

GREAT-WEST
LIFECO INC.

2013 Annual Information Form

DATED February 13, 2014

**GREAT-WEST LIFECO INC.
100 Osborne Street North
Winnipeg, Manitoba R3C 1V3**

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, 2013 and all amounts are expressed in Canadian dollars.

Incorporation by Reference

Lifeco's 2013 Management's Discussion and Analysis dated February 13, 2014 (the "MD&A") is hereby incorporated by reference into this AIF and is available for review 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" and similar expressions or negative versions thereof. 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 actions by Lifeco, including statements made by Lifeco with respect to the expected benefits of acquisitions and divestitures, are also forward-looking statements. Forward-looking statements are based on expectations and projections about future events that were current at the time of the statements 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. Material factors and assumptions that were applied in formulating the forward-looking information contained herein include the assumption that the business and economic conditions affecting Lifeco's operations will continue substantially in their current state, including, without limitation, with respect to market prices for products provided, sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates, taxes, inflation, information systems, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, and Lifeco's ability to complete strategic transactions and to integrate acquisitions, and that there will be no unplanned material changes to Lifeco's facilities, customer and employee relations or credit arrangements. Many of these assumptions are based on factors and events that are not within the control of Lifeco and there is no assurance that they will prove to be correct. Other important factors that could cause actual results to differ materially from those contained in forward-looking statements include technological change, changes in local and international laws and regulations, changes in accounting policies and the effect of applying future accounting policy changes, unexpected judicial or regulatory proceedings and catastrophic events. The reader is cautioned that the foregoing list of assumptions and factors is not exhaustive, and there may be other factors, including those 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" and "Summary of Critical Accounting Estimates" 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-International Financial Reporting Standards ("IFRS") Financial Measures

This AIF and the documents incorporated by reference contain some non-IFRS financial measures. Terms by which non-IFRS financial measures are identified include, but are not limited to, "operating earnings", "constant currency basis", "premiums and deposits", "sales" and other similar expressions. Non-IFRS financial measures are used to provide management and investors with additional measures of performance. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures

used by other companies. Please refer to the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.

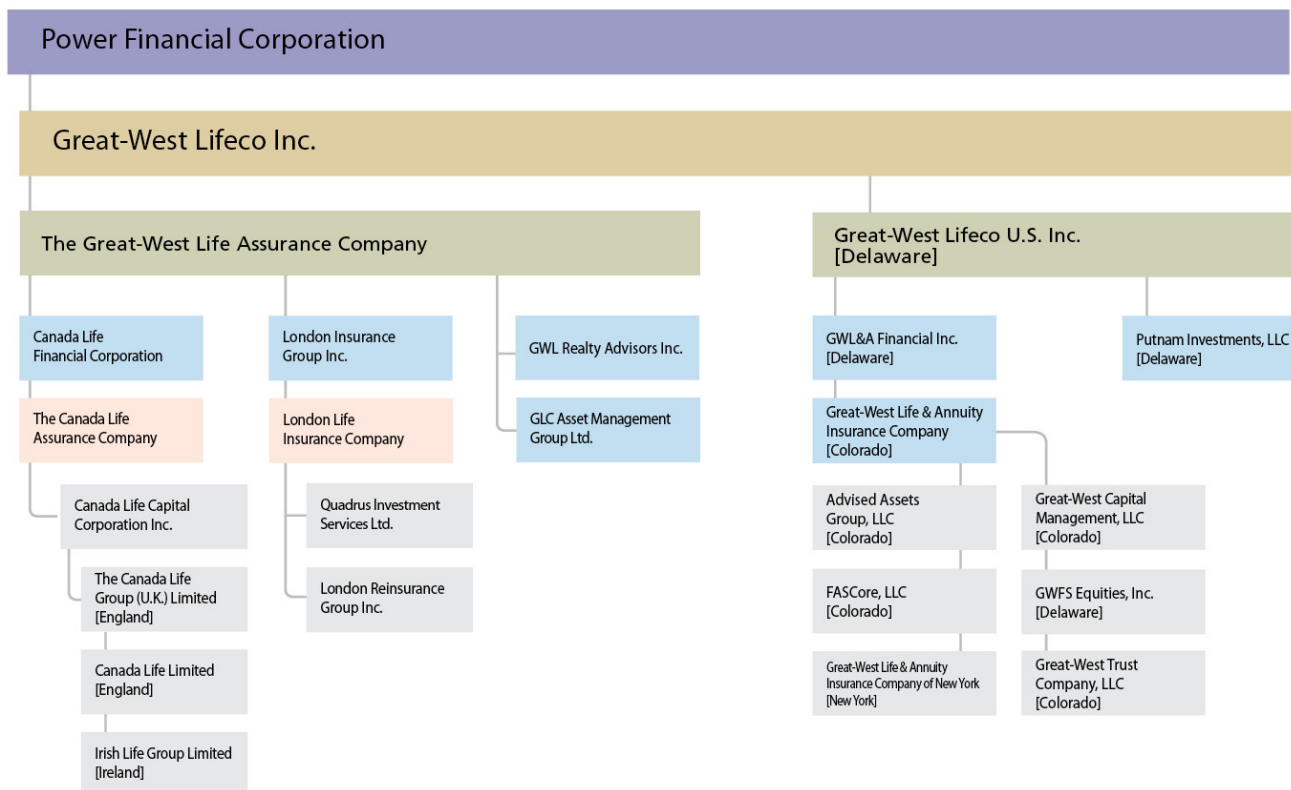
CORPORATE STRUCTURE

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 F, Series G, Series H, Series I, Series J, Series K, Series L, Series M, Series N, Series O, Series P, Series Q and Series R. The registered office and principal place of business of Lifeco is located at 100 Osborne Street North, Winnipeg, Manitoba, Canada R3C 1V3.

