



2022 Annual Information Form

DATED February 8, 2023

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" or the "Corporation") and its business.

Unless otherwise indicated, all information in this AIF is presented as at December 31, 2022 and all amounts are expressed in Canadian dollars.

Incorporation by Reference

Lifeco's 2022 Management's Discussion and Analysis dated February 8, 2023 (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 may contain forward-looking information. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "will", "may", "expects", "anticipates", "intends", "plans", "believes", "estimates", "objective", "target", "potential" and other similar expressions or negative versions thereof. Forward-looking information includes, without limitation, statements about the Corporation's operations, business (including business mix), financial condition, expected financial performance (including revenues, earnings or growth rates and medium-term financial objectives), ongoing business strategies or prospects, climate-related and diversity-related measures, objectives and targets, anticipated global economic conditions and possible future actions by the Corporation, including statements made with respect to the expected cost (including deferred consideration), benefits, timing of integration activities and timing and extent of revenue and expense synergies of acquisitions and divestitures, including but not limited to the acquisitions of the full-service retirement business of Prudential Financial Inc. (Prudential), Personal Capital Corporation (Personal Capital) and the retirement services business of Massachusetts Mutual Life Insurance Company (MassMutual), expected capital management activities and use of capital, estimates of risk sensitivities affecting capital adequacy ratios, expected dividend levels, expected cost reductions and savings, expected expenditures or investments (including but not limited to investment in technology infrastructure and digital capabilities and solutions), the timing and completion of the joint venture between Allied Irish Banks plc (AIB) and Canada Life Irish Holding Company Limited, the impact of regulatory developments on the Corporation's business strategy and growth objectives, the expected impact of the ongoing pandemic health event resulting from the coronavirus ("COVID-19") and related economic and market impacts on the Corporation's business operations, financial results and financial condition. Forward-looking information also includes, without limitation, statements about the expected impact (or lack of impact) of IFRS 17, *Insurance Contracts* and IFRS 9, *Financial Instruments* on the Corporation's business strategy, financial strength, deployable capital, the Life Insurance Capital Adequacy Test (LICAT) ratio of The Canada Life Assurance Company, base and net earnings, shareholders' equity, ratings and leverage ratios.

Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions 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 the Corporation, economic factors and the financial services industry generally, including the insurance, mutual fund and retirement solutions industries. They are not guarantees of future performance, and the reader is cautioned that actual events and results could differ materially from those expressed or implied by forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of the Corporation and there is no assurance that they will prove to be correct. In particular, statements about the expected impact of IFRS 17 on the Corporation (including statements about the impact on base and net earnings and the Canada Life Assurance Company LICAT Ratio) are based on the Corporation's expected 2023 earnings mix and composition as at the start of 2023, including the reflection of insurance contract earnings on an IFRS 17 basis and adjusted to reflect fully synergized earnings from the acquisitions of MassMutual's and Prudential's retirement businesses, and on current market and economic conditions. Further, the LICAT sensitivities presented in the MD&A incorporated by reference in this AIF have been prepared on the basis of IFRS 4, *Insurance Contracts* and IAS 39, *Financial Instruments: Recognition and Measurement* (IAS 39) and may change on transition to IFRS 17 and IFRS 9. In all cases, whether or not actual results differ from forward-looking information may depend on numerous factors, developments and assumptions, including, without limitation, the severity, magnitude and impact of the COVID-19 pandemic (including the effects of the COVID-19 pandemic and the effects of governments' and other businesses' responses to

the COVID-19 pandemic on the economy and the Corporation's financial results, financial condition and operations), the duration of COVID-19 impacts and the availability and adoption of vaccines, the effectiveness of vaccines, the emergence of COVID-19 variants, geopolitical tensions and related economic impacts, assumptions around sales, fee rates, asset breakdowns, lapses, plan contributions, redemptions and market returns, the ability to integrate the acquisitions of Personal Capital and the retirement services businesses of MassMutual and Prudential, the ability to leverage Empower's, Personal Capital's and MassMutual's and Prudential's retirement services businesses and achieve anticipated synergies, customer behaviour (including customer response to new products), the Corporation's reputation, market prices for products provided, sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy and plan lapse rates, participant net contribution, reinsurance arrangements, liquidity requirements, capital requirements, credit ratings, taxes, inflation, interest and foreign exchange rates, investment values, hedging activities, global equity and capital markets (including continued access to equity and debt markets), industry sector and individual debt issuers' financial conditions (including developments and volatility arising from the COVID-19 pandemic, particularly in certain industries that may comprise part of the Corporation's investment portfolio), business competition, impairments of goodwill and other intangible assets, the Corporation's ability to execute strategic plans and changes to strategic plans, technological changes, breaches or failure of information systems and security (including cyber attacks), payments required under investment products, changes in local and international laws and regulations, changes in accounting policies and the effect of applying future accounting policy changes, changes in actuarial standards, unexpected judicial or regulatory proceedings, catastrophic events, continuity and availability of personnel and third party service providers, the Corporation's ability to complete strategic transactions and integrate acquisitions, unplanned material changes to the Corporation's facilities, customer and employee relations or credit arrangements, levels of administrative and operational efficiencies, changes in trade organizations, and other general economic, political and market factors in North America and internationally.

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, uncertainties and potential events carefully and not to place undue reliance on forward-looking information.

Other than as specifically required by applicable law, Lifeco does not intend to update any forward-looking information whether as a result of new information, future events or otherwise.

Important Note Regarding Sustainability Disclosure

Certain forward-looking statements in this AIF or the documents incorporated by reference in this AIF relate to the Corporation's climate-related and diversity-related measures, objectives, priorities, strategies and commitments or actions that will be taken to achieve them. The climate-related statements include statements with respect to reducing the Corporation's greenhouse gas (GHG) emissions related to its own activities and energy consumption and achieving net-zero GHG emissions for its operating and financing activities by 2050, the causes and potential impacts of climate change globally, and the Corporation's approach to identifying and managing climate-related risks and opportunities. The diversity-related statements include statements with respect to growing representation of women and underrepresented minorities in management. The forward-looking climate-related and diversity-related information in this AIF or the documents incorporated by reference in this AIF is presented for the purpose of assisting our stakeholders in understanding how we intend to address climate-related and diversity-related governance, strategy, risks, opportunities, and objectives, and may not be appropriate for other purposes.

Any commitments, goals or targets discussed in this AIF or the documents incorporated by reference in this AIF, including but not limited to the Corporation's net-zero related commitments and diversity-related measures, are aspirational and may need to be changed or recalibrated as data improve and as climate science, regulatory requirements and market practices regarding standards, methodologies, metrics and measurements evolve. Our climate risk analysis and net-zero strategy remain under development, and the data underlying our analysis and strategy remain subject to evolution over time. We are also continuing to develop our diversity-related data. There is a strong possibility that our expectations, forecasts, estimates, predictions and conclusions may not prove to be accurate and our assumptions may prove to be incorrect, and there is a material risk that we will not achieve our climate-related and diversity-related objectives, priorities, strategies and commitments. In addition, many of the assumptions, standards, metrics and measurements used in preparing these forward-looking statements are not audited or independently verified, have limited comparability and continue to evolve.

There are limitations and uncertainties inherent in climate science, climate risk analysis and reporting. There are many factors that are the subject of ongoing climate science and that we cannot foresee or accurately predict, which will impact the Corporation's ability to achieve its climate-related objectives, priorities, strategies and commitments. There are also many factors which will impact the Corporation's ability to achieve its diversity-related objectives, priorities, strategies and commitments. These factors include, without limitation, the transition to a low-carbon economy, the need for more and better climate data and standardization of climate-related measurement methodologies, our ability to gather and verify data, our ability to develop indicators to effectively monitor our advancements and assess and manage climate-related risks, the need for active and continued action by stakeholders (including governmental and non-governmental organizations, our counterparties and other businesses and individuals), compliance with our policies and procedures, our ability to recruit and retain key personnel in a competitive environment for talent, technological advancements, the evolution of consumer behaviour, varying decarbonization efforts across economies, the challenges of balancing emission reduction objectives with an orderly, just and inclusive transition and geopolitical factors that impact global energy needs, the legal and regulatory environment, and regulatory compliance considerations.

Cautionary Note Regarding Non-International Financial Reporting Standards ("IFRS") Financial Measures and Ratios

This AIF and the documents incorporated by reference contain some non-Generally Accepted Accounting Principles ("GAAP") financial measures and non-GAAP ratios as defined in National Instrument 52-112 "Non-GAAP and Other Financial Measures Disclosure". Terms by which non-GAAP financial measures are identified include, but are not limited to, "base earnings (loss)", "base earnings (loss) (US\$)", "core net earnings (loss)", "premiums and deposits", "assets under management" and "assets under administration". Terms by which non-GAAP ratios are identified include, but are not limited to, "base earnings per common share (EPS)", "base return on equity (ROE)", "base dividend payout ratio" and "effective income tax rate – base earnings – common shareholders". Non-GAAP financial measures and ratios are used to provide management and investors with additional measures of performance to help assess results where no comparable GAAP (IFRS) measure exists. However, non-GAAP financial measures and ratios do not have standard meanings prescribed by GAAP (IFRS) and are not directly comparable to similar measures used by other companies. Refer to the "Non-GAAP Financial Measures and Ratios" section in the MD&A for the appropriate reconciliations of these non-GAAP financial measures to measures prescribed by GAAP as well as additional details on each measure and ratio, which are incorporated by reference in this AIF.

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, Series R, Series S, Series T, Series U and Series Y. 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 following table lists certain subsidiaries of Lifeco, including direct and indirect subsidiaries, at December 31, 2022. Lifeco beneficially owns, or exercises control or direction over, 100% of the voting securities of each subsidiary listed below.

| Subsidiary | Jurisdiction of Formation |
|--------------------------------------------|----------------------------------|
| The Canada Life Assurance Company | Canada |
| Canada Life Capital Corporation Inc. | Canada |
| Canada Life International Holdings Limited | Bermuda |
| The Canada Life Group (U.K.) Limited | England and Wales |

| | |
|-------------------------------------------------------------|-------------------|
| Canada Life Limited | England and Wales |
| Irish Life Group Limited | Ireland |
| Irish Life Assurance plc | Ireland |
| Canada Life Irish Holding Company Limited | Ireland |
| The Canada Life Insurance Company of Canada | Canada |
| GWL Realty Advisors Inc. | Canada |
| Quadrus Investment Services Ltd. | Canada |
| Great-West Financial (Nova Scotia) Co. | Nova Scotia |
| Great-West Lifeco U.S. LLC | Delaware |
| Empower Holdings, Inc. ⁽¹⁾ | Delaware |
| Empower Annuity Insurance Company of America ⁽²⁾ | Colorado |
| Empower Annuity Insurance Company | Connecticut |
| Putnam Investments, LLC | Delaware |

(1) Formerly known as GWL&A Financial Inc.

(2) Formerly known as Great-West Life & Annuity Insurance Company.

At December 31, 2022, Power Financial Corporation, a wholly-owned subsidiary of Power Corporation of Canada, controlled, directly or indirectly, 70.6% of the outstanding common shares of Lifeco, representing approximately 65% of the voting rights attached to all of the outstanding voting shares of Lifeco.

DESCRIPTION OF THE BUSINESS

General

Lifeco is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. Lifeco operates in Canada, the United States and Europe through The Canada Life Assurance Company ("Canada Life"), Empower Annuity Insurance Company of America ("EAICA", formerly Great-West Life & Annuity Insurance Company, which operates primarily as "Empower"), Putnam Investments, LLC ("Putnam"), Canada Life Limited and Irish Life Group Limited ("Irish Life"). At December 31, 2022, Lifeco and its subsidiaries had approximately 31,000 employees worldwide. Lifeco currently has no other material holdings, and currently carries on no business or activities unrelated to its holdings in Canada Life, Empower, 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 Canada Life, Irish Life, Empower, Putnam Investments and PanAgora.

Lifeco's foreign currency denominated operating results were translated to Canadian dollars at prevailing market translation rates. Based on reported results for the twelve months ended December 31, 2022, of the \$44.7 billion of total revenue consisting of net premium income, net investment income, and fee and other income, approximately \$31.3 billion, or 70.2%, was denominated in currencies other than Canadian dollars. Similarly, \$2,106 million, or 65.4% of the \$3,219 million total net earnings attributable to shareholders, was denominated in foreign currencies. At December 31, 2022, approximately \$506.4 billion, or 72.2% of the \$701.5 billion of total general fund assets, were denominated in foreign currencies.

Canada

In Canada, Canada Life offers a broad portfolio of financial and benefit plan solutions for individuals, families, businesses and organizations through two primary business units: Individual Customer and Group Customer. Through the Individual Customer business unit, Canada Life provides life, disability and critical illness insurance products as well as wealth savings and income products to individual customers. The products are distributed through multiple channels: Advisor Solutions, managing general agencies (MGAs), national accounts and Financial Horizons Group. Through the Group Customer business unit, Canada Life provides life, accidental death and dismemberment, critical illness, disability, health and dental protection, creditor insurance as well as retirement savings and income and annuity products and other specialty products to group clients in Canada. The

products are distributed through an extensive network of group sales offices located across the country through brokers, consultants and financial security advisors.

United States

Lifeco's United States segment includes a Financial Services business unit (specifically the Empower brand) and an Asset Management business unit (specifically the Putnam brand).

In the United States, Empower is a leading provider of employer-sponsored retirement savings plans in the public/non-profit and corporate sectors that offers saving, investment and advisory services through employer-sponsored plans and individual product solutions. This includes the full-service retirement services business of Prudential Financial, Inc. acquired on April 1, 2022. Personal Capital Corporation (Personal Capital) is a hybrid wealth manager that combines a leading-edge digital experience with personalized advice. Empower's products and services are marketed nationwide through its sales force, brokers, consultants, advisors, third-party administrators and financial institutions.

Putnam provides investment management services and related administrative functions and distribution services. Putnam offers a broad range of investment products, including equity, fixed income, absolute return and alternative strategies, through Putnam Funds, Putnam Exchange Traded Funds (ETF), Putnam World Trust Funds, institutional portfolios (including hedge fund and other alternative strategies), model-based separately managed accounts (SMAs) and model portfolios. Revenue is derived from the value and composition of assets under management and performance fees as well as 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.

Europe

The Europe segment is comprised of three distinct business units serving customers in the United Kingdom (U.K.), Ireland and Germany, offering individual and group protection and wealth management products, including payout annuity products, equity release mortgages, pensions and investment products. The U.K. and Germany business units operate under the Canada Life brand and the Ireland business unit operates under the Irish Life brand.

The core products offered by the U.K. business unit are bulk and individual payout annuities, equity release mortgages, investments (including life bonds, retirement drawdown and pension), and group insurance. These products are distributed primarily through independent financial advisors and employee benefit consultants in the U.K. and Isle of Man.

The core products offered by Irish Life in Ireland are savings and investments, individual and group life insurance, health insurance and pension products. These products are distributed through independent brokers, a direct sales force and tied agent bank branches. Irish Life Health offers individual and corporate health plans, distributed through independent brokers and direct channels. Irish Life Investment Managers ("ILIM") is one of the Corporation's fund management operations in Ireland. In addition to managing assets on behalf of companies in the Lifeco group, ILIM also manages assets for a wide range of institutional clients including pension schemes, insurance companies, wealth managers, fiduciary managers and sovereign wealth funds across Europe and North America. Setanta Asset Management, a subsidiary of the Corporation, manages assets for third-party institutional clients and a number of companies in the Lifeco group. The Corporation also owns a number of employee benefits and wealth consultancy businesses in Ireland.

The core products offered by the Germany business unit are individual and group pensions and life insurance products. These products are distributed through independent brokers and multi-tied tied agents.

Capital and Risk Solutions

The Capital and Risk Solutions segment includes the Reinsurance business unit, which operates primarily in the U.S., Barbados, Bermuda and Ireland. In the U.S., the reinsurance business operates through a branch of Canada Life, subsidiaries of Canada Life and a subsidiary of Empower. In Barbados, the reinsurance business operates primarily through a branch of Canada Life

and subsidiaries of Canada Life. In Bermuda and Ireland, the reinsurance business operates through a subsidiary of Canada Life.

