

GREAT-WEST LIFECO INC. AUDIT COMMITTEE CHARTER

SECTION 1. MEMBERSHIP

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) shall be composed of not less than three directors of Great-West Lifeco Inc. (the “Corporation”), all of whom shall be independent and financially literate within the meaning of Canadian Securities Administrators National Instrument 52-110. Members of the Committee shall be appointed by the Board and shall serve at the pleasure of the Board. The Board shall also appoint the Chair of the Committee.

SECTION 2. PROCEDURAL MATTERS

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

- 2.1 Meetings.** The Committee shall meet at least four times every year, and more often if necessary, to discharge its duties and responsibilities hereunder. The Committee may meet at any place within or outside of Canada.
- 2.2 Joint Meetings with Risk Committee.** The Committee shall meet, at least annually, with the Risk Committee of the Board.
- 2.3 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.
- 2.4 Quorum.** A quorum at any meeting of the Committee shall be two Committee members.
- 2.5 Secretary.** The Corporate Secretary or an Associate Corporate Secretary or such other person as may be designated by the Chair (or in the absence of the Chair, the acting Chair) of the Committee, shall act as secretary of meetings of the Committee.
- 2.6 Calling of Meetings.** A meeting of the Committee may be called by the Chair of the Committee, by the Chair of the Board, by the 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 Chair of the Board, the Chair of the Committee shall so inform the Chair of the Board.

SECTION 3. DUTIES AND RESPONSIBILITIES

In addition to any other duties and responsibilities assigned to it from time to time by the Board:

- 3.1 Disclosure Documents.** The Committee shall:
 - (a)** review the Corporation’s:
 - (i)** interim and annual financial statements;
 - (ii)** interim and annual management’s discussions and analyses;
 - (iii)** interim and annual earnings press releases;

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(iv) other documents containing audited or unaudited financial information, at its discretion; and

(v) other documents as may be required pursuant to the Disclosure Policy;

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

- (b) 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;
- (c) 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;
- (d) 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; and
- (e) review such investments and transactions that could adversely affect the well-being of the Corporation that 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:

- (a) 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;
- (b) assess the skills and resources of the external auditor, including the audit firm's internal policies and practices for quality control and annually report to the Board on the effectiveness of the external auditor;
- (c) review the scope and terms of the external auditor's engagement and make a recommendation to the Board with respect to the external auditor's engagement letter;
- (d) review 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;
- (e) review the independence of the external auditor, including an annual report prepared by the external auditor regarding its independence;
- (f) review the external auditor's engagement to ensure that the external auditor is

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duly appointed as external auditor of each of the Corporation's subsidiaries, unless in the opinion of the Corporation, after consulting the external auditor, the total assets of the subsidiary are not a material part of the total assets of the Corporation, or unless, in the case of a subsidiary that carries on its operations in a country other than Canada, the laws of the country do not permit such appointment;

- (g)** review the recommendation of the external auditor for the person designated to conduct the audit;
- (h)** meet with the external auditor and with management to review the audit plan, audit findings, any restrictions on the scope of the external auditor's work, and any serious difficulties that the external auditor encounters during the audit and approve the audit plan;
- (i)** review with the external auditor and management any changes in Generally Accepted Accounting Principles (ie., International Financial Reporting Standards); 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;
- (j)** have the authority to communicate directly with the external auditor;
- (k)** receive reports directly from the external auditor;
- (l)** 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;
- (m)** meet with the external auditor to discuss the annual financial statements and the interim financial statements;
- (n)** meet with the external auditor to discuss the returns, investments and transactions referred to in subsections 3.1(d) and 3.1(e) hereof;
- (o)** 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;
- (p)** review any evaluation of the Corporation's internal control over financial reporting conducted by the external auditor, together with management's response;
- (q)** 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

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engagements for non-audit services to be provided to the Corporation or its subsidiaries 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;

- (r) review and approve the Corporation's hiring policy regarding partners, employees and former partners and employees of the present and former external auditor; and
- (s) review all issues and statements related to a change of external auditor and the steps planned by management for an orderly transition.

