

GREAT-WEST
LIFECO INC.

2009 Annual Information Form

DATED February 11, 2010

GREAT-WEST LIFECO INC.
100 Osborne Street North
Winnipeg, Manitoba R3C 3A5

Great-West Lifeco Inc.

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GENERAL

This Annual Information Form ("AIF") is intended to provide material information about Great-West Lifeco Inc. ("Lifeco") and its business.

Unless otherwise indicated, all information in this AIF is presented as at December 31, 2009 and all amounts are expressed in Canadian dollars.

Incorporation by Reference

Lifeco's 2009 Management's Discussion and Analysis dated February 11, 2010 (the "MD&A") is hereby incorporated by reference into this AIF and is available for review on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This AIF and the documents incorporated by reference contain some forward-looking statements about Lifeco, including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future action by Lifeco, including statements made by Lifeco with respect to the expected benefits of acquisitions or divestitures, are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about Lifeco, economic factors and the financial services industry generally, including the insurance and mutual fund industries. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by Lifeco due to, but not limited to, important factors such as sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates, taxes, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, catastrophic events, and Lifeco's ability to complete strategic transactions and integrate acquisitions. The reader is cautioned that the foregoing list of important factors is not exhaustive, and there may be other factors, including factors set out herein under "Risk Factors", and any listed in other filings with securities regulators, including factors set out under "Risk Management and Control Practices" in the MD&A, which, along with other filings, is available for review at www.sedar.com. The reader is also cautioned to consider these and other factors carefully and not to place undue reliance on forward-looking statements. Other than as specifically required by applicable law, Lifeco does not intend to update any forward-looking statements whether as a result of new information, future events or otherwise.

Cautionary Note Regarding Non-GAAP Financial Measures

This AIF and the documents incorporated by reference contain some non-GAAP financial measures. Terms by which non-GAAP financial measures are identified include, but are not limited to, "earnings before restructuring charges", "adjusted net income", "net income - adjusted", "earnings before adjustments", "constant currency basis", "premiums and deposits", "sales" and other similar expressions. Non-GAAP financial measures are used to provide management and investors with additional measures of performance. However, non-GAAP financial measures do not have standard meanings prescribed by GAAP and are not directly comparable to similar measures used by other companies. Please refer to the appropriate reconciliations of these non-GAAP financial measures to measures prescribed by GAAP.

CORPORATE STRUCTURE

Name, Address and Incorporation

Lifeco was incorporated under the *Canada Business Corporations Act* on November 8, 1979 as 94972 Canada Inc. Its name was changed to Great-West Lifeco Inc. and its capital structure was reorganized by Certificate of Amendment dated May 15, 1986. Its articles, as further amended, were restated by Restated Certificate of Incorporation dated August 7, 1997 and were subsequently amended to create Non-Cumulative First Preferred Shares Series D, Series E, Series F, Series G, Series H, Series I, Series J, Series K and Series L. The registered

Lifeco, through its operating subsidiaries, provides products and services under a number of brands, including the Canada Life brand, the Freedom 55 Financial™ brand, and the Putnam Investments and PanAgora brands. The Freedom 55 Financial brand is one of the most recognizable brands in Canada, and Putnam Investments is a well known brand in the United States.

Based on reported results for the twelve months ended December 31, 2009, of \$30.5 billion of total revenue consisting of premium income, net investment income, and fee and other income, approximately \$16.7 billion, or 54.7%, was denominated in currencies other than Canadian dollars. Similarly, \$771 million, or 45.3% of the \$1,699 million total net income attributable to shareholders, was denominated in foreign currencies. At December 31, 2009, approximately \$72.5 billion, or 56.5% of the \$128.4 billion of total general fund assets, were denominated in foreign currencies.

Lifeco's foreign currency denominated operating results were translated to Canadian dollars at prevailing market translation rates.

Canada

In Canada, Great-West, London Life and Canada Life offer a broad portfolio of financial and benefit plan solutions for individuals, families, businesses and organizations through a network of Freedom 55 Financial and Great-West financial security advisors and through a multi-channel network of brokers, advisors and financial institutions.

Through their Individual Insurance & Investment Products business units, Great-West, London Life and Canada Life provide life, disability and critical illness insurance products to individual clients, as well as accumulation products and annuity products for both group and individual clients in Canada. Through their Group Insurance business units, Great-West and Canada Life provide life, health, critical illness, disability and creditor insurance products to group clients in Canada.

The individual lines of business access the various distribution channels through distinct product labels offered by Great-West, London Life and Canada Life and Quadrus Investment Services Ltd. Unique products and services meet the needs of each distribution channel, allowing Lifeco to maximize opportunities while minimizing channel conflict.

United States

In the U.S., GWL&A is a leader in meeting the retirement income needs of employees in the public/non-profit and corporate sectors. It serves its customers nationwide through a range of financial products and services marketed through brokers, consultants and group representatives, and through other financial institutions. GWL&A provides an array of financial security products, including employer-sponsored defined contribution retirement plans and defined benefit plans for certain market segments. Through relationships with government plan sponsors, GWL&A is one of the largest providers of services to state defined contribution plans, with 15 of 50 state clients as well as the government of Guam. It also provides annuity and life insurance products for individuals, families and corporate executives. Through its FASCore subsidiary, it offers private-label recordkeeping and administrative services for other providers of defined contribution plans.

Putnam provides investment management, certain administrative functions, distribution, and related services through a broad range of investment products, including the Putnam Funds, its own family of mutual funds which are offered to individual and institutional investors. Revenue is derived from the value and composition of assets under management, which includes domestic and international equity and debt portfolios; accordingly, fluctuations in financial markets and in the composition of assets under management affect revenues and results of operations. Individual retail investors are served through a broad network of distribution relationships with unaffiliated broker-dealers, financial planners, registered investment advisers and other financial institutions that distribute the Putnam Funds to their customers, which, in total, includes more than 150,000 advisors in over 2,000 firms. Institutional investors are supported by Putnam's dedicated account management, product management, and client service professionals and through strategic relationships with several investment management firms outside of the United States.

Europe

In Europe, Canada Life is broadly organized along geographically-defined market segments and offers protection and wealth management products, including payout annuity products, and reinsurance. The Europe segment is comprised of two distinct business units: Insurance & Annuities, which consists of operations in the United Kingdom, Isle of Man, Ireland and Germany; and Reinsurance, which operates primarily in the United States, Barbados and Ireland. Reinsurance products are provided through Canada Life, London Reinsurance Group Inc. and their subsidiaries.

The core products offered in the United Kingdom are payout annuities, savings and group insurance. These products are distributed through independent financial advisors and employee benefit consultants. The Isle of Man operation provides savings and individual protection products that are sold through independent financial advisors in the United Kingdom and in other selected territories. The core products offered in Ireland are individual insurance and savings and pension products. These products are distributed through independent brokers and a direct sales force. The German operation focuses on pension and individual protection products that are distributed through independent brokers.

Canada Life's and London Life's reinsurance business includes both reinsurance and retrocession business transacted directly with clients or through reinsurance brokers. As a retrocessionaire, Canada Life provides reinsurance to other reinsurers to allow those companies to spread their insurance risk. The product portfolio offered by Canada Life includes life, annuity and property and casualty reinsurance, provided on both a proportional and non-proportional basis.

In addition to providing reinsurance products to third parties, Lifeco and its subsidiaries also utilize internal reinsurance transactions between affiliated companies. These transactions are undertaken in order to better manage insurance risks relating to retention, volatility and concentration, as well as to facilitate capital management for Lifeco and its subsidiaries and branch operations. These internal reinsurance transactions may produce benefits that are reflected in one or more of Lifeco's and its subsidiaries' business segments.

Corporate

The Lifeco Corporate segment includes operating results for activities that are not specifically associated with other business units.

For a further description of Lifeco's business, see pages 1 to 91 of the MD&A.