The Reinsurance business includes both reinsurance and retrocession business transacted directly with clients or through reinsurance brokers. As a retrocessionaire, the Corporation provides reinsurance to other reinsurers to allow those companies to manage their reinsurance risk. The product portfolio offered by the Corporation includes life, annuity/longevity, mortgage surety and property catastrophe reinsurance, provided on both a proportional and non-proportional basis.

In addition to providing reinsurance products to third parties, Lifeco and its subsidiaries also utilize internal reinsurance transactions between companies in the Lifeco group. These transactions are undertaken to better manage insurance risks relating to retention, volatility and concentration; and 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 and its subsidiaries' business units.

Corporate

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

Additional information regarding Lifeco's business is included in the MD&A.

RISK FACTORS

There are certain risks inherent in an investment in the securities of Lifeco which investors should carefully consider before investing in the securities of Lifeco. As a large international financial services holding company operating in a complex industry, Lifeco encounters a variety of risks. Lifeco's MD&A provides a description of some of the significant risks that could affect Lifeco's business, reputation, financial condition or results and Lifeco's risk management and oversight processes. The risks described in the MD&A and in this AIF do not include all possible risks and there may be other risks of which Lifeco is not currently aware. These risks have been grouped into the following categories:

1. Market and Liquidity Risk
2. Credit Risk
3. Insurance Risk
4. Operational Risk
5. Conduct Risk
6. Strategic Risk

These risks may occur independently or in combinations, and may occur simultaneously or in an environment where one or more risks evolve rapidly. It should be noted that risks included in the fourth, fifth and sixth categories, such as legal, 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.

Additional information regarding our risk factors is included in the MD&A under the heading Risk Management and Control Practices.

Lifeco's approach to risk management is guided by an integrated Enterprise Risk Management Framework. Each of the five components of that Framework: Risk Culture, Risk Governance, Risk Appetite, Risk Processes and Risk Infrastructure & policies are described in Lifeco's MD&A. Management of risks, including but not limited to operational, conduct, strategic, legal, regulatory, and financial risks, requires, among other things, policies and procedures to measure, monitor, manage, identify, assess and respond to risks and events.

Our risk management policies and procedures may not be fully effective, which may leave us exposed to risks that could negatively affect our business, results, financial condition or reputation

Lifeco's risk management policies and procedures may not be fully effective and may leave us exposed to unidentified and unanticipated risks. Lifeco may also be subject to disruptions of its operating systems or its ability to conduct business from events that are wholly or partially beyond its control such as a natural catastrophe, act of terrorism, pandemic, or electrical/telecommunications outage.

Macroenvironmental risks may negatively affect our results of operations and financial condition

While governments in different regions have now moved to ease COVID-19 pandemic restrictions, many factors continue to extend economic uncertainty. Global financial markets continue to be volatile, in part due to Russia's military invasion of Ukraine and the related sanctions. This volatility has contributed to global supply chain disruptions and in turn, elevated levels of inflation, prompting central banks to raise interest rates in response in many of the countries in which Lifeco operates.

The outlook for financial markets and real estate markets over the short and medium-term remains highly uncertain and Lifeco actively monitors events and information globally. To date, net impacts have been modest, reflecting Lifeco's diversified business and portfolio investments. Lifeco continues to manage risks of changes to mortality and longevity rates and monitor financial market conditions, heightened cyber and global supply chain risks which could negatively affect Lifeco's financial outlook, results and operations.

Inadequate operational resilience in the face of adverse conditions could result in losses, regulatory sanctions or reputational damage

Operational resilience refers to the ability to embed capabilities, processes, and systems to successfully deliver its critical operations, through disruption. Operational resilience emphasizes preparation, response, recovery, learning, and adaptation by assuming disruptions, including simultaneous disruptions, will occur. Poor operational resilience in the face of adverse events could prevent Lifeco from carrying out important business services, with potential for lost revenue, regulatory sanctions and damage to reputation.

1. MARKET AND LIQUIDITY RISK

Market risk is the risk of loss resulting from potential changes in market rates and prices in various markets such as for interest rates, real estate, currency, common shares and commodities. Exposure to this risk results from business activities including investment transactions which create on-balance and off-balance sheet positions. Liquidity risk is the risk that Lifeco will be unable to generate the necessary funds to meet its obligations as they come due, including off-balance sheet commitments and obligations.

Interest rate fluctuations may materially adversely affect our business, results and financial position

Interest rate risk is the risk of loss resulting from the effect of the volatility and uncertainty of future interest rates on asset cash flows relative to liability cash flows and on assets backing surplus. This also includes changes in the amount and timing of cash flows related to asset and liability optionality, including interest rate guarantees and book value surrender benefits in the liabilities. During periods of prolonged low interest rates, investment earnings may be lower because the interest earned on new fixed income investments will likely have declined with the market interest rates. Also, early repayment on certain investments held such as mortgage-backed securities, asset-backed securities, and callable bonds, may occur and proceeds can only be reinvested at lower yields, which will reduce investment margins. On the other hand, a sharp rise in interest rates may result in increased lapse risk (driven by changes in policyholder behaviour) in some of our products, together with potential second order impacts on equity prices.

Volatility in equity or real estate markets may materially adversely impact our business, results and financial position

Equity risk is the risk of loss resulting from the sensitivity of the value of assets, liabilities, financial instruments and fee revenue to changes in the level or in the volatility of market prices of common shares and real estate. This includes the equity risk associated with Lifeco's general fund assets, general fund equity supporting insurance contract liabilities, and investments on account of segregated fund policyholders. Lifeco's principal exposure to equity risk arises from segregated funds and fee income associated with Lifeco's assets under management. Through its subsidiaries Lifeco offers segregated funds and variable annuities that provide guaranteed minimum death benefits, lifetime guaranteed minimum withdrawal benefits and guaranteed minimum accumulation on maturity benefits. In addition, Lifeco's subsidiaries have a closed portfolio of guaranteed minimum income benefits that they have reinsured from other U.S. and Canadian life insurance and reinsurance companies. The amount of reserves related to these benefits is based on their fair value and is affected by changes in equity markets, interest rates and volatility. Accordingly, strong equity markets, increases in interest rates and decreases in volatility will generally decrease the fair value of the liabilities underlying the benefits. Conversely, a decrease in the equity markets along with a decrease in interest rates and an increase in volatility will generally result in an increase in the fair value of the liabilities underlying the benefits, which has the effect of increasing the amount of reserves that Lifeco's subsidiaries must carry. Such an increase in reserves would result in a charge to Lifeco's earnings in the quarter in which reserves were increased and could materially adversely impact Lifeco's financial results.

Lifeco, through its subsidiaries, is exposed to real estate directly, through the ownership of real estate investments, and indirectly, through fixed income investments secured by real estate. Real estate risk may arise from external market conditions, inadequate property analysis, inadequate insurance coverage, inappropriate real estate appraisals or from environmental risk exposures. Mortgage loans, which are principally collateralized by commercial and residential properties, face default risk. An increase in the default rate of mortgage loan investments or fluctuations in their performance could have an adverse effect on Lifeco's business, results of operations and financial condition that could be material. Any geographic or property type concentration of mortgage loans may have adverse effects on Lifeco's investment portfolio and consequently on its results of operations or financial condition. Events or developments that have a negative effect on any particular geographic region or sector may have a greater adverse effect on the investment portfolio to the extent that the portfolio is concentrated. The ability to sell related assets may be limited if other market participants are seeking to sell at the same time. In addition, with respect to asset-backed securities ultimately collateralized by real estate, a rise in home prices and an increased availability of housing-related credit could combine to increase expected or actual prepayment speeds, which would likely lower the valuations of these mortgage loan investments.

Foreign exchange fluctuations may adversely impact our financial results

Foreign exchange risk is the risk of loss resulting from changes in currency exchange rates against the reporting currency. Lifeco's financial results are reported in Canadian dollars. Lifeco has exposures to the U.S. dollar resulting from the operations of Empower, Putnam and our Reinsurance operations within the Capital and Risk Solutions segment in the United States; and to the British pound and the euro resulting from the operations of business units within the Capital and Risk Solutions and Europe segments operating in the U.K., the Isle of Man, Ireland and Germany. In addition, the Capital and Risk Solutions segment may engage in business that exposes Lifeco to fluctuations in other foreign currencies. As a result, Lifeco's revenue, expenses and income denominated in currencies other than the Canadian dollar are subject to fluctuations due to the movement of the Canadian dollar against these currencies. Such fluctuations may adversely affect Lifeco's financial results and financial condition.

External financing may be required if available internal sources of liquidity are insufficient

While Lifeco monitors its liquidity on a regular basis, it may need to seek external financing if available internal levels of liquidity or capital are insufficient. Liquidity demands include but are not limited to the payment of policyholder benefits, collateral posting as required under agreements with counterparties, the payment of operating expenses and taxes and the servicing of debt. Capital demands could result from the growth of new business, a change in investment strategy, an investment in systems or other infrastructure, a deterioration of capital arising from financial losses or a severe stress. Lifeco's access to capital and cost of capital will depend on a variety of factors such as market conditions, the general availability of credit in financial markets, the overall availability of credit to the financial services industry, the volume of trading activities in financial markets, Lifeco's

credit ratings and credit capacity, and the perception of customers or lenders of Lifeco's long or short term financial strength. If Lifeco is unable to secure external financing to meet a liquidity shortfall, it may be required to sell assets or reinsure liabilities, make changes to its investment strategy, or discontinue the use of certain derivatives, which could have an adverse effect on Lifeco's financial condition.

2. CREDIT RISK

Credit risk is the risk of loss resulting from an obligor's potential inability or unwillingness to fully meet its contractual obligations. Exposure to credit risk occurs any time funds are extended, committed or invested through actual or implied contractual arrangements. Components of credit risk include loan loss/principal risk, pre-settlement/replacement risk and settlement risk. Obligors include issuers, debtors, borrowers, brokers, policyholders, reinsurers, derivative counterparties and guarantors.

Ratings downgrades and/or increased default rates on our investment portfolios may adversely affect our results and financial position

The occurrence of a major economic downturn, widening credit risk spreads, acts of corporate malfeasance or other events that adversely affect the issuers or guarantors of securities or the underlying collateral of structured securities could cause the estimated fair value of Lifeco's bond portfolio to decline and/or cause the default rate of the bonds in its investment portfolio to increase, which could cause a corresponding decrease to earnings. A ratings downgrade affecting issuers or guarantors of particular securities, or similar trends that could worsen the credit quality of issuers of securities in Lifeco's investment portfolio, could also have a similar effect on earnings. With economic uncertainty, credit quality of issuers or guarantors could be adversely affected. Similarly, a ratings downgrade affecting a security Lifeco holds could indicate the credit quality of that security has deteriorated and could increase the capital Lifeco's subsidiaries must hold to support that security to maintain regulatory capital ratios and cause them to increase reserves.

3. INSURANCE RISK

Insurance risk is the risk of loss resulting from adverse changes in experience associated with contractual promises and obligations arising from insurance contracts. Insurance risk includes uncertainties around the ultimate amount of net cash flows (premiums, commissions, claims, payouts and related settlement expenses), the timing of the receipt and payment of these cash flows, as well as the impact of policyholder behaviour (e.g., lapses).

Lifeco identifies six broad categories of insurance risk, which may contribute to financial losses: mortality risk, morbidity risk, longevity risk, policyholder behaviour risk, expense risk and property catastrophe risk. Mortality risk, morbidity risk, longevity risk and expense risk are core business risks and the exchange of these risks into value is a core business activity.

Differences between our pricing assumptions and actual mortality/morbidity rates may negatively affect our operations and financial position

Mortality risk is the risk of loss resulting from adverse changes in the level, trend, or volatility of mortality rates, where an increase in the mortality rate leads to an increase in the value of insurance contract liabilities. Morbidity risk is the risk of loss resulting from adverse changes in the level, trend, or volatility of disability, health, dental, critical illness and other sickness rates, where an increase in the incidence rate or a decrease in the disability recovery rate leads to an increase in the value of insurance contract liabilities.

The long-term profitability of insurance products depends upon how actual mortality rates, and to a lesser extent actual morbidity rates, compare to pricing assumptions. Deviations from assumptions related to mortality and morbidity risk could adversely affect Lifeco's results of operations and financial condition. The COVID-19 pandemic increases the likelihood that mortality or morbidity levels may be higher than expected. There is a risk that the Corporation will mis-estimate the level of mortality or morbidity, or write business which generates worse mortality and morbidity experience than expected. Mortality and morbidity risk can arise in the normal course of business through random fluctuation in realized experience, through catastrophes (pandemic), or in association with other risk factors.

Current legislation in Canada restricts insurers from requiring customers to take or release the results of genetic tests. Similar legislation or industry guidance exists or may be enacted in other jurisdictions. If customers have access to the results of genetic tests and we do not, this creates asymmetry of information between insureds and insurers, which could adversely impact mortality and morbidity experience and policyholder behaviour. This asymmetry of information may increase as genetic testing advances and becomes more accessible, giving rise to better diagnoses of conditions where treatments are expensive or non-existent. The asymmetry of information may lead to increased anti-selection in new business underwriting.

Differences between our pricing assumptions and actual life expectancy rates may negatively affect our operations and financial position

Longevity risk is the risk of loss resulting from adverse changes in the level, trend, or volatility of mortality rates, where a decrease in the mortality rate leads to an increase in the value of insurance contract liabilities. Annuities and some segregated fund products with guaranteed minimum withdrawal benefits are priced and valued to reflect the life expectancy of the annuitant. There is a risk that annuitants could live longer than was estimated by the Corporation, which would increase the value of the associated insurance contract liabilities.

The long-term profitability of annuity products depends upon how actual longevity rates compare to pricing assumptions. Deviations from assumptions related to longevity could adversely affect Lifeco's results of operations and financial condition.

Inaccurate forecasting of an insured's life expectancy could result from, among other things: (i) advances in medical treatment (e.g., new cancer treatments) resulting in improved life expectancy; (ii) inaccurate diagnosis or prognosis; (iii) changes to life style habits or the individual's ability to fight disease; (iv) reliance on outdated or incomplete age or health information about the insured, or on information that is inaccurate (whether or not due to fraud or misrepresentation by the insured); or (v) improper or flawed methodology or assumptions in terms of modeling or crediting of medical conditions..

Customer behaviour may result in lower product sales and decreased profitability

Policyholder behaviour risk is the risk of loss resulting from adverse changes in the level or volatility of the rates of policy lapses (to the extent that higher costs are incurred in early contract years), terminations, renewals, surrenders, or exercise of embedded policy options. Many products are priced and valued to reflect the expected duration of contracts and the exercising of options embedded in those contracts. There is a risk that contracts may be terminated earlier or later than assumed in pricing and plan design. To the extent that higher costs are incurred in early contract years, there is a risk that contracts are terminated before higher early expenses can be recovered. Conversely, on certain long-term level premium products where costs increase by age, there is a risk that contracts are terminated later than assumed.

Current and future legislation may restrict insurers from requiring customers to take or release the results of genetic tests. There may also be an impact on policy lapse rates where adverse genetic testing results may motivate insureds to retain their policies resulting in claims payouts that differ from those assumed in the pricing and valuation of products, as well as increased insurance rates which may result in loss of new and existing customers.

Increased or higher than expected expenses may reduce our profitability

Expense risk is the risk of loss resulting from adverse variability of expenses incurred with fee-for-service business or in servicing and maintaining insurance, savings or reinsurance contracts, including direct expenses and allocations of overhead costs. This risk can arise from general economic conditions, unexpected increases in inflation, slower than anticipated growth, or reduction in productivity leading to increases in unit expenses. Expense risk occurs in products where we cannot or will not pass increased costs onto the client and will manifest itself in the form of a liability increase or a reduction in expected future profits.

Catastrophic events could cause volatility in our financial results

Property catastrophe risk is the risk of loss resulting from adverse changes in property damage experience and is mainly related to extreme or catastrophic events.

