

**THE EMPIRE LIFE INSURANCE COMPANY**

**BY-LAW NO. 32  
The Amended and Restated By-law of  
The Empire Life Insurance Company**

**BE IT ENACTED AND IT IS HEREBY ENACTED** as a by-law of The Empire Life Insurance Company as follows:

**ARTICLE 1 - DEFINITIONS**

1.01 **Definitions**

In this By-law No. 32:

- (a) “Act” means the *Insurance Companies Act* enacted by the Parliament of Canada, as amended from time to time;
- (b) “by-laws” means any by-law of the Company from time to time in force and effect;
- (c) “Company” means The Empire Life Insurance Company, in English, and L'Empire, Compagnie d'Assurance-Vie, in French; and
- (d) all terms contained in the by-laws which are defined in the Act shall have the meanings given to such terms in the Act.

**ARTICLE 2 - HEAD OFFICE**

2.01 **Location**

The head office of the Company shall be in the City of Kingston, in the Province of Ontario.

2.02 **Change of Head Office**

The Company may from time to time:

- (a) by resolution of the Directors change the address of the head office of the Company within the place specified in the incorporating instrument or by-laws, or
- (b) by an amendment to its by-laws change the place within Canada in which the head office of the Company is situated.

## **ARTICLE 3 - BOARD OF DIRECTORS**

### **3.01           Number of Directors**

The Board of Directors shall consist of a minimum of ten (10) Directors and a maximum of twelve (12) Directors; provided that the number of Shareholders' Directors shall be set at six (6). The minimum number of Policyholders' Directors shall be four (4) and the maximum shall be six (6). The number of Shareholders' Directors and the number of Policyholders' Directors must each be at least one-third of the total number of Directors. The number of Directors to be elected at any Annual Meeting of the policyholders shall be such number as is fixed by the Board of Directors prior to the Annual Meeting. The Directors shall designate every member of the Board of Directors as being either a Shareholders' Director or a Policyholders' Director.

### **3.02           Quorum**

The number of Directors constituting a quorum at any meeting of the Board of Directors shall be the lesser of a majority of the number of Directors fixed at that time as the full membership of the Board of Directors and seven (7).

### **3.03           Conduct of Meetings of Directors**

The Board of Directors shall establish from time to time the place of, and procedures for the calling and conduct of, meetings of the Board of Directors and of its Committees.

### **3.04           Remuneration of Directors**

The aggregate of all amounts to be paid to all Directors of the Company in respect of Directors' remuneration during a financial year of the Company shall be an amount not exceeding \$2,000,000 excluding such additional amounts as may be necessary to reimburse the Directors for their reasonable expenses properly incurred in respect of their services as Directors.

## **ARTICLE 4 - MEETINGS OF SHAREHOLDERS AND POLICYHOLDERS**

### **4.01           Chairman**

The Chairman of any meeting of shareholders or policyholders shall be the first mentioned of the following who is present: the Chairman of the Board, or the President. If no such person is present within 15 minutes after the time fixed for holding the meeting, the Directors present shall choose one of their number to be Chairman.

### **4.02           Quorum**

- (a) A quorum of a meeting of shareholders shall consist of the holders of a majority of the shares who are entitled to vote at the meeting, present in person or represented by proxyholders.

- (b) A quorum at a meeting of policyholders shall consist of fifty (50) policyholders who are entitled to vote at the meeting, present in person or represented by proxyholders.
- (c) A quorum at a meeting of shareholders and policyholders shall consist of the holders of a majority of the shares who are entitled to vote at the meeting and fifty (50) policyholders who are entitled to vote at the meeting, in each case present in person or represented by proxyholders.

## **ARTICLE 5 - BUSINESS OF THE COMPANY**

### **5.01 Corporate Seal**

The seal of the Company shall be such as the Board of Directors may adopt.

### **5.02 Financial Year**

The financial year of the Company shall end on the expiration of the 31st day of December in each year.

### **5.03 Execution of Documents**

Documents to be executed by the Company shall be executed in such manner as may be determined by the Board of Directors.