Risk Factors

Lifeco and its operating subsidiaries are in the business of assessing, assuming and managing risk. The types of risks are many and varied, and are influenced by factors both internal and external to Lifeco's business operations. These risks, and the control practices used to manage the risks, may be broadly grouped into four categories:

1. Insurance Risks
2. Investment or Market Risks
3. Operational Risks
4. Other Risks

These risk categories have been ranked in accordance with the extent to which they would be expected to impact Lifeco's business on an ongoing basis and, accordingly, would require more active management. It should be noted, however, that risks included in the third or fourth categories, such as legal, rating, regulatory or reputational risks, may still represent serious risks notwithstanding the expectation that they may be less likely to be realized or may be of a lesser magnitude.

For a more detailed description of risk factors, see pages 36 to 47 of the MD&A.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Lifeco has experienced considerable growth over the three year period ending December 31, 2009. Total revenue from continuing operations has grown from \$25,923 million in 2007 to \$30,541 million in 2009. Total assets under administration for continuing operations have grown from \$334,441 million at December 31, 2006, to \$458,575 million at December 31, 2009. The growth experienced by Lifeco has been achieved both through organic growth as well as through transactions with third parties. The significant transactions involving Lifeco and its subsidiaries are described below.

Pursuant to an agreement reached with Fidelity Investments Canada ULC on October 22, 2008 to transition its Canadian group retirement record keeping business to Great-West, the transfer of \$1.4 billion of assets was completed in the third quarter of 2009.

On January 19, 2009, PanAgora Asset Management Inc., a subsidiary of Putnam, sold its equity investments in Union PanAgora Asset Management GmbH. Gross proceeds received of approximately US\$77 million resulted in a gain to Putnam of approximately US\$33 million after taxes and minority interests.

On September 24, 2008, Putnam entered into a transaction with Federated Investors, Inc. that resulted in the liquidation of Putnam's US\$12.3 billion institutional Prime Money Market Fund. Pursuant to this transaction, shareholders of the Putnam Prime Money Market Fund received shares of the Federated Prime Obligations Fund on a \$1-per-share for \$1-per-share basis.

On April 1, 2008, GWL&A completed the sale of its health care insurance business, Great-West Healthcare, to a subsidiary of CIGNA Corporation. As part of the transaction, GWL&A received consideration of US\$1.5 billion in gross proceeds, and approximately US\$750 million, representing the amount of equity invested in the health care business, was made available for other purposes.

On February 14, 2008, Lifeco's Irish reinsurance subsidiary, Canada Life International Re Limited, signed an agreement with Standard Life Assurance Limited, a U.K. based provider of life, pension and investment products, to assume a large block of U.K. payout annuities by way of indemnity reinsurance. The reinsurance transaction, at the date of signing, resulted in revenue premiums of \$12.5 billion with corresponding increases paid or credited to policyholders, policyholder liabilities and funds held by ceding issuers.

In the fourth quarter of 2007, GWL&A completed a transaction with Franklin Templeton Investments whereby Franklin Templeton transitioned its 401(k) recordkeeping business to GWL&A. GWL&A's affiliate FASCore, LLC had been supporting Franklin Templeton's recordkeeping business since 2006. Under the new agreement, GWL&A entered into a direct contractual relationship with each plan sponsor and assumed additional servicing and custodial responsibilities for approximately 340 plans, representing about 64,000 participants.

On August 3, 2007, Lifeco completed its acquisition of Putnam whereby Lifeco acquired the asset management business of Putnam for US\$3 billion, and Great-West and Canada Life acquired Putnam's 25% interest in T.H. Lee Partners for approximately US\$350 million. The terms of the transaction resulted in a tax intangible valued at approximately US\$550 million, derived from an election by both parties to the agreement under section 338(h)(10) of the U.S. Internal Revenue Code. In aggregate, these transactions represented a value of approximately US\$3.9 billion. The transaction has allowed Lifeco to achieve a major presence in the mutual fund and institutional asset management industry in the United States. Putnam also has operations in Europe and Asia. As of the date of acquisition, Putnam had approximately US\$187 billion in assets under management, comprised of US\$116 billion in retail mutual funds and US\$71 billion in institutional funds.

On July 5, 2007, Canada Life acquired all of the outstanding common shares of Crown Life Insurance Company ("Crown Life") for cash consideration of \$118 million. The acquisition was made pursuant to the terms of the 1999 agreement under which Canada Life had acquired the majority of the insurance operations of Crown Life. The acquisition resulted in an increase in invested assets of approximately \$459 million, an increase in other assets of \$24 million, an increase in policyholder liabilities of \$336 million, an increase in other liabilities of \$48 million, and estimated goodwill of \$19 million.

In February 2007, Lifeco's United Kingdom subsidiary, Canada Life Limited, completed the acquisition of the assets and liabilities of a block of payout annuity business from Equitable Life Assurance Society in the U.K. The transaction resulted in an increase in funds held by ceding insurers and a corresponding increase in policyholder liabilities of \$10.2 billion (£4.5 billion) on the consolidated balance sheet at December 31, 2006.

Lifeco expects that it will continue to seek external growth opportunities.

For a more detailed description of the recent general development of Lifeco's business, and the outlook for Lifeco's current financial year, see pages 1 to 91 of the MD&A.

DIVIDENDS

Lifeco does not have a formal dividend policy. The declaration and payment of dividends is at the discretion of the Lifeco Board of Directors. The decision to declare a dividend takes into account a variety of factors including the level of earnings, adequacy of capital, and availability of cash resources. As a holding company, Lifeco's ability to pay dividends is dependent upon Lifeco receiving dividends from its operating subsidiaries. Lifeco's operating subsidiaries are subject to regulation in a number of jurisdictions, each of which maintains its own regime for determining the amount of capital that must be held in connection with the different businesses carried on in those jurisdictions. The requirements imposed by the regulators in any jurisdiction may change from time to time, and thereby impact the ability of the operating subsidiaries to pay dividends to Lifeco.

In March of 2002, Canada Life Capital Trust (the "CLC Trust"), an open-ended trust sponsored by Canada Life, issued 300,000 Canada Life Trust Securities – Series A and 150,000 Canada Life Trust Securities – Series B (collectively, the "CLiCS"). Canada Life Financial Corporation ("CLFC") has agreed that if (i) the CLC Trust fails to pay distributions on the CLiCS, and (ii) Canada Life does not at that time have sufficient public preferred shares outstanding, then CLFC will not pay dividends on its common shares or on its preferred shares until the 12th month following the CLC Trust's failure to have paid the distributions on the CLiCS, unless the CLC Trust first pays such missed distributions. All of the common shares of CLFC are owned by Great-West.

In December of 2002, Great-West Life Capital Trust (the "GWL Trust"), an open-ended trust sponsored by Great-West, issued 350,000 Great-West Life Trust Securities – Series A (the "GREATs"). Lifeco has agreed that if (i) the GWL Trust fails to pay distributions on the GREATs, and (ii) Great-West does not at that time have sufficient public preferred shares outstanding, then Lifeco will not pay dividends on its common shares or on its preferred shares until the 12th month following the GWL Trust's failure to have paid the distributions on the GREATs, unless the GWL Trust first pays such missed distributions.

In June of 2007, Great-West Lifeco Finance (Delaware) LP ("Great-West LP") issued \$1,000 million of subordinated debentures and in June of 2008, Great-West Lifeco Finance (Delaware) LP II ("Great-West LP II") issued \$500 million of subordinated debentures (collectively, the "Subordinated Debentures"). Great-West LP and Great-West LP II were formed by Lifeco and affiliates of Lifeco under the laws of the State of Delaware. The Subordinated Debentures are fully and unconditionally guaranteed on a subordinated basis by Lifeco. Great-West LP and Great-West LP II may, on one or more occasions under certain conditions, elect to defer one or more interest payments on the Subordinated Debentures for up to ten consecutive years. During any such period of interest deferral, neither Lifeco nor any of its subsidiaries may declare or pay any dividends or other distributions on any of the capital stock of Lifeco. However, there are no restrictions on the ability of any subsidiary of Lifeco to pay dividends or make any distributions to Lifeco or its other subsidiaries.

