On behalf of Empire's shareholders, the Board of Directors is responsible for the stewardship of the Company. To fulfill this responsibility it establishes policies aimed at ensuring the Company's corporate governance practices are among the best in Canada. Supporting those policies is a Code of Business Conduct and Ethics that emphasizes accountability and a Corporate Disclosure Policy that ensures transparency.

While written policies and standards provide the foundation for governance, thorough oversight demands a Board that is fully engaged in ensuring the Company can continue to grow shareholder value. At Empire, every director is involved in establishing Empire's strategies, assessing performance and progress in meeting established long and short-term goals, and understanding the major risks to the Company's ability to deliver results. Because the Board is composed of a diversity of individuals with a combination of skills and experience, it is particularly capable of guiding and challenging the senior management team.

A comprehensive discussion of Empire's corporate governance policies and practices can be found in our Management Information Circular and also on our website at www.empireco.ca along with our Corporate Disclosure Policy and Code of Business Conduct and Ethics.

Board Committees

The Board of Directors fulfills many of its responsibilities with the support of five committees: Audit Committee, Corporate Governance Committee, Nominating Committee, Human Resources Committee, and Oversight Committee. Every member of the Audit Committee, the Human Resources Committee and the Nominating Committee is independent according to the standards of corporate and securities laws as well as Empire's own governance policies. All 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.

The responsibilities of each committee of the Board include the following:

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 auditors;
➤ Communicates directly with external auditors;
➤ Directly oversees the work of the external auditors;
➤ Reviews and assesses risk management; and
➤ Reviews consolidated quarterly and annual financial statements and related communications prior to public disclosure.

Corporate Governance Committee

➤ Develops, monitors and ensures compliance with Empire's corporate governance policies, including responsibility for disclosure;
➤ Annually assesses the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors;
➤ Recommends suitable compensation of directors; and
➤ Recommends the composition of the Board committees.

Nominating Committee

➤ Monitors the composition of the Board for skill and expertise; and
➤ Identifies, evaluates and recommends suitable candidates for election or appointment as directors of the Company.

Human Resources Committee

➤ Reviews all Company policies related to compensation;
➤ Recommends compensation for executive management;
➤ Reviews the Company's management training and development programs;
➤ Ensures Empire's compliance with occupational health and safety standards;
➤ Undertakes CEO and executive succession planning and monitors management succession planning;
➤ Conducts the annual performance review for the CEO;
➤ Establishes annual and longer-term objectives for the CEO; and
➤ Oversees the Company's pension plan.

Oversight Committee

➤ Reviews all matters related to business process optimization and information technology, including guiding principles, governance models, strategies, planning and risk management processes; and
➤ Monitors all related projects.