The reinsurance operations of Lifeco's subsidiaries are exposed to the risk of extreme or catastrophic events including, but not necessarily limited to tornadoes, hurricanes, earthquakes, tsunamis, and acts of terrorism. The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Certain events such as earthquakes, tsunamis, hurricanes and man-made catastrophes could cause substantial damage in larger areas, especially those that are heavily populated. Claims resulting from natural or man-made catastrophic events could cause volatility in Lifeco's financial results for any fiscal quarter or year and could reduce Lifeco's profitability and have an adverse effect on our results of operations.

4. OPERATIONAL RISK

Operational risk is the risk of loss resulting from potential problems relating to internal processes, people and systems or from external events. Exposure to operational risk results from either normal day-to-day operations or a specific unanticipated event and can have material financial and/or reputational consequences.

Adverse litigation, regulatory action or publicity could damage our business and create losses

Legal and regulatory risk is the risk of loss resulting from non-compliance with specific local or international rules, laws, regulations, or prescribed practices, as well as civil or criminal litigation affecting Lifeco or its subsidiaries. As a multi-national company, Lifeco and certain of its subsidiaries are subject to extensive legal and regulatory requirements in Canada, the U.S., the U.K., Ireland, Germany and other jurisdictions. These requirements cover most aspects of Lifeco's operations including capital adequacy, privacy, liquidity and solvency, investments, the sale and marketing of insurance and wealth products, the business conduct of insurers, asset managers and investment advisors as well as reinsurance processes. Material changes in the legal or regulatory framework or the failure to comply with legal and regulatory requirements could have an adverse effect on Lifeco that could be material. An increase in the pace of regulatory change could lead to increased operational costs to implement changes and ensure ongoing compliance.

Insurance and securities regulators in multiple jurisdictions regularly re-examine existing laws and regulations applicable to financial and retirement services providers, insurance companies, investment advisors, broker-dealers and their products and distribution methods. Compliance with applicable laws and regulations can be time and resource intensive, and changes in these laws and regulations or in the interpretation or enforcement thereof, may materially increase direct and indirect compliance costs and other expenses of doing business, thus having an adverse effect on Lifeco's results of operations and financial condition. Future regulatory capital, actuarial and accounting changes, including changes with a retroactive impact, could have an adverse effect on Lifeco's consolidated financial condition, results of operations and regulatory capital both upon implementation and going forward. In addition, such changes could have an adverse effect on Lifeco's position relative to that of other Canadian and international financial institutions with which we compete for business and capital. Failure to comply with applicable laws or regulations could result in financial penalties or sanctions, and damage our reputation.

Ongoing regulatory developments in multiple jurisdictions can result in significant levels of complexity in Lifeco's products and in the systems and processes used to run Lifeco's business. This complex regulatory framework may restrict innovation and/or affect customer and advisor experiences, may require Lifeco to modify its business practices, to adopt new systems, or to upgrade existing systems, each at significant expense, and may lead to the increased difficulty in executing Lifeco's business strategies. In addition, there is a risk that tax legislation, administrative guidance or legislative developments could lessen or eliminate some of the benefits currently available to Lifeco's insurance subsidiaries or their policyholders. This risk could result in lower product sales or increased lapses of policies, and could negatively impact Lifeco's future results of operations and financial position.

From time to time, regulators raise issues during examinations or audits of Lifeco's insurance subsidiaries that could have a negative impact on Lifeco. Lifeco cannot predict with certainty whether or when regulatory actions may be taken that could adversely affect Lifeco's operations.

Changes in tax laws, tax regulations or interpretations of such tax laws or regulations could have an adverse effect on our business, results of operations and financial condition

The Corporation's effective tax rate reflects certain tax benefits, including but not limited to tax-exempt investment income, dividends received deductions, tax credits and favourable tax rates in jurisdictions in which we operate. In addition, many of our life insurance products afford our clients preferential tax treatment under various tax regimes (i.e., certain insurance policies and annuity contracts allow the deferral or elimination of taxation on earnings accrued under the policy or the exclusion from taxable income of certain death benefits paid to policyholders' beneficiaries). There is a risk that changes in tax legislation could lessen or eliminate some of the tax advantages currently benefitting the Corporation, its policyholders or its other clients. Should this risk materialize, it could have an adverse effect on our future results of operations and financial position, potentially through lower product sales, increased lapses of policies, and /or higher corporate tax rates.

The Corporation is subject to income tax laws in various jurisdictions, each of with its own distinct tax regime encompassing various levels of government and a range of tax mechanisms. The Corporation's operations are complex and related income tax interpretations, regulations and legislation that pertain to its activities are subject to continual change. Tax planning strategies to obtain tax efficiencies are used. The Corporation continually assesses the uncertainty associated with these strategies and holds an appropriate level of provisions for uncertain income tax positions. Accordingly, the provision for income taxes represents management's interpretation of the relevant income tax laws and its estimate of current and deferred income tax balances for the period. The audit and review activities of tax authorities may affect the ultimate determination of the amounts of income taxes payable or receivable, deferred income tax assets or liabilities and income tax expense. There is a risk that tax authorities could successfully maintain a different interpretation of the relevant laws which may give rise to additional taxes, interest and penalties.

In December 2021, the Organization for Economic Co-operation and Development (OECD) published model rules outlining a structure for a new global minimum tax regime to be implemented by all participating countries at an agreed future date, currently expected to be 2024. Detailed commentary on the rules was released by the OECD during 2022. The Canadian government confirmed its commitment to implement the global minimum tax, with implementation, including timing, to be coordinated with international partners. Canadian legislation is expected in 2023. In December 2022, the European Union adopted a directive that member countries must enact the 15% minimum tax into their national laws by end of 2023. The U.K. plans to implement the minimum tax effective for 2024. At this point, the countries where the Company currently operates have all indicated their participation; however, none have implemented legislation. A number of these countries currently operate at a lower tax rate than the proposed minimum, and when legislation is enacted the Company expects an increase in the effective tax rate and the Company's tax expense could be negatively impacted.

In addition, deferred tax assets have been recorded in the financial statements related to unused loss carry-forwards, tax credits and other amounts that will not be deductible for tax purposes until a future year. Recognition of the deferred tax asset is based on whether it is probable that the entity will have taxable profits and/or tax planning opportunities available to allow the deferred tax asset to be used. Changes in circumstances in future periods may adversely impact the recoverability of the deferred tax asset requiring it to be reduced. This could have an adverse impact on our financial results that could be material.

Any changes to statutory corporate income tax rates in jurisdictions in which we operate requires a review and re-measurement of deferred tax assets and liabilities as at the date of substantive enactment. Consequently, any rate reduction could result in a reduction in the carrying value of deferred tax assets and a corresponding income tax expense at that time.

If we cannot attract and retain key people, our ability to meet our business objectives will be adversely affected

People risk is the risk of loss resulting from inadequate management of human capital or the misalignment of HR policies, programs and practices with employment related legislation, regulatory expectations or the Corporation's strategic objectives, risk appetite and values. Lifeco's success depends, in large part, on its ability to attract and retain key people. Due to the intense competition for key employees with demonstrated ability, Lifeco and its subsidiaries may be unable to hire or retain such employees. In addition, Lifeco may experience higher than expected employee turnover and difficulty attracting new employees, including as a result of the continuing impact of the COVID-19 pandemic on wellness, productivity and performance of its existing employees. Inability to retain Lifeco's key people could have an adverse effect on operations that could be

material, given their skills, knowledge of Lifeco's business, years of industry experience and the potential difficulty of promptly finding qualified replacement employees. Lifeco's results of operations and financial condition could be adversely affected if it is unsuccessful in attracting and retaining key employees.

System failures or information security breaches may materially adversely affect our business, results, financial position and reputation

Technology risk is the risk of loss from improper system or control design, improper operation, delivery of or unauthorized access to information and technology resources that can significantly impact the Corporation's ability to operate efficiently, to stay compliant with regulations, and to maintain its financial integrity and reputation. More specifically, technology risk includes cyber and information security risk, technology operations risk, and technology delivery risk.

The nature of advancing technology introduces uncertainty as to how the insurance industry will evolve. Cloud services, which are being adopted by the Corporation to improve systems flexibility and information security, require scrutiny as digital supply chains grow in complexity. Technology is a critical component of Lifeco's business operations and is also central to Lifeco's customer-focused digital strategy. Lifeco continues to face technology and cyber risks stemming from legacy technology constraints and the advancement of techniques used in cyber-attacks.

Like other global companies, Lifeco is regularly the target of attempted cyber and other security threats and must continuously monitor and develop its information technology networks and infrastructure to prevent, detect, address and mitigate the risk of threats to its data (personal and confidential) and systems, including malware and computer virus attacks, ransomware, unauthorized access, misuse, denial-of-service attacks, system failures and disruptions. Despite the implementation of a variety of security measures, Lifeco's computer systems could be subject to physical and electronic break-ins, cyber-attacks, and similar disruptions from unauthorized tampering, including threats that may come from external factors, such as governments, organized crime, hackers and other third parties, or may originate internally. Further, although steps have been taken to prevent and detect such events, it is possible that Lifeco may not become aware of a cyber incident for some time after it occurs, which could increase its exposure to operational, reputational and privacy risks as well as litigation and regulatory risks.

Lifeco continues to implement new risk management processes and practices that are designed to allow it to better identify, measure and mitigate this risk, but those processes and practices continue to require further development as well as ongoing updates as technology and business needs evolve. It will require further work and time to develop and implement risk management processes and practices required to address rapidly evolving technology and technology use and legacy technology issues. Lifeco may suffer losses as a result of technology and cyber events that its existing processes and practices either do not yet address or do not address adequately or as a result of failures to comply with those processes and policies.

Lifeco also receives and is required to protect personal, confidential and proprietary information. Lifeco retains confidential information in its information systems and in cloud-based systems (including customer transactional data and personal information about its customers, the employees and customers of its customers, and its own employees). Lifeco relies on commercial technologies and third parties to maintain the security of those systems. Although Lifeco attempts to keep such information confidential, it may be unable to do so in all events, especially with clients, vendors, service providers, counterparties and other third parties who may not have or use appropriate controls to protect personal, confidential or proprietary information. As well, although in selecting technology service providers, the Corporation seeks to balance appropriately the need to manage technology and cyber security risks, service providers nevertheless may introduce material security risks into the Corporation's technology environment. As well, because of the limited number of large-scale cloud-based services, Lifeco's ability to negotiate customized terms of service, or switch providers if issues arise, may be limited. Any problems caused by these third parties, including those resulting from breakdowns or other disruptions in communication services provided by a vendor, failure of a vendor to handle current or higher volumes, or cyber-attacks and security breaches at a vendor, could adversely affect Lifeco's ability to deliver products and services to its customers and otherwise conduct its business. Furthermore, Lifeco's policies, procedures and technical safeguards may also be insufficient to prevent or detect improper access to confidential, personal or proprietary information by employees, vendors or other third parties with otherwise legitimate access to Lifeco's systems.

Although our corporate insurance is designed to lessen the loss for events that fall within ranges of publicly disclosed losses seen in the industry; a security event could occur that exceeds the capacity of available insurance coverage.

Failure to provide for the continuity of business processes in the face of adverse conditions could result in losses, regulatory sanctions or reputational damage

Business continuity risk is the risk of loss as a result of the failure to provide for the continuity of business processes and operations under adverse conditions that may arise from natural, technological or human caused events involving the loss of workplace, workforce or technology and supply chain outages and disruptions. Failure to adequately execute business continuity processes in the face of adverse events, or inefficiencies or flaws in these processes, could prevent Lifeco from carrying out important business services, with potential for lost revenue, regulatory sanctions and damage to reputation.

Inadequate physical security and safeguarding could result in losses and adverse impact to our reputation

Physical security risk is the risk of damage to physical assets, physical data, corporate facilities or human resources. Physical security risk management entails safeguarding people, facilities, hardware and software assets, network infrastructure, and digital data from physical incidents which can cause significant loss to the organization. Physical security threats can be natural, such as weather events and floods, man-made, such as theft or workplace violence, or inadvertent, such as industrial or motor vehicle accidents. Inadequate physical security strategies and safeguarding could result in losses and adversely impact Lifeco's reputation.

Inadequate business processes could negatively impact our relationships with customers, our reputation or financial results

Process risk is the risk of loss resulting from inadequate or failed business processes that deliver products and services that grow shareholder value. These processes include change management, data aggregation and reporting, product development, product introduction, new business (including the distribution and sales process) and renewal (including underwriting process), investment activities, client administration, claims and benefit payments, financial modelling and financial management. The inadequacy can arise in transaction processing, governance, communication or general process management. Inadequate or failed processes can adversely impact Lifeco's financial results, relationships with customers and reputation.

Fraudulent activity may create financial losses and negatively affect our customers or our reputation

Fraud risk is the risk of loss resulting from acts or activities that are intended to defraud, misappropriate assets, or circumvent laws or regulations by customers, contractors or other third parties, directors, officers, employees or advisors. Fraud is any intentional dishonest act or omission designed to deceive others, resulting in a victim suffering or being exposed to a loss or the perpetrator achieving a gain. This can include a statement made: knowing it to be false, without belief in its truth; or recklessly, careless as to whether it be true or false. Fraud can result in a financial loss or reputational impact to Lifeco and have other impacts that are detrimental to customers and other stakeholders. Lifeco faces both internal and external fraud risks and may include identify theft, fraudulent claims, misrepresentation, forgery and collusion as incident types. Fraud can be difficult to detect due to the continuously evolving external fraud environment and increasingly sophisticated methods of organized criminals, and could harm our business, results of operations or financial condition.

Suppliers that fail to meet our performance standards may adversely affect Lifeco's results and reputation

Supplier risk is the risk of loss resulting from the failure to establish and manage adequate supplier arrangements, transactions or other interactions to meet the expected or contracted service level. Supplier risk is applicable to both external and internal suppliers. Lifeco and its subsidiaries strategically engage suppliers to maintain cost efficiency, to optimize internal resources and capital and to utilize skills, expertise and resources not otherwise available to them. Suppliers are engaged based on our prescribed supplier risk management principles in our Supplier Risk Management Policy. Lifeco utilizes a supplier risk management framework to oversee and monitor interactions with suppliers throughout the entire supplier lifecycle, including how they meet standards for performance to minimize the negative impact on Lifeco's financial results and reputation. Suppliers that do not meet Lifeco's standards for performance can have a negative impact on Lifeco's financial results and reputation.

5. CONDUCT RISK

Inappropriate conduct may cause unfair outcomes for customers and adversely affect Lifeco's business, results, financial condition and reputation

Conduct risk is the risk of unfair outcomes for customers as a result of inadequate or failed processes and/or inappropriate behaviours, offerings or interactions by Lifeco or its agents. A failure to identify and mitigate conduct risk impacts not only Lifeco's customers but can also have adverse reputational and financial consequences for Lifeco due to the cost of customer remediation, damage to reputation and/or regulatory fines.

6. STRATEGIC RISK

Strategic risk is the risk of failing to set or meet appropriate strategic objectives in the context of the internal and external operating environment resulting in a material impact on business performance (e.g., earnings, capital, reputation or standing).

Competitive factors may adversely affect Lifeco's market share and profitability

The industry in which Lifeco operates is highly competitive. Lifeco's competitors include insurance companies, mutual fund companies, banks, investment advisors, and certain service and professional organizations. In addition, new Fintech and Insurtech companies continue to make gains in the industry. Although there has been consolidation in some sectors, no one competitor is dominant. Customer retention is a key factor for continued profitability. Lifeco's customers could shift their funds to competitors' products or services for any number of reasons, including investment performance, changes in prevailing interest rates, changes in customer investment preferences, changes in Lifeco's reputation in the marketplace, changes in customer management or ownership, loss of key investment management personnel and financial market performance. As with all financial services companies, Lifeco's ability to conduct business depends on consumer confidence in the industry and Lifeco's financial strength. Actions of competitors, and financial difficulties of other companies in the industry, and related adverse publicity, could undermine consumer confidence and harm Lifeco's reputation.