The amount of cash dividends paid in respect of Lifeco's outstanding shares for each of Lifeco's three most recently completed financial years is as follows:

	Year Ended December 31,		
	2009	2008	2007
Lifeco			
Series D First Preferred	\$1.175	\$1.175	\$1.175
Series E First Preferred ⁽¹⁾	\$1.200	\$1.200	\$1.200
Series F First Preferred	\$1.475	\$1.475	\$1.475
Series G First Preferred	\$1.300	\$1.300	\$1.300
Series H First Preferred	\$1.213	\$1.213	\$1.213
Series I First Preferred	\$1.125	\$1.125	\$0.806
Series J First Preferred ⁽²⁾	\$1.634590	N/A	N/A
Series L First Preferred ⁽³⁾	\$0.34829	N/A	N/A
Common	\$1.230	\$1.200	\$1.060

1. The Series E First Preferred Shares were redeemed on December 31, 2009.
2. The Series J First Preferred Shares were issued in November of 2008. The first dividend payment was made on March 31, 2009 in the amount of \$0.50959 per share which included accrued dividends for 2008. Regular quarterly dividend payments are \$0.375 per share.
3. The Series L First Preferred Shares were issued on October 2, 2009.

CAPITAL STRUCTURE

General

The authorized capital of Lifeco consists of an unlimited number of First Preferred Shares, issuable in series (the "First Preferred Shares"), an unlimited number of Class A Preferred Shares, issuable in series (the "Class A Preferred Shares"), an unlimited number of Second Preferred Shares, issuable in series (the "Second Preferred Shares") and an unlimited number of Common Shares (the "Common Shares").

As at December 31, 2009 there were 945,040,476 Common Shares, 7,938,500 Non-Cumulative First Preferred Shares, Series D ("Series D Shares"), 7,895,590 Non-Cumulative First Preferred Shares, Series F ("Series F Shares"), 12,000,000 Non-Cumulative First Preferred Shares, Series G ("Series G Shares"), 12,000,000 Non-Cumulative First Preferred Shares, Series H ("Series H Shares"), 12,000,000 Non-Cumulative First Preferred Shares, Series I ("Series I Shares"), 9,200,000 Non-Cumulative First Preferred Shares, Series J ("Series J Shares") and 6,800,000 Non-Cumulative First Preferred Shares, Series L ("Series L Shares") issued and outstanding. As described below, in certain circumstances the Series J Shares are convertible into Non-Cumulative First Preferred Shares, Series K ("Series K Shares"). Although authorized, no Series K Shares are outstanding, nor are any Class A Preferred Shares or Second Preferred Shares outstanding.

Common Shares

Each Common Share entitles the holder to one vote at all meetings of shareholders (other than at meetings exclusively of another class or series of shareholders). Subject to the prior rights of the holders of Class A Preferred Shares, First Preferred Shares and Second Preferred Shares, the holders of Common Shares are entitled to receive dividends on the Common Shares if, as and when declared by the Board of Directors, and to receive the remaining property of Lifeco on dissolution or winding-up.

As the First Preferred Shares carry a greater right to vote on a per share basis than the Common Shares, the Common Shares are "subordinate voting securities". The Common Shares represent approximately 89.55% of the aggregate voting rights attached to all Lifeco securities. Holders of Common Shares would have no right to participate if a bid was made to acquire any of the First Preferred Shares.

Class A Preferred Shares

The Class A Preferred Shares may be issued in one or more series with such rights, privileges, restrictions and conditions as the Lifeco Board of Directors designates. With respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of Lifeco, the Class A Preferred Shares of each series rank on a parity with the Class A Preferred Shares of every other series and with the First Preferred Shares, and in priority to the Second Preferred Shares and to the Common Shares. The holders of Class A Preferred Shares of any series are not entitled to notice of or to attend or to vote at any meetings of Lifeco shareholders, except as may be required by law or as may be specifically provided for in the provisions attaching to the Class A Preferred Shares of such series.

First Preferred Shares

The First Preferred Shares may be issued in one or more series with such rights, privileges, restrictions and conditions as the Lifeco Board of Directors designates. With respect to the payment of dividends (which are payable if, as and when declared by the Board of Directors) and the distribution of assets in the event of the liquidation, dissolution or winding-up of Lifeco, the First Preferred Shares of each series rank on a parity with the First Preferred Shares of every other series and with the Class A Preferred Shares, and in priority to the Second Preferred Shares and to the Common Shares. Subject to the temporary voting rights discussed below, the holders of First Preferred Shares of any series are not entitled to notice of or to attend or to vote at any meetings of Lifeco shareholders, except as may be required by law or as may be specifically provided for in the provisions attaching to the First Preferred Shares of such series.

Temporary Voting Rights and Restrictions and Constraints on Transfer

Section 411 of the *Insurance Companies Act (Canada)* (the "ICA") requires that Great-West, London Life and Canada Life have voting shares that carry at least 35% of the voting rights attached to all of their outstanding shares beneficially owned by persons who are not "major shareholders" or who are not entities controlled by a major shareholder (the "Public Holding Requirement"). The ICA provides that a person is a major shareholder of a company if the aggregate of the shares of any class of voting shares beneficially owned by the person and by entities controlled by the person exceeds 20% of all of the outstanding shares of that class.

As permitted by the ICA, the Public Holding Requirement applicable to Great-West, London Life and Canada Life has been satisfied by Lifeco through provisions in Lifeco's articles that attach voting rights to the First Preferred Shares and that impose certain constraints on the issue and transfer of the First Preferred Shares. Such provisions currently apply to the First Preferred Shares and will continue to apply until the occurrence of certain events described in Lifeco's articles (such period of time, the "Temporary Period").

During the Temporary Period, holders of First Preferred Shares are entitled to receive notice of and to attend all meetings of Lifeco shareholders (other than meetings of holders of a class or series of shares at which such holders are entitled to vote separately as a class or series). Each First Preferred Share carries that number of votes calculated in accordance with a formula set out in Lifeco's articles. The formula provides, in effect, that the number of votes attached to each First Preferred Share is such that the holders of Common Shares and the holders of First Preferred Shares who do not directly or indirectly own more than 10% of the Common Shares or 10% of the First Preferred Shares respectively will collectively exercise 35% of the voting rights attached to all voting shares of Lifeco.

During the Temporary Period, First Preferred Shares are not to be issued, or be registered in the securities register of Lifeco as transferred, where such issue or transfer would result in a person beneficially owning, directly or indirectly, more than 10% of the First Preferred Shares as a class. If, during the Temporary Period, First Preferred Shares are held by a person who owns more than 10% of the First Preferred Shares as a class, or an entity controlled by such a person owns any First Preferred Shares, the voting rights attached to the First Preferred Shares of such person or entity cannot be exercised.

Series D Shares

The Series D Shares carry a non-cumulative dividend of 4.70% per annum, payable quarterly. Lifeco has the right to redeem the Series D Shares in whole or in part at a price per share determined in accordance with the Series D

Share conditions. The Series D Shares are convertible at the option of Lifeco on March 31, 2009 and on each dividend payment date thereafter into that number of Common Shares determined in accordance with the Series D Share conditions, and are convertible at the option of the holder (subject to Lifeco's redemption and other rights set forth in the Series D Share conditions) on March 31, 2014 and on the last day of March, June, September and December thereafter into that number of Common Shares determined in accordance with the Series D Share conditions. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series D Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of Series D Shares are entitled to be paid an amount equal to \$25.00 per Series D Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series D Shares.

Series F Shares

The Series F Shares carry a non-cumulative dividend of 5.90% per annum, payable quarterly. Lifeco has the right to redeem the Series F Shares in whole or in part at a price per share determined in accordance with the Series F Share conditions. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series F Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of Series F Shares are entitled to be paid an amount equal to \$25.00 per Series F Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series F Shares.

