

THE
Great-West Life
ASSURANCE COMPANY



canada life

Notices of special meetings of voting policyholders of

The Great-West Life Assurance Company
London Life Insurance Company
The Canada Life Assurance Company

Joint management proxy circular

August 5, 2019



We Are Seeking Your Vote to Help Us Serve You Better.

Please read this letter and act now.

Go to canadalife.com/vote

August 5, 2019

Dear Policyholder:

Earlier this year, we proudly announced the next chapter in our great Canadian story – that we’re building on the long histories and combining the strengths of Great-West Life, London Life and Canada Life together under one brand – Canada Life. **Building the new Canada Life is a once-in-a-generation opportunity to create an iconic brand for all Canadians.** These three companies were each formed more than 125 years ago and have benefited from common ownership and management since Great-West Life acquired London Life in 1997 and Canada Life in 2003.

Moving to a single brand is more than just a new logo. It represents who we are, what we stand for and the promise we make to you. It will enable us to deliver an improved customer experience. With one brand, we can reduce duplication, simplify our product offerings, focus more on innovation and be better prepared to respond to a changing world. But it doesn’t end there. To realize these and other benefits, we’ve begun the process to amalgamate our three companies (plus two holding companies) into one – The Canada Life Assurance Company.

The amalgamation won’t change your policy or negatively affect your policy dividends. You’ll continue to work with the same advisor you know and trust. And there will be no new forms or paperwork to complete to maintain your current policy just as it is today.

We expect the amalgamation will have a number of benefits for you – our valued policyholders – and are seeking your vote to proceed. We encourage you to read the enclosed materials so you can make an informed decision about the proposed amalgamation and vote in favour of this next step in our evolution.

The expected benefits of amalgamation include:

- improving the customer experience for both you and future policyholders by having a single company to deal with;
- enhancing our ability to introduce new services and offerings that meet your evolving retirement, insurance and wealth management needs;
- allowing for greater diversification of risks and opportunities;
- streamlining operations and reducing administration costs, allowing for more efficient use of capital;

- putting us in an even stronger financial position for the future; and
- simplifying our organizational, governance and capital structure, which we expect will help make us much easier to work with and increase our ability to respond to future business, capital, financial, regulatory, accounting and other requirements in a rapidly-changing environment.

Where do you come in? In order for our valued policyholders to realize the benefits of the proposed amalgamation, and in addition to regulatory approval, we must obtain approval from at least two-thirds of the votes cast by voting policyholders of each company at their respective Special Meeting.

The board of directors of each of Great-West Life, London Life and Canada Life have unanimously endorsed the proposed amalgamation and believe it's in the best interests of all policyholders and their respective companies. We hope you'll cast your vote in support of this next step in our evolution.

Your vote is very important and we encourage you to have your say. The enclosed materials will help you better understand why we are proposing the amalgamation and answer some of the questions you may have.

You have several convenient options for exercising your right to vote:

Vote by proxy:


- online – see the enclosed Proxy Form for details.
- by phone – see the enclosed Proxy Form for details.
- by mail – complete the enclosed Proxy Form and use the return envelope provided.
- appoint a proxyholder (i.e. a delegate) to vote on your behalf at the Special Meeting – see the enclosed Proxy Form for instruction.

Or vote in person:

- attend the Special Meeting called at 9:00 a.m. Central time on October 3, 2019 in Winnipeg, Manitoba at 100 Osborne Street North.

If you have any other questions about the proposed amalgamation, please visit canadalife.com/vote which includes all the information contained in this package and other helpful resources, or call us toll free 1 (833) 995-0228 (within Canada or the U.S.A.) or (204) 220-1811 (all other countries).

Yours truly,



Paul A. Mahon

President and Chief Executive Officer



Questions and answers about the proposed amalgamation¹

1 Why am I receiving this package?

Great-West Life, London Life and Canada Life, together with two holding companies, are proposing to amalgamate into one company. As a voting policyholder, you have the right to attend a meeting and vote on the proposed amalgamation.

2 Is my vote important?

Yes. For the amalgamation to proceed, at least two-thirds of the votes cast by policyholders from each of Great-West Life, London Life and Canada Life must be in favour of the amalgamation and proposed by-laws of the amalgamated company. We encourage all eligible policyholders to vote.

3 What does amalgamation mean?

Currently Great-West Life, London Life and Canada Life are separate insurance companies operating under common branding, ownership and management. Amalgamating means we'd combine into a single larger company, under The Canada Life Assurance Company name. After amalgamation, the policies of the three companies would continue as policies of The Canada Life Assurance Company.

4 How would the amalgamation affect the terms and conditions of my policy?

The proposed amalgamation won't change your policy or negatively affect your dividends.

5 How would the amalgamation affect my voting rights?

Your voting rights in one or more of the three companies would continue as voting rights in the amalgamated company. Any policyholder who held a voting policy with more than one of the amalgamating companies prior to the proposed amalgamation would have only one vote in the amalgamated company after amalgamation. The proposed amalgamation will also have the effect of slightly decreasing the relative weight of any one policyholder's vote in the larger amalgamated company as compared to the weight in one or more of the smaller amalgamating companies. However, based on the total number of voting policyholders in each of Great-West Life, London Life and Canada Life prior to the proposed amalgamation, any such dilution is nominal.

6 Why do you want to amalgamate Great-West Life, London Life and Canada Life?

Amalgamating into a single company will help to position us for future growth and to continue to meet the needs of our customers. The amalgamation is expected to:

- Create operating efficiencies and simplify our capital structure – allowing for more efficient use of capital.
- Simplify our governance structure and improve how responsive we can be to future business, capital, financial, regulatory, accounting and other changes, in a rapidly changing environment.

¹ This Q&A and the responses herein are qualified in their entirety by the joint management proxy circular of Great-West Life, London Life and Canada Life dated August 5, 2019 (the "Joint Circular"). Policyholders are encouraged to review the Joint Circular so that they can make an informed decision about the proposed amalgamation.



- Enable the combination of the companies' open participating accounts, resulting in a larger Canadian open participating account, with the opportunity for greater risk diversification and reduced regulatory and participating account management expenses.

7

I'm a Great-West Life (or London Life) policyholder. Why am I receiving material from Great-West Life/London Life/Canada Life?

Great-West Life, London Life and Canada Life are separate life insurance companies operating under common ownership and management. The three companies market themselves under the Canada Life brand. As a policyholder of one of the three companies, you are receiving material as you are eligible to vote on their proposed amalgamation.

8

Will I need to re-sign my policy or fill out any forms?

No, you won't need to re-sign your current policies, fill out forms or provide any additional information or paperwork to preserve your rights under your policy on the amalgamation. That will happen automatically. All existing policies and contracts will remain unchanged and continue to be in force and serviced by the same teams. Also, your advisor will not change as a result of the amalgamation.

9

What will happen to the participating accounts if Great-West Life, London Life and Canada Life amalgamate?

If the amalgamation is completed, we'll combine the Canadian open participating accounts of each of the three companies into a single Canadian open participating account (including the London Life Bermuda policies). This combined account would be larger than each of the existing open participating accounts and would provide an opportunity for greater risk diversification while reducing regulatory and participating account management expenses. This is expected to result in the distribution of the same or possibly slightly greater policyholder dividends for pre-amalgamation policies than would be the case if the Canadian open accounts were kept separate.

The Canada Life Canadian closed participating account which currently shares the same investment pool as the Canada Life Canadian open participating account, will share the same investment pool as the combined Canadian open participating account. None of the other Canada Life participating accounts will be changed as a result of the amalgamation. These other accounts are: Canada – former New York Life and Crown Life; US – Canada Life and former Crown Life; International – former Crown Life in Hong Kong, Macau, Pacific Rim and South America.

10

Why should I vote in favour of amalgamation?

The board of directors of each of the amalgamating companies has unanimously concluded that the amalgamation is in the best interests of their respective company and that their respective policyholders' interests will be protected. As well, an Independent Actuary reviewed the proposed amalgamation and reported that the proposed amalgamation is fair to all policyholders concerned, in that:

- Policyholders rights (including voting rights) and interests will be protected, recognizing that a policyholder with a vote in more than one of the amalgamating companies will have only one vote in the amalgamated company.
- Security of policyholder benefits will remain satisfactory.



- Reasonable benefit (including dividend) and service expectations of participating policyholders will not be diminished by the proposed amalgamation, including the merger of the open participating accounts of Great-West Life, London Life and Canada Life.
- Reasonable benefit and service expectations of non-participating policyholders with non-fully guaranteed policies will not be diminished by the proposed amalgamation.
- Benefit and service expectations of non-participating policyholders with fully guaranteed policies will be preserved.

A summary of the report is included in the enclosed Joint Circular and the full report is available for inspection at the address set out on the back cover of the enclosed Joint Circular during normal business hours upon prior request to the Corporate Secretary, at the following website: canadalife.com/vote, or by mail on request.

11 How do I vote?

Your vote is important and we encourage you to vote. For your convenience, we offer a few ways to participate.

(a) Vote by proxy:

- Online – see the enclosed Proxy Form for details.
- By phone – see the enclosed Proxy Form for details.
- By mail – complete the enclosed Proxy Form and use the return envelope provided.
- Appoint a proxyholder (i.e. a delegate) to vote on your behalf at the Special Meeting – see the enclosed Proxy Form for instruction.

(b) Or vote in person:

- Attend the Special Meeting called at 9:00 a.m. Central time on October 3, 2019 in Winnipeg, Manitoba at 100 Osborne Street North.

