

Empire Industries Ltd.

MAJORITY VOTING POLICY

The board believes that each director should have the confidence and support of the shareholders of the corporation. To this end, the board has unanimously adopted this policy and future nominees for election to the board will be required to confirm that they will abide by this policy.

Forms of proxy for the election of directors will permit a shareholder to vote in favour of, or to withhold from voting, separately for each director nominee. The Chair of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded at the meeting.

If a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered by the board not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Such a nominee will be expected to forthwith submit his or her resignation to the board of directors, effective on acceptance by the board. The board will refer the resignation to the corporate governance committee for consideration.

The board will promptly accept the resignation unless the committee determines that there are extraordinary circumstances relating to the composition of the board or the voting results that should delay the acceptance of the resignation or justify rejecting it. In any event, it is expected that the resignation will be accepted (or in rare cases rejected) within 90 days of the meeting.

Subject to any corporate law restrictions, the board of directors may

- (1) leave a vacancy in the board unfilled until the next annual general meeting,
- (2) fill the vacancy by appointing a new director whom the board considers to merit the confidence of the shareholders, or
- (3) call a special meeting of shareholders to consider new board nominee(s) to fill the vacant position(s).

This policy does not apply where an election involves a contested election i.e., where the election includes one or more nominees who are not part of the director nominees supported by the board of directors.

Approved: April 16, 2014