Series G Shares

The Series G Shares carry a non-cumulative dividend of 5.20% per annum, payable quarterly. Lifeco has the right to redeem the Series G Shares in whole or in part at a price per share determined in accordance with the Series G Share conditions. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series G Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series G Shares are entitled to be paid an amount equal to \$25.00 per Series G Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series G Shares.

Series H Shares

The Series H Shares carry a non-cumulative dividend of 4.85% per annum, payable quarterly. Lifeco has the right to redeem the Series H Shares in whole or in part on or after September 30, 2010 at a price per share determined in accordance with the Series H Share conditions. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series H Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series H Shares are entitled to be paid an amount equal to \$25.00 per Series H Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series H Shares.

Series I Shares

The Series I Shares carry a non-cumulative dividend of 4.50% per annum, payable quarterly. Lifeco has the right to redeem the Series I Shares in whole or in part on or after June 30, 2011 at a price per share determined in accordance with the Series I Share conditions. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series I Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series I Shares are entitled to be paid an amount equal to \$25.00 per Series I Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series I Shares.

Series J Shares

The Series J Shares carry a non-cumulative dividend, payable quarterly, of 6% per annum from March 31, 2009 to but excluding December 31, 2013. On December 31, 2013 and on December 31 every five years thereafter the dividend rate will be reset so as to equal the then current five-year Government of Canada bond yield plus 3.07%. Lifeco has the right to redeem the Series J Shares, in whole or in part, on December 31, 2013 and on December 31 every five years thereafter for \$25.00 per share plus declared and unpaid dividends. Subject to Lifeco's right of redemption and certain other restrictions on conversion described in the Series J Share conditions, each Series J Share is convertible at the option of the holder on December 31, 2013 and on December 31 every five years thereafter into one Series K Share, which will carry a non-cumulative floating rate dividend in the amount per share determined by multiplying \$25.00 by the sum of the relevant Government of Canada Treasury Bill rate plus 3.07%. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series J Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of Series J Shares are entitled to be paid an amount equal to \$25.00 per Series J Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series J Shares.

Series K Shares

The Series K Shares, if issued, will carry a floating non-cumulative dividend, payable quarterly, in an amount per share determined by multiplying \$25.00 by the sum of the relevant Government of Canada Treasury Bill rate plus 3.07%. Lifeco has the right to redeem the Series K Shares, in whole or in part, after December 31, 2013 for \$25.50 per share plus declared and unpaid dividends, unless such Series K Shares are redeemed on December 31, 2018 or on December 31 in each fifth year thereafter in which case the redemption price will be \$25.00 per share plus declared and unpaid dividends. Subject to Lifeco's right of redemption and certain other restrictions on conversion described in the Series K Share conditions, each Series K Share is convertible at the option of the holder on December 31, 2018 and on December 31 every five years thereafter into one Series J Share. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series K Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of Series K Shares are entitled to be paid an amount equal to \$25.00 per Series K Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series K Shares.

Series L Shares

The Series L Shares carry a non-cumulative dividend of 5.65% per annum, payable quarterly. Lifeco has the right to redeem the Series L Shares in whole or in part on or after December 31, 2014 at a price per share determined in accordance with the Series L Share conditions. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series L Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series L Shares are entitled to be paid an amount equal to \$25.00 per Series L Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series L Shares.

Series F, Series G, Series H, Series I and Series L Shares – Permanence of Capital

Lifeco regards the Series F Shares, the Series G Shares, the Series H Shares, the Series I Shares and the Series L Shares as comprising part of its core or permanent capital. As such, if Lifeco was to redeem any of those shares, it would intend to do so only with proceeds raised from new capital instruments issued during the life of such shares that represent equal or greater equity benefit. Lifeco has amended its \$400 million trust indenture dated as of March 21, 2003 to provide that it will be in default under the trust indenture if it redeems any of those shares other than from the proceeds of new capital instruments that represent equal or greater equity benefit.

Second Preferred Shares

The Second Preferred Shares may be issued in one or more series with such rights, privileges, restrictions and conditions as the Lifeco Board of Directors designates. With respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of Lifeco, the Second Preferred

Shares of each series rank on a parity with the Second Preferred Shares of every other series and in priority to the Common Shares, but junior to the First Preferred Shares and to the Class A Preferred Shares. The holders of Second Preferred Shares of any series are not entitled to notice of or to attend or to vote at any meetings of Lifeco shareholders except as may be required by law or as may be specifically provided for in the provisions attaching to the Second Preferred Shares of such series.

Ratings

The following ratings have been received by Lifeco in connection with its outstanding securities:

	<u>Preferred Shares</u>	<u>Debentures</u>
S&P		
Rating	A-,P-1(low)	A+
Outlook	Stable	Stable
Rank	(5) of 20	(5) of 22
Commentary	Obligor's capacity to meet its financial commitment on the obligation is still strong, but is more susceptible to the adverse effects of changes in circumstances than higher rated categories.	Obligor's capacity to meet its financial commitment on the obligation is still strong, but is more susceptible to the adverse effects of changes in circumstances than higher rated categories.
DBRS		
Rating	Pfd-1(Low)	AA(Low)
Outlook	Stable	Stable
Rank	(3) of 16	(4) of 26
Commentary	Preferred shares are of superior credit quality, and are supported by entities with strong earnings and balance sheet characteristics.	Debentures are of superior credit quality and protection of interest and principal is considered high.
Fitch		
Rating	A	A+
Outlook	Stable	Stable
Rank	(6) of 23	(5) of 23
Commentary	High credit quality. Denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.	High credit quality. Denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
AM Best		
Rating	a-	a+
Outlook	Stable	Stable
Rank	(7) of 22	(5) of 22
Commentary	Strong ability to meet the terms of the obligation.	Strong ability to meet the terms of the obligation.
Moody's		
Rating		
Rank		
Commentary	Moody's does not rate the securities issued by Lifeco. However, it does provide an Insurance Financial Strength rating to Lifeco's major operating subsidiaries.	Moody's does not rate the securities issued by Lifeco. However, it does provide an Insurance Financial Strength rating to Lifeco's major operating subsidiaries.

Preferred Share Ratings

The preferred share rating is a rating agency's current assessment of the creditworthiness of an obligor with respect to a specific preferred share obligation relative to preferred shares issued by other issuers. The rating reflects the rating agency's assessment of the issuer's capacity and willingness to pay dividends and principal on a timely basis.

Issuer Credit Ratings

The ratings assigned to the debentures issued by Lifeco are generally referred to as issuer credit ratings. An issuer credit rating is a rating agency's current opinion of the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program. It takes into

consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation as well as the currency in which the obligation is denominated. Issuer credit ratings typically take into account the likelihood of payment (the capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation), the nature of the provisions of the obligation, and the protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under laws of bankruptcy and other laws affecting creditor rights.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization.

MARKET FOR SECURITIES

The Common Shares and the First Preferred Shares, Series D, F, G, H, I, J and L are listed and posted for trading on the TSX. The First Preferred Shares, Series E were redeemed on December 31, 2009. The following tables provide trading price and volume statistics regarding activity in 2009.