We may not be able to execute our business strategies, or our strategies may not accomplish our objective

Strategic risks can relate to or stem from the design and development of strategy, including the formulation, evaluation and on-going validation of strategy, initiatives that are undertaken to execute strategy as well as risks that could affect ability to effectively operationalize these strategies and achieve their intended objectives. Effective strategies may be designed that nevertheless fail to achieve their long-term vision due to ineffective strategic execution or management of risks stemming from strategic changes.

Lifeco's strategy may include strategic transactions, which may involve mergers and acquisitions, divestitures, block reinsurance transactions or other business transformation initiatives. Such strategies present risks that could have an adverse effect on Lifeco's business and financial performance that could be material, including: (i) the diversion of management's attention, (ii) the ability to execute a transaction or transformation effectively, including, if applicable, the integration of operations and the retention of employees and (iii) the contingent and latent risks associated with the past operations of and other unanticipated problems arising from a transaction partner or the businesses subject to transformation. Lifeco cannot know if it will realize the anticipated benefits of a completed transaction or transformation or if there will be substantial unanticipated costs associated with such a transaction or transformation. Lifeco is not able to predict whether it will be able to identify and complete a future transaction on terms favorable to it. In addition, Lifeco will not know with certainty that it will be able to maintain its current competitive position in the markets in which it operates, or that it will be able to successfully execute strategy to expand its operations into new markets. If Lifeco fails to do so, its business, results of operations, and financial condition could be materially and adversely affected.

Sustainability risks and environmental risks may impair the value of Lifeco's investments, negatively affect Lifeco's operations or give rise to liability

Sustainability is the risk that the interests of Lifeco's customers and other stakeholders are not protected or that business operations and business growth are not sustained due to failure to meet societal expectation related to corporate social responsibilities.

Dynamics and attitudes towards societal issues have solidified and been further amplified during the COVID-19 pandemic. Factors such as diversity and inclusion and climate change are a significant force on our strategic agenda. Lifeco may experience direct or indirect financial, operational or reputational impact stemming from adverse societal reactions or related events, which include climate change, regulatory enforcement or costs associated with changes in environmental laws and regulations as well as diversity and inclusion related matters.

With respect to climate change, climate-related risks may adversely affect Lifeco's invested assets, tenants, customers, reinsurance counterparties and suppliers, which in turn may negatively impact Lifeco's operations and financial condition. Climate change related risks are categorized as physical and transition risks.

Physical risks are associated with direct and indirect damage from weather-related events or environmental disasters. Climate-related events may negatively impact Lifeco's insurance and reinsurance liabilities, the value of Lifeco's corporate and investment properties and their ability to generate income, and business continuity. Lifeco may experience direct or indirect financial, operational or reputational impact stemming from environmental risk events. For example, liability under environmental protection laws resulting from Lifeco's commercial mortgage loan portfolio and real estate investments may harm Lifeco's financial strength and reduce its profitability. Contamination of a property may give rise to a lien on the property to secure recovery of the costs of cleanup. In some jurisdictions, this kind of lien has priority over the lien of an existing mortgage against the property, which would impair Lifeco's ability to foreclose on that property should the related loan be in default. We also may face this liability after foreclosing on a property securing a mortgage loan held by a subsidiary of Lifeco. Although Lifeco has established environmental policies pertaining to the acquisition and ongoing management of investment properties, events such as these could harm Lifeco's financial strength and decrease its profitability.

Through our property catastrophe reinsurance business, Lifeco may be exposed to extreme weather events, such as cyclones, hurricanes and floods if the total claims from the underlying cedants exceed an attachment point (usually set at very high levels), up to a contractual limit.

Physical risks can also manifest by causing shifts in mortality and morbidity rates over the short and long terms. Lifeco's results of operations and financial performance may be adversely affected if mortality and morbidity rates deviate from management's assumptions, as noted under "Insurance Risk".

Transition risks refer to reputational, market, credit, regulatory, policy, legal and technology-related risks that arise from the shift toward a lower-carbon economy. Lifeco's exposure to transition risk consists primarily of exposure to equity and credit risks arising from its investment portfolio, as industries adjust to legal and policy changes, changing business models and consumer behaviour. Through equity or debt investments or supplier relationships, Lifeco may also become subject to the negative impacts of transition risks on third parties. Lifeco's financial condition may be negatively impacted by costs associated with changes in environmental laws and regulations and regulatory enforcement. Further, Lifeco's reputation, financial performance and ability to generate business may suffer if Lifeco fails to meet stakeholder expectations on environmental risk mitigation practices and carbon reporting.

Failure to achieve our climate-related objectives and commitments could negatively impact our reputation and financial condition

Because of the limitations and uncertainties inherent in climate science, climate risk analysis and reporting, Lifeco's climate-related objectives, priorities, strategies and commitments are subject to inherent risks and uncertainties and are based on assumptions, estimates and judgements. Many factors that are the subject of ongoing climate science and that Lifeco may not

foresee or be able to accurately predict may impact Lifeco's ability to achieve its climate-related objectives, priorities, strategies and commitments, including net-zero related commitments and any interim emissions reduction targets.

Much of the climate-related information disclosed by Lifeco is based on estimated data with very limited supporting documentation. Lifeco has not independently verified or assessed the assumptions underlying data obtained from its clients and other third parties that Lifeco uses to set, track and report on progress towards meeting its climate-related objectives. Moreover, the data needed to define Lifeco's plan to achieve those objectives is limited in quality, unavailable or inconsistent across the sectors Lifeco chooses to focus on. Given the inherent uncertainty and complexity relating to the measurement of climate-related data and that some of the data, assumptions, estimates and judgements underlying Lifeco's climate-related objectives may subsequently turn out to be inaccurate, Lifeco may need to revise or recalibrate its net-zero related commitments and/or other climate-related objectives.

In addition, many of the assumptions, estimates, standards, methodologies, scenarios, metrics and measurements relating to climate science, climate risk analysis and reporting are under development, not capable of verification, have limited comparability, and continue to evolve. Legislative and regulatory changes, market developments and/or changes in data availability and reliability could also materially affect these assumptions, estimates, standards, methodologies, scenarios, metrics and measurements used by Lifeco and/or other companies, and could materially affect Lifeco's ability to achieve its climate-related commitments, goals and targets. Lifeco's ability to achieve its net-zero commitments and other climate-related objectives will depend on the collective efforts and actions across a wide range of stakeholders outside of Lifeco's control, and there can be no assurance that they will be achieved. Failure to achieve these commitments or objectives, or having to revise these commitments or objectives, could negatively affect Lifeco's reputation and financial condition.

Mergers and acquisitions could create new risks for our business and affect our financial condition

From time to time, Lifeco and its subsidiaries evaluate existing companies, businesses, assets, products and services, and such review could result in Lifeco or its subsidiaries acquiring or disposing of businesses or assets. In the ordinary course of business, Lifeco considers and discusses the purchase or sale of companies, business segments or assets. If effected, such transactions could be material to Lifeco in size or scope, could result in risks and contingencies, including integration risks, relating to companies, businesses or assets that Lifeco acquires or expose it to the risk of claims relating to those it has disposed of, could result in changes in the value of securities of Lifeco, including common shares of Lifeco, and could result in Lifeco holding additional capital for contingencies that may arise after the transaction is completed. Integration risk can also emerge due to external risks that are difficult to anticipate, resulting in reduced synergies and negative impact on value capture.

Challenges relating to our distribution channels may impede our ability to generate sales

Product distribution risk is the risk of loss resulting from Lifeco's inability to market its products through its network of distribution channels and intermediaries. These intermediaries generally offer their clients products in addition to, and in competition with, Lifeco's products, and are not obligated to continue working with Lifeco. In addition, certain investors rely on consultants to advise them on the choice of provider and the consultants may not always consider or recommend Lifeco. The Corporation introduces from time to time changes to its relationships with its distributors and other intermediaries that could result in disruption of those relationships. The loss of access to a distribution channel, the failure to maintain effective relationships with intermediaries or the failure to respond to changes in distribution channels could have a significant impact on Lifeco's ability to generate sales.

Lifeco's financial condition is dependent on the operations and financial condition of its subsidiaries

As a holding company, Lifeco's ability to pay interest, dividends and other operating expenses and to meet its obligations generally depends upon receipt of sufficient funds from its principal subsidiaries and its ability to raise additional capital. In the event of the bankruptcy, liquidation or reorganization of any of these subsidiaries, insurance and investment contract liabilities of these subsidiaries will be completely provided for before any assets of such subsidiaries are made available for distribution to Lifeco. In addition, the other creditors of these subsidiaries will generally be entitled to the payment of their claims before any assets are made available for distribution to Lifeco except to the extent that Lifeco is recognized as a creditor of the relevant subsidiaries. Further, any payment (including payment of interest and dividends) by the principal subsidiaries is subject to

restrictions set forth in relevant insurance, securities, corporate and other laws and regulations, which require that solvency and capital standards be maintained by certain of Lifeco's subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Over the three year period ending December 31, 2022, total revenue from operations decreased from \$60.6 billion in 2020 to \$44.7 billion in 2022. Total assets under administration have grown from \$1,975.8 billion at December 31, 2020, to \$2,497.9 billion at December 31, 2022. 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 January 1, 2020, The Great-West Life Assurance Company, the London Life Insurance Company and Canada Life, and their holding companies, Canada Life Financial Corporation and London Insurance Group Inc. amalgamated to form one company, The Canada Life Assurance Company, further to a process that was announced earlier in 2019. Lifeco remains the parent company of the amalgamated company.

On February 3, 2020, Irish Life, through its subsidiary Invesco Limited, completed the acquisition of Acumen & Trust DAC, a leading Irish-owned independent financial services consultancy firm expanding into the areas of employee benefits consulting and individual financial advice.

On March 2, 2020, Irish Life acquired Conexim Advisors Limited, which provides access to funds, equities, bonds and exchange traded funds across all major markets through an independent platform. Conexim provides its services through financial advisors who provide financial and investment advice to individual and corporate clients.

On April 27, 2020, Lifeco announced the introduction of reporting segment changes and updated earnings disclosures. Effective the first quarter of 2020, Lifeco divided its previous Europe segment into two separate reporting segments – Europe and Capital and Risk Solutions. The new Europe segment is comprised of Lifeco's U.K, Irish and German businesses, while the Capital and Risk Solutions segment includes the Reinsurance business, which had previously been reported as part of the Europe segment. Lifeco also introduced a non-IFRS base earnings measure to reflect management's view of the operating performance of the Corporation. The measure was adopted to enhance comparability of results between reporting periods and in anticipation of the implementation of IFRS 17 accounting standards.

On May 1, 2020, Irish Life completed the acquisition of APT Workplace Pensions Limited, which specializes in corporate pension consultancy for multi-national and indigenous corporate clients, and APT Wealth Management Limited, which provides private wealth management to individuals.

On May 14, 2020, Lifeco issued \$600 million aggregate principal amount of debentures maturing May 14, 2030. The debentures were issued at par and interest at the rate of 2.379% per annum is payable semi-annually in arrears on May 14 and November 14 in each year. The debentures are redeemable at any time prior to February 14, 2030 in whole or in part at the greater of the Canada Yield Price (as defined in the trust indenture governing the debentures) and par, and on or after February 14, 2030 in whole or in part at par, together in each case with accrued and unpaid interest.

On June 29, 2020, Lifeco announced that Empower had entered into a definitive agreement to acquire Personal Capital, a hybrid wealth manager that combines a leading-edge digital experience with personalized advice delivered by human advisors, for upfront consideration of US\$813 million on closing and deferred consideration of US\$20 million, which represents management's best estimate and could increase up to US\$175 million subject to achievement of target growth objectives. The acquisition was completed on August 17, 2020.

On July 1, 2020, Irish Life completed the acquisition of Clearview Investments & Pensions Limited, which provides private wealth management to individuals.

On July 8, 2020, Lifeco issued \$250 million aggregate principal amount of debentures maturing July 8, 2050. The debentures were issued at par and interest at the rate of 2.981% per annum is payable semi-annually in arrears on January 8 and July 8 in each year. The debentures are redeemable at any time prior to January 8, 2050 in whole or in part at the greater of the Canada Yield Price (as defined in the trust indenture governing the debentures) and par, and on or after January 8, 2050 in whole or in part at par, together in each case with accrued and unpaid interest.

On July 13, 2020, Lifeco announced the reopening of the offering of the 2.981% debentures due July 8, 2050 and on July 15, 2020 issued an additional \$250 million aggregate principal amount. The July 15, 2020 debentures were issued at a price of \$986.31 per \$1,000 par value for an effective yield of 3.051%. Upon issuance of the July 15, 2020 debentures, \$500 million aggregate principal amount of 2050 debentures were issued and outstanding. The July 15, 2020 debentures form a single series with, are issued under the same Committee on Uniform Securities Identification Procedures (CUSIP) number as, and have the same terms as to status, redemption or otherwise as, the initial debentures issued on July 8, 2020.

On August 4, 2020, Irish Life completed the sale of Irish Progressive Services International Limited, a wholly-owned subsidiary whose principal activity is the provision of outsourced administration services for life assurance companies, to a member of the FNZ group of companies.

On August 4, 2020, Lifeco announced the sale of GLC Asset Management Group Ltd (GLC), whose principal activity is the provision of investment management services to Canada Life, to Mackenzie Financial Corporation (Mackenzie), an affiliate of Lifeco. The sale was completed on December 31, 2020. As part of the transaction, Canada Life established a new fund management subsidiary, Canada Life Investment Management Limited ("CLIML"), which assumed fund management responsibilities for the Quadrus Group of Funds and other Canada Life branded investment funds from Mackenzie. CLIML entered into a long-term administration agreement with Mackenzie and Canada Life, and CLIML and Canada Life entered into a long-term distribution agreement with Mackenzie to provide them with access to Mackenzie's investment management services at preferred rates.

On August 12, 2020, Great-West Lifeco U.S. Finance 2020, LP, a subsidiary of Lifeco, issued US\$500 million aggregate principal amount of 0.904% senior notes due August 12, 2025. The senior notes are fully and unconditionally guaranteed by Lifeco. The net proceeds of the offering were used to finance a portion of the acquisition of Personal Capital.

On August 13, 2020, Lifeco repaid the principal amount of its maturing 4.65% \$500 million debentures, together with accrued interest.

On August 20, 2020, Canada Life and Mackenzie launched the newly rebranded Canada Life mutual fund shelf, Canada Life Mutual Funds. The shelf featured 18 new mutual funds, which were available for sale starting September 9, 2020, and rebranded the previous Quadrus Group of Funds shelf.

On September 17, 2020, Empower Finance 2020, LP, a subsidiary of Lifeco, issued US\$400 million aggregate principal amount of 1.357% senior notes due September 17, 2027, US\$400 million aggregate principal amount of 1.776% senior notes due March 17, 2031 and US\$700 million aggregate principal amount of 3.075% senior notes due September 17, 2051. The three tranches of senior notes are fully and unconditionally guaranteed by Lifeco. The net proceeds of the offering were used to finance a portion of the MassMutual Transaction (as defined below) and the fees, expenses and costs incurred in connection with the transaction.

On October 29, 2020, Lifeco entered into a strategic relationship with Mackenzie and Northleaf Capital Partners Ltd. ("Northleaf") to expand and enhance the private markets product capabilities across distribution channels. Mackenzie and Lifeco jointly acquired a non-controlling interest in Northleaf through an acquisition vehicle 80% owned by Mackenzie and 20% owned by Lifeco, providing a significant presence in the large and rapidly growing private markets investments industry, with an obligation and right to purchase the remaining equity and voting interests in the firm commencing in approximately five years and extending into future periods. Lifeco has also committed, as part of the transaction, to make a minimum investment of its balance sheet through 2022 in Northleaf's product offerings.

On November 27, 2020, Empower completed the acquisition of the retirement business of Fifth Third Bank.

On December 31, 2020, Empower acquired the retirement services business of Massachusetts Mutual Life Insurance Company (the "MassMutual Transaction"), via indemnity reinsurance. The Corporation paid a ceding commission of US\$2.31 billion, net of working capital adjustments, and funded the transaction with existing cash, short-term debt and US\$1.5 billion in long-term debt issued on September 17, 2020.