To be valid, proxies by mail, phone or online must be received by Computershare Investor Services Inc. by 10:00 a.m. Eastern time on Tuesday, October 1, 2019 (48 hours prior to the Special Meeting start time). You can also revoke or change your proxy vote by following the instructions provided in the enclosed Joint Circular. If you submit your proxy by telephone you will not be able to name a proxyholder other than the management representatives to vote on your behalf at the Special Meeting.

We encourage you to carefully read and consider the information contained in the enclosed Joint Circular before voting.

12 Who can answer my additional questions?

If you have questions about the Special Meeting or vote, visit canadalife.com/vote or call toll free 1 (833) 995-0228 (within Canada or the U.S.A.) or (204) 220-1811 (all other countries).



NOTICE OF SPECIAL MEETING OF VOTING POLICYHOLDERS OF THE GREAT-WEST LIFE ASSURANCE COMPANY

NOTICE IS HEREBY GIVEN that a special meeting (the “**Great-West Life Special Meeting**”) of voting policyholders of The Great-West Life Assurance Company (“**Great-West Life**”) will be held on October 3, 2019 at 9:00 A.M. (Winnipeg time) at 100 Osborne Street North, Winnipeg, Manitoba to:

1. consider and, if thought advisable, pass, with or without amendment, a special resolution (the “**Special Resolution**”) approving (i) the amalgamation agreement (the “**Amalgamation Agreement**”) among Great-West Life, London Insurance Group Inc., London Life Insurance Company, Canada Life Financial Corporation and The Canada Life Assurance Company (collectively, the “**Amalgamating Companies**”) providing for the amalgamation of the Amalgamating Companies under the *Insurance Companies Act* (Canada) (the “**ICA**”), and (ii) the proposed by-laws of the amalgamated company; and
2. transact such other business as may properly come before the Great-West Life Special Meeting.

The full text of the Special Resolution is set out in Schedule A of the joint management proxy circular dated August 5, 2019 (the “**Joint Circular**”). The Amalgamation Agreement and the proposed by-laws of the amalgamated company are included as Schedule B and Appendix I and II of Schedule B, respectively, of the Joint Circular. We encourage you to take the opportunity to review the Joint Circular in advance of the Great-West Life Special Meeting, including the description of the business of the meeting in the section entitled “The Proposed Amalgamation”, as it contains information that will assist you in exercising your right to vote as a voting policyholder. The meeting is your opportunity to vote on important matters. We encourage you to vote. The Joint Circular provides additional information relating to the proposed amalgamation.

POLICYHOLDERS WHO DO NOT EXPECT TO BE PRESENT AT THE GREAT-WEST LIFE SPECIAL MEETING ARE REQUESTED TO SUBMIT THEIR PROXY BY TELEPHONE OR INTERNET BY FOLLOWING THE INSTRUCTIONS PROVIDED ON THE ENCLOSED FORM OF PROXY. IF YOU CHOOSE TO SUBMIT YOUR PROXY BY TELEPHONE OR INTERNET, IN ORDER TO BE VOTED AT THE GREAT-WEST LIFE SPECIAL MEETING OR AT ANY ADJOURNMENT THEREOF, YOUR PROXY MUST BE SUBMITTED NOT LATER THAN 10:00 A.M. EASTERN TIME ON OCTOBER 1, 2019.

POLICYHOLDERS MAY ALSO SUBMIT THEIR PROXY BY COMPLETING, DATING AND SIGNING THE ACCOMPANYING FORM OF PROXY AND RETURNING IT TO COMPUTERSHARE INVESTOR SERVICES INC. IN THE POSTAGE-PAID ENVELOPE ENCLOSED FOR THAT PURPOSE. IN ORDER TO BE VOTED AT THE GREAT-WEST LIFE SPECIAL MEETING OR AT ANY ADJOURNMENT THEREOF, THE COMPLETED FORM OF PROXY MUST BE DEPOSITED WITH, OR MUST BE MAILED SO AS TO REACH, COMPUTERSHARE INVESTOR SERVICES INC., 100 UNIVERSITY AVENUE, TORONTO, ONTARIO, M5J 2Y1 ATTENTION: PROXY DEPARTMENT, NOT LATER THAN 10:00 A.M. EASTERN TIME ON OCTOBER 1, 2019.

If you have any questions regarding the Great-West Life Special Meeting or require accommodations due to a disability, please contact Computershare Investor Services Inc. at 1-866-612-6241 (within Canada or the U.S.A.) or 514-982-8104 (all other countries).

By Order of the board,

A handwritten signature in black ink, appearing to read "J.W. Trickett", written over a horizontal line.

J.W. Trickett
Senior Vice-President, Corporate Secretary and Chief Governance Officer
August 5, 2019



NOTICE OF SPECIAL MEETING OF VOTING POLICYHOLDERS OF LONDON LIFE INSURANCE COMPANY

NOTICE IS HEREBY GIVEN that a special meeting (the “**London Life Special Meeting**”) of voting policyholders of London Life Insurance Company (“**London Life**”) will be held on October 3, 2019 at 9:00 A.M. (Winnipeg time) at 100 Osborne Street North, Winnipeg, Manitoba to:

1. consider and, if thought advisable, pass, with or without amendment, a special resolution (the “**Special Resolution**”) approving (i) the amalgamation agreement (the “**Amalgamation Agreement**”) among London Life, The Great-West Life Assurance Company, London Insurance Group Inc., Canada Life Financial Corporation and The Canada Life Assurance Company (collectively, the “**Amalgamating Companies**”) providing for the amalgamation of the Amalgamating Companies under the *Insurance Companies Act* (Canada) (the “**ICA**”), and (ii) the proposed by-laws of the amalgamated company; and
2. transact such other business as may properly come before the London Life Special Meeting.

The full text of the Special Resolution is set out in Schedule A of the joint management proxy circular dated August 5, 2019 (the “**Joint Circular**”). The Amalgamation Agreement and the proposed by-laws of the amalgamated company are included as Schedule B and Appendix I and II of Schedule B, respectively, of the Joint Circular. We encourage you to take the opportunity to review the Joint Circular in advance of the London Life Special Meeting, including the description of the business of the meeting in the section entitled “The Proposed Amalgamation”, as it contains information that will assist you in exercising your right to vote as a voting policyholder. The meeting is your opportunity to vote on important matters. We encourage you to vote. The Joint Circular provides additional information relating to the proposed amalgamation.

POLICYHOLDERS WHO DO NOT EXPECT TO BE PRESENT AT THE LONDON LIFE SPECIAL MEETING ARE REQUESTED TO SUBMIT THEIR PROXY BY TELEPHONE OR INTERNET BY FOLLOWING THE INSTRUCTIONS PROVIDED ON THE ENCLOSED FORM OF PROXY. IF YOU CHOOSE TO SUBMIT YOUR PROXY BY TELEPHONE OR INTERNET, IN ORDER TO BE VOTED AT THE LONDON LIFE SPECIAL MEETING OR AT ANY ADJOURNMENT THEREOF, YOUR PROXY MUST BE SUBMITTED NOT LATER THAN 10:00 A.M. EASTERN TIME ON OCTOBER 1, 2019.

POLICYHOLDERS MAY ALSO SUBMIT THEIR PROXY BY COMPLETING, DATING AND SIGNING THE ACCOMPANYING FORM OF PROXY AND RETURNING IT TO COMPUTERSHARE INVESTOR SERVICES INC. IN THE POSTAGE-PAID ENVELOPE ENCLOSED FOR THAT PURPOSE. IN ORDER TO BE VOTED AT THE LONDON LIFE SPECIAL MEETING OR AT ANY ADJOURNMENT THEREOF, THE COMPLETED FORM OF PROXY MUST BE DEPOSITED WITH, OR MUST BE MAILED SO AS TO REACH, COMPUTERSHARE INVESTOR SERVICES INC., 100 UNIVERSITY AVENUE, TORONTO, ONTARIO, M5J 2Y1 ATTENTION: PROXY DEPARTMENT, NOT LATER THAN 10:00 A.M. EASTERN TIME ON OCTOBER 1, 2019.

If you have any questions regarding the London Life Special Meeting or require accommodations due to a disability, please contact Computershare Investor Services Inc. at 1-866-612-6241 (within Canada or the U.S.A.) or 514-982-8104 (all other countries).

By Order of the board,

A handwritten signature in black ink, appearing to be "J.W. Trickett", written over a horizontal line.

J.W. Trickett
Senior Vice-President, Corporate Secretary and Chief Governance Officer
August 5, 2019



NOTICE OF SPECIAL MEETING OF VOTING POLICYHOLDERS OF THE CANADA LIFE ASSURANCE COMPANY

NOTICE IS HEREBY GIVEN that a special meeting (the “**Canada Life Special Meeting**”) of voting policyholders of The Canada Life Assurance Company (“**Canada Life**”) will be held on October 3, 2019 at 9:00 A.M. (Winnipeg time) at 100 Osborne Street North, Winnipeg, Manitoba to:

1. consider and, if thought advisable, pass, with or without amendment, a special resolution (the “**Special Resolution**”) approving (i) the amalgamation agreement (the “**Amalgamation Agreement**”) among Canada Life, The Great-West Life Assurance Company, London Insurance Group Inc., London Life Insurance Company and Canada Life Financial Corporation (collectively, the “**Amalgamating Companies**”) providing for the amalgamation of the Amalgamating Companies under the *Insurance Companies Act* (Canada) (the “**ICA**”), and (ii) the proposed by-laws of the amalgamated company; and
2. transact such other business as may properly come before the Canada Life Special Meeting.