Lifeco Common Shares (TSX:GWO)

2009	Trading Range		Volume Traded	
	Low	High	Total	Average*
January	\$17.86	\$21.95	23,575,009	1,122,619
February	\$14.36	\$19.80	30,099,451	1,584,182
March	\$11.35	\$18.17	34,670,701	1,575,941
April	\$16.39	\$20.85	18,870,502	898,595
May	\$20.34	\$23.41	13,672,386	683,619
June	\$20.96	\$23.30	17,378,821	789,946
July	\$20.24	\$25.96	13,778,381	626,290
August	\$24.45	\$26.90	15,442,101	772,105
September	\$24.50	\$26.79	12,489,516	594,739
October	\$23.37	\$26.92	16,211,146	771,959
November	\$23.58	\$24.30	15,314,246	729,250
December	\$23.70	\$27.01	17,321,837	824,849

Lifeco Series D First Preferred (TSX: GWO.PR.E)

2009	Trading Range		Volume Traded	
	Low	High	Total	Average*
January	\$24.90	\$25.25	406,967	19,379
February	\$24.90	\$25.15	64,805	3,411
March	\$24.25	\$25.00	107,423	4,883
April	\$24.85	\$25.30	150,265	7,155
May	\$25.15	\$25.90	78,819	3,941
June	\$25.50	\$26.00	68,579	3,117
July	\$25.70	\$26.15	188,269	8,558
August	\$26.00	\$26.50	115,296	5,765
September	\$25.67	\$26.13	182,871	8,708
October	\$25.41	\$25.99	120,171	5,722
November	\$25.70	\$26.00	499,416	23,782
December	\$25.55	\$25.70	157,619	7,506

Lifeco Series F First Preferred (TSX: GWO.PR.F)

2009	Trading Range		Volume Traded	
	Low	High	Total	Average*
January	\$20.00	\$22.49	198,008	9,429
February	\$20.60	\$22.00	49,622	2,612
March	\$19.00	\$20.25	35,482	1,613
April	\$19.80	\$22.00	85,614	4,077
May	\$22.00	\$22.50	87,549	4,377
June	\$22.01	\$22.75	307,776	13,990
July	\$22.75	\$24.30	176,985	8,045
August	\$24.55	\$26.01	53,210	2,661
September	\$24.99	\$25.54	41,313	1,967
October	\$24.40	\$25.10	53,669	2,556
November	\$24.60	\$25.35	42,536	2,026
December	\$24.28	\$24.85	315,986	15,047

Lifeco Series G First Preferred (TSX: GWO.PR.G)

2009	Trading Range		Volume Traded	
	Low	High	Total	Average*
January	\$18.11	\$18.90	410,779	19,561
February	\$17.12	\$18.50	134,186	7,062
March	\$15.12	\$17.74	242,999	11,045
April	\$17.80	\$18.95	204,682	9,747
May	\$18.70	\$20.98	355,303	17,765
June	\$19.81	\$20.68	160,417	7,292
July	\$20.57	\$21.89	199,504	9,068
August	\$21.98	\$24.00	215,883	10,794
September	\$22.21	\$22.96	189,595	9,028
October	\$21.29	\$22.34	170,285	8,109
November	\$21.80	\$22.20	122,251	5,821
December	\$21.42	\$21.94	281,159	13,389

Lifeco Series H First Preferred (TSX: GWO.PR.H)

2009	Trading Range		Volume Traded	
	Low	High	Total	Average*
January	\$16.57	\$18.00	432,870	20,613
February	\$16.06	\$17.25	129,834	6,833
March	\$14.73	\$16.38	217,376	9,881
April	\$16.31	\$18.00	222,686	10,604
May	\$17.46	\$18.54	323,791	16,190
June	\$18.10	\$18.73	461,386	20,972
July	\$18.65	\$20.29	441,708	20,078
August	\$20.34	\$22.10	290,000	14,500
September	\$20.68	\$21.55	321,146	15,293
October	\$19.66	\$20.80	176,855	8,422
November	\$19.84	\$20.75	358,344	17,064
December	\$20.07	\$20.54	280,069	13,337

Lifeco Series I First Preferred (TSX: GWO.PR.I)

2009	Trading Range		Volume Traded	
	Low	High	Total	Average*
January	\$15.60	\$16.59	363,104	17,291
February	\$15.15	\$15.65	225,208	11,853
March	\$14.00	\$15.62	174,374	7,926
April	\$15.20	\$16.75	188,567	8,979
May	\$16.45	\$17.81	295,124	14,756
June	\$17.32	\$18.24	118,657	5,394
July	\$17.80	\$19.01	227,943	10,361
August	\$19.01	\$20.85	341,027	17,051
September	\$19.25	\$20.14	267,194	12,724
October	\$18.25	\$19.44	531,451	25,307
November	\$18.50	\$19.98	182,627	8,697
December	\$18.62	\$19.45	269,373	12,827

Lifeco Series J First Preferred (TSX: GWO.PR.J)

2009	Trading Range		Volume Traded	
	Low	High	Total	Average*
January	\$24.50	\$25.00	179,939	8,997
February	\$24.80	\$25.25	153,745	8,092
March	\$22.50	\$24.85	97,775	4,444
April	\$24.80	\$25.60	265,673	12,651
May	\$25.40	\$26.18	213,419	10,671
June	\$25.60	\$26.70	212,490	9,659
July	\$26.60	\$27.40	169,278	7,694
August	\$26.93	\$27.44	111,907	5,595
September	\$26.75	\$27.29	211,689	10,080
October	\$26.47	\$27.10	235,134	11,197
November	\$26.85	\$27.31	782,889	37,280
December	\$27.00	\$27.29	780,485	39,024

Lifeco Series L First Preferred (TSX: GWO.PR.L)

2009	Trading Range		Volume Traded	
	Low	High	Total	Average*
January	n/a	n/a	n/a	n/a
February	n/a	n/a	n/a	n/a
March	n/a	n/a	n/a	n/a
April	n/a	n/a	n/a	n/a
May	n/a	n/a	n/a	n/a
June	n/a	n/a	n/a	n/a
July	n/a	n/a	n/a	n/a
August	n/a	n/a	n/a	n/a
September	n/a	n/a	n/a	n/a
October	\$23.35	\$24.60	427,103	21,355
November	\$23.34	\$24.05	196,290	9,347
December	\$23.26	\$23.95	228,525	10,882

* Average volume traded is the total volume divided by the number of days the security actually traded during the month.

DIRECTORS AND OFFICERS**Directors**

The following information is with respect to the Directors of Lifeco.

<i>Name, Residence, Principal Occupation, Major Positions with Lifeco</i>	<i>Served as Director From</i>
<p>George S. Bain (1) - Glenavy, Northern Ireland Mr. Bain was most recently Principal of London Business School and then President and Vice-Chancellor of Queen's University of Belfast. He has been a mediator and arbitrator in numerous industrial disputes and has consulted for many organizations in both the private and public sectors.</p>	May 7, 2009
<p>Marcel R. Coutu (3) - Calgary, Alberta, Canada Mr. Coutu is President and Chief Executive Officer of Canadian Oil Sands Limited, an energy company focused in the oil sands business, and Chairman of Syncrude Canada Ltd., Canada's largest oil sands project.</p>	May 3, 2007
<p>André Desmarais, O.C., O.Q. (2)(3)(4) - Westmount, Québec, Canada Mr. Desmarais is Co-Chairman of Power Financial Corporation, a holding company with substantial interests in the financial services industry, and Deputy Chairman, President and Co-Chief Executive Officer of Power Corporation of Canada, a holding and management company.</p>	April 22, 1992
<p>Paul Desmarais, Jr., O.C., O.Q. (2)(3)(4) - Westmount, Québec, Canada Mr. Desmarais is Co-Chairman of Power Financial Corporation and Chairman and Co-Chief Executive Officer of Power Corporation of Canada.</p>	May 15, 1986
<p>H. David Graves (3)(5) - Winnipeg, Manitoba, Canada Mr. Graves has been President and Chief Executive Officer of IMRIS Inc., a medical device company, since its formation in May, 2005. He was previously President and Chief Executive Officer of Centara Corporation, a venture capital firm.</p>	May 3, 2007
<p>Michael L. Hepher (1)(3) - London, England, United Kingdom Mr. Hepher's principal occupation is that of a Corporate Director.</p>	May 4, 2006
<p>Chaviva M. Hošek, O.C., Ph.D, LL.D. (1)(5) - Toronto, Ontario, Canada Ms. Hošek is President and Chief Executive Officer of The Canadian Institute for Advanced Research, Toronto.</p>	May 1, 2008
<p>D. Allen Loney, FIA, FCIA (2) - Toronto, Ontario, Canada Mr. Loney has been President and Chief Executive Officer of Lifeco, Great-West, London Life, CLFC and Canada Life since May, 2008. He was previously Vice-President, Capital Management of Lifeco and Executive Vice-President, Chief Actuary/Capital Management of Great-West, London Life, CLFC and Canada Life.</p>	July 30, 2008
<p>The Right Honourable Donald F. Mazankowski, P.C., O.C., A.O.E. (2)(4) - Sherwood Park, Alberta, Canada Mr. Mazankowski is currently Senior Advisor to Gowling Lafleur Henderson LLP.</p>	January 27, 1994
<p>Raymond L. McFeetors (2)(3)(4) - Winnipeg, Manitoba, Canada Mr. McFeetors has been Chairman of the Board of Lifeco, Great-West, London Life, CLFC, Canada Life and GWL&A since May, 2008 and is also Vice-Chairman of Power Financial Corporation. He was previously President and Chief Executive Officer of Lifeco, Great-West, London Life, CLFC, Canada Life and GWL&A.</p>	April 28, 1993