Intercorporate Relationships

The chart shown below depicts the corporate relationships among Lifeco and certain of its subsidiaries. Unless otherwise indicated, all such subsidiaries were incorporated or have been continued under the laws of Canada. Lifeco beneficially owns, or exercises control or direction over, 100% of the voting securities of each such subsidiary.



DESCRIPTION OF THE BUSINESS

General

Lifeco is a financial services holding company with interests in the life insurance, health insurance, asset management, investment and retirement savings and reinsurance businesses. Lifeco has operations in Canada, the United States, Europe and Asia through The Great-West Life Assurance Company ("Great-West"), London Life Insurance Company ("London Life"), The Canada Life Assurance Company ("Canada Life"), Great-West Life & Annuity Insurance Company ("Great-West Financial"), Putnam Investments, LLC ("Putnam"), Canada Life Limited and Irish Life Group Limited ("Irish Life"). Lifeco and its subsidiaries have approximately \$758.3 billion in assets under administration and, at December 31, 2013, had approximately 20,970 employees worldwide. Lifeco currently has no other holdings, and currently carries on no businesses or activities, that are unrelated to its holdings in Great-West, London Life, Canada Life, Great-West Financial, Putnam, Canada Life Limited, Irish Life and their subsidiaries. However, Lifeco is not restricted to investing in those companies, and may make other investments in the future.

Lifeco, through its operating subsidiaries, provides products and services under a number of brands, including the Great-West Life and Canada Life brands, the Freedom 55 FinancialTM brand, the Irish Life brand, the Great-West 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, 2013, of the \$26.4 billion of total revenue consisting of premium income, net investment income, and fee and other income, approximately \$13.6 billion, or 51.6%, was denominated in currencies other than Canadian dollars. Similarly, \$977 million, or 42.9% of the \$2,278 million total net earnings attributable to shareholders, was denominated in foreign currencies. At December 31, 2013, approximately \$195.9 billion, or 60.1% of the \$325.9 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, consultants and financial institutions.

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

The individual business units access the various distribution channels through distinct product labels offered by Great-West, London Life, 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 United States, Great-West Financial is a leading provider of employer-sponsored retirement savings plans and of individual life insurance sold through banks. In addition to employer-sponsored defined contribution plans, Great-West Financial provides enrollment services, communication materials, investment options and education services as well as fund management, investment and advisory services. Retirement services and products are

marketed nationwide through brokers, consultants, advisors, third-party administrators and banks. Through its FASCore subsidiary, it offers private-label recordkeeping and administrative services for financial institutions and other providers of defined contribution plans and associated defined benefit plans. Great-West Financial also provides life insurance, annuity products and retirement accounts for individuals as well as executive benefits products. These products are distributed through its wholesale and retail sales force, banks, broker-dealers, investment advisors, and specialized consultants.

Putnam provides investment management, certain administrative functions, distribution, and retirement plan services. Putnam offers a broad range of investment products, including equity, fixed income, absolute return and alternative strategies, through the Putnam Funds, Putnam World Trust Funds and institutional portfolios. Revenue is derived from the value and composition of assets under management, performance fees, and service and distribution fees. Accordingly, fluctuations in the financial markets, and changes in the composition of assets or accounts 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 nearly 160,000 advisors. Institutional investors are supported by Putnam's dedicated account management, product management, and client service professionals and through strategic relationships with certain investment management firms outside of the United States. Retirement plan sponsors and participants are supported by Putnam's dedicated retirement plan professionals and through a relationship with FASCore.

Europe

The Europe segment is comprised of two distinct business units: Insurance & Annuities, which provides protection and wealth management products, including payout annuity products, through subsidiaries of Canada Life in the United Kingdom, Isle of Man, and Germany and through Irish Life in Ireland; and Reinsurance, which operates primarily in the United States, Barbados and Ireland. Reinsurance products are provided through Canada Life, London Life 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 savings and investments products, individual and group insurance and pension products. These products are distributed through independent brokers, a direct sales force and tied agent bank branches. The German operation focuses on pension and individual protection products that are distributed through independent brokers and multi-tied agents

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, the companies provide reinsurance to other reinsurers to allow those companies to spread their insurance risk. The product portfolio offered by the companies includes life, annuity and property and casualty reinsurance and retrocession products, 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 100 of the MD&A.

Risk Factors

Lifeco and its operating subsidiaries are in the business of assessing, structuring, pricing, 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

It should be noted 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 50 of the MD&A.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Over the three year period ending December 31, 2013 total revenue from continuing operations decreased from \$29,898 million in 2011 to \$26,446 million in 2013. Total assets under administration for continuing operations have grown from \$501,965 million at December 31, 2011, to \$758,287 million at December 31, 2013. 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.

On June 30, 2012, Canada Life Capital Trust, a trust established by Canada Life, redeemed all of its outstanding 300,000 Canada Life Capital Securities – Series A (“CLiCS – Series A”) at a price of \$1,000 per CLiCS – Series A.

On December 31, 2012, Great-West Life Capital Trust, a trust established by Great-West, redeemed all of its outstanding 350,000 Great-West Life Trust Securities – Series A (“GREATs – Series A”) at a price of \$1,000 per GREATs – Series A.

