BASEL COMMITTEE ON BANKING SUPERVISION'S PILLAR 3 REMUNERATION DISCLOSURE

The information set forth in this document in respect of The Canada Life Assurance Company ("Canada Life" or the "Company") is in response to the Basel Committee on Banking Supervision's Pillar 3 disclosure requirements for remuneration as required by the Office of the Superintendent of Financial Institutions.

Compensation Oversight

Canada Life's Human Resources Committee helps support the Board in fulfilling its oversight duties for compensation, talent management and succession planning. The Human Resources Committee is responsible for:

- approving (or, in the case of the President and Chief Executive Officer ("CEO"), recommending to the Board for approval) the compensation for senior executives of Canada Life;
- recommending to the Board for approval the compensation arrangements for the Directors, the Chair of the Board, the Chairs of Board Committees and members of Board Committees;
- reviewing significant human resources policies applicable to employees and approving such policies as it deems appropriate;
- recommending for approval by the Board the designs of significant incentive compensation plans, including equity-based plans, supplemental pension plans and other compensation plans for employees as it deems appropriate;
- considering the implications of the risks associated with Canada Life's compensation policies, plans and practices;
- reviewing succession plans for the CEO and other senior executives; and
- reviewing talent management programs and initiatives and the leadership capabilities required to support the advancement of Canada Life's strategic objectives.

The following table shows which members of the Human Resources Committee are independent of management, which members are independent within the meaning of the Canadian Securities Administrators' National Instrument 58-101 (the "CSA Guidelines"), and the reason for non-independence of individual Directors.

Committee Member	Independent of Management	Independent	Non-Independent	Reason for Non-Independence
		within the CSA Guidelines		
Claude Généreux (Chair)	✓		✓	Executive Officer of Power Corporation of Canada (“Power”)
Heather E. Conway	✓	✓		
Marcel R. Coutu	✓	✓		
André Desmarais	✓		✓	Executive Officer of Power until February 2020 and Power Financial Corporation (“Power Financial”) until March 2020
Olivier Desmarais	✓		✓	Executive Officer of Power
Gary A. Doer	✓	✓		
Susan J. McArthur	✓	✓		
R. Jeffrey Orr	✓		✓	Executive Officer of Power and Power Financial
T. Timothy Ryan	✓	✓		
Brian E. Walsh	✓	✓		
Total	**10**	**6**	**4**	

The members of the Human Resources Committee have extensive financial services industry experience at a senior level. They are experienced in the financial management of large corporations and are knowledgeable of compensation structures and processes. Their independence from management ensures an objective process for determining compensation for senior executives. In addition to their business background and senior management experience, each member of the Human Resources Committee has many years of experience on human resources or similar committees. The Human Resources Committee met six times in 2021. Members of the Human Resources Committee receive an annual committee member retainer of $15,000, and the Chair of the Human Resources Committee receives an annual retainer of $20,000.

Approach to Compensation

The Company's approach to executive compensation is based on several guiding principles, outlined below. These principles are intended to drive the achievement of financial and other business performance objectives, and to support talent and development strategies, while remaining aligned with sound risk management practices and our core values:

- support Canada Life's objective of generating value for shareholders and policyholders over the long-term;
- attract, retain and reward qualified and experienced executives who will contribute to the success of Canada Life and its subsidiaries;
- motivate executives to achieve annual corporate, divisional, and individual performance goals;
- promote the achievement of goals in a manner consistent with the Code of Conduct and risk appetite of Canada Life and its subsidiaries; and
- align with regulatory requirements and sound risk management practices.

The Human Resources Committee supports the Board in overseeing the executive compensation policies, programs, and practices, among other responsibilities outlined on page 1. The Board and the Human Resources Committee recognize the importance of executive compensation decisions and remain committed to awarding compensation that reflects management's ability to deliver on its strategic goals and to drive strong performance and sustainable value for shareholders and policyholders.

In designing and administering the individual elements of the executive compensation programs, the Human Resources Committee strives to balance short-term and long-term incentive objectives and to apply prudent judgment in establishing performance criteria, evaluating performance, and determining actual incentive awards. The total compensation of each senior executive is reviewed by the Human Resources Committee from time to time for market competitiveness and reflects each senior executive's job responsibilities, experience, and performance.

Base salaries, annual incentive bonuses, share units and retirement benefits for the senior executives are determined by the Human Resources Committee, while the CEO's base salary, annual incentive bonus and share units are recommended by the Human Resources Committee for approval by the Board. The long-term compensation component awarded in the form of stock options for Lifeco Common Shares is determined and administered by the Human Resources Committee of Great-West Lifeco Inc. ("Lifeco").