The full text of the Special Resolution is set out in Schedule A of the joint management proxy circular dated August 5, 2019 (the “**Joint Circular**”). The Amalgamation Agreement and the proposed by-laws of the amalgamated company are included as Schedule B and Appendix I and II of Schedule B, respectively, of the Joint Circular. We encourage you to take the opportunity to review the Joint Circular in advance of the Canada Life Special Meeting, including the description of the business of the meeting in the section entitled “The Proposed Amalgamation”, as it contains information that will assist you in exercising your right to vote as a voting policyholder. The meeting is your opportunity to vote on important matters. We encourage you to vote. The Joint Circular provides additional information relating to the proposed amalgamation.

POLICYHOLDERS WHO DO NOT EXPECT TO BE PRESENT AT THE CANADA LIFE SPECIAL MEETING ARE REQUESTED TO SUBMIT THEIR PROXY BY TELEPHONE OR INTERNET BY FOLLOWING THE INSTRUCTIONS PROVIDED ON THE ENCLOSED FORM OF PROXY. IF YOU CHOOSE TO SUBMIT YOUR PROXY BY TELEPHONE OR INTERNET, IN ORDER TO BE VOTED AT THE CANADA LIFE SPECIAL MEETING OR AT ANY ADJOURNMENT THEREOF, YOUR PROXY MUST BE SUBMITTED NOT LATER THAN 10:00 A.M. EASTERN TIME ON OCTOBER 1, 2019.

POLICYHOLDERS MAY ALSO SUBMIT THEIR PROXY BY COMPLETING, DATING AND SIGNING THE ACCOMPANYING FORM OF PROXY AND RETURNING IT TO COMPUTERSHARE INVESTOR SERVICES INC. IN THE POSTAGE-PAID ENVELOPE ENCLOSED FOR THAT PURPOSE. IN ORDER TO BE VOTED AT THE CANADA LIFE SPECIAL MEETING OR AT ANY ADJOURNMENT THEREOF, THE COMPLETED FORM OF PROXY MUST BE DEPOSITED WITH, OR MUST BE MAILED SO AS TO REACH, COMPUTERSHARE INVESTOR SERVICES INC., 100 UNIVERSITY AVENUE, TORONTO, ONTARIO, M5J 2Y1 ATTENTION: PROXY DEPARTMENT, NOT LATER THAN 10:00 A.M. EASTERN TIME ON OCTOBER 1, 2019.

If you have any questions regarding the Canada Life Special Meeting or require accommodations due to a disability, please contact Computershare Investor Services Inc. at 1-866-612-6241 (within Canada or the U.S.A.) or 514-982-8104 (all other countries).

By Order of the board,

A handwritten signature in black ink, appearing to be "J.W. Trickett", written over a horizontal line.

J.W. Trickett
Senior Vice-President, Corporate Secretary and Chief Governance Officer
August 5, 2019

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MANAGEMENT PROXY CIRCULAR

This joint management proxy circular (the “**Joint Circular**”) is being delivered in connection with the solicitation of policyholder proxies by and on behalf of the management of (i) The Great-West Life Assurance Company (“**Great-West Life**”) for use at the special meeting of the voting policyholders of Great-West Life to be held on October 3, 2019 and at any adjournment thereof (the “**Great-West Life Special Meeting**”), (ii) London Life Insurance Company (“**London Life**”) for use at the special meeting of the voting policyholders of London Life to be held on October 3, 2019 and at any adjournment thereof (the “**London Life Special Meeting**”), and (iii) The Canada Life Assurance Company (“**Canada Life**”) for use at the special meeting of the voting policyholders of Canada Life to be held on October 3, 2019 and at any adjournment thereof (the “**Canada Life Special Meeting**”).

Great-West Life, London Life, Canada Life, London Insurance Group Inc. (“**LIG**”) and Canada Life Financial Corporation (“**CLFC**”), are collectively referred to as the “**Amalgamating Companies**”, and each an “**Amalgamating Company**”. Great-West Life, London Life and Canada Life are collectively referred to as the “**Life Companies**”, and each as a “**Life Company**”. The Great-West Life Special Meeting, the London Life Special Meeting and the Canada Life Special Meeting are collectively referred to as the “**Special Meetings**”, and each as a “**Special Meeting**”.

Solicitation of proxies will be primarily by mail, but may also be effected personally or by telephone by employees, agents or advisors of the applicable Life Company, as the case may be, or of their affiliates. The costs of the solicitation will be borne by the applicable Life Company.

The purpose of the Special Meetings is to have the voting policyholders of each of the Life Companies (1) consider and, if thought advisable, pass, with or without amendment, a special resolution (the “**Special Resolution**”) approving (a) the amalgamation agreement (the “**Amalgamation Agreement**”) among the Amalgamating Companies providing for the amalgamation of the Amalgamating Companies (the “**Amalgamation**”) under the *Insurance Companies Act* (Canada) (the “**ICA**”), and (b) the proposed by-laws of the amalgamated company, and (2) transact such other business as may properly come before the Special Meetings.

The board of directors of each of the Life Companies recommends that all voting policyholders of their respective Amalgamating Company vote in favour of the Special Resolution and approve the Amalgamation and the proposed by-laws.

The full text of each Special Resolution is set out in Schedule A of the Joint Circular. The Amalgamation Agreement and the proposed by-laws of the amalgamated company are included as Schedule B and Appendix I and II of Schedule B, respectively, of the Joint Circular.

Unless otherwise indicated, the information herein is given as at December 31, 2018 and all references to “\$” in this Joint Circular are to Canadian dollars.

Policyholder Communications

We encourage you to read this Joint Circular so that you can make an informed decision about the proposed Amalgamation. In addition, to assist voting policyholders becoming more informed we have provided, and will continue to provide, information about the proposed Amalgamation to voting policyholders and other interested parties in various ways. Examples of these initiatives include direct outreach from advisors, information brochures and other materials. In addition, all published information respecting the proposed Amalgamation can be found at the following website: canadalife.com/vote.

If you have questions regarding the Special Meetings, please call toll free 1 (833) 995-0228 (within Canada or the U.S.A.) or (204) 220-1811 (all other countries).

We encourage all voting policyholders to submit a proxy to ensure their vote is counted.

ATTENDANCE AND VOTING INFORMATION

Who Can Vote

Great-West Life

Each voting policyholder of Great-West Life at the close of business on August 5, 2019 will be entitled to attend the Great-West Life Special Meeting and will be entitled to one vote, regardless of the number and value of insurance policies owned, on each matter proposed to come before that meeting. As of the close of business on June 10, 2019 there were 88,600 voting policyholders of Great-West Life entitled to vote at the Great-West Life Special Meeting.

London Life

Each voting policyholder of London Life at the close of business on August 5, 2019 will be entitled to attend the London Life Special Meeting and will be entitled to one vote, regardless of the number and value of insurance policies owned, on each matter proposed to come before that meeting. As of the close of business on June 10, 2019 there were 875,676 voting policyholders of London Life entitled to vote at the London Life Special Meeting.

Canada Life

Each voting policyholder holder of Canada Life at the close of business on August 5, 2019 will be entitled to attend the Canada Life Special Meeting and will be entitled to one vote, regardless of the number and value of insurance policies owned, on each matter proposed to come before that meeting. As of the close of business on June 10, 2019 there were 250,687 voting policyholders of Canada Life entitled to vote at the Canada Life Special Meeting.

How to Vote

General Instructions About Voting

If you are a voting policyholder of Great-West Life, London Life or Canada Life, you may vote in person at the applicable Special Meeting or you may vote by proxy. Whether or not you attend the applicable Special Meeting, you may appoint someone else to vote for you as your proxyholder. Voting by proxy is the easiest way to vote. The people named in the proxy form delivered to you are management representatives. **However, you may appoint another person as your proxyholder, including someone who is not a voting policyholder, by printing that person's name in the blank space on the proxy form.**

If you have specified on the proxy form how you want to vote on a particular matter (by marking FOR or AGAINST), then your proxyholder must vote according to your wishes. If you have not specified how to vote on a particular matter, then your proxyholder can vote as they see fit on that matter. **If you have appointed the management representatives named on the proxy form as your proxyholder, and you have not specified how they should vote, the management representatives will vote FOR the matters presented at the applicable Special Meeting.**

If any amendments are proposed to the matters described in the Notice of Special Meeting, or if any other matters are properly brought before the applicable Special Meeting, your proxyholder can vote as they see fit. As of the date of this Joint Circular, management knows of no such amendments or other matters.

By Telephone or Internet

In order to submit your proxy by telephone or internet, voting policyholders may follow the instructions provided on the enclosed form of proxy. If you choose to submit your proxy by telephone or internet, in order to be voted at the Special Meeting or any adjournment thereof, your proxy must be submitted not later than 10:00 A.M. Eastern time on October 1, 2019. If you submit your proxy by telephone you will not be able to name a proxyholder other than the management representatives to vote on your behalf at the meeting.

By Mail

Voting policyholders may also submit their proxy by completing, signing, dating and returning the proxy form in the postage-paid envelope provided for this purpose. In order to be voted at the Special Meeting or at any adjournment thereof, the completed form of proxy must be deposited with, or must be mailed so as to reach, Computershare Investor Services Inc., 100 University Avenue, Toronto, Ontario M5J 2Y1 Attention: Proxy Department, not later than 10:00 A.M. Eastern time on October 1, 2019.