On February 12, 2021, Empower completed the acquisition of the retirement business of Truist Bank.

On June 2, 2021, Irish Life completed the acquisition of Harvest Financial Services Limited and Harvest Trustees Limited. Harvest Financial Services is one of Ireland's largest privately-owned wealth management firms.

On July 21, 2021, Empower announced a definitive agreement to acquire the full-service retirement business of Prudential Financial, Inc. ("Prudential") (the "Prudential Transaction"). The acquisition is expected to increase Empower's base and strengthen its overall offering for participants and sponsors through additional expertise, an expanded product offering and new capabilities from Prudential. The total transaction value of US\$3.55 billion includes purchase price consideration of US\$1.12 billion, reinsurance ceding commission of US\$0.33 billion and US\$2.1 billion of required capital to support the business. The acquisition is expected to be funded with the net proceeds of the LRCN Offering (as defined below) and up to approximately US\$1.0 billion in short-term debt financing, in addition to existing resources. The acquisition was completed on April 1, 2022.

On August 16, 2021, Lifeco issued \$1.5 billion aggregate principal amount 3.60% Limited Recourse Capital Notes Series 1 (Subordinated Indebtedness) ("LRCNs") at par, maturing on December 31, 2081 (the "LRCN Offering"). The LRCNs bear interest at a fixed rate of 3.60% per annum payable semi-annually, up to but excluding December 31, 2026. Thereafter, the interest rate will reset every five years at a rate equal to the prevailing 5-year Government of Canada Yield (as defined in the trust indenture governing the LRCNs) plus 2.641%. Lifeco will have the option to redeem the LRCNs, in whole or in part, every five years during the period from November 30 to and including December 31, commencing on November 30, 2026, at a redemption price equal to par, together with accrued and unpaid interest up to, but excluding, the date fixed for redemption. Lifeco will be required to redeem the LRCNs in whole at par, together with accrued and unpaid interest, if the Prudential Transaction is terminated prior to, or has not closed on or prior to, May 3, 2022 (or such later date as extended pursuant to the acquisition agreement).

In connection with the LRCN Offering, on August 12, 2021, Lifeco issued 1,500,000 Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series U (the "Series U Shares") to Computershare Trust Company of Canada, as trustee of a newly formed trust (the "LRCN Trust"). In case of non-payment of interest on or the principal or redemption price of the LRCNs when due, the recourse of each holder of LRCNs will be limited to that holder's proportionate share of the LRCN Trust's assets, which consist of Series U Shares except in limited circumstances.

On September 1, 2021, Canada Life completed the acquisition of ClaimSecure Inc., a healthcare management firm that provides health and dental claim management services to private and public businesses in Canada.

On October 8, 2021, Lifeco issued 8,000,000, 4.50% Non-Cumulative First Preferred Shares, Series Y at \$25.00 per share for gross proceeds of \$200 million. The shares are redeemable at the option of Lifeco on or after December 31, 2026 for \$25.00 per share plus a premium if redeemed prior to December 31, 2030, in each case together with all declared and unpaid dividends up to but excluding the date of redemption.

On November 1, 2021, Irish Life completed the acquisition of Ark Life Assurance Company dac from Phoenix Group Holdings plc. The acquisition adds scale to Irish Life's retail division and enhances Irish Life's ability to provide customers with market-leading wealth and insurance solutions. During the fourth quarter of 2022, Ark Life Assurance Company dac changed its legal name to Irish Life Ark Dublin dac.

On November 9, 2021, Lifeco announced its objective of achieving net zero greenhouse gas emissions by 2050 for both operations and investments, with interim science-based targets to be announced at a later date.

On November 19, 2021, Lifeco completed the sale of two of its United States-based subsidiaries, EverWest Real Estate Investors, LLC and EverWest Advisors, LLC (collectively, "EverWest") to Sagard Holdings Inc. ("Sagard"), a wholly-owned subsidiary of Power Corporation of Canada. As part of this transaction establishing a strategic relationship with Sagard, Lifeco has made a capital commitment of up to approximately US\$500 million into certain Sagard strategies. Lifeco has also committed to investing a further approximately US\$2.0 billion in real estate investments to support EverWest's future growth within Sagard. In exchange, Lifeco will acquire a minority stake in Sagard's subsidiary, Sagard Holdings Management Inc.

On December 1, 2021, Canada Life was awarded the Public Service Health Care Plan in the largest sale in the history of the Canadian group benefit market, with a planned effective date of July 1, 2023.

On December 31, 2021, Lifeco redeemed all of its outstanding 5.90% Non-Cumulative First Preferred Shares, Series F, at a redemption price of \$25.00 per share plus an amount equal to all declared and unpaid dividends, less any tax required to be deducted and withheld by Lifeco.

On February 1, 2022, Empower announced a fresh brand identity aimed at simplifying how the organization connects with customers. The name "Empower" replaced "Empower Retirement" as U.S. Financial Services' public-facing brand name.

In the first quarter of 2022, Capital and Risk Solutions continued to expand its international presence and entered into a mortgage reinsurance agreement with an insurance company in Israel.

On April 4, 2022, Canada Life and ClaimSecure launched SecurePak, a bundled offering of Canada Life's insurance benefits and ClaimSecure's health and dental claims adjudication services.

In the second quarter of 2022, Capital and Risk Solutions continued growing its international presence in Asia, Europe and the U.S. The Corporation entered into a second mortgage reinsurance agreement with an insurance company in Israel, completed new longevity contracts in the U.K. and added new structured transactions in the U.S.

Effective August 1, 2022, Great-West Life & Annuity Insurance Company changed its legal name to Empower Annuity Insurance Company of America.

On October 1, 2022, Plan Member as Customers was rebranded as Freedom Experience. The Corporation is leveraging this brand by renaming several direct-to-consumer products distributed by Group Customer with the Freedom brand. A dedicated team will be focused on distributing these products and bringing the Freedom Experience to Canadians.

In the fourth quarter of 2022, Irish Life completed the portfolio transfer of Ark Life Insurance DAC, which was integrated into Irish Life's Retail division effective October 1, 2022. This follows the purchase of Ark Life on November 1, 2021 by Irish Life Group Limited.

On November 16, 2022, Lifeco issued €500 million aggregate principal amount of senior 4.700% euro bonds maturing November 16, 2029. The bonds were issued at par and interest is payable annually in arrears on November 16. The bonds are admitted to the Official List of Euronext Dublin and to trading on the Global Exchange Market of Euronext Dublin.

On December 22, 2022, Irish Life entered into a new partnership agreement with Centric Health Primary Care Limited, a leading Irish primary care provider. This multi-phase partnership will offer a blended in-person and digital healthcare experience to support better health and lifestyle outcomes for customers.

On December 31, 2022, Empower completed two separate agreements to cede, via indemnity reinsurance, \$7,946 million of insurance contract liabilities to a non-related party.

Additional information regarding the recent general development of Lifeco's business, and the outlook for Lifeco's current financial year, is included in the MD&A.

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, 2022 there were 931,853,110 Common 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 5-Year Rate Reset 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"), 8,000,000 Non-Cumulative First Preferred Shares, Series R ("Series R Shares"), 8,000,000 Non-Cumulative First Preferred Shares, Series S ("Series S Shares"), 8,000,000 Non-Cumulative First Preferred Shares, Series T ("Series T Shares"), 1,500,000 Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series U ("Series U Shares") and 8,000,000 Non-Cumulative First Preferred Shares, Series Y ("Series Y Shares") issued and outstanding. As of December 31, 2022, no Class A Preferred Shares or Second Preferred Shares were 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 Canada Life has 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 Canada Life (and, prior to January 1, 2020, Great-West Life and London 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) unless, in the case of the Series U Shares, such entitlement is waived by the holders of such shares. 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 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. 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. 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 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 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 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 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 1.749% per annum to but excluding December 31, 2025. On December 31, 2025 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, 2025 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, 2025 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 on conversion of Series N Shares in the future, will carry a floating rate non-cumulative dividend, payable quarterly, in an amount per share determined each quarter by multiplying \$25.00 by the sum of the relevant Government of Canada Treasury Bill rate plus 1.30%. Lifeco will have the right to redeem the Series O Shares, in whole or in part for \$25.50 per share plus declared and unpaid dividends, unless such Series O Shares are redeemed on December 31, 2025 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 issued and outstanding Series O Share will be convertible at the option of the holder on December 31, 2025 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 will be 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 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 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 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.

Series S Shares

The Series S Shares carry a non-cumulative dividend of 5.25% per annum, payable quarterly. Lifeco has the right to redeem the Series S 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, 2023. 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 S Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series S Shares are entitled to be paid an amount equal to \$25.00 per Series S 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 S Shares.

Series T Shares

The Series T Shares carry a non-cumulative dividend of 5.15% per annum, payable quarterly. Lifeco has the right to redeem the Series T Shares in whole or in part on or after June 30, 2022 at a price of \$25.00 per share plus a premium if they are redeemed prior to June 30, 2026. 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 T Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series T Shares are entitled to be paid an amount equal to \$25.00 per Series T 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 T Shares.

Series U Shares

The Series U Shares are held by Computershare Trust Company of Canada, as trustee of the LRCN Trust (the "LRCN Trustee"). During the period from and including August 12, 2021 up to but excluding December 31, 2026, unless waived by holders of the Series U Shares, such holders will be entitled to receive fixed rate semi-annual non-cumulative cash dividends, payable semi-annually, as and when declared by the Board of Directors of Lifeco, of 3.60% per annum. On December 31, 2026 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 2.641%. Lifeco has the right to redeem the Series U Shares, in whole or in part, on December 31, 2026 and on December 31 every five years thereafter for \$1,000.00 per share plus declared and unpaid dividends. 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 U Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of Series U Shares are entitled to be paid an amount equal to \$1,000.00 per Series U 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 U Shares.

If the Board of Directors does not declare the dividends, or any part thereof, on the Series U Shares on or before the dividend payment date for a particular semi-annual period, then the entitlement of the holders of the Series U Shares to such dividends, or to any part thereof, for such semi-annual period will be forever extinguished. The LRCN Trustee has provided to Lifeco a waiver of its right to receive any and all dividends on the Series U Shares during the period from and including the date of the waiver to and including the date upon which the LRCN Trustee, as trustee of the Limited Recourse Trust, provides, by written notice, a revocation of such waiver to Lifeco (the "Dividend Waiver"). Accordingly, no dividends are expected to be required to be declared or paid and no dividends are expected to be declared or paid on the Series U Shares while the shares are held by the LRCN Trustee. The Dividend Waiver is applicable to the LRCN Trustee and will not bind a subsequent holder of the Series U Shares.

Series Y Shares

The Series Y Shares carry a non-cumulative dividend of 4.50% per annum, payable quarterly. Lifeco has the right to redeem the Series Y Shares in whole or in part on or after December 31, 2026 at a price of \$25.00 per share plus a premium if they are redeemed prior to December 31, 2030. 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 Y Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series Y Shares are entitled to be paid an amount equal to \$25.00 per Series Y 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 Y 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.

Ratings

Lifeco's First Preferred Shares, senior unsecured debentures and subordinated LRCNs rated by independent rating agencies. Lifeco has been assigned the following ratings in relation to its outstanding securities:

| Securities | A.M. Best Company | | DBRS Morningstar | | Fitch Ratings Inc. | | Moody's Investors Service | | S&P Global Ratings | |
|--------------------|-------------------|---------|------------------|---------|--------------------|---------|---------------------------|------|-----------------------------------------------|--------------------|
| | Rating | Rank | Rating | Rank | Rating | Rank | Rating | Rank | Rating | Rank |
| Preferred Shares | bbb+ | 8 of 21 | Pfd-2 (High) | 4 of 16 | BBB+ | 8 of 23 | NR ⁽¹⁾ | | P-1 (Low) ⁽²⁾ A- ⁽³⁾ | 3 of 18 5 of 20 |
| Senior Debentures | a | 6 of 21 | A (High) | 5 of 26 | A | 6 of 23 | NR ⁽¹⁾ | | A+ | 5 of 22 |
| Subordinated LRCNs | NR ⁽¹⁾ | | A (Low) | 7 of 26 | BBB+ | 8 of 23 | NR ⁽¹⁾ | | A- | 7 of 22 |

(1) Not Rated

(2) The Canadian scale rating for preferred shares

(3) The Global scale rating for preferred shares

Preferred Share Ratings

The preferred share rating is a rating agency's assessment of the creditworthiness of an obligor with respect to a specific preferred share obligation compared 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.

Issue Credit Ratings

The ratings assigned to the debt issued by Lifeco are generally referred to as issue credit ratings. An issue credit rating is a rating agency's 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 reflects 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. Issue 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.

Lifeco has paid customary rating fees to S&P, DBRS, Fitch, AM Best and Moody's in relation to the above-noted and other ratings. In addition, Lifeco has, in the ordinary course of business, made payments for other services provided to Lifeco by S&P, DBRS, Fitch, AM Best and Moody's during the last two years.

The descriptions of the ratings below are sourced from public information as disclosed by each rating agency.

(a) A.M. Best

A.M Best's Issue Credit Rating (IR) is an independent opinion of credit quality assigned to issues that gauges the ability to meet the terms of the obligation. An IR assigned to a specific issue is an opinion of the ability to meet the ongoing financial obligations to security holders when due. As such, an IR is an opinion regarding the relative future credit risk. Credit risk is the risk that an issuer may not meet its contractual financial obligations as they come due. The rating does not address any other risk, including, but not limited to, liquidity risk, market value risk or price volatility of rated obligations.

A.M. Best assigns long-term issue credit ratings in a range from "aaa" to "c". Ratings from "aa" to "ccc" may be enhanced with a "+" (plus) or "-" (minus) to indicate whether credit quality is near the top or bottom of a category. The absence of either a plus or minus designation indicates the rating is in the middle of the category.

Lifeco's senior debentures have been assigned an "a" rating. This rating denotes the issuer has an excellent ability to meet the terms of the obligation. Lifeco's preferred shares have been assigned a "bbb+" rating. This rating denotes the issuer has a good ability to meet the terms of the obligation; however, the issue is more susceptible to changes in economic or other conditions than more highly-rated issues.

(b) DBRS Morningstar (DBRS)

DBRS' credit ratings are forward-looking opinions about credit risk that reflect the creditworthiness of an entity or security. DBRS uses rating scales to assign and monitor credit ratings.

The DBRS preferred share rating scale is used to rate preferred shares issued in the Canadian securities markets. This rating scale reflects an opinion on the risk that an issuer will not fulfil its obligations with respect to both dividend and principal commitments in respect of the preferred shares in accordance with the terms under which they were issued. Every DBRS rating using the preferred share rating scale is based on quantitative and qualitative considerations relevant to the issuing entity. Each rating category may be denoted by the subcategories "high" and "low". The absence of either a "high" or "low" designation indicates the rating is in the middle of the category.

The DBRS long-term obligation rating scale provides an opinion on the risk of default, which is the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims.

DBRS assigns ratings for preferred shares in a range from "Pfd-1" to "D". Lifeco's preferred shares have been assigned a "Pfd-2 (High)" rating. This rating denotes that the Preferred shares are generally of good credit quality and protection of dividends and principal is still substantial, but earnings, the balance sheet and coverage ratios are not as strong as Pfd-1 rated companies. Generally, Pfd-2 ratings correspond with issuers with an A category or higher reference point.

DBRS assigns ratings for long-term obligations in a range from "AAA" to "D". Lifeco's senior debentures have been assigned an "A (high)" rating and Lifeco's subordinated LRCNs have been assigned an "A (low)" rating. According to DBRS, long-term obligations rated "A" are of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than "AA". An obligor may be vulnerable to future events, but qualifying negative factors are considered manageable. In addition, "(low)" and "(high)" designations indicate relative strength within the rating category.

(c) Fitch Ratings (Fitch)

Fitch credit ratings relating to issuers are an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. Credit ratings are used by investors as indications of the likelihood of receiving the money owed to them in accordance with the terms on which they invested. Fitch's credit ratings do not directly address any risk other than credit risk and do not deal with the risk of a market value loss on a rated security due to changes in interest rates, liquidity and other market considerations. Fitch's ratings of individual securities or financial obligations of a corporate issuer address relative vulnerability to default on an ordinal scale. In addition, for financial obligations in corporate finance, a measure of recovery given default on that liability is also included in the rating assessment.