3.3 Finance. The Committee shall:

- (a) through the Chair of the Committee, have the authority to communicate directly with the Chief Financial Officer;
- (b) after due consultation with the Chief Executive Officer, Chair of the Board and Chair of the Executive Committee, review and recommend to the Board the appointment and/or removal of the Chief Financial Officer;
- (c) annually review and approve the mandate of the Chief Financial Officer (the "CFO Mandate");
- (d) annually assess the performance of the Chief Financial Officer and the effectiveness of the Finance Function;
- (e) annually review and approve the organizational and reporting structure, budget and resources of the Finance Function and satisfy itself that the Chief Financial Officer has adequate resources and independence to discharge the responsibilities of the Chief Financial Officer under the CFO Mandate and in respect of any planned activities; and
- (f) require management to implement and maintain appropriate internal control procedures and review, evaluate and approve those procedures.

3.4 Internal Audit. The Committee shall:

- (a) through the Chair of the Committee, have the authority to communicate directly with the Chief Internal Auditor;
- (b) after due consultation with the Chief Executive Officer, Chair of the Board and Chair of the Executive Committee, review and recommend to the Board the appointment and/or removal of the Chief Internal Auditor;
- (c) annually review and approve the mandate of the Chief Internal Auditor (the "CIA Mandate");
- (d) annually assess the performance of the Chief Internal Auditor and the effectiveness of the Internal Audit Function;

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- (e) review and approve annually:
 - (i) the internal audit plan and periodically review and approve any changes; and
 - (ii) the internal audit risk assessment and the organizational and reporting structure, budget and resources of the Internal Audit Function;and satisfy itself that the Chief Internal Auditor has adequate resources and independence to discharge the responsibilities of the Chief Internal Auditor under the CIA Mandate and in respect of the audit plan;
- (f) after due consultation with the Chief Internal Auditor, approve independent consulting reviews, as necessary, in accordance with internal audit's methodology on consulting reviews;
- (g) meet with the Chief Internal Auditor and with management to discuss the effectiveness of the internal control procedures established for the Corporation;
- (h) review a summary of the Chief Internal Auditor's reports and management's responses and subsequent follow-up to any material risks identified in such reports; and
- (i) annually meet with the Risk Committee to review the Chief Internal Auditor's opinion on the risk governance framework.

3.5 Actuarial. The Committee shall:

- (a) through the Chair of the Committee, have the authority to communicate directly with the Chief Actuary;
- (b) after due consultation with the Chief Executive Officer, Chair of the Board and Chair of the Executive Committee, review and recommend to the Board the appointment and/or removal of the Chief Actuary;
- (c) annually review and approve the mandate of the Chief Actuary (the "CA Mandate");
- (d) annually assess the performance of the Chief Actuary and the effectiveness of the Actuarial Function;
- (e) annually review and approve the organizational and reporting structure, budget and resources of the Actuarial Function and satisfy itself that the Chief Actuary has adequate resources and independence to discharge the responsibilities of the Chief Actuary under the CA Mandate and in respect of any planned activities; and
- (f) meet with the Chief Actuary to discuss the parts of the interim and annual financial statements prepared by the Actuarial Function.

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

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

The Accounting Complaints Handling Procedures may be set forth in the Corporation's Code of Conduct.

3.7 In-Camera Sessions. The Committee shall periodically meet in-camera, as the Committee deems appropriate, and shall hold an in-camera meeting each quarter separately with each of the external auditor, Chief Internal Auditor, Chief Financial Officer, Chief Actuary, and, as the Committee deems appropriate, management.

3.8 Subsidiaries.

- (a) With respect to any Material Subsidiary in the corporate ownership chain between the Corporation and any Direct Subsidiary, the Committee shall review the financial statements of that Material Subsidiary;
- (b) With respect to any Direct Subsidiary:
 - (i) the Committee may 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;
 - (ii) 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
 - (iii) 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; and
- (c) For these purposes:
 - (i) "**Material Subsidiary**" means a subsidiary whose net income represents 10% or more of the net income of the Corporation; and
 - (ii) "**Direct Subsidiary**" means the first Material Subsidiary below the Corporation in a corporate ownership chain that has an audit committee which is comprised of a majority of independent directors.

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SECTION 4. 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.

SECTION 5. ACCESS TO INFORMATION

The Committee shall have access to all information, documents and records of the Corporation that it determines to be necessary or advisable to enable it to perform its duties and to discharge its responsibilities under this Charter.

SECTION 6. REVIEW OF CHARTER

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

SECTION 7. REPORTING

The Chair 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 Chair 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 Chair of the Board with copies of any written reports or letters provided by the external auditor and the regulators to the Committee.