In Person

If you intend to vote in person at the applicable Special Meeting, please register with Computershare Investor Services Inc. upon your arrival at the Special Meeting.

Changing Your Proxy

If you are a voting policyholder that has returned a proxy form, you may revoke it by:

1. completing and signing a proxy form with a later date than the proxy form you previously returned, and depositing it with Computershare Investor Services Inc. as described in the applicable Life Company's Notice of Special Meeting or under the heading "General Instructions About Voting by Proxy For the Special Meetings" above; or
2. depositing a written statement signed by you or your attorney as authorized by you in writing:
 - (a) to the attention of the Corporate Secretary at the address set out on the back cover of this Joint Circular at any time up to and including October 2, 2019 or the business day before the day to which the applicable Special Meeting is adjourned; or
 - (b) with the chair of the applicable Special Meeting on the day of the meeting before the meeting starts, or on the day to which the Special Meeting is adjourned.

Votes Required for Approval

For the Amalgamation Agreement and the proposed by-laws of the amalgamated company ("**Amalco**") to be approved, the Special Resolution must be passed by (a) two-thirds of the votes cast, in person or by proxy at the Great-West Life Special Meeting, by the Great-West Life voting policyholders, (b) two-thirds of the votes cast, in person or by proxy at the London Life Special Meeting, by the London Life voting policyholders and (c) two-thirds of the votes cast, in person or by proxy at the Canada Life Special Meeting, by the Canada Life voting policyholders. For the vote to proceed, we also require at least 500 voting policyholders of each of the Life Companies to vote in order to reach quorum.

The Amalgamation Agreement must also be approved by the shareholders of each of the Amalgamating Companies, which approvals have been obtained. All of the issued and outstanding common shares of Great-West Life are held by Great-West Lifeco Inc. ("**Lifeco**"), all of the issued and outstanding common shares of London Life are held by LIG and all of the issued and outstanding common shares of Canada Life are held by CLFC. All of the issued and outstanding common shares of each of LIG and CLFC are held by Great-West Life.

Who Counts the Votes

Votes are counted and tabulated by the Amalgamating Companies' agent, Computershare Investor Services Inc. Proxies are not usually submitted to management unless they contain comments from voting policyholders clearly intended for management, or where required under applicable law.

THE PROPOSED AMALGAMATION

Background to the Amalgamation

Great-West Life is a Canadian life insurance company founded and incorporated in 1891 and headquartered in Winnipeg, Manitoba. Great-West Life, directly and through certain of its subsidiaries, offers a broad range of financial products and services for individuals and groups including life and health insurance, investment, savings and retirement income, and reinsurance, primarily in Canada and Europe.

Great-West Life acquired LIG, the parent company of London Life, in 1997. LIG is a financial services holding company incorporated in 1977. Currently, the only business of LIG is the holding of securities of its subsidiaries, including all of the common shares of London Life. London Life is a Canadian life insurance company founded and incorporated in 1874 and headquartered in London, Ontario. London Life, directly and through certain of its subsidiaries, offers a wide range of financial products and services for individuals and groups including life and health insurance, investment, savings and retirement income, primarily in Canada. In addition, London Life participates in international reinsurance markets.

Great-West Life acquired CLFC, the parent company of Canada Life, in 2003. CLFC is a Canadian life insurance company incorporated in 1999 for the purposes of becoming the parent company of Canada Life following Canada Life's demutualization. Currently, the only business of CLFC is the holding of securities of its subsidiaries, including all of the common shares of Canada Life. Canada Life is a Canadian life insurance company founded in 1847, incorporated in 1849 and headquartered in Toronto, Ontario. Canada Life, directly and through certain of its subsidiaries, offers a wide variety of financial products and services for individuals and groups including life and health insurance, retirement savings, investment management, and reinsurance primarily in Canada, the United Kingdom, Ireland, Germany and the United States.

Great-West Life, together with its wholly-owned subsidiaries London Life and Canada Life, is a leading Canadian insurer, employing approximately 16,000 people worldwide. Together they serve the financial security needs of over 18 million people across Canada and Europe. They are a leading provider of individual life insurance in Canada, with nearly three million individual life insurance policies in force and \$459.4 billion in assets under administration as at December 31, 2018. Their products are distributed through a multi-channel network, including brokers, advisors, managing general agencies and financial institutions. The Life Companies share a common board of directors and executive management team and have aligned their operations and corporate governance practices.

The Canadian operations of the Life Companies have undertaken a business transformation designed to drive future growth and enhance how they deliver on their purpose – to improve the financial, physical and mental well-being of Canadians. In early 2017, the Life Companies strategically realigned their Canadian operations into two new business units: one focused on individual customers and the other on group customers. The initiative has continued with an emphasis on increasing efficiencies, while investing more in customer-focused innovations and service offerings. On April 3, 2019, the Life Companies announced that they are adopting a single master brand approach, under which most group insurance and individual insurance products issued by the Life Companies will be branded as Canada Life regardless of the distribution channel or issuing company.

The Amalgamation is a logical step in the business transformation of the Life Companies. If approved, the Amalgamation would align the corporate structure of the Amalgamating Companies with their already realigned business operations and the recently announced single master brand approach. The Amalgamation would result in the Amalgamating Companies continuing as Amalco under the name The Canada Life Assurance Company in English and Compagnie d'Assurance du Canada sur la Vie (La) in French.

Benefits of the Amalgamation

Although the Life Companies share common management, because they are separate legal entities, management is required to replicate steps for each Life Company, maintain and report on each Life Company, and incur the administrative

costs necessary for these duplicate processes. This structure also creates administrative inconveniences and delays when executing on a common strategy that leverages the strengths of the overall business. The Amalgamation is expected to:

- enhance the customer experience for both existing and future policyholders of the Life Companies, by having a single company for customers to deal with, reflecting and reinforcing the move to a single master brand;
- enhance customer offerings by streamlining new product development and improving speed to market;
- create operating efficiencies, including improved responsiveness to future business, capital, financial, regulatory, accounting and other changes, in a rapidly-changing environment;
- allow for the combination of the open participating accounts, resulting in a larger Canadian open participating account, which will allow for greater diversification of risk and a reduction in regulatory and participating account management expenses (see “Effect of the Amalgamation on Participating Accounts” below);
- simplify Great-West Life’s organizational, governance and capital structure; and
- reduce expenses on a consolidated basis through increased efficiencies and elimination of duplicative infrastructure and processes in several areas, including administrative, accounting, actuarial, governance and regulatory processes.

The pro forma financial position of Amalco, after giving effect to the Amalgamation, is described in Schedule C of this Joint Circular.

Independent Actuary’s Report

The ICA and guidelines issued by the Office of the Superintendent of Financial Institutions (“OSFI”), read together, require in connection with any proposed amalgamation a report of an independent actuary to be submitted to the Superintendent of Financial Institutions Canada (the “**Superintendent**”) in support of the amalgamation, that identifies the effects on policyholders and opines on the fairness of the proposed transaction to policyholders. According to OSFI Guideline E-14, this requirement is intended to ensure that an independent party assesses the effects of the proposed transaction on policyholders’ interests with a view to assuring that the position and interests of all policyholders of the amalgamating parties are preserved, and that the security of their benefits will be maintained.

An independent actuary (the “**Independent Actuary**”), Paul Della Penna, a Fellow of the Canadian Institute of Actuaries with more than 35 years of experience, was retained by each of the Life Companies in connection with the Amalgamation as required by the ICA and pursuant to OSFI guidelines. He considered the effect of the Amalgamation on all policyholders of each Life Company as it relates to their current and future rights (including voting rights), security, interests and benefits; their reasonable benefit, cost and dividend expectations; the operating rules relating to closed blocks of participating insurance policies and related policyholders’ benefits and expectations; and continuing service to all policyholders. The Independent Actuary concluded that the Amalgamation is fair to all policyholders concerned in that, as Guideline E-14 stipulates:

- the rights (including voting rights) and interests of policyholders of the Life Companies will be protected by the Amalgamation, recognizing that a policyholder with a vote in more than one of the Life Companies will have only one vote in Amalco;
- based on the current financial condition of the Amalgamating Companies and the projected condition of Amalco, the security of benefits for all policyholders of the Life Companies will remain satisfactory after implementation of the Amalgamation;
- the reasonable service expectations, and the reasonable dividend and other benefit expectations, of participating policyholders are not diminished by the Amalgamation, including the merger of the open participating accounts of the Life Companies;

- the reasonable benefit and service expectations of policyholders of the Life Companies with non-fully guaranteed insurance policies, are not diminished by the Amalgamation; and
- the benefit and service expectations of non-participating policyholders of the Life Companies with fully guaranteed insurance policies will be preserved.

A summary of the Independent Actuary's report is attached to this Joint Circular as Schedule D. A copy of the complete Independent Actuary's report is available for inspection at the address set out on the back cover of this Joint Circular during normal business hours upon prior request to the Corporate Secretary, at the following website: canadalife.com/vote, or by mail on request.

Effect of the Amalgamation on Policyholders and Other Customers

All of the respective obligations of each of the Amalgamating Companies prior to the Amalgamation will continue as obligations of Amalco. **None of the terms of the insurance policies or other contracts of the Amalgamating Companies will be changed as a result of the Amalgamation.** Furthermore, Amalco will adopt governance policies, practices and procedures that are substantively similar to the set of governance policies, practices and procedures that are in use today by each of the Life Companies. No substantive changes are anticipated in the claims processing, service or administration of the insurance policies and contracts other than the benefits that arise from the simplified structure once the Amalgamating Companies are combined. The Amalgamation is not expected to result in any significant changes in the day-to-day operations of the Life Companies or the offices where they currently carry on business.