Compensation Risk Management

In keeping with the principle of aligning compensation with regulatory requirements and sound risk management practices, the Company has established a compensation policy, as well as supporting standards and practices, guided by the Financial Stability Board Principles for Sound Compensation Practices (the "FSB Principles"). The policy, which is summarized in the table below along with other compensation-risk related policies, standards and practices, is regularly reviewed by the Human Resources Committee. No significant changes were made to the compensation policy for 2021.

Effective 2022, amendments were made to the compensation policy which are reflected in the table below and include:

- an increase to the level of minimum share ownership that is required to be maintained by the CEO from five times base salary to seven times base salary, and the introduction of a requirement whereby the CEO's minimum share ownership levels must be maintained for two years after retirement; and
- the introduction of "clawback" provisions as part of the existing Compensation Malus Standard.

The Human Resources Committee meets with the Company's Executive Vice-President and Chief Risk Officer (the "CRO") on an annual basis to consider the CRO's assessment of the alignment of the policy with the FSB Principles. The CRO may recommend to the Human Resources Committee adjustments to compensation based on a review of key risk factors, also summarized in the table below.

Instrument	Purpose	Key Features
Compensation Policy	Sets out Canada Life's approach to compensation governance and the management of compensation risk.	• The policy is guided by the FSB Principles, and details, among other things, the requirements intended to align compensation with performance outcomes, current and potential risks, and the time horizon of risks.
Compensation "Malus" and "Clawback" Standard	Addresses circumstances in which: (i) unvested deferred variable compensation, vested but unpaid share units, or vested but unexercised stock options may be reduced or cancelled ("malus"); and (ii) paid deferred cash awards, cash paid in respect of vested share units, or gains realized on the exercise of stock options may be recouped ("clawback").	• The malus and clawback provisions may be applied in the event of misconduct (including a material breach of the Code of Conduct), participation in, or responsibility for, conduct that resulted in a material failure of risk management, or a restatement of published consolidated financial statements.
Minimum Compensation Deferral Standard	Outlines the minimum requirements for the deferral of variable compensation.	• Minimum deferral requirements are intended to align compensation with the risk time horizon and to motivate senior employees to create longer-term value. • Employees in scope of this standard are required to defer at least 40% of their variable compensation for a period of three to four years.

Minimum Share Ownership Standard	Sets out the minimum levels of share ownership required of certain senior executives, which is intended to further align executive interests with those of shareholders.	• Requires the CEO to maintain share ownership equal to seven times annual base salary, which extends two years into retirement. • Requires the leaders of Lifeco's major business segments to maintain share ownership equal to two and a half times their annual base salaries. • Additional information can be found on page 10.
Annual review of compensation and risk alignment	An annual review of the alignment of variable compensation with sound risk management practices and risk considerations, conducted by the CRO.	• The CRO reports to the Human Resources Committee on the alignment of the Company's compensation practices with the FSB Principles, as well as on the impact of aggregate variable compensation on the strength of Lifeco's capital base. • The CRO also comments on whether adjustments to compensation should be considered at the aggregate level based on the alignment of Lifeco's risk profile and risk appetite across all major risk types (including market, liquidity, credit, insurance and operational risks), and for select executives, based on their consideration of relevant risk limits and budgets, and their alignment with risk policies and the Code of Conduct.
Insider Trading Policy	Maintains the alignment of employee interest with those of shareholders.	• Prohibits the purchase of financial instruments , including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in the market value of equity securities (or equivalents such as Performance Share Units, the value of which is derived from equity securities) granted by Lifeco or any of its subsidiaries as compensation. • Prohibits the buying or selling of any securities of Lifeco or of its public affiliates with the intention of reselling or repurchasing them within a six-month period in expectation of a short-term rise or fall in the market price of the securities, or generally selling such securities, directly or indirectly, if not owned or fully paid.

It is the Human Resources Committee's view that the compensation policies and practices of the Company are generally aligned with the FSB principles and do not encourage inappropriate or excessive risk-taking.

Annual incentive bonuses are determined by reference to a number of factors, many of which relate to the overall financial performance of Lifeco, Canada Life and/or its major operating subsidiaries and which are beyond the capability of any particular senior executive to affect directly in a significant way. As such, the Human Resources Committee believes that the annual incentive bonus program does not encourage potentially inappropriate short-term risk-taking behaviour. In addition, Performance Share Units granted under the Canada Life Share Unit Plan ("Share Unit Plan") have a three-year vesting period, which helps to reduce the possibility of senior executives taking inappropriate or excessive risks to improve short-term performance.

A significant portion of the compensation for senior executives is in the form of stock options, which typically have a ten-year term and are subject to vesting requirements over a multi-year period. In the view of the Human Resources Committee, as recipients only benefit from stock options if shareholder value increases over the long term, executives are not encouraged to take actions which provide short-term benefits and which may expose the Company over a longer term to inappropriate or excessive risks. As described previously, our approach to executive compensation has been designed to support the Company's objective of generating long-term value for shareholders and policyholders.

