

**THE EMPIRE LIFE INSURANCE COMPANY  
(Company)**

**MANDATE OF THE CONDUCT REVIEW COMMITTEE**

**AUTHORITY**

Primary responsibility for oversight of the Company's corporate governance and compliance programs, and compliance with the self-dealing and consumer complaints provisions of the *Insurance Companies Act (Canada)* (ICA), is vested in senior management and is overseen by the Board of Directors (Board). The Conduct Review Committee (Committee) is a standing committee of the Board established to assist it in its oversight role with respect to the Company's:

- a. corporate governance policies and programs,
- b. compliance with legal and regulatory requirements and the identification and management of compliance risk,
- c. potential conflicts of interest and related party transactions, and
- d. Code of Business Conduct and related program.

The Committee has unrestricted access to Company personnel, information, documents and resources as required to carry out its responsibilities as set out below. In consultation with the Chair, the Committee has the authority to conduct or authorize investigations into any matter within its scope of authority and to obtain advice and assistance in the conduct of investigations from independent counsel, accountants or other professional advisors at the Company's expense.

**STRUCTURE AND OPERATION**

1. The Committee consists of at least three Directors (including the Chair), a majority of whom are not affiliated with the Company. No employee of the Company or any of its subsidiaries may be a member of the Committee.
2. Committee members are appointed by the Board to serve one-year terms, but may serve any number of consecutive terms. Any member of the Committee may be removed or replaced at any time by the Board, and the Board will fill Committee vacancies.
3. The Committee meets at least four times each year. Any member of the Committee may call additional meetings at their discretion. The Committee may call a Board meeting to consider any matter of concern to the Committee.
4. The external auditor receives notice of all Committee meetings and is entitled to attend and be heard at those meetings.
5. Quorum for a meeting of the Committee is a majority of its members. Notwithstanding any vacancy on the Committee, a quorum may exercise all of the powers of the Committee. Decisions of the Committee are determined by a majority vote.
6. The Committee meets privately with the Chief Compliance Officer at each regularly scheduled meeting, and the Chief Compliance Officer has unrestricted access to Committee members between meetings.

## **RESPONSIBILITIES OF THE COMMITTEE**

The Committee:

### **Self-Dealing**

7.
  - a. satisfies itself that management establishes procedures for complying with Part XI (Self-Dealing) of the ICA, and reviews these procedures and their effectiveness,
  - b. establishes criteria to determine if a transaction is nominal or immaterial to the Company and submits those criteria to the Superintendent of Financial Institutions for approval,
  - c. reviews the practices of the Company designed to identify transactions with related parties of the Company that may have a material effect on its stability or solvency, and
  - d. approves transactions with related parties that, in accordance with the ICA, require the approval of the Committee;

### **Compliance**

8. requires the Company to implement and maintain appropriate regulatory compliance, anti-money laundering/anti-terrorist financing (AML/ATF), market conduct, and privacy policies and procedures, and becomes satisfied, based on reports from the Chief Compliance Officer, that these procedures are operating effectively,
9. reviews quarterly compliance reports with respect to, among other things, the Company's compliance risks and programs,
10. approves procedures established to handle anonymous employee submissions with respect to concerns regarding the conduct of personnel and other matters,
11. annually reviews the Company's Code of Business Conduct and approves amendments to it,
12. meets with the Chief Anti-Money Laundering Officer at least annually to receive and review their report on the Company's AML/ATF program, including a report on the effectiveness of that program and the Company's compliance with policies relating to it, and
13. meets with the Chief Auditor at least biennially to receive and review their report on the testing of the effectiveness of the AML/ATF program,

### **Other Responsibilities**

14. approves and monitors procedures to resolve conflicts of interest, including techniques for the identification of potential conflict situations and for restricting the use of confidential information,
15. requires the Company to establish and monitor procedures for:
  - a. handling complaints of customers of the Company, and
  - b. providing disclosure of information to customers of the Company concerning cost of borrowing and related contractual rights,as required by the ICA, approves these procedures, satisfies itself that the Company adheres to them, and reviews quarterly reports from the designated Complaint Officer summarizing all concerns opened, investigated and resolved since the previous report,
16. with respect to the outsourcing policy:
  - a. reviews and approves changes to the risk management policy for outsourcing as recommended by management,
  - b. reviews, at least annually, management's report demonstrating compliance with the approved risk management policy for outsourcing, including a list of the Company's material outsourcing arrangements, and
  - c. approves any outsourcing arrangement that exceeds the level of authority delegated to management,
17. satisfies itself with reports from the Company's Chief Compliance Officer that employees adhere to their obligations when conducting trading activity for their personal accounts,
18. reviews at least annually and approves changes to policies for the management and mitigation of compliance risk, including risks associated with money laundering, terrorist financing, market conduct, privacy and ethics,
19. reviews at least annually the adequacy of and compliance with the policies for which it has oversight accountability, and
20. fulfils other responsibilities as may be required by applicable regulation, industry guidance, the Board or the Board Chair or Vice-Chair from time to time;

### **Governance**

21. reviews at least annually and approves changes to the Chief Compliance Officer's statement of mandate,
22. reviews at least annually the adequacy of the authority, independence and resources of the Chief Compliance Officer,
23. reviews matters within its mandate that are addressed in regulatory investigations, and

24. reviews its mandate and its effectiveness in fulfilling its responsibilities as set out in its mandate annually. In addition, Committee membership is reviewed annually by the Human Resources Committee to ensure the Committee as a whole includes members with the experience and expertise required to fulfill its mandate.
25. The Chair of the Committee is consulted in advance in connection with the appointment, reassignment, replacement or dismissal of the Chief Compliance Officer and may, at their discretion, contact the Chief Compliance Officer directly.
26. The Committee Chair reviews with the Board Chair annually a performance evaluation of the Committee.

## **REPORTING**

27. After each Committee meeting, the Committee reports to the Board on matters reviewed by it.
28. The Committee reports to the Board and to the Superintendent of Financial Institutions, on behalf of the Company, on the mandate and responsibilities of the Committee and the procedures established by management to comply with Part XI (Self-Dealing) of the ICA.
29. Within 90 days after the end of each financial year, the Committee prepares a report for the Board to be submitted to the Superintendent of Financial Institutions, outlining what the Committee did during the year in carrying out its responsibilities under Part XI (Self-Dealing) of the ICA, *Insurance Companies Act (Canada)*, as set out in section 7 of this mandate.