

All figures are expressed in Canadian dollars, except as noted.

## **Great-West Lifeco announces terms of substantial issuer bid**

*Winnipeg, MB, March 8, 2019.* . . Great-West Lifeco Inc. (Great-West Lifeco or the Company) today announced the terms of its previously announced substantial issuer bid (the Offer) to repurchase for cancellation up to \$2.0 billion of its common shares (the Shares) from shareholders for cash. The Offer will commence today and expire on April 12, 2019, unless extended or withdrawn.

“We are pleased to provide the terms today of our previously announced substantial issuer bid. This transaction will allow us to return capital to our shareholders while maintaining significant excess capital to fund strategic investments, including acquisitions, to drive growth and profitability,” said Paul Mahon, President and Chief Executive Officer, Great-West Lifeco.

### **The Offer**

The Offer is being made by way of a “modified Dutch auction”, which will allow shareholders who choose to participate in the Offer to individually select the price, within a price range of not less than \$30.00 per Share and not more than \$35.00 per Share (in increments of \$0.10 per Share), at which they are willing to sell their Shares. Upon expiry of the Offer, the Company will determine the lowest purchase price (which will not be more than \$35.00 per Share and not less than \$30.00 per Share) that will allow it to purchase the maximum number of Shares properly tendered to the Offer, and not properly withdrawn, having an aggregate purchase price not exceeding \$2.0 billion.

Shareholders who wish to participate in the Offer will be able to do so through (i) auction tenders in which they will specify the number of Shares being tendered at a specific price per Share, (ii) purchase price tenders in which they will agree to have a specified number of Shares purchased at the purchase price to be determined pursuant to the auction and have their Shares considered as having been tendered at the minimum price of \$30.00 for the purposes of determining the purchase price or (iii) proportionate tenders in which they will agree to sell, at the purchase price to be determined pursuant to the auction, a number of Shares that will result in them maintaining their proportionate Share ownership in the Company following completion of the Offer. Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares will be deemed to have made a purchase price tender.

If, after taking into consideration the proportionate tenders, Shares with an aggregate purchase price of more than \$2.0 billion are properly tendered and not properly withdrawn, the Company will purchase the Shares on a pro rata basis after giving effect to proportionate tenders and “odd lot” tenders (of shareholders beneficially owning fewer than 100 Shares), which will not be subject to proration. All Shares tendered at or below the finally determined purchase price will be purchased, subject to proration, at the same purchase price determined pursuant to the terms of the Offer. Shares that are not purchased, including Shares tendered pursuant to auction tenders at prices above the purchase price, will be returned to shareholders.

The directors and officers of the Company have advised that they will not tender any of their Shares pursuant to the Offer. Power Financial Corporation (Power Financial), which controls, directly or indirectly through wholly-

owned subsidiaries, approximately 67.8% of the Shares, recently announced a substantial issuer bid to buy back up to \$1.65 billion of its common shares. Power Financial has advised the Company that it intends to support the Company through its participation in the Offer by tendering a significant portion of its Shares on a proportionate basis and all remaining tendered Shares on a non-proportionate basis. Consequently, Power Financial expects that following the Offer its ownership in the Company will be marginally reduced.

IGM Financial Inc., a public company controlled by Power Financial, indirectly owns a further 4% of the Shares and has advised the Company that it currently intends to participate in the Offer by way of a proportionate tender.

### **Additional Information**

As of March 4, 2019, 987,750,008 Shares were issued and outstanding. Accordingly, the Offer is for up to 66,666,666 Shares or approximately 6.75% of the total number of issued and outstanding Shares on a non-diluted basis if the purchase price is determined to be the minimum purchase price per Share of \$30.00 or up to 57,142,857 Shares or approximately 5.79% of the total number of issued and outstanding Shares if the purchase price is determined to be the maximum purchase price per Share of \$35.00 (in each case, based on full participation).