Components of Executive Compensation

The executive compensation programs consist of six primary components, which are listed in the table below.

Component	Primary Purpose
Fixed compensation	
Base Salaries	Provide a base level of income reflecting the responsibilities, skills, competencies, experience and performance of senior executives.
Variable incentive compensation	
Annual Incentive Bonuses	Cash-based awards that reflect the achievement of individual and business performance objectives for the year.
Share Units	Awards that accrue value over time that align the medium-term interests of senior executives with the interests of shareholders.
Stock Options	Awards that accrue value over time that align the long-term interests of executives with the interests of shareholders.
Benefits	
Retirement Benefits	Provide for replacement income upon retirement.
Other Benefits	Provide adequate protection in case of illness, disability or death, as well as other competitive benefits offered in the context of total compensation and where typical of market practice.

Base Salary

Base salaries for senior executives are set annually, taking into account the individual's job responsibilities, skills, competencies, experience and performance, as well as market conditions. In addition, salaries also take into consideration market data gathered by Lifeco's subsidiaries or, as noted above, by external compensation consultants.

Annual Incentive Bonus

To relate the compensation of senior executives to the performance the Company, an annual incentive bonus opportunity is provided. Target objectives are set annually at the beginning of each year, and are comprised of the following components:

- business objectives, including a combination of all or some of the following financial measures for Lifeco, Canada Life and/or subsidiaries or business units within them: operating earnings, profitable growth and financial discipline; and
- individual objectives, which are specific to the roles of senior executives, such as those related to strategy, leadership, and risk and compliance initiatives.

Bonus amounts are determined by multiplying the targets set for each senior executive, which are expressed as a percentage of base salary and which vary by position, by the combined results relative to the applicable business and individual component measures.

Base Salary	**X**	**Annual Bonus Target**	**X**	**Business Component**			**+**	**Individual Component**
				Operating Earnings	**Profitable Growth**	**Financial Discipline**		
		A percentage of base salary		*Revenue less policyholder benefits as well as operating and other expenses*	*New business generated, which includes sales on insurance and wealth products*	*Expenses directly incurred by operating divisions to provide support services to run and grow the businesses*		*Role or department specific goals that may be related to strategic, leadership and risk and compliance initiatives*

Lower bonus amounts, including the potential for a zero payout, may result if outcomes are below established performance targets. In addition, the Human Resources Committee or the Board may use discretion to adjust the final value of senior executive bonus awards to ensure they appropriately reflect prudent risk decision-making.

From time to time, special bonuses may be paid for significant projects, such as acquisitions.

Medium and Long-Term Incentives

Senior executives are eligible to receive medium and long-term incentives on an annual basis, which are equity based. Medium-term incentives are awarded pursuant to the Share Unit Plan in the form of notional Performance Share Units. Long-term incentives are awarded pursuant to the Lifeco Stock Option Plan in the form of stock options.

The key design features of the Share Unit Plan and the Stock Option Plan are summarized in the table below. Awards are subject to the terms and conditions of the plans, and any additional terms and conditions affixed by the Human Resources Committee of Lifeco at the time of the grant. Awards granted under the Share Unit Plan are subject to non-competition and non-solicitation provisions (except to the extent prohibited by applicable laws) and which may result in the forfeiture of the awards if breached.

	Medium-Term Incentives – Performance Share Units	Long-Term Incentives – Stock Options
Grant Determination	Awards are generally related to the base salaries of senior executives and to the contributions they have made to the Company, as well as their expected future impact on Company performance.	Awards are generally related to the base salaries of senior executives and to the contributions that the senior executives have made to the Company , as well as their expected future impact on Company performance.
Number of Units Granted	Based on the dollar value of the award and the volume-weighted average share price on the TSX for the five trading days immediately preceding the grant date.	Based on the dollar value of the award and the volume-weighted average share price on the TSX for the five trading days immediately preceding the grant date and an estimated compensation value based primarily on the Black-Scholes option pricing model.
Performance Period	3 years	Up to 10 years
Vesting Period	100% vests after 3 years	Options granted prior to January 1, 2019: 20% vests per year over 5 years. Options granted on or after January 1, 2019: 50% vests after three years and 50% vests after four years.
Value at Payout	The number of Performance Share Units may be adjusted at the time of vesting based on a performance factor, which reflects performance outcomes over a multi-year period, as well as changes in the price of Common Shares and notional dividends credited over the performance period. The number of awards vested can range from 0% to 150% of the number granted as a result of the application of the performance factor.	Changes in the price of Common Shares.

Effective 2022, the performance factor for Performance Share Unit awards will be based on a combination of Lifeco base return on equity (“ROE”) and base earnings growth. This change aligns the assessment of performance under the plan with Lifeco’s medium-term financial objectives and our goal of driving longer-term value creation. Lifeco ROE will comprise 30% of the performance factor, base earnings growth for Lifeco will comprise 35%, and base earnings growth for the relevant business segment will comprise the remaining 35%.