On February 19, 2013, Canada Life Limited, an indirect wholly-owned subsidiary of Lifeco, entered into a share purchase agreement with the Minister for Finance of Ireland (and with Lifeco as guarantor of Canada Life Limited's obligations) (the “Share Purchase Agreement”) for the purchase of all of the issued and outstanding shares of Irish Life for €1.3 billion (the “Acquisition”). Funding for the Acquisition included the net proceeds of the issuance by Lifeco of approximately \$1.25 billion of subscription receipts by way of a \$650 million public bought deal offering and concurrent private placements of subscription receipts to wholly-owned subsidiaries of Power Financial Corporation (\$550 million) and IGM Financial Inc. (\$50 million). Funding for the Acquisition also came from the proceeds of Lifeco's issue, on April 18, 2013, of €500 million of 10-year bonds denominated in euros with an annual coupon of 2.50% (the bonds are listed on the Irish Stock Exchange). The Acquisition was completed on July 18, 2013 at which time the 48,660,000 subscription receipts were automatically exchanged on a one-for-one basis for common shares of Lifeco. A copy of the Share Purchase Agreement is available at www.sedar.com.

On December 31, 2013, Lifeco redeemed all of its outstanding 9,200,000 Non-Cumulative First Preferred Shares, Series J at a price of \$25.00 per share.

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 100 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. The quarterly dividend on Lifeco's common shares has remained unchanged at \$0.3075 since the third quarter of 2008.

In March of 2002, the Canada Life Capital Trust issued 150,000 Canada Life Trust Securities – Series B (the "CLiCS – Series B"). Canada Life Financial Corporation ("CLFC") has agreed that if (i) the Canada Life Capital Trust fails to pay distributions on the CLiCS – Series B, 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 Canada Life Capital Trust's failure to have paid the distributions on the CLiCS – Series B, unless the Canada Life Capital Trust first pays such missed distributions. All of the common shares of CLFC are owned by Great-West.

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Lifeco			
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	\$1.125
Series J First Preferred ⁽¹⁾	\$1.500	\$1.500	\$1.500
Series L First Preferred	\$1.413	\$1.413	\$1.413
Series M First Preferred	\$1.450	\$1.450	\$1.450
Series N First Preferred ⁽²⁾	\$0.913	\$0.913	\$1.004
Series P First Preferred ⁽³⁾	\$1.350	\$1.152	N/A
Series Q First Preferred ⁽⁴⁾	\$1.288	\$0.625	N/A
Series R First Preferred ⁽⁵⁾	\$1.200	\$0.266	N/A
Common	\$1.230	\$1.230	\$1.230

1. The Series J First Preferred Shares were redeemed on December 31, 2013.
2. The Series N First Preferred Shares were issued on November 23, 2010. The first dividend payment was made on March 31, 2011 in the amount of \$0.32 per share which included an accrued amount for 2010. Regular quarterly dividend payments are \$0.228125 per share.
3. The Series P First Preferred Shares were issued on February 22, 2012. The first dividend payment was made on June 30, 2012 in the amount of \$0.47712 per share which included an accrued amount. Regular quarterly dividend payments are \$0.3375 per share.
4. The Series Q First Preferred Shares were issued on July 6, 2012. The first dividend payment was made on September 30, 2012 in the amount of \$0.30336 per share. Regular quarterly dividend payments are \$0.321875 per share.
5. The Series R First Preferred Shares were issued on October 11, 2012. The first dividend payment was made on December 31, 2012 in the amount of \$0.26630 per share. Regular quarterly dividend payments are \$0.30 per share.

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, 2013 there were 999,402,079 Common Shares, 7,740,032 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"), 6,800,000 Non-Cumulative First Preferred Shares, Series L ("Series L Shares"), 6,000,000 Non-Cumulative First Preferred Shares, Series M ("Series M Shares"), 10,000,000 Non-Cumulative First Preferred Shares, Series N ("Series N Shares"), 10,000,000 Non-Cumulative First Preferred Shares, Series P ("Series P Shares"), 8,000,000 Non-Cumulative First Preferred Shares, Series Q ("Series Q Shares"), and 8,000,000 Non-Cumulative First Preferred Shares, Series R ("Series R Shares") issued and outstanding. As described below, in certain circumstances the Series N Shares are convertible into Non-Cumulative First Preferred Shares, Series O ("Series O Shares"). Although authorized, no Series O 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.

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 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 of \$25.00 per 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 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 of \$25.00 per 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 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 at a price of \$25.00 per share plus a premium if they are redeemed prior to September 30, 2014. 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 at a price of \$25.00 per share plus a premium if they are redeemed prior to June 30, 2015. 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 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 of \$25.00 per share plus a premium if they are redeemed prior to December 31, 2018. 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 M Shares

The Series M Shares carry a non-cumulative dividend of 5.80% per annum, payable quarterly. Lifeco has the right to redeem the Series M Shares in whole or in part on or after March 31, 2015 at a price of \$25.00 per share plus a premium if they are redeemed prior to March 31, 2019. 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 M Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series M Shares are entitled to be paid an amount equal to \$25.00 per Series M 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 M Shares.

Series N Shares

The Series N Shares carry a non-cumulative dividend, payable quarterly, of 3.65% per annum to but excluding December 31, 2015. On December 31, 2015 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 1.30%. Lifeco has the right to redeem the Series N Shares, in whole or in part, on December 31, 2015 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 N Share conditions, each Series N Share is convertible at the option of the holder on December 31, 2015 and on December 31 every five years thereafter into one Series O 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 1.30%. 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 N Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of Series N Shares are entitled to be paid an amount equal to \$25.00 per Series N 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 N Shares.

Series O Shares

The Series O 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 1.30%. Lifeco has the right to redeem the Series O Shares, in whole or in part, after December 31, 2015 for \$25.50 per share plus declared and unpaid dividends, unless such Series O Shares are redeemed on December 31, 2020 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 O Share conditions, each Series O Share is convertible at the option of the holder on December 31, 2020 and on December 31 every five years thereafter into one Series N 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 O Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of Series O Shares are entitled to be paid an amount equal to \$25.00 per Series O 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 O Shares.