An important test of the financial strength applied to Canadian life insurance companies is the Life Insurance Capital Adequacy Test (LICAT). This is currently measured separately for each of the Life Companies and on a consolidated basis through Great-West Life's LICAT ratio, which takes into account the financial strength of all of the Amalgamating Companies together. The Amalgamation is not expected to adversely affect Great-West Life's consolidated LICAT ratio. Also, Amalco's financial strength rating from all major rating agencies is expected to be the same as the Life Companies' current financial strength ratings.

Effect of the Amalgamation on Participating Accounts

This section discusses the effects of the Amalgamation on the Life Companies' participating accounts. Additional detail on combining the Life Companies' Canadian open participating accounts can be found in Schedule E.

The Life Companies have participating accounts and sub-accounts which are used to track the investment returns, mortality experience, expenses, taxes and other factors which affect the dividends that are paid to participating policyholders. Great-West Life and London Life each have one participating account which is a Canadian open account, meaning it includes existing insurance policies and is open to new insurance policies issued in Canada (and in the case of London Life, some insurance policies issued in Bermuda). London Life's participating account also includes the participating insurance policies originally issued in Canada by The Prudential Insurance Company of America. Canada Life's participating account is divided into a number of sub-accounts which were established at the time of its demutualization. One of these sub-accounts is open to new business in Canada, with products that compete in the same markets as the Great-West Life and London Life participating accounts. Canada Life also has sub-accounts for participating insurance policies in other jurisdictions, for participating insurance policies issued in Canada pre-demutualization and for participating insurance policies issued by other companies, before being acquired by Canada Life. While some of Canada Life's sub-accounts are open, others are closed which means they are restricted to the insurance policies existing at the time of demutualization and are required to be managed according to rules agreed upon with OSFI. For the purposes of this section, further references to "accounts" will include the sub-accounts within the accounts.

The Life Companies have been under common ownership for many years and their three Canadian open participating accounts have been managed by the same team following consistent governance policies and practices and using harmonized processes. As a result, the Life Companies plan to combine their three Canadian open participating accounts, which will include the associated par account surplus balances, into one Canadian open participating account, with one open participating account surplus, immediately upon completion of the Amalgamation. At the same time, the Life

Companies plan to combine the investment pools supporting the existing three Canadian open participating accounts. The combined Canadian open participating account of Amalco will be supported by two asset segments, each with its own investment pool: (i) one for the Canadian open participating account liabilities, the Canadian closed participating account of Canada Life and the related Canada Life ancillary account, and (ii) the other for the Canadian open participating account surplus. Combining these investment pools is possible because they are all currently being managed subject to virtually the same investment strategies and investment policies. The Canadian closed participating account of Canada Life and the Canada Life ancillary account currently share the same investment pool as the liabilities segment of the Canadian open participating account of Canada Life, as agreed at the time of demutualization, so it will continue to share the same investment pool as the liabilities segment of the combined Canadian open participating account after the Amalgamation.

The three Canadian open participating accounts do not have to be combined on an amalgamation of the Amalgamating Companies. However, the Life Companies have conducted a thorough analysis and comparison of the alternative structures for dealing with the Canadian open participating accounts and concluded that combining them best satisfies the benefit and service expectations of the participating policyholders. Combining these open accounts will result in a larger Canadian open participating account, which will allow for greater diversification of risk along with a reduction in regulatory and participating account management expenses. Combining the open participating accounts of the Life Companies is not expected to materially affect future policyholder dividends. However, it is expected to result in the distribution of the same or possibly slightly greater policyholder dividends for pre-Amalgamation insurance policies than would be the case if the Canadian open accounts were kept separate.

Other than the changes to Canada Life's Canadian open participating account and its Canadian closed participating account referred to above, there will be no changes to any of the other Canada Life participating accounts as a result of the Amalgamation. This includes the various Canada Life accounts for insurance policies issued by it in the United States, for insurance policies originally issued by New York Life Insurance Company and Crown Life Insurance Company ("**Crown Life**") in Canada and for the insurance policies originally issued by Crown Life in Hong Kong, Macau and other Pacific Rim countries and in the United States and South America.

The following are key elements of the proposed management of participating insurance policies post-Amalgamation:

- the existing board approved governance policies or guidelines for each of the separate Life Companies are substantially similar and any differences will be harmonized;
- the participating policyholder dividend scale determination process will continue to conform with the contribution principle, which means that the amount distributed as policyholder dividends is divided among dividend classes within each participating account in proportion to the amount that those classes are considered to have contributed to that amount;
- current practices related to the determination of dividend scales for the participating accounts will not be changed as a result of the Amalgamation so that policyholder reasonable expectations are not expected to be impacted;
- where material differences by company or dividend class exist in the pre-Amalgamation Canadian open account dividend scale components and investment return component of the Canada Life Canadian closed account, these distinctions will be appropriately reflected in policyholder dividends for the impacted dividend classes post-Amalgamation; and
- the surplus balances attributed to the individual Canadian open participating accounts will be combined into a single surplus balance which supports the capital needs of the new combined Canadian open participating account (including both pre-amalgamation in-force policies and post-amalgamation new issues).

The legal rights and interests of policyholders are defined by the terms of their insurance contract and by the provisions of the ICA, to the extent they are applicable to participating policyholders or the management of the participating accounts of the Life Companies. Accordingly, following the Amalgamation, the rights and interests of the participating policyholders as are afforded to them under the provisions of the ICA will continue to apply to the participating policyholders of Amalco in the same manner as they applied to them as participating policyholders of each of the Life Companies prior to the

Amalgamation. In addition, the rights and interests provided to the participating policyholders under the terms of their respective insurance policies issued by any of the Life Companies prior to Amalgamation, will remain unaffected by the Amalgamation, with the exception of voting rights as discussed below.

For further detail and analysis of the effect of the Amalgamation on participating insurance policies, please refer to Schedule E below and the Independent Actuary's report, available for inspection at the address set out on the back cover of this Joint Circular during normal business hours upon prior request to the Corporate Secretary, at the following website: canadalife.com/vote, or by mail on request.

Effect of the Amalgamation on Voting Policyholders

Pursuant to the ICA, the holder of one or more participating insurance policies or non-participating voting insurance policies issued by a Life Company is entitled to attend a meeting of voting policyholders for that Life Company and is entitled to one vote at that meeting. After Amalgamation, the holder of one or more voting insurance policies issued by any of the Life Companies prior to the Amalgamation, would continue to have the right to attend any meeting of voting policyholders for Amalco and would be entitled to one vote at that meeting. This includes any policyholder who held one or more voting insurance policies with more than one of the Life Companies prior to the Amalgamation. The Amalgamation will therefore have the immediate effect of slightly decreasing the relative weight of any one policyholder's vote in the larger Amalco as compared to the weight in one or more of the smaller Life Companies. However, based on the total number of voting policyholders in each of the Life Companies prior to the Amalgamation, any such dilution is nominal. In addition, as has been the case in the past at the Life Companies, the aggregate number of policyholders eligible to vote in Amalco in the future will fluctuate from time to time as voting insurance policies are issued, assumed, terminated or mature. For details as to the number of policyholders eligible to vote for each Life Company, please refer to Schedule E.

Process and Considerations of the Amalgamating Companies' Boards of Directors

Process of the Amalgamating Companies' Boards of Directors

In deciding whether to approve proceeding with the Amalgamation, the board of directors of each Amalgamating Company undertook a rigorous decision-making process that included the following steps:

1. Each Life Company retained the Independent Actuary to express his opinion as to the effect of the Amalgamation on such Life Company and on its policyholders. The board of directors of each Life Company reviewed the Independent Actuary's report during its consideration of the Amalgamation.
2. Each Life Company requested that its "appointed actuary" under the ICA, Tyrone Faulds (the "**Appointed Actuary**") express his opinion as to the effect of the Amalgamation on such Life Company and on its policyholders. The board of directors of each Life Company reviewed the Appointed Actuary's report during its consideration of the Amalgamation.
3. Each Life Company retained Oliver Wyman Limited as a consulting actuary (the "**Consulting Actuary**") to provide advice in developing certain aspects of the amalgamation plan and to express its opinion as to the effect of the Amalgamation on such Life Company and on its policyholders. The board of directors of each Life Company reviewed the Consulting Actuary's reports during its consideration of the Amalgamation.
4. The board of directors of each Amalgamating Company received independent legal advice from counsel which is not counsel to each such Amalgamating Company.
5. The board of directors of each Amalgamating Company was provided with a draft of the Amalgamation Agreement and reviewed and considered the terms thereof and the various approvals and preconditions for the Amalgamation to proceed.
6. The board of directors of each Amalgamating Company received various presentations from senior management regarding the rationale for the Amalgamation and the implications of the Amalgamation for the business and operations of each Amalgamating Company, including the factors described in this Joint Circular under the heading "The Proposed Amalgamation – Considerations of the Amalgamating Companies' Board of Directors".