An estimated compensation value, stated as a percentage of the face value of Common Shares under option at grant, is used for the purposes of translating a target compensation value into a number of options to be granted, which was 12% of the face value of Common Shares under option at grant for the option awards granted in 2021.

Under the Share Unit Plan, special notional share units ("Restricted Share Units") may also be awarded in certain circumstances, such as in consideration of the value of an award forfeited by a senior executive at a former employer upon joining the Company. These awards vest no later than three years after the grant date and the number of units may be adjusted at the time of vesting based on changes in the price of Common Shares and notional dividends. From time to time, Performance Share Unit or Restricted Share Unit awards may be granted in recognition of significant projects or major initiatives.

Some of the senior executives who participate in the Share Unit Plan have the option of electing to receive all or a portion of their Performance Share Units and their annual cash bonuses in the form of notional share units that cannot be redeemed until after such senior executive ceases to be an officer, director or employee of the Company.

The Human Resources Committee believes that long-term incentives, with delayed vesting provisions, play an important part in retaining key executive officers and in aligning the interests of the executive officers with those of the Lifeco's shareholders, and in contributing to the achievement of the results that have been attained by the Company.

Retirement Benefits

Canada Life offers retirement arrangements to senior executives. The purpose of these retirement arrangements is to:

- offer an adequate and competitive level of retirement income to senior executives who have spent a significant portion of their career with the Company or one of its subsidiaries;
- provide an incentive for senior executives to remain in service with the Company or one of its subsidiaries through the vesting period; and
- supplement registered pension plan benefits to assist in attracting and retaining senior executives.

Other Benefits

The Company offers healthcare, life, accident and disability insurance coverage to senior executives as well as to all other employees under the same programs.

Share Ownership Requirements

The Human Resources Committee believes that the CEO, and certain other senior executives, should own a significant amount of equity in Lifeco to further align their interests with those of Lifeco's shareholders.

As noted on page 5, effective 2022, the CEO is required to maintain share ownership in Lifeco equal to seven times annual base salary and to maintain this standard for a period of two years following retirement. In addition, certain other senior executives, including the leaders of Lifeco's major business segments, are also required to maintain share ownership in Lifeco equal to two and a half times their annual salary. The share ownership requirement can be satisfied through shares or share units accumulated under the Share Unit Plan, the Directors' Deferred Share Unit plans, the employee share purchase program and through personal holdings.

The CEO and other senior executives subject to the requirements currently exceed the minimum standard.

ANNEX A

The tables below summarize aggregate quantitative information on compensation paid or awarded to 16 Senior Officers (being those officers who have the authority and responsibility for planning, directing, and controlling the activities of the Company), which includes fees paid to members of the Board of Directors, and 34 Material Risk Takers (being the senior investment officers of the Company, the senior technology officers of the Company, those who are responsible for the major operating business units of the Company and those who could have a material impact on the Company's risk exposure).

All of the Senior Officers and Material Risk Takers received annual incentive bonuses and grants of share units and / or stock options in 2021. All outstanding deferred equity-based compensation is subject to implicit adjustments (increases or decreases in value due to changes in the trading price of Lifeco's Common Shares and accumulated dividends) and all outstanding deferred compensation granted in 2021 is subject to explicit adjustments (reduction or cancellation in the event of misconduct, the restatement of financial results or statements, or a material failure of risk management). There were no reductions made to deferred compensation due to explicit or implicit adjustments in 2021.

No guaranteed bonuses, sign-on awards or severance amounts were paid to Senior Officers or Material Risk Takers in 2021.

2021 Compensation awards

	Senior Officers		Material Risk Takers	
($ millions)	Unrestricted	Deferred	Unrestricted	Deferred
Fixed compensation				
Salary	16.6	-	14.1	-
Other	0.4	-	1.9	-
Variable compensation				
Cash-based	11.2	-	14.2	-
Share units	-	12.6	-	11.4
Stock options [1]	-	6.4	-	2.4

[1] Option-based awards are calculated based on Black-Scholes value at the time of grant.

Deferred compensation

	Senior Officers		Material Risk Takers	
($ millions)	Unvested	Vested	Unvested	Vested
Cash-based [1]	-	-	-	0.6
Share units [2]	42.0	8.7	38.1	0.5
Stock options [2]	26.8	12.1	8.5	3.8
Calendar year payouts	-	8.0	-	6.6

[1] Includes cash-based awards granted in respect of 2021 that have been deferred to meet compensation policy requirements. Excludes annual bonuses deferred, at the discretion of the employee, in the form of share units.

[2] Includes all outstanding unvested and vested share units and stock options as of December 31, 2021.