Series P Shares

The Series P Shares carry a non-cumulative dividend of 5.40% per annum, payable quarterly. Lifeco has the right to redeem the Series P Shares in whole or in part on or after March 31, 2017 at a price of \$25.00 per share plus a premium if they are redeemed prior to March 31, 2021. 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 P Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series P Shares are entitled to be paid an amount equal to \$25.00 per Series P 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 P Shares.

Series Q Shares

The Series Q Shares carry a non-cumulative dividend of 5.15% per annum, payable quarterly. Lifeco has the right to redeem the Series Q Shares in whole or in part on or after September 30, 2017 at a price of \$25.00 per share plus a premium if they are redeemed prior to September 30, 2021. 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 Q Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series Q Shares are entitled to be paid an amount equal to \$25.00 per Series Q 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 Q Shares.

Series R Shares

The Series R Shares carry a non-cumulative dividend of 4.80% per annum, payable quarterly. Lifeco has the right to redeem the Series R Shares in whole or in part on or after December 31, 2017 at a price of \$25.00 per share plus a premium if they are redeemed prior to December 31, 2021. 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 R Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series R Shares are entitled to be paid an amount equal to \$25.00 per Series R 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 R Shares.

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.

Consent Solicitation

On October 30, 2013, Lifeco successfully completed a consent solicitation of the holders of its 6.67% debentures due March 21, 2033. Pursuant to the consent solicitation Lifeco amended its March 21, 2003 trust indenture to remove the replacement capital covenant event of default that Lifeco had given in respect of certain First Preferred Shares and subordinated debentures.

The removal of the event of default provides Lifeco with the ability to be responsive to credit rating agency considerations and emerging regulatory capital developments while providing greater flexibility to manage its capital structure. The consent solicitation and the resulting amendment of the trust indenture does not imply that Lifeco intends to take any future action with respect to the redemption of any of the securities previously subject to the replacement capital covenants.

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.

	Preferred Shares	Debentures
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. The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.
Fitch		
Rating	BBB+	A
Outlook	Stable	Stable
Rank	(8) of 23	(6) of 23
Commentary	Good credit quality. Denotes expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.	High credit quality. Denotes expectations of credit risk are currently low. 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	bbb+	a
Outlook	Stable	Stable
Rank	(8) of 22	(6) of 22
Commentary	The issuer has adequate ability to meet the terms of the obligation, however the issuer is more susceptible to changes in economic and other conditions.	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 F, G, H, I, L, M, N, P, Q and R are listed and posted for trading on the TSX. The following tables provide trading price and volume statistics for 2013.

Lifeco Common Shares (TSX:GWO)

2013	Trading Range		Volume Traded	
	Low	High	Total	Average ⁽¹⁾
January	\$24.20	\$26.38	22,457,790	976,426
February	\$25.67	\$27.43	25,650,273	1,282,514
March	\$26.97	\$27.55	23,452,734	1,116,797
April	\$25.87	\$27.36	16,790,851	763,221
May	\$27.27	\$29.37	19,098,811	830,383
June	\$27.54	\$29.03	19,335,063	966,753
July	\$28.53	\$30.97	27,341,765	1,188,772
August	\$29.24	\$31.20	19,760,534	898,206
September	\$29.66	\$30.69	26,807,851	1,276,564
October	\$29.40	\$32.27	17,552,805	763,165
November	\$32.14	\$33.34	17,369,185	827,104
December	\$31.40	\$32.78	25,011,572	1,136,890

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

2013	Trading Range		Volume Traded	
	Low	High	Total	Average ⁽¹⁾
January	\$25.55	\$26.22	51,187	2,226
February	\$25.72	\$26.10	47,848	2,392
March	\$25.57	\$25.97	31,108	1,481
April	\$25.63	\$25.89	35,596	1,618
May	\$25.45	\$25.83	141,068	6,133
June	\$24.98	\$25.50	83,715	4,186
July	\$25.18	\$25.88	62,009	2,696
August	\$24.82	\$25.79	44,172	2,008
September	\$24.85	\$25.22	63,042	3,002
October	\$25.00	\$25.33	52,673	2,290
November	\$25.18	\$25.59	94,498	4,500
December	\$25.01	\$25.21	186,499	8,477

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

2013	Trading Range		Volume Traded	
	Low	High	Total	Average ⁽¹⁾
January	\$25.27	\$25.51	211,178	9,182
February	\$25.20	\$25.50	237,754	11,888
March	\$25.17	\$25.66	128,605	6,124
April	\$25.37	\$25.92	184,984	8,408
May	\$25.32	\$25.90	189,793	8,252
June	\$23.85	\$25.35	202,615	10,131
July	\$24.43	\$25.10	432,497	18,804
August	\$22.46	\$24.35	335,723	15,260
September	\$23.18	\$23.88	172,347	8,207
October	\$23.60	\$24.50	204,726	8,901
November	\$23.96	\$24.45	176,815	8,420
December	\$22.73	\$24.08	347,813	15,810

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

2013	Trading Range		Volume Traded	
	Low	High	Total	Average ⁽¹⁾
January	\$25.16	\$25.78	429,840	18,689
February	\$25.18	\$25.49	148,667	7,433
March	\$25.25	\$25.74	93,778	4,466
April	\$25.06	\$25.78	104,595	4,754
May	\$25.08	\$25.60	143,847	6,254
June	\$22.87	\$25.00	244,105	12,205
July	\$23.30	\$24.16	498,914	21,692
August	\$20.97	\$23.13	412,974	18,772
September	\$21.97	\$22.60	274,220	13,058
October	\$22.15	\$23.38	349,570	15,199
November	\$23.08	\$23.57	264,697	12,605
December	\$21.81	\$23.36	313,531	14,251