## **ARTICLE 6 - SHARE CAPITAL**

### **6.01 Authorized Capital**

The authorized capital of the Company shall consist of an unlimited number of preferred shares without nominal or par value, issuable in series (the “Preferred Shares”) and 2,000,000 common shares without nominal or par value (the “Common Shares”).

### **6.02 Preferred Shares**

The Preferred Shares, as a class, have attached thereto the following rights, privileges, restrictions and conditions.

#### **(1) Board of Directors Authority to Issue in One or More Series**

The Board of Directors may issue the Preferred Shares at any time or from time to time in one or more series. Before any shares of a series are issued, the Board of Directors shall fix the number of shares that will form the series and shall, subject to any limitations set out in the by-laws of the Company or in the Act, determine the designation, rights, privileges, restrictions and conditions to be attached to the Preferred Shares of the series. Before the issue of any shares of a series, the particulars of the series, including the rights, privileges, restrictions

and conditions determined by the Board of Directors, shall be sent to the Superintendent of Financial Institutions (Canada).

**(2) Ranking of the Preferred Shares**

No rights, privileges, restrictions or conditions attached to a series of Preferred Shares confer on the series a priority in respect of dividends or return of capital over any other series of Preferred Shares.

The Preferred Shares are entitled to a preference over the Common Shares and any other shares ranking junior to the Preferred Shares with respect to the priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its policyholders and shareholders for the specific purpose of winding up its affairs.

If any cumulative dividends, whether or not declared, or declared non-cumulative dividends or amounts payable on return of capital are not paid in full in respect of any series of Preferred Shares, then the Preferred Shares of all series shall participate rateably in respect of such dividends in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of such return of capital in accordance with the sums that would be payable on such return of capital if all sums so payable were paid in full; provided, however, that if there are insufficient assets to satisfy in full all such claims as aforesaid, then the claims of the holders of the Preferred Shares with respect to return of capital shall be paid and satisfied first and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends. The Preferred Shares of any series may also be given such other preferences not inconsistent with the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class over the Common Shares and any other shares ranking junior to the Preferred Shares as may be determined in the case of such series of Preferred Shares.

**(3) Voting Rights**

Except as hereinafter referred to or as required by law or as specified in the rights, privileges, restrictions and conditions attached from time to time to any series of Preferred Shares, the holders of the Preferred Shares as a class are not entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders or policyholders of the Company.

**(4) Amendment with Approval of the Holders of Preferred Shares**

The rights, privileges, restrictions and conditions attached to the Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the Preferred Shares given as hereinafter specified.

**(5) Approval of the Holders of the Preferred Shares**

The approval of the holders of the Preferred Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Preferred Shares as a class or in respect of any other matter requiring the consent of the holders of the Preferred Shares may be given in such manner as may be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two-thirds (2/3) of the votes cast at a meeting of the holders of the Preferred Shares duly called for that purpose at which the holders of a majority of the outstanding Preferred Shares are present in person or represented by proxy. If at any such meeting, the holders of at least a majority of the outstanding Preferred Shares are not present in person or represented by proxy within 30 minutes after the time appointed for the meeting, then the meeting shall be adjourned to such date not less than 15 days thereafter and to such time and place as may be appointed by the Chairman of the meeting and not less than 7 days notice shall be given of the adjourned meeting. At such adjourned meeting the holders of the Preferred Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by not less than two-thirds (2/3) of the votes cast constitutes the approval of the holders of the Preferred Shares referred to above.

The formalities to be observed with respect to the giving of notice of any such meeting or any adjourned meeting and the conduct thereof are those from time to time prescribed by the by-laws or the administrative resolutions of the Company passed by the Board of Directors with respect to meetings of shareholders or as required by the Act. On every poll taken at every meeting of the holders of the Preferred Shares as a class, or at any joint meeting of the holders of two or more series of Preferred Shares, each holder of Preferred Shares entitled to vote thereat has one vote in respect of each Preferred Share held.

Notwithstanding anything in this Section 6.02(5), the approval of the holders of the Preferred Shares, voting separately as a class or series, is not required on a proposal to amend the by-laws of the Company to:

- (a) increase or decrease the maximum number of authorized Preferred Shares, or increase the maximum number of authorized shares of a class of shares having rights or privileges equal or superior to the Preferred Shares;
- (b) effect the exchange, reclassification or cancellation of all or any part of the Preferred Shares; or
- (c) create a new class of shares equal to or superior to the Preferred Shares.