7. The board of directors of each Life Company had the opportunity to ask questions of the Independent Actuary, the Appointed Actuary, the Consulting Actuary, external legal counsel to the Amalgamating Companies, independent legal counsel (either in person or in writing), and senior management of the Amalgamating Companies with respect to the advice, opinions or reports provided by each of them.
8. The board of directors of each Amalgamating Company was informed that the Amalgamation would require the approval of the Superintendent and the approval of the Minister of Finance (Canada) (the “**Minister**”) in order to proceed.

Considerations of the Amalgamating Companies’ Boards of Directors

The decision to approve the Amalgamation was reached by the board of directors of each of the Amalgamating Companies after consideration of a number of factors, including the following:

1. the benefits to participating policyholders in the combined open accounts from the spreading of insurance and investment risks over a larger insurance policy and asset base;
2. the positive impact of an enhanced customer experience;
3. the positive impact of potential operating efficiencies that are expected to result from the Amalgamation, including improved responsiveness to future business, capital, financial, regulatory, accounting and other changes, in a rapidly-changing environment;
4. the simplification of Great-West Life’s organizational, governance and capital structure;
5. the opportunity to save the administrative, accounting, actuarial, governance and regulatory costs of maintaining London Life, Canada Life, LIG and CLFC as separate subsidiaries of Great-West Life;
6. the conclusions of the Independent Actuary described above in the section entitled “Independent Actuary’s Report” and the conclusions of the Consulting Actuary and the Appointed Actuary;
7. the neutral impact of the Amalgamation on creditors, public securities holders and other stakeholders of the Amalgamating Companies;
8. the terms and conditions of the Amalgamation Agreement;
9. that \$100,000,000 of 6.40% Canada Life subordinated debentures due December 11, 2028 issued and outstanding will remain issued and outstanding following completion of the Amalgamation as an obligation of Amalco in accordance with their terms;
10. that Canada Life Capital Trust, a trust established by Canada Life, issued \$150,000,000 of Canada Life Capital Securities – Series B in 2002, which remain outstanding and that such securities will remain issued and outstanding following completion of the Amalgamation as an obligation of Amalco in accordance with their terms; and
11. the conflicts of interest described in the section entitled “The Proposed Amalgamation – Conflicts of Interest Identified”.

Conflicts of Interest Identified

The directors of each of the Amalgamating Companies identified certain aspects of the Amalgamation that raise potential conflicts of interest. Those conflicts are (i) that the Amalgamating Companies’ boards of directors are composed of the same individuals, except in the case of LIG (whose directors are all members of management of the other Amalgamating Companies), (ii) that certain of the directors of the Amalgamating Companies, as well as certain members of senior management and the Appointed Actuary, are voting policyholders of one or more of the Life Companies, and (iii) the possibility that the interests of the voting policyholders of one Life Company may not be aligned with the interests of the voting policyholders of other Life Companies or with the interests of the shareholder of such Life Company.

The directors of the Amalgamating Companies concluded that there were sufficient procedural protections in connection with the approval of the Amalgamation to ensure appropriate consideration of the interests of all affected stakeholders. They reached this conclusion concerning process (i) having reviewed the matter with external legal counsel to the Amalgamating Companies and independent counsel to the respective boards of directors, and (ii) having regard to the steps in the decision-making process described above under the heading “Process of the Amalgamating Companies’ Boards of Directors”, coupled with the regulatory requirements and preconditions under the ICA for the Amalgamation to proceed. Those preconditions include, among others:

- that the Amalgamation Agreement be approved by the shareholders and voting policyholders of each of the Amalgamating Companies, as applicable, by special resolution, which approval is both required under s. 248 of the ICA and, pursuant to s. 214(2) of the ICA, validates an agreement or transaction otherwise challengeable under the conflict of interest provisions of s. 211 of the ICA, provided the agreement or transaction was reasonable and fair to the relevant Amalgamating Company at the time it was approved by the directors of the Amalgamating Company; and
- that an amalgamation agreement submitted to the Superintendent for approval be accompanied by a report of an independent actuary opining on the effect of the agreement on policyholders (which report was presented to the directors and is described herein, including in summary form as Schedule D).

The directors of the Amalgamating Companies also took into account that the Amalgamation was not expected to have any material impact on participating insurance policies, which has been confirmed in the report of the Independent Actuary – see “Independent Actuary’s Report” above.

Recommendation of the Amalgamating Companies’ Boards of Directors

The board of directors of each of the Amalgamating Companies has unanimously concluded that the Amalgamation is in the best interests of their respective Amalgamating Company. **The board of directors of each of the Life Companies recommends that all voting policyholders of their respective Life Company vote in favour of the Special Resolution.**

The Amalgamation Agreement

The Amalgamating Companies have entered into the Amalgamation Agreement attached as Schedule B to this Joint Circular, which provides for the Amalgamation.

The Amalgamation Agreement provides that the Amalgamation is subject to certain conditions, including the following:

1. the approval of the Amalgamation Agreement, pursuant to subsection 248(5) of the ICA, by (i) Lifeco, as sole shareholder of Great-West Life, (ii) Great-West Life, as sole shareholder of LIG and CLFC, (iii) LIG, as sole shareholder of London Life, and (iv) CLFC, as sole shareholder of Canada Life, which approvals have been obtained;
2. the approval of the Amalgamation Agreement, pursuant to subsection 248(5) of the ICA, of not less than two-thirds of the votes cast by the voting policyholders of each of the Life Companies, each voting separately;
3. the approval of the Amalgamation Agreement pursuant to subsection 247(1) of the ICA, by the Superintendent, which approval was received on July 30, 2019; and
4. the approval by the Minister of an application by the Amalgamating Companies for Letters Patent of Amalgamation, which application will be submitted within three months following the approval of the voting policyholders referred to above, in accordance with the provisions of the ICA.

If approved, the Amalgamation will be effective at 12:01 A.M. (Eastern time) on the date stated in the Letters Patent of Amalgamation issued by the Minister. If any of the conditions set out above are not fulfilled or performed, the Amalgamation will not occur.

The Corporation

The Amalgamation will result in the Amalgamating Companies continuing as Amalco under the name The Canada Life Assurance Company in English and Compagnie d'Assurance du Canada sur la Vie (La) in French. While the registered office of Amalco will be located at 100 Osborne Street North, Winnipeg, Manitoba R3C 1V3, the Amalgamation is not expected to result in any significant changes in the day-to-day operations of the Life Companies or the offices where they currently carry on business.

The Proposed By-Laws for Amalco

The text of the proposed general by-law and the proposed share capital by-law of Amalco are attached as Appendix I and II of Schedule B to this Joint Circular. If approved and if the Amalgamation becomes effective, these by-laws will be the by-laws of Amalco. Holders of voting insurance policies issued or assumed by the Amalgamating Companies will retain their voting rights in respect of Amalco upon completion of the Amalgamation.

Directors of Amalco

The proposed general by-law of Amalco provides that there shall be a minimum of 4 directors and a maximum of 20 directors to be elected by the shareholder of Amalco and a minimum of 4 directors and a maximum of 20 directors to be elected by the policyholders of Amalco. The exact number of directors to be elected by the shareholder and the exact number of directors to be elected by the policyholders at any annual meeting of shareholders and policyholders will be such number as is fixed by the directors of Amalco prior to the annual meeting.

The first directors of Amalco are set out below and will be the directors of the Life Companies immediately preceding the Amalgamation. The first directors of Amalco shall hold office until the next annual meeting of Amalco or until their successors are elected or appointed and the first officers of Amalco shall hold office until replaced by the board of directors of Amalco.

<i>Name of Director (Place of Residence)</i>	<i>Principal Occupation</i>	<i>Shareholders'/ Policyholders' Director</i>
R. Jeffrey Orr (Québec, Canada)	Chair of the Board, Lifeco, Great-West, London Life, CLFC and Canada Life; President and Chief Executive Officer, Power Financial Corporation	Shareholders'
Michael R. Amend (North Carolina, United States of America)	President, Online, Lowes Companies, Inc.	Shareholders'
Deborah J. Barrett, CPA, CA, ICD.D (Ontario, Canada)	Corporate Director	Policyholders'
Heather E. Conway (Ontario, Canada)	Corporate Director	Policyholders'
Marcel R. Coutu (Alberta, Canada)	Corporate Director	Shareholders'
André Desmarais, O.C., O.Q. (Québec, Canada)	Executive Co-Chairman, Power Financial Corporation; Deputy Chairman, President and Co-Chief Executive Officer, Power Corporation of Canada	Shareholders'
Olivier Desmarais (Québec, Canada)	Senior Vice-President, Power Financial Corporation and Power Corporation of Canada	Shareholders'
Paul Desmarais, Jr., O.C., O.Q. (Québec, Canada)	Executive Co-Chairman, Power Financial Corporation; Chairman and Co-Chief Executive Officer, Power Corporation of Canada	Shareholders'