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

2013	Trading Range		Volume Traded	
	Low	High	Total	Average ⁽¹⁾
January	\$24.30	\$24.90	289,879	12,603
February	\$24.55	\$24.85	221,505	11,075
March	\$24.58	\$24.94	172,850	8,231
April	\$24.50	\$24.99	208,388	9,472
May	\$24.58	\$24.98	236,123	10,266
June	\$22.11	\$24.34	317,286	15,864
July	\$22.10	\$23.11	325,065	14,133
August	\$20.48	\$22.35	172,663	7,848
September	\$21.25	\$21.83	265,661	12,651
October	\$20.99	\$22.19	224,741	9,771
November	\$22.00	\$22.65	178,920	8,520
December	\$21.20	\$22.45	485,050	22,048

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

2013	Trading Range		Volume Traded	
	Low	High	Total	Average ⁽¹⁾
January	\$26.41	\$26.79	103,967	4,520
February	\$26.07	\$26.56	87,731	4,387
March	\$26.07	\$26.58	143,786	6,847
April	\$26.40	\$26.59	167,833	7,629
May	\$26.15	\$26.79	151,071	6,568
June	\$24.93	\$26.20	390,936	19,547
July	\$25.25	\$25.71	100,516	4,370
August	\$24.42	\$25.26	144,831	6,583
September	\$24.54	\$25.21	152,905	7,281
October	\$24.99	\$25.42	236,548	10,285
November	\$25.10	\$25.51	106,444	5,069
December	\$24.66	\$25.05	123,862	5,630

Lifeco Series M First Preferred Shares (TSX: GWO.PR.M)

2013	Trading Range		Volume Traded	
	Low	High	Total	Average ⁽¹⁾
January	\$26.60	\$26.85	82,309	3,579
February	\$26.40	\$26.94	146,005	7,300
March	\$26.35	\$26.70	87,198	4,152
April	\$26.54	\$26.79	132,082	6,004
May	\$26.60	\$26.98	231,600	10,070
June	\$25.19	\$26.54	227,124	11,356
July	\$25.76	\$26.45	244,281	10,621
August	\$24.90	\$26.10	253,664	11,530
September	\$25.00	\$25.49	120,006	5,715
October	\$25.23	\$25.70	156,314	6,796
November	\$25.40	\$25.75	170,151	8,102
December	\$25.20	\$25.53	242,652	11,030

Lifeco Series N First Preferred Shares (TSX: GWO.PR.N)

2013	Trading Range		Volume Traded	
	Low	High	Total	Average ⁽¹⁾
January	\$23.29	\$24.25	619,206	26,922
February	\$24.25	\$24.90	1,210,142	60,507
March	\$24.48	\$24.86	278,116	13,244
April	\$23.80	\$24.80	214,293	9,741
May	\$24.64	\$25.00	465,871	20,255
June	\$23.87	\$24.98	154,938	7,747
July	\$23.39	\$24.32	205,040	8,915
August	\$21.50	\$23.50	130,552	5,934
September	\$21.50	\$22.75	152,910	7,281
October	\$21.85	\$22.31	141,533	6,154
November	\$21.80	\$22.66	231,368	11,018
December	\$20.95	\$22.15	285,128	12,960

Lifeco Series P First Preferred Shares (TSX: GWO.PR.P)

2013	Trading Range		Volume Traded	
	Low	High	Total	Average ⁽¹⁾
January	\$26.26	\$26.70	189,558	8,242
February	\$26.18	\$26.50	139,724	6,986
March	\$26.24	\$26.56	177,329	8,444
April	\$26.40	\$26.57	448,100	20,368
May	\$26.52	\$26.81	170,034	7,393
June	\$24.58	\$26.50	231,674	11,584
July	\$24.83	\$25.41	230,953	10,041
August	\$24.08	\$25.17	227,551	10,343
September	\$24.35	\$24.94	230,847	10,993
October	\$24.31	\$25.20	159,327	6,927
November	\$24.84	\$25.15	138,498	6,595
December	\$23.65	\$24.90	219,358	9,971

Lifeco Series Q First Preferred Shares (TSX: GWO.PR.Q)

2013	Trading Range		Volume Traded	
	Low	High	Total	Average ⁽¹⁾
January	\$25.85	\$26.34	186,050	8,089
February	\$25.66	\$26.10	167,346	8,367
March	\$25.80	\$26.30	146,424	6,973
April	\$26.04	\$26.27	115,509	5,250
May	\$25.78	\$26.42	156,657	6,811
June	\$24.23	\$25.82	458,921	22,946
July	\$24.10	\$24.86	256,722	11,162
August	\$23.30	\$24.74	139,907	6,359
September	\$23.35	\$23.89	116,176	5,532
October	\$23.36	\$24.07	161,333	7,014
November	\$23.68	\$24.22	170,732	8,130
December	\$22.56	\$23.85	269,835	12,265

Lifeco Series R First Preferred Shares (TSX: GWO.PR.R)

2013	Trading Range		Volume Traded	
	Low	High	Total	Average ⁽¹⁾
January	\$25.30	\$25.62	609,517	27,705
February	\$25.12	\$25.64	224,904	11,837
March	\$25.15	\$25.61	208,571	10,429
April	\$25.50	\$25.75	186,078	8,458
May	\$25.24	\$25.83	252,996	11,500
June	\$23.31	\$25.12	443,404	22,170
July	\$23.95	\$24.44	200,065	9,094
August	\$22.00	\$23.85	260,257	12,393
September	\$22.00	\$22.80	275,568	13,778
October	\$22.21	\$22.95	385,465	17,521
November	\$22.70	\$23.29	195,872	9,327
December	\$21.50	\$22.98	375,471	18,774

⁽¹⁾ 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.