<i>Name, Residence, Principal Occupation, Major Positions with Lifeco</i>	<i>Served as Director From</i>
Jerry E.A. Nickerson (1)(2) - North Sydney, Nova Scotia, Canada Mr. Nickerson is Chairman of the Board of H.B. Nickerson & Sons Limited, a management and holding company based in North Sydney, Nova Scotia.	May 15, 1986
David A. Nield (3)(4)(5) - Toronto, Ontario, Canada Mr. Nield's principal occupation is that of a Corporate Director.	July 30, 2003
R. Jeffrey Orr (2)(3)(4) - Westmount, Québec, Canada Mr. Orr has been President and Chief Executive Officer of Power Financial Corporation since May, 2005. He was previously President and Chief Executive Officer of IGM Financial Inc.	July 30, 2002
Michel Plessis-Bélair, FCA - Town of Mount Royal, Québec, Canada Mr. Plessis-Bélair has been Vice-Chairman of Power Corporation of Canada since January, 2008. He was previously Executive Vice-President and Chief Financial Officer of Power Financial Corporation and Vice-Chairman and Chief Financial Officer of Power Corporation of Canada.	April 15, 1990
Henri-Paul Rousseau, Ph.D. (2) - Montréal, Québec, Canada Mr. Rousseau has been Vice-Chairman of Power Financial Corporation and Power Corporation of Canada since January, 2009. He was President and Chief Executive Officer of la Caisse de dépôt et placement du Québec from May, 2005 until May, 2008 and Chairman and Director General from September, 2002 until April, 2005.	May 7, 2009
Raymond Royer, O.C., FCA (1) - Montréal, Québec, Canada Mr. Royer's principal occupation is that of a Corporate Director. He was President and Chief Executive Officer and a director of Domtar Inc. from 1996 until December, 2008.	May 7, 2009
Philip K. Ryan (2) - Montréal, Québec, Canada Mr. Ryan has been the Executive Vice-President and Chief Financial Officer of Power Financial Corporation and Power Corporation of Canada since January, 2008. He previously held a variety of senior positions with Credit Suisse, a global financial services company domiciled in Switzerland.	May 1, 2008
Emőke J.E. Szathmáry, C.M., O.M., Ph.D. - Winnipeg, Manitoba, Canada Dr. Szathmáry is President Emeritus of the University of Manitoba and a Professor in the Department of Anthropology and in the Department of Biochemistry and Medical Genetics.	May 4, 2006
Brian E. Walsh (3) - Rye, New York, United States of America Mr. Walsh is the founder and Managing Partner of Saguenay Capital LLC (and its sister company QVan Capital LLC), a money management and investment advisory company.	May 7, 2009

- (1) Member of the Audit Committee.
- (2) Member of the Executive Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Governance and Nominating Committee.
- (5) Member of the Conduct Review Committee.

The term of office of each of the Lifeco Directors will expire at the close of the next Lifeco annual meeting.

Executive Officers

The following information is with respect to the Executive Officers of Lifeco.

<i>Name and Place of Residence</i>	<i>Position and Principal Occupation</i>
Raymond L. McFeetors Winnipeg, Manitoba, Canada	Mr. McFeetors is Chairman of the Board of Lifeco, Great-West, London Life, CLFC, Canada Life and GWL&A and is Vice-Chairman of Power Financial Corporation.
D. Allen Loney Toronto, Ontario, Canada	Mr. Loney is President and Chief Executive Officer of Lifeco, Great-West, London Life, CLFC and Canada Life.
William L. Acton Toronto, Ontario, Canada	Mr. Acton is President and Chief Executive Officer of Canada Life Capital Corporation Inc.
Andrew D. Brands Toronto, Ontario, Canada	Mr. Brands is Senior Vice-President, General Counsel, Canada and Europe of Lifeco and Senior Vice-President and General Counsel of Great-West, London Life, CLFC and Canada Life.
Mitchell T. G. Graye Greenwood Village, Colorado, USA	Mr. Graye is President and Chief Executive Officer of GWL&A and President and Chief Executive Officer, U.S. Operations of Great-West, London Life and Canada Life.
Arshil Jamal Toronto, Ontario, Canada	Mr. Jamal is Executive Vice-President, Capital Management of Lifeco and Executive Vice-President and Chief Actuary of Great-West, London Life, CLFC and Canada Life.
William W. Lovatt Winnipeg, Manitoba, Canada	Mr. Lovatt is Executive Vice-President and Chief Financial Officer of Lifeco, Great-West, London Life, CLFC and Canada Life.
Richard G. Schultz Centennial, Colorado, USA	Mr. Schultz is Senior Vice-President, General Counsel, United States of Lifeco and Senior Vice-President, General Counsel and Secretary of GWL&A.
Laurie A. Speers Winnipeg, Manitoba, Canada	Ms. Speers is Vice-President and Corporate Secretary of Lifeco, Great-West, London Life, CLFC and Canada Life.

All of the above named executive officers have held their present positions or other senior positions with Lifeco or its subsidiaries for the past five years.

Shareholdings of Directors and Executive Officers

As at December 31, 2009, the directors and executive officers of Lifeco, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 2,277,824 Common Shares representing .24% of the outstanding Common Shares, and 20,288 First Preferred Shares, representing .03% of the outstanding First Preferred Shares.

LEGAL AND REGULATORY PROCEEDINGS

Lifeco and its subsidiaries are from time to time subject to legal actions, including arbitrations and class actions, arising in the normal course of business. While it is inherently difficult to predict the outcome of any of these proceedings with certainty, and while it is possible that an adverse resolution could be material, based on information presently known it is not expected that any of the existing legal actions, either individually or in the aggregate, will be material. Lifeco and its subsidiaries are also subject to regulatory reviews in the normal course of business.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent of Lifeco is Computershare Investor Services Inc. Lifeco Common Shares and First Preferred Shares, Series D and F are transferable at the following locations:

Canadian Offices Computershare Investor Services Inc.
9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1
6th Floor, 530 8th Avenue S.W., Calgary, Alberta, T2P 3S8
1500 University Street, Suite 700, Montreal, Quebec, H3A 3S8
2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9
Phone: 1-888-284-9137 (toll free in North America), 514-982-9557 (direct dial)

The First Preferred Shares, Series G, H, I, J and L are only transferable at the Toronto Offices of Computershare Investor Services Inc.

Internationally, the Common Shares and the Series F Shares are also transferable at the following locations:

United States Office Computershare Trust Company Inc., N.A.
350 Indiana Street, Suite 800
Golden, Colorado 80401
Phone: 1-888-284-9137 (toll free in North America)

United Kingdom Office Computershare Investor Services PLC,
P.O. Box 82, The Pavilions, Bridgwater Road
Bristol BS99 7NH, United Kingdom,
Phone: 0870-702-0164

Ireland Office Computershare Investor Services (Ireland) Limited,
P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate
Dublin 18, Ireland
Phone: 353-1-216-3100

The transfer agent can also be contacted by email at GWO@computershare.com.

INTERESTS OF EXPERTS

Deloitte & Touche LLP is the external auditor of Lifeco that prepared the Auditors' Report to Shareholders included with the consolidated annual financial statements of Lifeco for its most recently completed financial year. To the knowledge of Lifeco, Deloitte & Touche LLP is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Manitoba.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Audit Committee Charter as approved by the Board of Directors is attached as Appendix A.

