

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

**MANDATE OF THE INVESTMENT COMMITTEE**

**AUTHORITY**

Primary responsibility for the Company's investments is vested in senior management and is overseen by the Board of Directors (Board). The *Insurance Companies Act (Canada)* requires that the Board establish, and that the Company adhere to, investment and lending policies, standards and procedures that a reasonable and prudent person would apply in respect of a portfolio of investments and loans, in order to avoid undue risk of loss and obtain a reasonable return. The Investment Committee (Committee) is a standing committee of the Board established to assist the Board in its oversight role by overseeing investment practices, procedures and controls related to the management of the general fund investment portfolio.

The Committee has unrestricted access to Company personnel, information, documents and resources as required in carrying out its responsibilities as set out below. In consultation with the Chair, the Committee has the authority to conduct or authorize investigations into any matters 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.
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 Investment Officer at each regularly scheduled meeting, and the Chief Investment Officer has unrestricted access to Committee members between meetings.

## **RESPONSIBILITIES OF THE COMMITTEE**

The Committee:

### **Investments**

7. reviews the social, political and economic conditions affecting the Company's investments,
8. with respect to the general fund investments of and by the Company, reviews and approves management's risk philosophy and asset mix recommendations,
9. reviews and approves, at its discretion, any matter that exceeds the level of authority delegated to management,
10. reviews the investment activity carried out by the Company,
11. reviews the performance of the Company's investment portfolios and other appropriate criteria such as quality, concentration or loss experience, etc.,
12. reviews and approves the use by the Company of external investment managers,
13. reviews all loans or investments specifically requiring Committee approval based on current lending and approval limits,
14. reviews, at least annually, the Company's asset liability management guidelines and practices and the Company's asset liability matching position,
15. reviews at least annually, and approves changes to, the mandate of the Company's Asset Management Committee,
16. reviews significant credit and securities exposures,
17. performs other functions in connection with the Company's investments as may be specifically assigned to the Committee by the Board, and
18. reviews the performance of investment managers in respect of the Company's general and segregated fund performance;

### **Other Responsibilities**

19. reviews at least annually and approves changes to the Company's investment and lending policies, including those relating to asset liability management, inter-segment notes, investments and liquidity,
20. reviews at least annually the adequacy of and compliance with the policies for which it has oversight accountability, and

21. 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**

22. reviews matters within its mandate that are addressed in regulatory investigations, and
23. 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.
24. the Chair of the Committee is consulted in advance in connection with the appointment, reassignment, replacement or dismissal of the Chief Investment Officer and may, at their discretion, contact the Chief Investment Officer directly.
25. the Committee Chair reviews with the Board Chair annually a performance evaluation of the Committee.

### **REPORTING**

26. after each Committee meeting, the Committee reports to the Board on matters reviewed by it.