Name, Residence, Principal Occupation, Major Positions with Lifeco	Served as Director From
<p>George S. Bain (1)(5) - Glenavy, Northern Ireland, United Kingdom Mr. Bain's principal occupation is that of a Corporate Director. He 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 (2)(3)(4)(6) - Calgary, Alberta, Canada Mr. Coutu is the former Chairman of Syncrude Canada Ltd., one of Canada's largest oil sands projects, and is past President and Chief Executive Officer of Canadian Oil Sands Limited.</p>	May 3, 2007
<p>André Desmarais, O.C., O.Q. (2)(3)(4)(6) - 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)(6) - 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

Name, Residence, Principal Occupation, Major Positions with Lifeco	Served as Director From
<p>Michael L. Hepher (1)(2)(3)(6) - 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 Emeritus of The Canadian Institute for Advanced Research, Toronto and is a Professor at the School of Public Policy and Governance at the University of Toronto.</p>	May 1, 2008
<p>J. David A. Jackson (6) – Toronto, Ontario, Canada Mr. Jackson retired as a Partner in the law firm Blake, Cassels & Graydon LLP in 2012 and currently serves as Senior Counsel to the Firm. He was the Chairman of Blakes from 1995 to 2001.</p>	May 2, 2013
<p>D. Allen Loney, FIA, FCIA (3)(6) - Toronto, Ontario, Canada Mr. Loney was President and Chief Executive Officer of Lifeco, Great-West, London Life and Canada Life from May, 2008 until May, 2013. Prior to that he was Vice-President, Capital Management of Lifeco and Executive Vice-President, Chief Actuary/Capital Management of Great-West, London Life and Canada Life.</p>	July 30, 2008
<p>Paul A. Mahon (3) – Winnipeg, Manitoba, Canada Mr. Mahon is President and Chief Executive Officer of Lifeco, Great-West, London Life and Canada Life, a position he has held since May, 2013. Prior to that he was President and Chief Operating Officer, Canada of Lifeco, Great-West, London Life and Canada Life.</p>	August 1, 2013
<p>Raymond L. McFeetors (3)(6) - Winnipeg, Manitoba, Canada Mr. McFeetors is Vice-Chairman of Power Financial Corporation. He was Chairman of the Board of Lifeco, Great-West, London Life and Canada Life from May, 2008 until May, 2013 and of Great-West Financial from July, 2008 until July, 2013. Prior to that Mr. McFeetors was President and Chief Executive Officer of Lifeco, Great-West, London Life, Canada Life and Great-West Financial.</p>	April 28, 1993
<p>R. Jeffrey Orr (2)(3)(4)(6) - Westmount, Québec, Canada Mr. Orr has been Chairman of the Board of Lifeco, Great-West, London Life and Canada Life since May, 2013 and of Great-West Financial since July, 2013. Mr. Orr is also President and Chief Executive Officer of Power Financial Corporation, a position he has held since May, 2005. He was previously President and Chief Executive Officer of IGM Financial Inc.</p>	July 30, 2002
<p>Michel Plessis-Bélair, FCPA, FCA - Town of Mount Royal, Québec, Canada Mr. Plessis-Bélair has been Vice-Chairman of Power Corporation of Canada since January, 2008 and Vice-Chairman of Power Financial Corporation since May 2012. 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.</p>	April 15, 1990

Name, Residence, Principal Occupation, Major Positions with Lifeco	Served as Director From
<p>Henri-Paul Rousseau, Ph.D. (3)(6) - 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 Chief Executive Officer from September, 2002 until April, 2005.</p>	May 7, 2009
<p>Raymond Royer, O.C., O.Q., FCPA, 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.</p>	May 7, 2009
<p>Jerome J. Selitto – Philadelphia, Pennsylvania, United States of America Mr. Selitto's principal occupation is that of a Corporate Director. He served as a Director and as the President and Chief Executive Officer of PHH Corporation from 2009 to 2012. He was previously Executive Vice-President, Lender Division at Ellie Mae from 2007 until 2009. In 2000 Mr. Selitto founded and served as Chief Executive Officer of DeepGreen Financial.</p>	May 3, 2012
<p>James M. Singh, CMA (1) - Saint Léger, Vaud, Switzerland Mr. Singh's principal occupation is that of a Corporate Director. He was Executive Vice-President and Chief Financial Officer of Nestlé S.A until his retirement in 2012. He was previously Senior Vice-President, Acquisitions and Business Development of Nestlé S.A. from 2000 until 2007 and Executive Vice-President and Chief Financial Officer of Nestlé Canada Inc. from 1995 until 2000.</p>	August 1, 2012
<p>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. She is also a Director on the McMaster University Board of Governors and was previously Provost and Vice-President (Academic) of McMaster University.</p>	May 4, 2006
<p>Gregory D. Tretiak, FCA (3)(6) - Winnipeg, Manitoba, Canada Mr. Tretiak is Executive Vice-President and Chief Financial Officer of Power Corporation of Canada and Power Financial Corporation, positions that he has held since May 2012. He was Executive Vice-President and Chief Financial Officer of IGM Financial Inc. from 1999 until May 2012.</p>	May 3, 2012
<p>Brian E. Walsh (2)(3)(4)(6) - Rye, New York, United States of America Mr. Walsh has been Chairman and Chief Investment Officer of Saguenay Strathmore Capital, LLC, a money management and investment advisory company, since 2011. He was previously Managing Partner of Saguenay Capital, LLC from 2001 to 2011.</p>	May 7, 2009
<p>(1) Member of the Audit Committee. (2) Member of the Compensation Committee. (3) Member of the Executive Committee. (4) Member of the Governance and Nominating Committee. (5) Member of the Conduct Review Committee. (6) Member of the Risk Committee.</p>	

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.