Composition of the Audit Committee

The Audit Committee of Lifeco is comprised of Raymond Royer (Chairman), George Bain, Michael L. Hepher, Chaviva M. Hošek and Jerry E.A. Nickerson. Each audit committee member is independent and financially literate within the meaning of Multilateral Instrument 52-110 (Audit Committees).

Relevant Education and Experience

In addition to their general business background and involvement with other companies, the members of the Lifeco Audit Committee have experience as audit committee members with the Lifeco group of companies, with the

exception of Mr. Royer, who joined the Audit Committee in 2009. New members of the Audit Committee generally participate in a Directors Orientation program which includes a session entitled Financial Literacy. This session was developed and is usually presented by management and by Lifeco's external auditor, and includes information on Lifeco's structure and operating segments, significant accounting policies, materiality, the Auditor's Report and the role of the external auditor. All members of the Lifeco Audit Committee have experience in reviewing financial statements and in dealing with related accounting and auditing issues. The following sets out the relevant education and experience of each member of the Lifeco Audit Committee:

Raymond Royer – Mr. Royer, who is a Chartered Accountant, was President and Chief Executive Officer and a director of Domtar Inc., a pulp and paper company based in Montréal, from 1996 until December, 2008. He was previously President and Chief Operating Officer of Bombardier Inc. Mr. Royer is also a director of Gesca Ltée., a newspaper subsidiary of Power Corporation of Canada. He was a director of Shell Canada Limited until 2007, and is a member of the Board of the McGill University Health Centre and of the International Advisory Board of École des Hautes Études Commerciales of Montréal. He is also a Director and Chairman of the Audit Committees of Great-West, London Life, Canada Life, GWL&A and Putnam.

George S. Bain – Professor Bain was most recently Principal of London Business School and then President and Vice-Chancellor of Queen's University of Belfast. He has been a mediator and arbitrator in numerous industrial disputes and has consulted for many organizations in both the private and public sectors. He has engaged extensively in public service, particularly by chairing government commissions and inquiries in the United Kingdom and Northern Ireland. He has served as a director of Bombardier Aerospace Shorts Brothers plc, The Economist Group and Electra Private Equity plc, and is currently a director of Entertainment One. He is also a Director and a member of the Audit Committees of Great-West, London Life, Canada Life, Canada Life Capital Corporation Inc., Canada Life Limited and Canada Life Asset Management Limited.

Michael L. Hepher – Mr. Hepher is a Director of Canada Life Capital Corporation Inc., Canada Life Limited and Canada Life Asset Management Limited. and is Chairman of their respective Audit Committees. He is also a Director of Kingfisher plc, a Director and former Chairman of the Audit Committee of The Canada Life Group (UK) Ltd., and a Director and Chairman of the Audit Committee of Catlin plc. He previously served as a Director and Chairman of the Board of Cardpoint plc, Lane, Clark and Peacock LLP and TeleCity plc and was a Director of Diageo plc, formerly Grand Metropolitan plc, and was Chairman of its Audit Committee from January 1996 to December 1997. He also previously served as a Director of MCI Communications, Washington DC, Lloyds Bank plc and Industrial Estates Ltd, Canada. He is also a Director and a member of the Audit Committees of Great-West, London Life and Canada Life. Mr. Hepher is a Fellow of the Canadian Institute of Actuaries.

Chaviva M. Hošek – Ms. Hošek is President and Chief Executive Officer of The Canadian Institute for Advanced Research, Toronto, a position that she has held since 2001. From 1993 to 2000 she was Senior Policy Advisor to the Prime Minister and Director of Policy and Research, Prime Minister's Office. She served as Senior Policy Advisor to the Leader of the Liberal Party of Canada, as MPP - Oakwood and Minister of Housing, Government of Ontario, and as a Member of the Policy and Priorities Board of the Cabinet of Ontario. She has also been a member of The Economic Council of Canada. Ms. Hošek is a Director and a member of the Audit Committees of Great-West, London Life and Canada Life. She is also a Director of Maple Leaf Foods Inc. and serves as a director and trustee for a number of non-profit organizations.

Jerry E. A. Nickerson – Mr. Nickerson is Chairman of the Board of H.B. Nickerson & Sons Limited, a management and holding company based in North Sydney, N.S. He has been a member of the Lifeco Audit Committee since 1986, and was Chairman from 1994 to 2009. He is also a member, and former Chairman, of the Audit Committees of Great-West, London Life, Canada Life, GWL&A and Putnam. Mr. Nickerson is also a Director of Power Corporation of Canada and Power Financial Corporation, and is a member of the Power Financial Corporation Audit Committee. He holds a Bachelor of Commerce degree from Dalhousie University.

Pre-Approval Policy

On February 1, 2005, the Lifeco Audit Committee adopted a Policy Regarding the Pre-Approval of Services provided by the External Auditor (the "Pre-Approval Policy") for the purpose of identifying, mitigating and/or eliminating potential threats to the independence of the external auditor. The Pre-Approval Policy is reviewed and approved by the Lifeco Audit Committee on an annual basis.

The Pre-Approval Policy prohibits Lifeco or any of its subsidiaries from engaging the external auditor to provide certain specified non-audit services. Pursuant to the Pre-Approval Policy, all non-audit services that are not specifically prohibited may be provided to Lifeco or to any of its subsidiaries by the external auditor if such services have been pre-approved by the Lifeco Audit Committee and the audit committees of each of Power Financial Corporation and Power Corporation of Canada.

External Auditor Service Fees

	<u>Year Ended December 31, 2009</u>	<u>Year Ended December 31, 2008</u>
Audit Fees ¹	16,058,191	16,809,784
Audit-Related Fees ²	2,750,383	3,271,068
Tax Fees ³	839,196	1,089,675
All Other Fees ⁴	687,643	2,817,512
Total	<u>20,335,413</u>	<u>23,988,039</u>

1. **Audit Fees:** These audit fees are for the audits of the financial statements of Lifeco and its subsidiaries and other services normally provided by the external auditor in connection with statutory and regulatory filings. These fees also include amounts for the audits of the financial statements of the segregated funds of Lifeco's insurance subsidiaries, for the audits of the financial statements of registered or unregistered funds managed by subsidiaries of Lifeco, and for the audits of the financial statements of partnerships to which Lifeco, its subsidiaries or the segregated funds of Lifeco's insurance subsidiaries are a party.
2. **Audit-Related Fees:** These audit-related fees are for the reviews of securities filings and other services related to capital market transactions of Lifeco and/or its subsidiaries, including information barrier audits. These fees also include amounts for the reviews of interim financial statements of Lifeco and/or its subsidiaries and audits/specified procedures mainly related to regulatory filings, internal controls and benefit plans, and managed properties.
3. **Tax Fees:** These tax fees primarily relate to tax compliance and planning, provision of formal tax opinions, and assistance in resolutions of tax disputes for Lifeco and/or its subsidiaries (including segregated funds) in connection with income taxes, property taxes and commodity taxes.
4. **All Other Fees:** These other fees relate to specific engagements including translation services, consulting on accounting issues, and the assessment of the design and implementation of internal accounting controls for Lifeco and/or its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to Lifeco is available for review on SEDAR at www.sedar.com.

Additional information in respect of Lifeco, including directors and officers remuneration and indebtedness, principal holders of its securities and securities authorized for issuance under the Lifeco Stock Option Plan is contained in Lifeco's Management Proxy Circular for its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in Lifeco's consolidated financial statements and MD&A for its most recently completed financial year.

APPENDIX A
GREAT-WEST LIFECO INC.
AUDIT COMMITTEE CHARTER

1.0 COMPOSITION

The Audit Committee (the "**Committee**") of Great-West Lifeco Inc. (the "**Corporation**") shall be composed of not less than three directors of the Corporation, all of whom shall be independent and financially literate within the meaning of the Canadian Securities Administrators Multilateral Instrument.