Fitch assigns ratings for preferred shares and debt in a range from "AAA" to "D". The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Fitch's rating outlooks indicate the direction a rating is likely to move over a one to two-year period. Rating outlooks may be positive, stable, negative or evolving.

Lifeco's preferred shares have been assigned a "BBB+" rating. This rating denotes good credit quality and 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.

Lifeco's senior debentures have been assigned an "A" rating. This rating denotes high credit quality and expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. Lifeco's subordinated LRCNs have been assigned a "BBB+ rating". According to Fitch, long-term debt instruments rated "BBB" have good credit quality and such rating indicates that expectations of credit risk are currently low and that the capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

(d) Moody's Investor Services (Moody's)

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.

(e) S&P Global Ratings (S&P)

An S&P Global Ratings issue credit rating is a forward-looking opinion about 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. The opinion reflects S&P's view of the obligor's capacity and willingness to meet its financial commitments as they come due, and this opinion may assess terms, such as collateral security and subordination, which could affect ultimate payment in the event of default.

S&P assigns ratings for Canadian preferred shares in a range from "P1" to "D" and these ratings are a forward-looking opinion about the creditworthiness of an issuer with respect to a preferred share obligation issued in the Canadian market, relative to preferred shares issued by other issuers in the Canadian market. S&P's Canadian scale preferred share ratings may be modified by the addition of "High" or "Low" to show relative standing within the major rating categories. It is S&P's practice to present an issuer's preferred share ratings on both the global ratings scale and the Canadian national scale when listing the ratings for an issuer. S&P's Global ratings scale ranges from AA to D and may be modified with the addition of "+" or "-" to show relative standing within the major rating categories.

S&P assigns ratings for long-term obligations in a range from "AAA" to "D". Most ratings may be modified by the addition of a plus "+" or minus "-" sign to show relative standing within the major letter rating categories.

Lifeco's preferred shares have been assigned a "P-1 (low)" rating and an "A-" rating on the Canadian and global scales, respectively. These ratings denote the obligor's capacity to meet its financial commitments on the obligation is strong, however, the obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories.

Lifeco's senior debentures have been assigned an "A+" rating and Lifeco's subordinated LRCNs have been assigned an "A-" rating. According to S&P, long-term debt rated "A" indicates that the obligor has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. A rating may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

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 and, in part, its ability to

deploy capital 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 by the operating subsidiaries. The requirements imposed by the regulators in any jurisdiction may change from time to time, and thereby impact the ability of the operating subsidiaries to pay dividends to Lifeco.

In March of 2002, the Canada Life Capital Trust issued 150,000 Canada Life Trust Securities – Series B (the "CLiCS – Series B"). Canada Life Financial Corporation ("CLFC") 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 would 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. Effective January 1, 2020, the obligations of CLFC and Canada Life relating to the CLiCS – Series B became obligations of the amalgamated Canada Life.

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

| | 2022 | 2021 | 2020 |
|-----------------------------------------|-------------|-------------|------------|
| Common ⁽¹⁾ | \$1.960 | \$1.804 | \$1.752 |
| Series F First Preferred ⁽²⁾ | - | \$1.4750 | \$1.4750 |
| Series G First Preferred | \$1.3000 | \$1.3000 | \$1.3000 |
| Series H First Preferred | \$1.21252 | \$1.21252 | \$1.21252 |
| Series I First Preferred | \$1.1250 | \$1.1250 | \$1.1250 |
| Series L First Preferred | \$1.41250 | \$1.41250 | \$1.41250 |
| Series M First Preferred | \$1.450 | \$1.450 | \$1.450 |
| Series N First Preferred ⁽³⁾ | \$ 0.437252 | \$ 0.437252 | \$0.544000 |
| Series O First Preferred ⁽⁴⁾ | - | - | \$0.556412 |
| Series P First Preferred | \$1.350 | \$1.350 | \$1.350 |
| Series Q First Preferred | \$1.2875 | \$1.2875 | \$1.2875 |
| Series R First Preferred | \$1.200 | \$1.200 | \$1.200 |
| Series S First Preferred | \$1.312500 | \$1.312500 | \$1.312500 |
| Series T First Preferred | \$1.2875 | \$1.2875 | \$1.2875 |
| Series Y First Preferred ⁽⁵⁾ | \$1.125 | \$0.2589 | - |

- (1) In 2021, Lifeco made dividend payments to common shareholders on each of March 31, June 30 and September 30 in the amount of \$0.4380 per share. On November 15, 2021, Lifeco announced an increase to the quarterly dividend of \$0.052 per share. On December 31, 2021, Lifeco made a dividend payment to common shareholders in the amount of \$0.49 per share.
- (2) On December 31, 2021, Lifeco redeemed all of its outstanding 5.90% Non-Cumulative First Preferred Shares, Series F, at a redemption price of \$25.00 per share plus an amount equal to all declared and unpaid dividends, less any tax required to be deducted and withheld by Lifeco.
- (3) Fixed dividend rate per annum until December 30, 2025, at which time the dividend becomes equal to the five year Government of Canada yield plus 1.30% for the subsequent five year period. The fixed dividend rate had been 2.176% per annum for the five year period beginning December 31, 2015 and ending December 30, 2020.
- (4) Floating dividend rate which is reset quarterly to the three month Government of Canada Treasury Bill yield plus 1.30%. On December 31, 2020, all outstanding Series O Shares were automatically converted into Series N Shares on a one-for-one basis.
- (5) The Series Y Shares were issued on October 8, 2021. The first dividend payment was made on December 31, 2021 in the amount of \$0.2589 per share. Regular quarterly dividend payments are \$0.28125 per share.

MARKET FOR SECURITIES

The Common Shares and the First Preferred Shares, Series G, H, I, L, M, N, P, Q, R, S, T and Y are listed and posted for trading on the Toronto Stock Exchange ("TSX") and also trade on a number of alternative trading platforms. The below tables provide trading price and volume statistics for those trades made on the TSX during 2022.

Lifeco Common Shares (TSX:GWO)

| 2022 | Trading Range | | Volume Traded | |
|-----------|---------------|---------|---------------|------------------------|
| | Low | High | Total | Average ⁽¹⁾ |
| January | \$37.48 | \$39.71 | 19,060,250 | 953,013 |
| February | \$37.99 | \$41.35 | 39,370,157 | 2,072,114 |
| March | \$35.60 | \$37.33 | 71,298,759 | 3,099,946 |
| April | \$35.33 | \$37.25 | 17,083,664 | 854,183 |
| May | \$32.04 | \$35.21 | 64,337,585 | 3,063,695 |
| June | \$30.56 | \$33.82 | 60,209,466 | 2,736,794 |
| July | \$30.03 | \$31.78 | 22,140,282 | 1,107,014 |
| August | \$30.85 | \$33.27 | 64,110,517 | 2,914,114 |
| September | \$29.82 | \$32.59 | 52,379,035 | 2,494,240 |
| October | \$28.66 | \$31.54 | 23,167,267 | 1,158,363 |
| November | \$29.70 | \$32.22 | 57,695,557 | 2,622,525 |
| December | \$30.00 | \$31.93 | 62,237,730 | 3,111,887 |

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

| 2022 | Trading Range | | Volume Traded | |
|-----------|---------------|---------|---------------|------------------------|
| | Low | High | Total | Average ⁽¹⁾ |
| January | \$25.22 | \$25.70 | 67,324 | 3,366 |
| February | \$25.12 | \$25.51 | 125,443 | 6,602 |
| March | \$24.80 | \$25.55 | 257,671 | 11,203 |
| April | \$21.89 | \$24.91 | 201,844 | 10,092 |
| May | \$22.17 | \$23.70 | 129,867 | 6,184 |
| June | \$21.07 | \$23.61 | 113,595 | 5,163 |
| July | \$21.08 | \$21.62 | 153,119 | 7,656 |
| August | \$21.19 | \$21.83 | 166,420 | 7,565 |
| September | \$19.95 | \$21.20 | 155,562 | 7,408 |
| October | \$19.40 | \$20.39 | 131,045 | 6,552 |
| November | \$19.37 | \$20.32 | 270,938 | 12,315 |
| December | \$19.82 | \$20.25 | 360,131 | 18,007 |

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

| 2022 | Trading Range | | Volume Traded | |
|-----------|---------------|---------|---------------|------------------------|
| | Low | High | Total | Average ⁽¹⁾ |
| January | \$25.05 | \$25.24 | 42,169 | 2,219 |
| February | \$24.65 | \$25.15 | 87,466 | 4,603 |
| March | \$23.24 | \$24.77 | 101,308 | 4,405 |
| April | \$20.57 | \$23.21 | 147,792 | 7,390 |
| May | \$20.62 | \$22.09 | 66,795 | 3,516 |
| June | \$19.81 | \$22.07 | 129,998 | 5,909 |
| July | \$19.92 | \$20.72 | 87,670 | 4,871 |
| August | \$20.13 | \$20.90 | 342,393 | 15,563 |
| September | \$18.79 | \$20.00 | 89,097 | 4,455 |
| October | \$18.38 | \$19.25 | 85,908 | 4,295 |
| November | \$18.10 | \$19.20 | 126,410 | 5,746 |
| December | \$18.47 | \$18.90 | 218,320 | 10,916 |

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

| 2022 | Trading Range | | Volume Traded | |
|-----------|---------------|---------|---------------|------------------------|
| | Low | High | Total | Average ⁽¹⁾ |
| January | \$24.20 | \$24.57 | 150,591 | 7,530 |
| February | \$23.50 | \$24.54 | 110,063 | 5,793 |
| March | \$22.20 | \$23.83 | 99,619 | 4,331 |
| April | \$19.40 | \$22.00 | 251,508 | 12,575 |
| May | \$19.51 | \$20.80 | 108,594 | 5,430 |
| June | \$18.65 | \$20.73 | 151,151 | 6,871 |
| July | \$18.76 | \$19.70 | 174,456 | 8,723 |
| August | \$19.01 | \$19.95 | 128,738 | 5,852 |
| September | \$17.84 | \$18.89 | 171,379 | 8,161 |
| October | \$17.28 | \$18.26 | 165,380 | 8,269 |
| November | \$16.99 | \$18.30 | 200,144 | 9,097 |
| December | \$17.38 | \$18.07 | 437,636 | 21,882 |

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

| 2022 | Trading Range | | Volume Traded | |
|-----------|---------------|---------|---------------|------------------------|
| | Low | High | Total | Average ⁽¹⁾ |
| January | \$25.54 | \$25.65 | 83,754 | 4,188 |
| February | \$25.51 | \$25.67 | 81,001 | 4,263 |
| March | \$25.22 | \$25.75 | 133,559 | 5,807 |
| April | \$23.80 | \$25.40 | 111,026 | 5,551 |
| May | \$23.88 | \$25.14 | 77,568 | 3,878 |
| June | \$22.70 | \$24.92 | 67,431 | 3,065 |
| July | \$22.69 | \$23.50 | 112,052 | 5,897 |
| August | \$22.80 | \$23.42 | 162,081 | 7,718 |
| September | \$21.40 | \$22.87 | 70,236 | 3,902 |
| October | \$21.07 | \$21.97 | 83,957 | 4,664 |
| November | \$21.14 | \$22.00 | 279,277 | 12,694 |

| | | | | |
|----------|---------|---------|---------|--------|
| December | \$21.50 | \$21.84 | 207,022 | 10,351 |
|----------|---------|---------|---------|--------|

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

| 2022 | Trading Range | | Volume Traded | |
|-----------|---------------|---------|---------------|------------------------|
| | Low | High | Total | Average ⁽¹⁾ |
| January | \$25.52 | \$25.89 | 150,670 | 7,534 |
| February | \$25.55 | \$25.89 | 70,229 | 3,696 |
| March | \$25.25 | \$25.83 | 61,179 | 2,660 |
| April | \$24.05 | \$25.50 | 81,605 | 4,080 |
| May | \$24.40 | \$25.58 | 88,954 | 4,448 |
| June | \$23.11 | \$25.45 | 174,293 | 8,300 |
| July | \$23.75 | \$24.25 | 176,659 | 8,833 |
| August | \$23.65 | \$24.25 | 89,824 | 4,277 |
| September | \$22.65 | \$23.88 | 74,421 | 3,721 |
| October | \$22.35 | \$22.99 | 66,213 | 3,311 |
| November | \$21.81 | \$22.65 | 235,499 | 11,214 |
| December | \$22.19 | \$22.80 | 129,666 | 7,204 |

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

| 2022 | Trading Range | | Volume Traded | |
|-----------|---------------|---------|---------------|------------------------|
| | Low | High | Total | Average ⁽¹⁾ |
| January | \$17.00 | \$18.30 | 108,361 | 5,418 |
| February | \$16.91 | \$17.66 | 79,107 | 4,395 |
| March | \$15.71 | \$16.72 | 217,455 | 9,884 |
| April | \$13.97 | \$16.30 | 124,067 | 6,203 |
| May | \$14.01 | \$15.78 | 46,321 | 2,895 |
| June | \$13.56 | \$15.80 | 62,976 | 3,149 |
| July | \$13.90 | \$14.38 | 69,366 | 3,854 |
| August | \$14.00 | \$14.47 | 118,612 | 6,590 |
| September | \$12.95 | \$14.10 | 33,058 | 1,653 |
| October | \$12.30 | \$13.05 | 64,746 | 4,047 |
| November | \$12.24 | \$13.00 | 73,063 | 4,298 |
| December | \$12.05 | \$12.99 | 129,594 | 6,821 |

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

| 2022 | Trading Range | | Volume Traded | |
|-----------|---------------|---------|---------------|------------------------|
| | Low | High | Total | Average ⁽¹⁾ |
| January | \$25.33 | \$25.89 | 56,883 | 2,844 |
| February | \$25.20 | \$25.64 | 58,811 | 3,095 |
| March | \$25.00 | \$25.56 | 137,273 | 5,968 |
| April | \$22.86 | \$25.15 | 146,835 | 7,342 |
| May | \$23.11 | \$24.77 | 92,296 | 4,395 |
| June | \$22.07 | \$24.50 | 61,067 | 2,776 |
| July | \$22.01 | \$22.74 | 93,962 | 4,698 |
| August | \$21.90 | \$22.65 | 71,219 | 3,391 |
| September | \$20.77 | \$22.05 | 56,984 | 2,714 |
| October | \$20.17 | \$21.25 | 89,156 | 4,458 |
| November | \$19.88 | \$20.97 | 134,009 | 6,091 |

| | | | | |
|----------|---------|---------|---------|-------|
| December | \$20.40 | \$20.93 | 177,954 | 8,898 |
|----------|---------|---------|---------|-------|

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

| 2022 | Trading Range | | Volume Traded | |
|-----------|---------------|---------|---------------|------------------------|
| | Low | High | Total | Average ⁽¹⁾ |
| January | \$25.11 | \$25.51 | 48,570 | 2,429 |
| February | \$24.75 | \$25.36 | 51,187 | 2,844 |
| March | \$24.71 | \$25.25 | 64,766 | 2,944 |
| April | \$21.67 | \$24.80 | 77,077 | 3,854 |
| May | \$21.86 | \$23.38 | 73,861 | 3,693 |
| June | \$20.83 | \$23.49 | 72,008 | 3,273 |
| July | \$20.95 | \$21.66 | 83,761 | 4,188 |
| August | \$21.06 | \$21.75 | 94,604 | 4,300 |
| September | \$19.70 | \$21.10 | 79,806 | 3,800 |
| October | \$19.24 | \$20.24 | 82,194 | 4,110 |
| November | \$19.10 | \$20.11 | 195,388 | 8,881 |
| December | \$19.63 | \$20.05 | 196,668 | 9,833 |