Name and Place of Residence	Position and Principal Occupation
R. Jeffrey Orr Westmount, Québec, Canada	Mr. Orr is Chairman of the Board of Lifeco, Great-West, London Life, Canada Life and Great-West Financial and is President and Chief Executive Officer of Power Financial Corporation.
Paul A. Mahon Winnipeg, Manitoba, Canada	Mr. Mahon is President and Chief Executive Officer of Lifeco, Great-West, London Life and Canada Life.
Andrew D. Brands Toronto, Ontario, Canada	Mr. Brands is Executive Vice-President, General Counsel and Compliance of Lifeco, Great-West, London Life and Canada Life.
S. Mark Corbett Englewood, Colorado, USA	Mr. Corbett is Executive Vice-President and Chief Investment Officer, Lifeco .
Mitchell T. G. Graye Castle Rock, Colorado, USA	Mr. Graye is President and Chief Executive Officer of Great-West Financial and President and Chief Executive Officer, U.S. Operations of Great-West, London Life and Canada Life.
Alexandre J. Guertin Toronto, Ontario, Canada	Mr. Guertin is Senior Vice-President and Chief Risk Officer of Lifeco, Great-West, London Life and Canada Life.
Arshil Jamal Toronto, Ontario, Canada	Mr. Jamal is President and Chief Operating Officer, Europe of Lifeco, Great-West, London Life and Canada Life.
J. Dave Johnston Winnipeg, Manitoba, Canada	Mr. Johnston is President and Chief Operating Officer, Canada of Lifeco, Great-West, London Life 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 and Canada Life.
Garry MacNicholas Oakville, Ontario, Canada	Mr. MacNicholas is Executive Vice-President, Actuarial and Risk of Lifeco, Great-West, London Life and Canada Life.
Nancy Russell London, Ontario	Ms. Russell is Senior Vice-President and Chief Compliance Officer of Lifeco, Great-West, London Life and Canada Life.
Laurie A. Speers Winnipeg, Manitoba, Canada	Ms. Speers is Vice-President and Corporate Secretary of Lifeco, Great-West, London Life and Canada Life.
Douglas J. Tkach Winnipeg, Manitoba, Canada	Mr. Tkach is Senior Vice-President and Chief Internal Auditor of Lifeco, Great-West, London Life and Canada Life.

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

Shareholdings of Directors and Executive Officers

As at December 31, 2013, the directors and executive officers of Lifeco, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 3,722,350 Common Shares representing approximately 0.37% of the outstanding Common Shares, and 2,288 First Preferred Shares, representing approximately 0.03% 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.

On July 9, 2013, Quadrus Investment Services Ltd., Lifeco's mutual fund subsidiary, entered into a settlement agreement with the Nova Scotia Securities Commission pursuant to which it agreed to pay a fine in the amount of \$40,000 and costs in the amount of \$1,000. The settlement related to Quadrus' failure to fulfill its supervisory obligations in respect of one of its advisors.

TRANSFER AGENT AND REGISTRAR

Lifeco's transfer agent and registrar is Computershare Investor Services Inc. In Canada, the Common Shares and the Series F Shares are transferable at the following locations:

Canadian Offices Computershare Investor Services Inc.
8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1
600, 530 8th Avenue S.W., Calgary, Alberta, Canada T2P 3S8
1500 University Street, 7th Floor, Montréal, Québec, Canada H3A 3S8
2nd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9
Phone: 1-888-284-9137 (toll free in Canada and the United States), 514-982-9557 (direct dial)

The Series G, H, I, L, M, N, P, Q and R Shares 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, N.A.
350 Indiana Street, Suite 800
Golden, Colorado 80401
Phone: 1-888-284-9137 (toll free in Canada and the United States)

United Kingdom Office Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS99 6ZZ, United Kingdom,
Phone: 44 0870 702 0003

Ireland Office Computershare Investor Services (Ireland) Limited
Heron House, Corrig Road, Sandyford Industrial Estate
Dublin 18, Ireland
Phone: 353 1 447 5566

Shareholders wishing to contact the transfer agent by email can do so at GWO@computershare.com.

INTERESTS OF EXPERTS

Deloitte 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 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 S. Bain, Michael L. Hepher, Chaviva M. Hošek, and James M. Singh. 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. 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 both a Fellow Chartered Professional Accountant and Fellow 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 Power Financial Corporation. He was a director of Shell Canada Limited until 2007, and is a member of the Board of the Research Institute 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, Great-West Financial 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, Electra Private Equity plc and 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 and former Chairman of the Audit Committee of The Canada Life Group (UK) Ltd. He previously served as a Director and member of the Audit Committee, Risk Committee and Remuneration Committee of Chartis Insurance UK Limited, a Director and Chairman of the Board of Cardpoint plc, Lane, Clark and Peacock LLP and TeleCity plc. He was also a Director and served as the Chairman of the Audit Committee of Diageo plc (formerly

Grand Metropolitan plc) and Catlin plc. Mr. Hepher also previously served as a Director of MCI Communications, Lloyds Bank plc, Industrial Estates Ltd and Kingfisher plc. 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 Emeritus of The Canadian Institute for Advanced Research, Toronto. She was President and Chief Executive Officer of the Institute until her retirement in 2012. Ms. Hošek is a Professor at the School of Public Policy & Governance at the University of Toronto. 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 has been a Director of Maple Leaf Foods Inc. and Inco Ltd., and serves as a director and trustee for a number of non-profit organizations.