2.0 PROCEDURAL MATTERS

In connection with the discharge of its duties and responsibilities, the Committee shall observe the following procedures:

- (1) **Meetings.** The Committee shall meet at least four times every year, and more often if necessary, to discharge its duties and responsibilities hereunder.
- (2) **Advisors.** The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay, at the Corporation's expense, the compensation of such advisors.
- (3) **Quorum.** A quorum at any meeting of the Committee shall be two Committee members.
- (4) **Secretary.** The Chairman of the Committee, or any person appointed by the Chairman of the Committee, shall act as secretary of meetings of the Committee.
- (5) **Calling of Meetings.** A meeting of the Committee may be called by the Chairman of the Committee, by the Chairman of the Board of Directors (the "**Board**"), by a Co-President and Chief Executive Officer, by the external auditor of the Corporation, or by any member of the Committee. When a meeting of the Committee is called by anyone other than the Chairman of the Board, the Chairman of the Committee shall so inform the Chairman of the Board.

3.0 DUTIES AND RESPONSIBILITIES

3.1 **Financial Disclosure.** The Committee shall:

- (1) review the Corporation's:
 - (a) interim and annual financial statements;
 - (b) interim and annual management's discussions and analyses;
 - (c) interim and annual earnings press releases;
 - (d) annual information forms;
 - (e) prospectuses; and
 - (f) other documents containing audited or unaudited financial information, at its discretion;

and report thereon to the Board before such documents are approved by the Board and disclosed to the public;

- (2) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure provided by the financial statements, management's discussions and analyses and earnings press releases, and shall periodically assess the adequacy of those procedures;
- (3) review, at its discretion, any financial information contained in any reports filed by the Corporation with regulatory authorities in connection with the financial condition of the Corporation; and
- (4) review such investments and transactions that could adversely affect the well-being of the Corporation as the external auditor of the Corporation or any officer of the Corporation may bring to the attention of the Committee.

3.2 **External Audit.** The Committee shall:

- (1) review the recommendation of management and recommend to the Board the external auditor to be appointed for purposes of preparing or issuing an auditor's report or performing other audit, review or attest services;
- (2) review and approve the audit plan, the terms of the external auditor's engagement, the appropriateness and reasonableness of proposed audit fees, and any issues relating to the payment of audit fees, and make a recommendation to the Board with respect to the compensation of the external auditor;
- (3) review the independence of the external auditor, including an annual report prepared by the external auditor regarding its independence;
- (4) review the external auditor's engagement to ensure that the external auditor is duly appointed as external auditor of each of the Corporation's subsidiary entities, unless in the opinion of the Corporation, after consulting the external auditor, the total assets of the subsidiary entity are not a material part of the total assets of the Corporation, or unless, in the case of a subsidiary entity that carries on its operations in a country other than Canada, the laws of the country do not permit such appointment;
- (5) review the recommendation of management and the external auditor for the person designated to conduct the audit;
- (6) meet with the external auditor and with management to discuss the audit plan, audit findings, any restrictions on the scope of the external auditor's work, and any problems that the external auditor experiences in performing the audit;
- (7) review with the external auditor and management any changes in Generally Accepted Accounting Principles; the quality and the acceptability of major accounting policies and assumptions; alternative treatments of financial information within Generally Accepted Accounting Principles that have been discussed with management, the ramifications of the use of alternative treatments, and the treatment preferred by the external auditor; the presentation and impact of significant risks and uncertainties that could adversely affect the wellbeing of the Corporation; and key estimates and judgments of management; in each case that may be material to the Corporation's financial reporting;
- (8) have the authority to communicate directly with the external auditor;
- (9) receive reports directly from the external auditor;
- (10) directly oversee the work of the external auditor that is related to the preparation or issue of an auditor's report or other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;

- (11) meet with the external auditor to discuss the annual financial statements (including the report of the external auditor thereon) and the interim financial statements (including the review engagement report of the external auditor thereon);
- (12) review the effect of off-balance sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Corporation's financial condition;
- (13) meet with the external auditor to discuss the investments and transactions referred to in subsection 3.1(4) hereof;
- (14) review any management letter containing the recommendations of the external auditor, and the response and follow up by management in relation to any such recommendations;
- (15) review any evaluation of the Corporation's internal control over financial reporting conducted by the external auditor, together with management's response;
- (16) pre-approve (or delegate such pre-approval to one or more of its independent members) in accordance with the pre-approval policy of the Corporation, all engagements for non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor, together with all non-audit services fees, and consider the impact of such engagements and fees on the independence of the external auditor;
- (17) review and approve the Corporation's hiring policy regarding partners, employees and former partners and employees of the present and former external auditor; and
- (18) review all issues and statements related to a change of the external auditor and the steps planned by management for an orderly transition.

3.3 Internal Audit. The Committee shall:

- (1) have the authority to communicate directly with the chief internal auditors;
- (2) review periodically the internal audit mandates of the Corporation;
- (3) review annually the internal audit plan;
- (4) require management to implement and maintain appropriate internal control procedures and review, evaluate and approve those procedures;
- (5) meet with the chief internal auditors and with management to discuss the effectiveness of the internal control procedures established for the Corporation; and
- (6) review a summary of the chief internal auditors' reports and management's responses and subsequent follow-up to any material risks identified in such reports.

3.4 Compliance. The Committee shall:

- (1) review reports of the chief compliance officers and chief privacy officers;
- (2) meet with the chief compliance officers and chief privacy officers to discuss the effectiveness of existing policies and procedures for compliance with applicable laws and regulations;
- (3) monitor compliance with the Code of Conduct; and
- (4) review periodically the mandate of the chief compliance officers and chief privacy officers of the Corporation.

3.5 **Accounting Complaints Handling Procedures.** The Committee shall establish procedures for:

- (1) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (2) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

3.6 **In-Camera Sessions.** The Committee shall periodically meet in-camera alone, and meet separately with each of the external auditor, chief internal auditors and management, as the Committee deems appropriate.

3.7 **Subsidiaries.**

- (1) With respect to any Material Operating Subsidiary in the corporate ownership chain between the Corporation and any Direct Subsidiary, the Committee shall review the financial statements of that Material Operating Subsidiary.
- (2) With respect to any Direct Subsidiary:
 - (a) the Committee shall rely on the review and approval of the financial statements of the Direct Subsidiary by the audit committee and the board of directors of the Direct Subsidiary, and on reports or opinions of the external auditor on those financial statements;
 - (b) the Committee shall receive a copy of the charter of the Direct Subsidiary's audit committee, together with a memorandum summarizing its meeting processes and structure ("Process Memorandum"); and
 - (c) at each meeting of the Committee, the secretary of the Committee shall table a report from the secretary of the Direct Subsidiary's audit committee confirming that the processes mandated by its charter and Process Memorandum have been followed.
- (3) For these purposes:
 - (a) "**Material Operating Subsidiary**" means an operating subsidiary whose net income represents 10% or more of the net income of the Corporation; and
 - (b) "**Direct Subsidiary**" means the first Material Operating Subsidiary below the Corporation in a corporate ownership chain that has an audit committee which is comprised of a majority of independent directors.

4.0 **AUDITOR'S ATTENDANCE AT MEETINGS**

The external auditor shall be entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, to attend and be heard at any meeting of the Committee. If so requested by a member of the Committee, the external auditor shall attend every meeting of the Committee held during the term of office of the external auditor.

5.0 **ACCESS TO INFORMATION**

The Committee shall have access to any information, documents and records that are necessary in the performance of its duties and the discharge of its responsibilities under this Charter.

6.0 **REVIEW OF CHARTER**

The Committee shall periodically review this Charter and recommend any changes to the Board as it may deem appropriate.

7.0 REPORTING

The Chairman of the Committee shall report to the Board, at such times and in such manner, as the Board may from time to time require on matters subject to the Committee's review and consideration and shall promptly inform the Chairman of the Board of any significant issues raised by the members of the Committee, the internal auditor, the external auditor or the regulators and shall provide the Chairman of the Board with copies of any written reports or letters provided by the external auditor and the regulators to the Committee.