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

| 2022 | Trading Range | | Volume Traded | |
|-----------|---------------|---------|---------------|------------------------|
| | Low | High | Total | Average ⁽¹⁾ |
| January | \$25.00 | \$25.46 | 76,713 | 4,795 |
| February | \$24.26 | \$25.10 | 51,853 | 2,729 |
| March | \$23.24 | \$24.56 | 92,375 | 4,199 |
| April | \$20.43 | \$23.30 | 77,007 | 3,850 |
| May | \$20.53 | \$22.00 | 49,099 | 2,584 |
| June | \$19.50 | \$22.00 | 88,525 | 4,024 |
| July | \$19.57 | \$20.49 | 101,639 | 5,082 |
| August | \$19.78 | \$20.59 | 34,955 | 1,665 |
| September | \$18.48 | \$19.70 | 64,888 | 3,244 |
| October | \$18.01 | \$19.02 | 101,571 | 5,079 |
| November | \$17.81 | \$19.16 | 184,723 | 8,397 |
| December | \$18.31 | \$18.90 | 252,625 | 12,631 |

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

| 2022 | Trading Range | | Volume Traded | |
|-----------|---------------|---------|---------------|------------------------|
| | Low | High | Total | Average ⁽¹⁾ |
| January | \$25.60 | \$25.90 | 48,662 | 2,703 |
| February | \$25.08 | \$25.82 | 48,839 | 2,713 |
| March | \$24.76 | \$25.40 | 81,485 | 3,704 |
| April | \$22.05 | \$25.05 | 354,971 | 17,749 |
| May | \$22.48 | \$23.99 | 94,358 | 4,493 |
| June | \$21.39 | \$24.04 | 73,066 | 3,479 |
| July | \$21.45 | \$22.18 | 66,076 | 3,304 |
| August | \$21.50 | \$22.20 | 57,193 | 2,723 |
| September | \$19.97 | \$21.45 | 25,752 | 1,226 |
| October | \$19.60 | \$20.50 | 67,448 | 3,747 |
| November | \$19.44 | \$20.45 | 210,937 | 9,588 |

| | | | | |
|----------|---------|---------|---------|--------|
| December | \$20.00 | \$20.47 | 217,081 | 10,854 |
|----------|---------|---------|---------|--------|

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

| 2022 | Trading Range | | Volume Traded | |
|-----------|---------------|---------|---------------|------------------------|
| | Low | High | Total | Average ⁽¹⁾ |
| January | \$26.12 | \$26.69 | 36,180 | 1,904 |
| February | \$25.12 | \$26.35 | 38,140 | 2,384 |
| March | \$24.70 | \$25.50 | 242,155 | 10,528 |
| April | \$21.65 | \$25.27 | 105,159 | 5,258 |
| May | \$21.85 | \$23.66 | 119,863 | 5,708 |
| June | \$20.96 | \$23.79 | 63,409 | 2,882 |
| July | \$21.25 | \$21.95 | 65,428 | 3,271 |
| August | \$21.30 | \$21.99 | 164,977 | 7,499 |
| September | \$19.97 | \$21.30 | 69,530 | 3,311 |
| October | \$19.65 | \$20.55 | 49,083 | 2,454 |
| November | \$19.25 | \$20.04 | 361,373 | 17,208 |
| December | \$19.61 | \$20.26 | 150,840 | 7,542 |

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

| 2022 | Trading Range | | Volume Traded | |
|-----------|---------------|---------|---------------|------------------------|
| | Low | High | Total | Average ⁽¹⁾ |
| January | \$24.55 | \$25.29 | 432,640 | 21,632 |
| February | \$24.01 | \$25.12 | 68,498 | 3,605 |
| March | \$22.50 | \$24.50 | 436,673 | 19,849 |
| April | \$19.50 | \$22.90 | 481,053 | 24,053 |
| May | \$19.55 | \$20.96 | 434,290 | 20,680 |
| June | \$18.14 | \$21.15 | 198,454 | 9,021 |
| July | \$18.82 | \$19.33 | 224,246 | 11,802 |
| August | \$19.02 | \$20.01 | 66,375 | 3,161 |
| September | \$17.52 | \$19.05 | 46,690 | 2,335 |
| October | \$17.15 | \$18.29 | 233,874 | 11,694 |
| November | \$16.75 | \$18.00 | 253,737 | 12,083 |
| December | \$17.29 | \$17.99 | 503,382 | 25,169 |

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

Note: Source data provided by Bloomberg. 'Volume traded' is solely based on the S&P/TSX volume.

DIRECTORS AND OFFICERS**Directors**

The following table sets forth the name, province or state and country of residence and principal occupation for each Director of Lifeco.

| Name, Place of Residence, and Board Committee Membership | Director since | Principal Occupation |
|----------------------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Michael R. Amend North Carolina, United States of America (2)(7) | May 3, 2018 | Chief Enterprise Technology Officer, Ford Motor Company, an American multinational manufacturer, since September, 2021; previously, President, Online, at Lowes Companies, Inc., a home improvement company since December, 2018; Chief Operating Officer at CommerceHub, Inc., a distributed commerce network, from June, 2018 to December, 2018; and previously Executive Vice-President, Omnichannel at J.C. Penney Corporation, Inc. from August, 2015 to March, 2018. |
| Deborah J. Barrett, FCPA, FCA, ICD.D Ontario, Canada (1)(2)(5) | May 4, 2017 | Corporate Director since 2017; previously, Chief Financial Officer of The Woodbridge Company Limited, a private investment holding company, from 2011 until her retirement in 2017. |
| Roberta (Robin) A. Bienfait Georgia, United States of America (1)(7) | May 7, 2020 | Chief Executive Officer of Emnovate, an executive advisory firm, since 2017; Founder of Atlanta Tech Park, a global technology accelerator; previously, Executive Vice-President and Chief Enterprise Innovation Officer at Samsung Electronics from 2014 to 2017. |
| Heather E. Conway Ontario, Canada (1)(4)(7) | May 2, 2019 | Chair of the Board of Amex Bank of Canada, since May, 2022; previously, Co-President and Executive Director of Hot Docs Canadian International Documentary Film Festival, from November, 2021 to May, 2022; Corporate Director since 2019; previously, Executive Vice-President, English Services of CBC/Radio-Canada, Canada's national public radio and television broadcaster, from December, 2013 to December, 2018. |
| Marcel R. Coutu Alberta, Canada (3)(4)(5) | May 3, 2007 | Corporate Director; previously, Chairman of Syncrude Canada Ltd. and past President and Chief Executive Officer of Canadian Oil Sands Limited. |
| André Desmarais, O.C., O.Q. Québec, Canada (3)(4)(7) | April 22, 1992 | Deputy Chairman of Power Corporation of Canada, a holding and management company with substantial interests in the financial services industry. |
| Paul Desmarais, Jr., O.C., O.Q. Québec, Canada (3)(5) | May 15, 1986 | Chairman of Power Corporation of Canada. |
| Gary A. Doer, O.M. Manitoba, Canada (4)(7) | May 5, 2016 | Senior Business Advisor at Dentons Canada LLP, a global law firm, since August, 2016; previously, Canada's Ambassador to the United States from October, 2009 to January, 2016. |
| David G. Fuller Ontario, Canada (2)(5) | May 4, 2017 | Corporate Director, Operating Partner at Searchlight Capital Partners, a private equity firm and Senior Advisor to the Boston Consulting Group, a management consulting firm; previously, |

| Name, Place of Residence, and Board Committee Membership | Director since | Principal Occupation |
|----------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | President of Rogers Wireless at Rogers Communications Inc., a Canadian communications and media company from March, 2021 to January, 2022; previously, Executive Vice-President of TELUS Corporation, a Canadian telecommunications company, and President, TELUS Consumer and Small Business Solutions, from 2014 to January 31, 2019. |
| Claude Généreux Québec, Canada (4)(5) | May 7, 2015 | Executive Vice-President of Power Corporation of Canada since 2015; Senior Partner Emeritus of McKinsey & Company, a global management consulting firm ("McKinsey"). |
| Paula B. Madoff New York, United States of America (5)(6) | May 3, 2018 | Corporate Director and Advisory Director at Goldman Sachs, a global investment banking, securities and investment management firm, since August, 2017; previously, spent 24 years at Goldman Sachs and was most recently a Partner and Head of Sales and Distribution for Interest Rate Products and Mortgages from 2006 until her retirement in 2017. |
| Paul A. Mahon Manitoba, Canada (6) | August 1, 2013 | President and Chief Executive Officer of Lifeco and Canada Life, since May, 2013. |
| Susan J. McArthur ⁽¹⁾ Ontario, Canada (3)(4)(5) | May 7, 2015 | Co-Founder and Executive Chair of LockDocs Inc., a startup focused on digital identity as a service, since June, 2021; previously, Managing Partner at GreenSoil Investments, a venture firm focused on investing in real estate technology and agro food technology. |
| R. Jeffrey Orr Québec, Canada (3)(4)(5)(6) | July 30, 2002 | Chair of the Board of Lifeco and Canada Life since May, 2013, of EAICA since July, 2013 and of Putnam since June, 2008; President and Chief Executive Officer of Power Corporation of Canada. |
| T. Timothy Ryan Florida, United States of America (3)(4)(7) | May 8, 2014 | Corporate Director since October, 2014; previously, Vice-Chairman of Regulatory Affairs at JPMorgan Chase & Co., a global financial services firm, from 2013 to 2014; and previously President and Chief Executive Officer of the Securities Industry and Financial Markets Association from 2008 to 2013. |
| Gregory D. Tretiak, FCPA, FCA Québec, Canada (6)(7) | May 3, 2012 | Executive Vice-President and Chief Financial Officer of Power Corporation of Canada; previously, Executive Vice-President and Chief Financial Officer of IGM Financial Inc. |
| Siim A. Vanaselja, FCPA, FCA Ontario, Canada (1)(7) | May 8, 2014 | Corporate Director since 2015; previously, Executive Vice-President and Chief Financial Officer of BCE Inc. and Bell Canada from 2001 to 2015. |
| Brian E. Walsh New York, United States of America (3)(4)(5)(6) | May 7, 2009 | Principal and Chief Strategist of Titan Advisors LLC, an asset management firm, since July, 2015; previously, Chairman and Chief Investment Officer of Saguenay Strathmore Capital from 2011 to 2015. |

(1) Member of the Audit Committee.

(2) Member of the Conduct Review Committee.

(3) Member of the Governance and Nominating Committee.

(4) Member of the Human Resources Committee.

- (5) Member of the Investment Committee.
- (6) Member of the Reinsurance Committee.
- (7) Member of the Risk Committee.

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

⁽¹⁾ Ms. McArthur was a member of the Board of Directors of Lunera Lighting Inc. ("Lunera"), an investee company of one of the private investment funds that GreenSoil Investments manages, from October, 2017 to May, 2019. In February 2019, Lunera commenced a voluntary, board supervised winding up of its affairs that required compromising amounts owing to its unsecured creditors. Lunera completed its dissolution process on July 30, 2019 after a Certificate of Dissolution was issued by a court in Delaware.

Executive Officers

The following table sets forth the name, province or state and country of residence and principal occupation for each executive officer of Lifeco.

| Name and Place of Residence | Position and Principal Occupation |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| R. Jeffrey Orr Québec, Canada | Chair of the Board of Lifeco, Canada Life, EAICA and Putnam and President and Chief Executive Officer of Power Corporation of Canada. |
| Paul A. Mahon Manitoba, Canada | President and Chief Executive Officer of Lifeco and Canada Life. |
| Arshil Jamal Ontario, Canada | President and Group Head, Strategy, Investments, Reinsurance and Corporate Development of Lifeco and Canada Life since February, 2020; previously, President and Chief Operating Officer, Europe and Reinsurance of Lifeco and Canada Life. |
| David M. Harney Dublin, Ireland | President and Chief Operating Officer, Europe of Lifeco and Canada Life since February, 2020; previously, President of Irish Life Group. |
| Jeffrey F. Macoun Ontario, Canada | President and Chief Operating Officer, Canada of Lifeco and Canada Life since October, 2018; previously, held various roles, including Deputy Chief Operating Officer, Canada, Executive Vice-President, Group Customer and Senior Vice-President, Group Sales and Marketing, of Great-West Life, London Life and Canada Life. |
| Edmund F. Murphy III Massachusetts, United States of America | President and Chief Executive Officer, Empower since September, 2014. |
| Graham R. Bird ⁽¹⁾ Ontario, Canada | Executive Vice-President and Chief Risk Officer of Lifeco and Canada Life since March, 2015. |
| Sharon C. Geraghty Ontario, Canada | Executive Vice-President and General Counsel of Lifeco and Canada Life since January, 2018; previously, Partner in the law firm Torys LLP specializing in mergers and acquisitions, corporate governance and securities law. |
| Garry MacNicholas Ontario, Canada | Executive Vice-President and Chief Financial Officer of Lifeco and Canada Life since March, 2015. |
| Grace M. Palombo Ontario, Canada | Executive Vice-President and Chief Human Resources Officer of Lifeco and Canada Life since November, 2014. |

| Name and Place of Residence | Position and Principal Occupation |
|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Steven M. Rullo Connecticut, United States of America | Executive Vice-President and Global Chief Information Officer of Lifeco and Canada Life since April, 2021; previously, Chief Information Officer of GE Capital, Global Operations and Finance (General Electric Company) from January 2018 to December 2020; and previously, Chief Information Officer, GE Capital and Treasury from July 2015 to December 2017. |
| Raman Srivastava Ontario, Canada | Executive Vice-President and Global Chief Investment Officer, Lifeco and Canada Life since August, 2017. |
| Dervla M. Tomlin ⁽¹⁾ Dublin, Ireland | Executive Vice-President and Chief Actuary of Lifeco and Canada Life since April 2015. |
| Nancy D. Russell Ontario, Canada | Senior Vice-President and Chief Internal Auditor of Lifeco and Canada Life since May, 2017. |
| David B. Simmonds Ontario, Canada | Senior Vice-President and Chief Communications and Sustainability Officer of Lifeco and Canada Life since January, 2022; previously, Senior-Vice-President, Office of the CEO, Lifeco from April, 2021 to December, 2021; and previously, SVP Communications and Public Affairs at McKesson Corporation. |
| Anne C. Sonnen Ontario, Canada | Senior Vice-President and Chief Compliance Officer of Lifeco and Canada Life since December, 2017. |
| Jeremy W. Trickett Ontario, Canada | Senior Vice-President and Chief Governance Officer of Lifeco and Canada Life since May, 2018; previously, General Counsel of Canada Life Limited from 2016 to 2018; and previously, served in various senior legal positions with BMO Financial Group. |

⁽¹⁾ On January 17, 2023, Lifeco announced the appointment of Dervla Tomlin as Chief Risk Officer (effective February 13, 2023) and the retirement of Graham Bird (effective April 30, 2023). Ms. Tomlin will also continue to have responsibility for the Actuarial function with the Appointed Actuary reporting to her.

Shareholdings of Directors and Executive Officers

As at December 31, 2022, the directors and executive officers of Lifeco, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 827,430 Common Shares representing approximately 0.09% of the outstanding Common Shares.

LEGAL AND REGULATORY PROCEEDINGS

Lifeco and its subsidiaries are from time to time subject to legal actions, including arbitrations and class actions. 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, are expected to have an effect on Lifeco that is material. Lifeco and its subsidiaries are also subject to regulatory reviews in the normal course of business. Based on the information presently known, neither these reviews nor any matters arising from them are expected to have a material effect on Lifeco.

TRANSFER AGENT AND REGISTRAR

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

Canadian Offices

Computershare Investor Services Inc.
 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1
 800, 324 8th Avenue S.W., Calgary, Alberta T2P 2Z2
 1500 Robert-Bourassa Boulevard, 7th Floor, Montréal, Québec H3A 3S8
 510 Burrard Street, 3rd Floor, Vancouver, British Columbia 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, R, S, T and Y Shares are only transferable at the Toronto Office of Computershare Investor Services Inc.