Paul Desmarais III (Québec, Canada)	Senior Vice-President, Power Financial Corporation and Power Corporation of Canada	Shareholders'
Gary A. Doer, O.M. (Manitoba, Canada)	Senior Business Advisor, Dentons Canada LLP	Shareholders'
David G. Fuller (Ontario, Canada)	Corporate Director	Policyholders'
Claude Généreux (Québec, Canada)	Executive Vice-President, Power Financial Corporation and Power Corporation of Canada	Shareholders'
J. David A. Jackson, LL.B. (Ontario, Canada)	Senior Counsel, Blake, Cassels & Graydon LLP	Policyholders'
Elizabeth C. Lempres (Massachusetts, United States of America)	Corporate Director	Policyholders'
Paula B. Madoff (New York, United States of America)	Corporate Director	Shareholders'
Paul A. Mahon (Manitoba, Canada)	President and Chief Executive Officer, Lifeco, Great-West Life, London Life, CLFC and Canada Life	Shareholders'
Susan J. McArthur (Ontario, Canada)	Corporate Director	Policyholders'
Donald M. Raymond, Ph.D., CFA (Ontario, Canada)	Managing Partner and Chief Investment Officer, Alignvest Management Corporation and Alignvest Investment Management Corporation	Policyholders'
T. Timothy Ryan (Florida, United States of America)	Corporate Director	Shareholders'
Jerome J. Selitto (Pennsylvania, United States of America)	President, Better Mortgage Corporation	Policyholders'
James M. Singh, CPA, CMA, FCMA(UK) (Vaud, Switzerland)	Executive Chairman, CSM Bakery Solutions Limited	Policyholders'
Gregory D. Tretiak, FCPA, FCA (Québec, Canada)	Executive Vice-President and Chief Financial Officer, Power Financial Corporation and Power Corporation of Canada	Shareholders'
Siim A. Vanaselja, FCPA, FCA (Ontario, Canada)	Corporate Director	Policyholders'
Brian E. Walsh (New York, United States of America)	Principal and Chief Strategist, Titan Advisors LLC	Shareholders'

Executive Officers of Amalco

It is intended that the following persons, who are the current executive officers of the Life Companies, will be the executive officers of Amalco:

<i>Name of Officer (Place of Residence)</i>	<i>Position with Amalco</i>
R. Jeffrey Orr (Québec, Canada)	Chair of the Board
Paul A. Mahon (Manitoba, Canada)	President and Chief Executive Officer
Arshil Jamal (Ontario, Canada)	President and Chief Operating Officer, Europe
Jeffrey F. Macoun (Ontario, Canada)	President and Chief Operating Officer, Canada

Brian R. Allison
(Manitoba, Canada)

Philip Armstrong
(Ontario, Canada)

Graham R. Bird
(Ontario, Canada)

Sharon C. Geraghty
(Ontario, Canada)

Garry MacNicholas
(Ontario, Canada)

Grace M. Palombo
(Ontario, Canada)

Dervla M. Tomlin
(Dublin, Ireland)

Ross J. Petersmeyer
(Ontario, Canada)

Nancy D. Russell
(Ontario, Canada)

Anne C. Sonnen
(Ontario, Canada)

Jeremy W. Trickett
(Manitoba, Canada)

Executive Vice-President and Chief Investment Officer

Executive Vice-President and Global Chief Information Officer

Executive Vice-President and Chief Risk Officer

Executive Vice-President and General Counsel

Executive Vice-President and Chief Financial Officer

Executive Vice-President and Chief Human Resources Officer

Executive Vice-President and Chief Actuary

Senior Vice-President, Regulatory Affairs

Senior Vice-President and Chief Internal Auditor

Senior Vice-President and Chief Compliance Officer

Senior Vice-President, Corporate Secretary and Chief Governance Officer

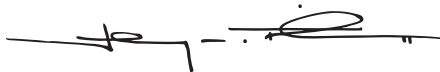
OTHER BUSINESS

None of the Amalgamating Companies know of any matter to come before the Special Meetings other than the matters referred to in each Amalgamating Company's respective Notice of Special Meeting.

APPROVAL OF MANAGEMENT PROXY CIRCULAR


Great-West Life

The contents and sending of this Joint Circular have been approved by the Great-West Life board of directors.



London Life

The contents and sending of this Joint Circular have been approved by the London Life board of directors.



Canada Life

The contents and sending of this Joint Circular have been approved by the Canada Life board of directors.



**SCHEDULE A
AMALGAMATION RESOLUTION AND BY-LAW RESOLUTION**

THE GREAT-WEST LIFE ASSURANCE COMPANY

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The amalgamation of The Great-West Life Assurance Company ("Great-West Life"), London Insurance Group Inc. ("LIG"), London Life Insurance Company ("London Life"), Canada Life Financial Corporation ("CLFC") and The Canada Life Assurance Company ("Canada Life") pursuant to the terms and conditions set forth in the Amalgamation Agreement contained in the management proxy circular in respect of this meeting and such Amalgamation Agreement is hereby authorized and approved.
2. Any two directors or officers of Great-West Life are hereby authorized to make an application to the Minister of Finance (Canada) for letters patent of the amalgamation providing for the amalgamation and continuance of Great-West Life, LIG, London Life, CLFC and Canada Life as one company.
3. Subject to the amalgamation of Great-West Life, LIG, London Life, CLFC and Canada Life becoming effective, the proposed by-laws of the amalgamated company contained in the management proxy circular in respect of this meeting are hereby adopted, approved and confirmed as the by-laws of the amalgamated company.
4. Any two directors or officers of Great-West Life are hereby authorized to execute and deliver all such other documents and instruments and to do all other acts and things as may be necessary or desirable to give effect to the transactions contemplated by this resolution.

LONDON LIFE INSURANCE COMPANY

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The amalgamation of London Life Insurance Company ("London Life"), The Great-West Life Assurance Company ("Great-West Life"), London Insurance Group Inc. ("LIG"), Canada Life Financial Corporation ("CLFC") and The Canada Life Assurance Company ("Canada Life") pursuant to the terms and conditions set forth in the Amalgamation Agreement contained in the management proxy circular in respect of this meeting and such Amalgamation Agreement is hereby authorized and approved.
2. Any two directors or officers of London Life are hereby authorized to make an application to the Minister of Finance (Canada) for letters patent of the amalgamation providing for the amalgamation and continuance of London Life, Great-West Life, LIG, CLFC and Canada Life as one company.
3. Subject to the amalgamation of London Life, Great-West Life, LIG, CLFC and Canada Life becoming effective, the proposed by-laws of the amalgamated company contained in the management proxy circular in respect of this meeting are hereby adopted, approved and confirmed as the by-laws of the amalgamated company.
4. Any two directors or officers of London Life are hereby authorized to execute and deliver all such other documents and instruments and to do all other acts and things as may be necessary or desirable to give effect to the transactions contemplated by this resolution.

THE CANADA LIFE ASSURANCE COMPANY

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The amalgamation of The Canada Life Assurance Company ("Canada Life"), The Great-West Life Assurance Company ("Great-West Life"), London Insurance Group Inc. ("LIG"), London Life Insurance Company ("London Life") and Canada Life Financial Corporation ("CLFC") pursuant to the terms and conditions set forth in the Amalgamation Agreement contained in the management proxy circular in respect of this meeting and such Amalgamation Agreement is hereby authorized and approved.

2. Any two directors or officers of Canada Life are hereby authorized to make an application to the Minister of Finance (Canada) for letters patent of the amalgamation providing for the amalgamation and continuance of Canada Life, Great-West Life, LIG, London Life and CLFC as one company.
3. Subject to the amalgamation of Canada Life, Great-West Life, LIG, London Life and CLFC becoming effective, the proposed by-laws of the amalgamated company contained in the management proxy circular in respect of this meeting are hereby adopted, approved and confirmed as the by-laws of the amalgamated company.
4. Any two directors or officers of Canada Life are hereby authorized to execute and deliver all such other documents and instruments and to do all other acts and things as may be necessary or desirable to give effect to the transactions contemplated by this resolution.

**SCHEDULE B
AMALGAMATION AGREEMENT**

THIS AMALGAMATION AGREEMENT is made this 19th day of July, 2019,

AMONG:

THE GREAT-WEST LIFE ASSURANCE COMPANY, a life insurance company existing under the *Insurance Companies Act* (Canada) (hereinafter called "**Great-West Life**")

- and -

LONDON LIFE INSURANCE COMPANY, a life insurance company existing under the *Insurance Companies Act* (Canada) (hereinafter called "**London Life**")

- and -

THE CANADA LIFE ASSURANCE COMPANY, a life insurance company existing under the *Insurance Companies Act* (Canada) (hereinafter called "**Canada Life**")

- and -

LONDON INSURANCE GROUP INC., a corporation incorporated under the *Canada Business Corporations Act* (hereinafter called "**LIG**")

- and -

CANADA LIFE FINANCIAL CORPORATION, a life insurance company existing under the *Insurance Companies Act* (Canada) (hereinafter called "**CLFC**")

RECITALS:

- A. Each of London Life, Canada Life, LIG and CLFC and are direct or indirect wholly-owned subsidiaries of Great-West Life; and
- B. Great-West Life, London Life, Canada Life, LIG, and CLFC propose to apply to the Minister of Finance for letters patent of amalgamation pursuant to the provisions of Section 245 of the *Insurance Companies Act* (Canada).

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties agree as follows:

1. Interpretation

In this Agreement, the following terms shall have the following meanings:

- 1.1 "**Act**" means the *Insurance Companies Act* (Canada), as amended or re-enacted from time to time and includes the regulations made pursuant thereto;
- 1.2 "**Agreement**" means this amalgamation agreement;
- 1.3 "**Amalgamated Company**" means the company that continues as a result of the amalgamation of the Amalgamating Companies herein provided for;
- 1.4 "**Amalgamating Companies**" means Great-West Life, London Life, Canada Life, LIG and CLFC;
- 1.5 "**Amalgamation**" means the amalgamation of the Amalgamating Companies as contemplated in this Agreement; and
- 1.6 "**Effective Date**" means the date the letters patent of amalgamation issued by the Minister of Finance under the Act become effective.

Words and phrases used in this Agreement and defined in the Act shall have the same meaning in this Agreement as in the Act unless the context otherwise requires.

