

FORM 62-103FI
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

1. Security and Reporting Issuer

- 1.1 *State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.*

The Empire Life Insurance Company ("Empire Life")
259 King Street East
Kingston, Ontario K7L 3A8

Non-Cumulative Rate Reset Preferred Shares, Series 3

- 1.2 *State the name of the market in which the transaction or other occurrence that triggered the required to file this report took place.*

Not applicable

2. Identity of the Acquiror

- 2.1 *State the name and address of acquiror*

E-L Financial Corporation Limited ("E-L Financial")
165 University Avenue, 10th Floor
Toronto, Ontario M5H 3B8

E-L Financial is an investment and insurance holding company incorporated under the *Business Corporations Act (Ontario)*.

- 2.2 *State the date of transaction or other occurrence that triggered the requirement to file this report and a brief description of the transaction or other occurrence.*

On November 1, 2017 E-L Financial purchased 4,000,000 Non-Cumulative Rate Reset Preferred Shares, Series 3 of Empire Life.

- 2.3 *State the names of any joint actors*

Not applicable

3. Interest in Securities of the Reporting Issuer

- 3.1 *State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.*

Acquisition of ownership of 4,000,000 Non-Cumulative Rate Reset Preferred Shares, Series 3 of Empire Life giving E-L Financial a securityholding percentage of 41.75% of that class of preferred shares.

- 3.2 *State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.*

E-L Financial acquired ownership of the 4,000,000 Non-Cumulative Rate Reset Preferred Shares, Series 3 of Empire Life that triggered the requirement to file this report.

- 3.3 *If the transaction involved a securities lending arrangement, state that fact.*

Not applicable

- 3.4 *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or occurrence that triggered the requirement to file this report.*

Immediately before the transaction E-L Financial did not own Non-Cumulative Rate Reset Preferred Shares, Series 3 of Empire Life and immediately after the transaction E-L Financial owned 4,000,000 Non-Cumulative Rate Reset Preferred Shares, Series 3.

E-L Financial also owns 100% of E-L Financial Services Limited, which owns 968,607 or 98.3% of the common shares of Empire ("Common Shares"). Of the remaining 1.7% of the Company's common Shares, 1.0% or 9,447 of the Common Shares are owned by E-L directly, for a total of 99.3% or 979,054 of the Common Shares.

- 3.5 *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which*

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

E-L Financial has ownership and control over 4,000,000 (41.75%) Non-Cumulative Rate Reset Preferred Shares, Series 3 of Empire Life.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable

- 3.6 *If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.*

Not applicable

- 3.7 *If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.*

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable

- 3.8 *If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

Not applicable

4. **Consideration Paid**

- 4.1 *The value, in Canadian dollars, of any consideration paid or received per security and in total.*

The 4,000,000 Non-Cumulative Rate Reset Preferred Shares, Series 3 were acquired for consideration of \$25.00 per share, in total \$100,000,000.00.

- 4.2 *In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.*

E-L Financial paid \$25.00 per share for each of 4,000,000 Non-Cumulative Rate Reset Preferred Shares, Series 3, in total \$100,000,000.00.

- 4.3 *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

Not applicable

5. **Purpose of the Transaction**

Purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;*

- (b) *a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;*
- (c) *a sale or transfer of a material amount of assets of the reporting issuer or any of its subsidiaries;*
- (d) *a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;*
- (e) *a material change in the present capitalization or dividend policy of the reporting issuer;*
- (f) *a material change in the reporting issuer's business or corporate structure;*
- (g) *a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;*
- (h) *a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;*
- (i) *the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;*
- (j) *a solicitation of proxies from securityholders;*
- (k) *an action similar to any of those enumerated above.*

Not applicable

6. Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer of the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable

7. Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable

8. **Exemption**

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied and the facts supporting that reliance.

Not applicable

9. **Certification**

The acquiror must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

E-L Financial Corporation Limited, as the acquiror, certifies to the best of its knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated at Toronto, this 7th day of November, 2017.

E-L FINANCIAL CORPORATION LIMITED

/s/ Richard B. Carty

By: Richard B. Carty
Corporate Secretary