephone or other telecommunication device, that permits all persons participating in the meeting to speak and hear each other;

- (b) Notice of the time and place of every meeting shall be given in writing, electronic or other facsimile communication to each member of the Committee at least 24 hours prior to the time for such meeting, provided however, that a member may in any matter waive a notice of meeting. Attendance of a member at a meeting is a waiver of notice of that meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

All Committee members are expected to attend each meeting. The minutes of the Committee shall be recorded and maintained by the Secretary of the meeting. The Chair of the Committee shall report the business of the meeting to the next regularly scheduled Board meeting.

The Committee may meet in camera at any of its meetings, at the instance of the Committee chair or any member of the Committee.

PRIMARY RESPONSIBILITIES

The Committee shall receive, review, report on and recommend to the Board, as appropriate, all significant business process and IT assessments, studies, proposals, recommendations and plans for Sobeys and progress reports thereon. This responsibility includes:

1. reviewing and reporting on all guiding principles, governance models, strategies and tactics developed or proposed in respect of the foregoing by management;
2. ensuring that management has implemented and maintains appropriate planning and risk management processes and protocols in respect of both business process change and IT planning and investment;
3. being informed on, regularly reviewing and reporting to the board on the evolution and progress of all significant business process change and IT projects, including regularly reviewing and following up on budgets, timelines, resources and progress for all such projects;
4. receiving and reviewing, on a regular basis, reports of both internal and external auditors (or other consultants retained from time to time) in respect of governance compliance by both business process optimization and IT process teams;
5. reviewing and making recommendations to the Board on all information technology and business process projects which involve aggregate expenditures in excess of \$10 million.

AUTHORITY

The Committee has the authority to:

1. Conduct or authorize an investigation into any matters within its scope of its mandate or responsibility;

2. With the approval of the Corporate Governance Committee Chair at the Company's expense, retain independent legal, accounting or financial advisors and such other advisors as it deems necessary to advise the Committee or assist the Committee in carrying out its duties or to assist in the conduct of an investigation.