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

United States Offices

Computershare Trust Company, N.A.
 150 Royall Street, Canton, Massachusetts 02021
 480 Washington Boulevard, Jersey City, New Jersey 07310
 462 South 4th Street, Louisville, Kentucky 40202
 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 BS13 8AE
 Phone: 0370 702 0003

Ireland Office

Computershare Investor Services (Ireland) Limited
 3100 Lake Drive, Citywest, Business Campus
 Dublin 24, D24 AK82
 Phone: 447 5566

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

MATERIAL CONTRACTS

On September 8, 2020, EAICA (then Great-West Life & Annuity Insurance Company) entered into a definitive agreement with Massachusetts Mutual Life Insurance Company in respect of the MassMutual Transaction (the "MassMutual Agreement"), for a total value of approximately US\$3.35 billion. The value includes a reinsurance ceding commission of US\$2.35 billion and

US\$1.0 billion of required capital to support the business. The MassMutual Transaction was completed on December 31, 2020. For a description of the material terms of the MassMutual Agreement, please see Lifeco's Material Change Report dated September 14, 2020, which is incorporated by reference into this AIF and is available for review at www.sedar.com.

On July 20, 2021, EAICA (then Great-West Life & Annuity Insurance Company) entered into a definitive agreement with Prudential Financial, Inc. in respect of the Prudential Transaction (the "Prudential Agreement"), for a total transaction value of approximately US\$3.55 billion. The value includes approximately US\$2.1 billion of capital to support the business. For a description of the material terms of the Prudential Agreement, please see Lifeco's Material Change Report dated July 26, 2021, which is incorporated by reference into this AIF and is available for review at www.sedar.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. Deloitte LLP has advised Lifeco that it is independent of Lifeco within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Manitoba.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Audit Committee Charter as approved by the Board of Directors on November 2, 2022, is attached as Appendix A.

Composition of the Audit Committee

The Audit Committee of Lifeco is comprised of Siim A. Vanaselja (Chair), Deborah J. Barrett, Robin A. Bienfait and Heather E. Conway. 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:

Siim A. Vanaselja – Mr. Vanaselja was Executive Vice-President and Chief Financial Officer of BCE Inc. and Bell Canada until his retirement in 2015. Prior to joining BCE Inc. he was a Partner with KPMG Canada in Toronto. Mr. Vanaselja is a Director and Chair of the Audit Committee of Canada Life. He is also Director and Chair of the Board of TransCanada Corporation and was previously Chair of its Audit Committee. Mr. Vanaselja is also a Director and Chair of the Audit Committee of Power Corporation of Canada and a Trustee and Lead Director of RioCan Real Estate Investment Trust. He previously served as a Director and Chair of the Audit Committee of Maple Leaf Sports & Entertainment Ltd. Mr. Vanaselja is a Fellow of the Chartered Professional Accountants of Ontario.

Deborah J. Barrett – Ms. Barrett was Chief Financial Officer of The Woodbridge Company Limited from 2011 until her retirement in 2017 and previously served as Vice-President, Finance from 2004 to 2011. Prior to that, she held a number of senior financial leadership positions in public and private companies. Ms. Barrett is a Director and member of the Audit Committee of Canada

Life. She previously served as a Director and Chair of the Audit Committee of Infrastructure Ontario, as a member of the Audit Committee of The Globe and Mail Inc., as a Trustee and Chair of the Compensation and Governance Committee of Canadian Real Estate Investment Trust and past Finance Committee Chair of Soulpepper Theatre Company. Ms. Barrett is a Fellow of the Chartered Professional Accountants of Ontario.

Robin A. Bienfait – Ms. Bienfait is Chief Executive Officer of Emnovate. She previously served as Executive Vice-President and Chief Enterprise Innovation Officer at Samsung Electronics from 2014 to 2017 and, prior to that, she was Chief Information Officer at BlackBerry from 2007 to 2014. Ms. Bienfait is a Director and member of the Audit Committee of Canada Life. She is also a Director and member of the Audit Committees of Putnam and EAICA. Ms. Bienfait is also a director and Chair of the board of Global Aviation and a director of the Georgia Institute of Technology Industry Board, the Atlanta Chapter of the National Association of Corporate Directors and Mitsubishi UFJ Financial Group, Inc. Ms. Bienfait holds a Masters in Technology Management from the Georgia Institute of Technology and a bachelor's degree in engineering from Central Missouri State University.

Heather E. Conway – Ms. Conway is Chair of the Board of Amex Bank of Canada, a position she has held since May, 2022. She was Co-President and Executive Director of Hot Docs Canadian International Documentary Film Festival from November, 2021 to May, 2022. She previously served as Executive Vice-President, English Services of CBC/Radio-Canada, Canada's national public radio and television broadcaster, from December, 2013 until December, 2018, and as Chief Business Officer at the Art Gallery of Ontario and Chief Executive Officer of Edelman Public Relations, Canada. Ms. Conway was Executive Vice-President at Alliance Atlantis from 2001 to 2007 and, prior to that, was Executive Vice-President at TD Bank Financial Group from 1995 to 2001. She is a Director and a member of the Audit Committee of Canada Life. She previously served as a director of IGM Financial Inc., IG Wealth Management and Mackenzie Inc. from 2010 to 2013. Ms. Conway has a Bachelor of Arts in Economics from Queen's University and a Master of Arts in Industrial Relations from the University of Warwick, United Kingdom.

Pre-Approval Policy

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

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

External Auditor Service Fees

| | <u>Year Ended December 31, 2022</u> | <u>Year Ended December 31, 2021</u> |
|-----------------------------------------------------|---------------------------------------------|---------------------------------------------|
| Audit Fees | | |
| General Corporate Audit Fees ⁽¹⁾ | \$ 23,123,760 | 18,147,883 |
| Segregated and Other Fund Audit Fees ⁽²⁾ | 10,182,968 | 7,558,276 |
| Other Audit Fees ⁽³⁾ | 12,418,711 | 10,241,206 |
| Audit-Related Fees ⁽⁴⁾ | 6,607,502 | 6,167,221 |
| Tax Fees ⁽⁵⁾ | 847,557 | 1,571,811 |
| All Other Fees ⁽⁶⁾ | 2,091,063 | 1,481,994 |
| Total | <u>\$ 55,271,561</u> | <u>45,168,391</u> |

- (1) General Corporate Audit Fees: These audit fees are for the audits of the financial statements of Lifeco and its subsidiaries (where such subsidiary audits support the audit of the financial statements of Lifeco).

- (2) **Segregated and Other Fund Audit Fees:** These audit fees are for 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.
- (3) **Other Audit Fees:** These audit fees are for audit services provided to subsidiaries of Lifeco, where such subsidiary audits do not directly support the audit of the financial statements of Lifeco.
- (4) **Audit-Related Fees:** These audit-related fees include fees for reviews of interim financial statements of Lifeco and its subsidiaries, for the audits of pension plans of subsidiaries of Lifeco, for reviews of securities filings and for audits/specified procedures mainly related to statutory and regulatory filings, information barriers, internal controls, benefit plans, managed properties, business cycle processes and capital adequacy requirements.
- (5) **Tax Fees:** These tax fees primarily relate to tax compliance and planning.
- (6) **All Other Fees:** These other fees relate to specific engagements including translation services, internal control assessments, independent peer reviews, quality assurance services and innovation projects.

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 the MD&A for its most recently completed financial year.

APPENDIX A
GREAT-WEST LIFECO INC.
AUDIT COMMITTEE CHARTER

SECTION 1. MEMBERSHIP

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

SECTION 2. PROCEDURAL MATTERS

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

- 2.1 Meetings.** The Committee shall meet at least four times every year, and more often if necessary, to discharge its duties and responsibilities hereunder. The Committee may meet at any place within or outside of Canada.
- 2.2 Joint Meetings with Risk Committee.** The Committee shall meet, at least annually, with the Risk Committee of the Board.
- 2.3 Advisors.** The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay, at the Corporation's expense, the compensation of such advisors.
- 2.4 Quorum.** A quorum at any meeting of the Committee shall be two Committee members.
- 2.5 Secretary.** The Corporate Secretary or an Associate Corporate Secretary or such other person as may be designated by the Chair (or in the absence of the Chair, the acting Chair) of the Committee, shall act as secretary of meetings of the Committee.
- 2.6 Calling of Meetings.** A meeting of the Committee may be called by the Chair of the Committee, by the Chair of the Board, by the President and Chief Executive Officer, by the external auditor of the Corporation, or by any member of the Committee. When a meeting of the Committee is called by anyone other than the Chair of the Board, the Chair of the Committee shall so inform the Chair of the Board.

SECTION 3. DUTIES AND RESPONSIBILITIES

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

3.1 Disclosure Documents. The Committee shall:

- (a) review the Corporation's:
 - (i) interim and annual financial statements;
 - (ii) interim and annual management's discussions and analyses;
 - (iii) interim and annual earnings press releases;
 - (iv) at its discretion, other documents containing audited or unaudited financial information, or environmental, social and governance (ESG) information; and
 - (v) other documents as may be required pursuant to the Disclosure Policy;

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

- (b) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure provided by the financial statements, management's discussions and analyses and earnings press releases, and shall periodically assess the adequacy of those procedures;
- (c) review, at its discretion, any financial information contained in any reports filed by the Corporation with regulatory authorities in connection with the financial condition of the Corporation;
- (d) review the effect of off-balance sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Corporation's financial condition; and
- (e) review such investments and transactions that could adversely affect the well-being of the Corporation that the external auditor of the Corporation or any officer of the Corporation may bring to the attention of the Committee.

3.2 External Audit. The Committee shall:

- (a) recommend to the Board the external auditor to be appointed for purposes of preparing or issuing an auditor's report or performing other audit, review or attest services;
- (b) assess the skills and resources of the external auditor, including the audit firm's internal policies and practices for quality control and annually report to the Board on the effectiveness of the external auditor;
- (c) review the scope and terms of the external auditor's engagement and make a recommendation to the Board with respect to the external auditor's engagement;
- (d) review the appropriateness and reasonableness of proposed audit fees, and any issues relating to the payment of audit fees and make a recommendation to the Board with respect to the compensation of the external auditor;
- (e) review the independence of the external auditor, including an annual report prepared by the external auditor regarding its independence;
- (f) review the external auditor's engagement to ensure that the external auditor is duly appointed as external auditor of each of the Corporation's subsidiaries, unless in the opinion of the Corporation, after consulting the external auditor, the total assets of the subsidiary are not a material part of the total assets of the Corporation, or unless, in the case of a subsidiary that carries on its operations in a country other than Canada, the laws of the country do not permit such appointment;
- (g) review the recommendation of the external auditor for the person designated to conduct the audit;
- (h) meet with the external auditor and with management to review the audit plan, audit findings, any restrictions on the scope of the external auditor's work, and any serious difficulties that the external auditor encounters during the audit and approve the audit plan;
- (i) review with the external auditor and management any changes in Generally Accepted Accounting Principles (i.e., International Financial Reporting Standards); the quality and the acceptability of major accounting policies and assumptions; alternative treatments of financial information within Generally Accepted Accounting Principles that have been discussed with management, the ramifications of the use of alternative treatments, and the treatment preferred by the external auditor; the presentation and impact of significant risks and uncertainties that could adversely affect the wellbeing of the Corporation; and key estimates and judgments of management; in each case that may be material to the Corporation's financial reporting;
- (j) have the authority to communicate directly with the external auditor;

- (k) receive reports directly from the external auditor;
- (l) directly oversee the work of the external auditor that is related to the preparation or issue of an auditor's report or other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (m) meet with the external auditor to discuss the annual financial statements and the interim financial statements;
- (n) meet with the external auditor to discuss the returns, investments and transactions referred to in subsections 3.1(d) and 3.1(e) hereof;
- (o) review any management letter containing the recommendations of the external auditor, and the response and follow up by management in relation to any such recommendations;
- (p) review any evaluation of the Corporation's internal control over financial reporting conducted by the external auditor, together with management's response;
- (q) pre-approve (or delegate such pre-approval to one or more of its independent members) in accordance with the pre-approval policy of the Corporation, all engagements for non-audit services to be provided to the Corporation or its subsidiaries by the external auditor, together with all non-audit services fees, and consider the impact of such engagements and fees on the independence of the external auditor;
- (r) approve the Corporation's hiring policy regarding partners, employees and former partners and employees of the present and former external auditor; and
- (s) review all issues and statements related to a change of external auditor and the steps planned by management for an orderly transition.

3.3 Finance. The Committee shall:

- (a) through the Chair of the Committee, have the authority to communicate directly with the Chief Financial Officer;
- (b) after due consultation with the Chief Executive Officer and Chair of the Board, review and recommend to the Board the appointment and/or removal of the Chief Financial Officer;
- (c) approve material amendments to, and review at least every five (5) years, the mandate of the Chief Financial Officer (the "CFO Mandate");
- (d) annually assess the performance of the Chief Financial Officer and the effectiveness of the Finance Function;
- (e) annually review and approve the organizational and reporting structure, budget and resources of the Finance Function and satisfy itself that the Chief Financial Officer has adequate resources and independence to discharge the responsibilities of the Chief Financial Officer under the CFO Mandate and in respect of any planned activities; and
- (f) require management to implement and maintain appropriate internal control procedures and review, evaluate and approve those procedures.

3.4 Internal Audit. The Committee shall:

- (a) through the Chair of the Committee, have the authority to communicate directly with the Chief Internal Auditor;
- (b) after due consultation with the Chief Executive Officer and Chair of the Board, review and recommend to the Board the appointment and/or removal of the Chief Internal Auditor;

- (c) approve material amendments to, and review at least every five (5) years, the mandate of the Chief Internal Auditor (the "CIA Mandate");
- (d) annually assess the performance of the Chief Internal Auditor and the effectiveness of the Internal Audit Function;
- (e) review and approve annually:
 - (i) the risk-based internal audit plan, incorporating both assurance and advisory activity, and periodically review and approve any changes; and
 - (ii) the organizational and reporting structure, budget and resources of the Internal Audit Function;
 and satisfy itself that the Chief Internal Auditor has adequate resources and independence to discharge the responsibilities of the Chief Internal Auditor under the CIA Mandate;
- (f) meet with the Chief Internal Auditor and with management to discuss the effectiveness of the internal control procedures established for the Corporation;
- (g) review the results of Internal Audit activity, including the Chief Internal Auditor's overall opinion on Governance, Risk Management and Control and management's responses and subsequent progress on any material risks identified;
- (h) annually meet with the Risk Committee to review the Chief Internal Auditor's opinion on Governance, Risk Management, and Control, and any other matters that the Chief Internal Auditor deems relevant; and
- (i) satisfy itself that the Chief Internal Auditor maintains a quality assurance and improvement program that includes an external quality assessment every five years, and review the results of both internal and external assessments and the Chief Internal Auditor's progress in addressing any recommendations.

3.5 Actuarial. The Committee shall:

- (a) through the Chair of the Committee, have the authority to communicate directly with the Chief Actuary;
- (b) after due consultation with the Chief Executive Officer and Chair of the Board, review and recommend to the Board the appointment and/or removal of the Chief Actuary;
- (c) approve material amendments to, and review at least every five (5) years, the mandate of the Chief Actuary (the "CA Mandate");
- (d) annually assess the performance of the Chief Actuary and the effectiveness of the Actuarial Function;
- (e) annually approve the organizational and reporting structure, budget and resources of the Actuarial Function and satisfy itself that the Chief Actuary has adequate resources and independence to discharge the responsibilities of the Chief Actuary under the CA Mandate and in respect of any planned activities; and
- (f) meet with the Chief Actuary to discuss the parts of the interim and annual financial statements prepared by the Actuarial Function.

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

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

accounting or auditing matters.

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

3.7 In-Camera Sessions. At every regularly-scheduled meeting of the Committee, the members of the Committee shall meet without members of management present and shall hold an in-camera meeting each quarter separately with each of the external auditor, Chief Internal Auditor, Chief Financial Officer, Chief Actuary, and, as the Committee deems appropriate, management.

3.8 Subsidiaries.

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

SECTION 4. AUDITOR'S ATTENDANCE AT MEETINGS

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

SECTION 5. ACCESS TO INFORMATION

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

SECTION 6. REVIEW OF CHARTER

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

SECTION 7. REPORTING

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

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