FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Issuer

Empire Company Limited
("Empire" and collectively with Sobeys, the "Company")
115 King Street
Stellarton, Nova Scotia
B0K 1S0

Sobeys Incorporated ("Sobeys")
115 King Street
Stellarton, Nova Scotia
B0K 1S0

Item 2 Date of Material Change

July 7, 2016

Item 3 News Release

A press release was issued through the facilities of Canada NewsWire on July 8, 2016 and filed on SEDAR.

Item 4 Summary of Material Change

Empire and Sobeys have appointed a new Interim CEO and CFO.

Item 5 Full Description of Material Change

The Boards of Directors of Empire and Sobeys have announced that President & CEO Marc Poulin has left the Company effective immediately.

François Vimard, Chief Financial and Administrative Officer, has been appointed Interim President & CEO as the Company initiates an orderly succession process to identify a permanent leader. Mr. Vimard will also replace Mr. Poulin on the Boards of Directors.

The Empire Board was unanimous in its support of François Vimard's leadership as they undertake this succession process. Despite the significant challenges over the past year, the Board is confident the Company is pursuing the right strategy. It is the Board's clear expectation that Mr. Vimard and his strong and experienced leadership team will prioritize and advance the most critical elements of the Company's strategy to ensure the Company meets the needs and expectations of customers and see the return of long-term profitable growth.

A Chartered Professional Accountant, Mr. Vimard brings a wealth of experience and extensive knowledge of the Company to his new position. He has more than 30 years of experience in the food retailing business, joining Sobeys in 1995.

Clinton Keay, Executive Vice President of Finance for the Company will assume the role of Interim Chief Financial Officer for the Company. Mr. Keay is a Chartered Professional Accountant who joined Sobeys in 1989 and held a number of progressively senior finance roles. He was appointed Senior Vice President & Chief Information Officer in 2002 and Executive Vice President of Finance for the Companies in 2014.

Empire (TSX: EMP.A) is a Canadian company headquartered in Stellarton, Nova Scotia. Empire's key businesses are food retailing and related real estate. With $24.6 billion in sales and $9.1 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 125,000 people. Sobeys is a wholly owned subsidiary of Empire.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No significant facts remain confidential in, and no information has been omitted from, this report on the basis that it is confidential information.

Item 8 Executive Officer

For further information, please contact:

Andrew Walker
Senior Vice President, Communications &
Corporate Affairs
Sobeys Inc.
(905) 238-7124 ext. 6711

Item 9 Date of Report

July 8, 2016