The Offer is optional for all shareholders, who are free to choose whether to participate, how many Shares to tender and, in the case of auction tenders, at what price to tender within the specified range. Any shareholders who do not deposit their Shares (or whose Shares are not repurchased under the Offer) will realize a proportionate increase in their equity interest in the Company, to the extent that Shares are purchased under the Offer.

The Offer is not conditional upon any minimum number of Shares being tendered but is subject to various other conditions disclosed in the formal offer to purchase and issuer bid circular. The Company reserves the right, subject to applicable laws, to withdraw or amend the Offer, if certain events occur. The Offer is expected to remain open for acceptance until 11:59 p.m. (Eastern Time) on April 12, 2019, unless extended or withdrawn.

The Company was authorized by the TSX to purchase up to 20 million common shares pursuant to a normal course issuer bid (NCIB) that commenced on February 1, 2019 and expires on January 31, 2020. There have been no purchases of Shares pursuant to the NCIB, and no NCIB purchases will be made until after expiration of the Offer.

Details of the Offer, including instructions for tendering Shares, will be included in the formal offer to purchase and issuer bid circular, letter of transmittal, notice of guaranteed delivery and other related documents (the Offer Documents). The Offer Documents are expected to be mailed to shareholders, filed with applicable Canadian securities regulatory authorities and made available without charge on SEDAR at [www.sedar.com](http://www.sedar.com), and posted on the Company's website at [www.greatwestlifeco.com](http://www.greatwestlifeco.com), today.

The Company has engaged RBC Capital Markets to act as financial advisor and dealer manager for the Offer. The Company has also engaged Computershare Trust Company of Canada (Computershare) to act as depositary for the Offer. Any questions or requests for information regarding the Offer may also be directed to the dealer manager or the depositary. The contact details for RBC Capital Markets and Computershare are included in the Offer Documents.

This news release is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell Shares. The solicitation and the offer to buy Shares will only be made pursuant to the Offer Documents filed with the Canadian securities regulatory authorities. The Offer will not be made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making or acceptance of offers to sell Shares would not be in compliance with the laws of that jurisdiction. None of Great-West Lifeco, its Board of Directors, the dealer manager or the depositary makes any recommendation to shareholders as to whether to tender or refrain from tendering any or all of their Shares pursuant to the Offer or the purchase price or prices at

which shareholders may choose to tender Shares. Shareholders are strongly urged to read the Offer Documents carefully and to consult with their financial, tax and legal advisors prior to making any decision with respect to the Offer.

**About Great-West Lifeco Inc.**

Great-West Lifeco is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. Great-West Lifeco has operations in Canada, the United States and Europe through Great-West Life, London Life, Canada Life, Irish Life, Great-West Financial and Putnam Investments. Great-West Lifeco and its companies have approximately \$1.4 trillion in consolidated assets under administration as at December 31, 2018 and are members of the Power Financial Corporation group of companies. Great-West Lifeco trades on the Toronto Stock Exchange (TSX) under the ticker symbol GWO. To learn more, visit [greatwestlifeco.com](http://greatwestlifeco.com).

*Cautionary note regarding Forward-Looking Information*

Certain statements in this news release constitute forward-looking statements, including relating to the Company's intention to commence a substantial issuer bid and the size, timing, and terms and conditions of the substantial issuer bid. Forward-looking statements are not historical facts but instead represent only Great-West Lifeco's belief regarding future events, many of which, by their nature, are inherently uncertain and outside Great-West Lifeco's control. It is possible that actual results will differ, possibly materially, from the anticipated results indicated in these statements. Factors that could cause actual results to differ, possibly materially, from those in the forward-looking statements are discussed throughout periodic filings with securities regulators including Great-West Lifeco's 2018 Annual MD&A under "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates", which, along with other filings, is available for review at [www.sedar.com](http://www.sedar.com). The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to place undue reliance on forward-looking statements. Other than as specifically required by applicable law, Great-West Lifeco does not intend to update any forward-looking statements whether as a result of new information, future events or otherwise.

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