James M. Singh - Mr. Singh was Executive Vice-President and Chief Financial Officer of Nestlé S.A until his retirement in 2012. He joined Nestlé Canada in 1977 and held various positions within the company. Mr. Singh is a Director of Great-West, London Life and Canada Life. He holds a Bachelor of Social Science from the University of Guyana and a Bachelor of Commerce (Hon) and Master of Business Administration from the University of Windsor. Mr. Singh is a Certified Management Accountant and Fellow of the Chartered Institute of Management Accountants, United Kingdom. He is a Director and Chairman of the Audit Committee of the RTL Group in Luxembourg and also a Director of the American Skin Association. Until recently, he was Chairman of the Chief Financial Officers' Task Force of the European Roundtable of Industrialists and a member of the International Integrated Financial Reporting Standard Committee.

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

	Year Ended December 31, 2013	Year Ended December 31, 2012
Audit Fees ¹	21,883,050	19,180,818
Audit-Related Fees ²	3,349,415	3,591,842
Tax Fees ³	1,306,939	807,927
All Other Fees ⁴	1,535,396	2,127,654
Total	<u>28,074,800</u>	<u>25,708,241</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 and other investment products 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 include fees for reviews of securities filings and other services related to financings of Lifeco and/or its subsidiaries, including information barrier audits or reviews. These fees also include amounts for the reviews of interim financial statements of Lifeco and/or its subsidiaries, for the audits of pension plans of subsidiaries of Lifeco, and for audits/specified procedures mainly related to regulatory filings, internal controls, benefit plans, and managed properties.
3. **Tax Fees:** These tax fees primarily relate to tax compliance and planning, provision of formal tax opinions, assistance in resolutions of tax disputes for Lifeco and/or its subsidiaries in connection with income taxes, property taxes and other taxes, and analyses of income tax processes and controls.
4. **All Other Fees:** These other fees relate to specific engagements including translation services, consulting on accounting issues, and information technology testing and development services.

ADDITIONAL INFORMATION

Additional information relating to Lifeco is available for review 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 the Board of Directors (the "**Board**") 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 Canadian Securities Administrators National Instrument 52-110.

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 Corporate Secretary or an Associate Corporate Secretary or such other person as may be designated by the Chairman (or in the absence of the Chairman, the acting 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 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 Chairman of the Board, the Chairman of the Committee shall so inform the Chairman of the Board.

3.0 DUTIES AND RESPONSIBILITIES

3.1 **Disclosure Documents.** 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) other documents containing audited or unaudited financial information, at its discretion; and
 - (e) 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;

- (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) 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 terms of the external auditor's engagement, 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;
- (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 the external auditor for the person designated to conduct the audit;
- (6) 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;
- (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 Finance. The Committee shall:

- (1) through the Chairman of the Committee, have the authority to communicate directly with the Chief Financial Officer;
- (2) after due consultation with the Chief Executive Officer, the Chairman of the Board and the Chairman of the Executive Committee recommend to the Board the appointment and/or removal of the Chief Financial Officer;
- (3) annually review and approve the mandate of the Chief Financial Officer;
- (4) annually assess the performance of the Chief Financial Officer and the effectiveness of the finance control function; and
- (5) annually review and approve the organizational and reporting structure and resources of the finance control function and satisfy itself that it has adequate resources and independence to discharge its responsibilities.

3.4 Internal Audit. The Committee shall:

- (1) through the Chairman of the Committee, have the authority to communicate directly with the chief internal auditors;
- (2) after due consultation with the Chief Executive Officer, the Chairman of the Board and the Chairman of the Executive Committee, recommend to the Board the appointment and/or removal of the Chief Internal Auditor;
- (3) annually review and approve the mandate of the Chief Internal Auditor and the internal audit mandate;
- (4) annually assess the performance of the Chief Internal Auditor and the effectiveness of the internal audit control function;
- (5) annually review and approve the internal audit plan and the organizational and reporting structure and resources of the internal audit control function and satisfy itself that it has adequate resources and independence to discharge its responsibilities;
- (6) require management to implement and maintain appropriate internal control procedures and review, evaluate and approve those procedures;
- (7) meet with the Chief Internal Auditor and with management to discuss the effectiveness of the internal control procedures established for the Corporation; and
- (8) 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.

3.5 Compliance. The Committee shall:

- (1) through the Chairman of the Committee, have the authority to communicate directly with the Chief Compliance Officer;
- (2) after due consultation with the Chief Executive Officer, the Chairman of the Board and the Chairman of the Executive Committee, recommend to the Board the appointment and/or removal of the Chief Compliance Officer, Chief Privacy Officer and Chief Anti-Money Laundering Officer;
- (3) annually review and approve the mandate of the Chief Compliance Officer, Chief Privacy Officer and Chief Anti-Money Laundering Officer of the Corporation;
- (4) annually assess the performance of the Chief Compliance Officer, Chief Privacy Officer and Chief Anti-Money Laundering Officer and the effectiveness of the compliance control function;
- (5) annually review and approve the organizational and reporting structure and resources of the compliance control function and satisfy itself that it has adequate resources and independence to discharge its responsibilities;
- (6) review reports of the chief compliance officers and chief privacy officers; and
- (7) monitor compliance with the Code of Conduct.

3.6 **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.

3.7 **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.

3.8 **Subsidiaries.**

- (1) 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.
- (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 Subsidiary**" means a subsidiary whose net income represents 10% or more of the net income of the Corporation; and
 - (b) "**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.

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.