

THE EMPIRE LIFE INSURANCE COMPANY
(the “Company”)

TERMS OF REFERENCE FOR DIRECTORS

The following terms of reference are intended to guide directors in fulfilling their responsibilities and to assist the Chair in assessing directors' contribution to the Company and to the Board.

DUTY

Each Board member must act honestly and in good faith with a view to the best interests of the Company, and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

SKILLS AND CHARACTER

All Board members shall have suitable knowledge, experience and skills given the nature of the Company and its businesses, and have a proven record of sound judgment. Directors are to possess characteristics and traits that reflect:

- High ethical standards and integrity in their personal and professional dealings;
- The ability to provide thoughtful and experienced counsel on a broad range of issues and to develop a depth of knowledge of the Company's business in order to understand, assess and form independent judgment with respect to the assumptions on which the Company's strategic and business plans are based;
- The ability to monitor and evaluate the financial performance of the Company; and
- An openness for the opinions of others and the willingness to listen, as well as the ability to communicate effectively and to raise tough questions in a manner that encourages open and frank discussion.

BEHAVIOURS

Directors must comply with applicable legislation, as well as act in accordance with the articles, by-laws, resolutions, policies and codes of the Company. Directors are expected to contribute to the effectiveness of the Board as a whole in meeting its responsibilities. In particular, directors are expected to:

- Commit the time and resources necessary to properly carry out their duties, including adequately preparing for, attending and participating in Board meetings;
- Use their abilities, experience and influence in the best interests of the Company and be a resource to the Chair, the CEO, and the rest of the Board;
- Understand fully the role of the Board, the role of Board committees and the contribution individual directors are expected to make;
- Cultivate collegial relationships with fellow directors and be acquainted with officers of the Company; and
- Conduct themselves according to the highest standards of personal and professional integrity and set the standard for Company-wide ethical conduct and compliance with laws and regulations.