**(6) Notice to Holders of Preferred Shares**

Any notice, cheque, notice of redemption or other communication from the Company herein provided for shall be sent to the holders of the Preferred Shares by first class mail, postage prepaid at their respective addresses appearing on the securities register of the Company or, in the event of the address of any such holder not so appearing, then at the last address of such holder known to the Company. Accidental failure to give any such notice, notice

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Approved at the Annual and Special Meeting by Shareholders and Policyholders April 28, 2022

of redemption or other communication to one or more holders of Preferred Shares shall not affect the validity thereof, but, upon such failure being discovered, a copy of the notice, notice of redemption or other communication, as the case may be, shall be sent or delivered forthwith to such holder or holders. Unless otherwise provided herein, any notice, request, certificate or other communication from a holder of Preferred Shares herein provided for shall be either sent to the Company by first class mail, postage prepaid, or delivered by hand to the Company at its head office.

### 6.03 **Common Shares**

The Common Shares shall be non-redeemable and the rights of the holders thereof shall be equal in all respects and shall have attached thereto the following rights, privileges, restrictions and conditions:

#### (1) **Dividends**

- (a) Subject to the prior rights of the holders of the Preferred Shares and any other shares ranking senior to the Common Shares with respect to priority in payment of dividends, the holders of Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors out of moneys properly applicable to the payment of dividends, in such amount and in such forms as the Board of Directors may from time to time determine and all dividends which the Board of Directors may declare on the Common Shares shall be declared and paid in equal amounts per share on all Common Shares outstanding at the time.
- (b) Any dividend (other than a stock dividend) unclaimed after a period of six years from the date on which same has been declared to be payable shall be forfeited and shall revert to the Company.

#### (2) **Dissolution**

In the event of the liquidation, dissolution or specific winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its policyholders and shareholders for the specific purpose of winding up its affairs, subject to the prior rights of the holders of the Preferred Shares and any other shares ranking senior to the Common Shares with respect to priority in the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, the holders of the Common Shares shall be entitled to receive the remaining property of the Company that pertains to shareholders in equal amounts per share, without preference or priority of one share or another.

#### (3) **Voting Rights**

The holders of Common Shares shall be entitled to receive notice of and to attend all meetings of the shareholders or meetings of shareholders and policyholders of the Company and shall have one vote for each Common Share held at all meetings of the shareholders or meetings of shareholders and policyholders of the Company, except for meetings at which only holders of another specified class or series of shares of the Company are entitled to vote

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separately as a class or series and meetings at which only policyholders of the Company are entitled to vote separately as policyholders.

**(4) Notice of Meeting**

The formalities to be observed with respect to the giving of notice of any such meeting or any adjourned meeting, the quorum required therefore and the conduct thereof shall be those from time to time required by the Act as in force at the time of the meeting and those, if any, prescribed by the by-laws or administrative resolutions of the Company with respect to meetings of shareholders.

**(5) Pre-emptive Right**

No Common Shares of the Company shall be issued unless such Common Shares have first been offered to the shareholders holding Common Shares and such shareholders have a pre-emptive right to acquire the offered Common Shares in proportion to their holdings of Common Shares, at such price and on such terms as those Common Shares are to be offered to others.

**ARTICLE 7- INDEMNIFICATION**

**7.01 Indemnification of Directors and Officers**

To the extent permitted by law, the Company may, by resolution of the Board of Directors, indemnify the Directors and Officers of the Company, and such other persons as the Board of Directors may determine, on such terms and conditions as may be established by the Board of Directors.

**ARTICLE 8 - TRANSITIONAL MATTERS**

**8.01 Effective Date**

By-law No. 32, other than Section 3.01, shall take effect immediately. Section 3.01 of this By-law No. 32 shall take effect on April 28, 2022, provided that this By-law No. 32 is approved by special resolution at a meeting of shareholders and policyholders of the Company on such date, or on such other date as it is so approved.