2. Agreement to Amalgamate

The Amalgamating Companies do hereby agree to amalgamate as of 12:01 a.m. on the Effective Date pursuant to the provisions of the Act and to continue as one company on the terms and conditions set out in this Agreement.

3. Name

The name of the Amalgamated Company shall be, in English, “The Canada Life Assurance Company” and, in French, “Compagnie d’Assurance du Canada sur la Vie (La)”.

4. Head Office

The head office of the Amalgamated Company shall be located at 100 Osborne Street North, Winnipeg, Manitoba R3C 1V3.

5. Authorized Capital

5.1 The Amalgamated Company shall be a company with common shares.

5.2 The authorized capital of the Amalgamated Company shall consist of an unlimited number of common shares without par value (the “**Common Shares**”), an unlimited number of Class A preferred shares without par value, issuable in series (the “**Class A Shares**”) and an unlimited number of Class B preferred shares without par value, issuable in series (the “**Class B Shares**”).

5.3 The rights, privileges, conditions and restrictions attaching to shares of the Amalgamated Company shall be as set out in By-Law Two of the Amalgamated Company attached hereto as Appendix II.

6. Directors

6.1 The first directors of the Amalgamated Company shall be the persons whose names and places of ordinary residence appear below:

<u>Name</u>	<u>Place of Ordinary Residence</u>
Michael R. Amend	North Carolina, United States of America
Deborah J. Barrett	Ontario, Canada
Heather E. Conway	Ontario, Canada
Marcel R. Coutu	Alberta, Canada
André Desmarais	Québec, Canada
Olivier Desmarais	Québec, Canada
Paul Desmarais, Jr.	Québec, Canada
Paul Desmarais III	Québec, Canada
Gary A. Doer	Manitoba, Canada
David G. Fuller	Ontario, Canada
Claude Généreux	Québec, Canada
J. David A. Jackson	Ontario, Canada
Elizabeth C. Lempres	Massachusetts, United States of America
Paula B. Madoff	New York, United States of America
Paul A. Mahon	Manitoba, Canada
Susan J. McArthur	Ontario, Canada

<u>Name</u>	<u>Place of Ordinary Residence</u>
R. Jeffrey Orr	Québec, Canada
Donald M. Raymond	Ontario, Canada
T. Timothy Ryan	Florida, United States of America
Jerome J. Selitto	Pennsylvania, United States of America
James M. Singh	Vaud, Switzerland
Gregory D. Tretiak	Québec, Canada
Siim A. Vanaselja	Ontario, Canada
Brian E. Walsh	New York, United States of America

6.2 The first directors shall hold office until the next annual meeting of the Amalgamated Company or until their successors are elected or appointed. Subsequent directors of the Amalgamated Company shall be elected in accordance with the provisions of the Act.

7. Committees of the Board

The committees of the board of directors of Great-West Life established immediately prior to the Effective Date shall be committees of the board of the Amalgamated Company and the members of such committees shall constitute the first members of such committees of the Amalgamated Company.

8. Officers

The officers of Great-West Life in office immediately prior to the Effective Date shall hold the same office with the Amalgamated Company until replaced by the board of directors of the Amalgamated Company.

9. By-Laws

The first by-laws of the Amalgamated Company will be By-Law One and By-Law Two attached hereto as Appendix I and Appendix II, respectively.

10. Amalgamation

10.1 Upon the Effective Date, the issued capital of the Amalgamating Companies shall be dealt with as follows:

10.1.1 Each one of the issued and outstanding common shares in the capital of Great-West Life shall be converted into one Common Share of the Amalgamated Company and 16.615540104 Class A Shares, Series 6 of the Amalgamated Company.

10.1.2 All of the issued and outstanding common shares in the capital of London Life shall be cancelled without any repayment of capital in respect thereof.

10.1.3 All of the issued and outstanding Class A Shares, Series 1 in the capital of Canada Life shall be converted on a one for one basis into Class A Shares, Series 1 of the Amalgamated Company.

10.1.4 All of the issued and outstanding common shares in the capital of Canada Life shall be cancelled without any repayment of capital in respect thereof.

10.1.5 All of the issued and outstanding common shares in the capital of LIG shall be cancelled without any repayment of capital in respect thereof.

10.1.6 All of the issued and outstanding common shares in the capital of CLFC shall be cancelled without any repayment of capital in respect thereof.

10.2 Upon the Effective Date, the authorized but unissued capital of the Amalgamating Corporations shall be dealt with as follows:

- 10.2.1 The unlimited number of preferred shares in the capital of Great-West Life shall be cancelled.
- 10.2.2 The unlimited number of preferred shares in the capital of London Life shall be cancelled.
- 10.2.3 The unlimited number of Class A Shares, Series 2 in the capital of Canada Life shall be cancelled.
- 10.2.4 The unlimited number of Class A Shares, Series 3 in the capital of Canada Life shall be cancelled.
- 10.2.5 The unlimited number of Class A Shares, Series 4 in the capital of Canada Life shall be converted on a one for one basis into Class A Shares, Series 4 of the Amalgamated Company.
- 10.2.6 The unlimited number of Class A Shares, Series 5 in the capital of Canada Life shall be converted on a one for one basis into Class A Shares, Series 5 of the Amalgamated Company.
- 10.2.7 The unlimited number of Class A Shares, Series Z in the capital of Canada Life shall be converted on a one for one basis into Class A Shares, Series Z of the Amalgamated Company.
- 10.2.8 The unlimited number of Class B Shares in the capital of Canada Life shall be converted on a one for one basis into Class B Shares of the Amalgamated Company.
- 10.2.9 The unlimited number of Class C Shares in the capital of Canada Life shall be cancelled.
- 10.2.10 The unlimited number of Class D Shares in the capital of Canada Life shall be cancelled.
- 10.2.11 The unlimited number of Class E Shares in the capital of Canada Life shall be cancelled.
- 10.2.12 The unlimited number of Class F Shares in the capital of Canada Life shall be cancelled.
- 10.2.13 The unlimited number of Class I preferred shares in the capital of LIG shall be cancelled.
- 10.2.14 The unlimited number of Class II preferred shares in the capital of LIG shall be cancelled.
- 10.2.15 The unlimited number of preferred shares in the capital of CLFC shall be cancelled.

11. Management and Operation of the Amalgamated Company

In addition to the proposed by-laws of the Amalgamated Company, the resolutions of the board of directors of Great-West Life and its committees respecting those matters required to be established under the Act and those respecting the execution of instruments and indemnification of directors as they were in force immediately prior to the Effective Date shall be in force and apply as resolutions of the board of directors of the Amalgamated Company or its committees, as applicable, unless and until amended or repealed.

All other operating resolutions, policies and procedures adopted or established by the board of directors of Great-West Life, London Life, Canada Life and their committees, and in effect immediately prior to the Effective Date, shall be the operating resolutions, policies and procedures of the Amalgamated Company unless and until amended or repealed, provided that (unless as agreed otherwise by the President and Chief Executive Officer and Corporate Secretary): (i) if a conflicting or duplicative operating resolution, policy or procedure exists as between Great-West Life and either of London Life or Canada Life, the operating resolution, policy or procedure of Great-West Life shall be the operating resolution, policy or procedure of the Amalgamated Company (but, in the case of a conflict, only to the extent of such

conflict); and (ii) if a conflicting or duplicative operating resolution, policy or procedure exists as between London Life and Canada Life, the operating resolution, policy or procedure of London Life shall be the operating resolution, policy or procedure of the Amalgamated Company (but, in the case of a conflict, only to the extent of such conflict).

12. Termination

At any time prior to the issuance of letters patent of amalgamation, this Agreement may be terminated by the board of directors of any of the Amalgamating Companies, or amended by the board of directors of all of the Amalgamating Companies, notwithstanding the approval by the shareholders and the policyholders of the Amalgamating Companies of the terms and conditions hereof.

13. Conditions

The Amalgamation is subject to the following conditions:

- (a) the approval of this Agreement pursuant to subsection 247(1) of the Act by the Superintendent of Financial Institutions Canada;
- (b) the approval of this Agreement pursuant to subsection 248(5) of the Act by the sole shareholder of Great-West Life and the policyholders of Great-West Life entitled to vote, each voting separately;
- (c) the approval of this Agreement pursuant to subsection 248(5) of the Act by the sole shareholder of London Life and the policyholders of London Life entitled to vote, each voting separately;
- (d) the approval of this Agreement pursuant to subsection 248(5) of the Act by the sole shareholder of Canada Life and the policyholders of Canada Life entitled to vote, each voting separately;
- (e) the approval of this Agreement pursuant to subsection 248(5) of the Act by the sole shareholder of LIG;
- (f) the approval of this Agreement pursuant to subsection 248(5) of the Act by the sole shareholder of CLFC; and
- (g) the approval by the Minister of Finance of the application by the Amalgamating Companies for letters patent of amalgamation in accordance with the provisions of the Act.

14. Voting Rights

Voting policyholders of the Amalgamating Companies will continue to have the same voting rights with the Amalgamated Company as they had with the Amalgamating Companies.

15. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

16. Time of Essence

Time shall be of the essence of this Agreement.

17. Further Assurances

Any party, at the request of another party, will do all such further acts and execute and deliver all such further documents or instruments as the other party may reasonably require from time to time to perform and carry out the terms and intent of this Agreement and the Amalgamation.

18. Counterparts

This Agreement may be executed in counterparts, each of which shall constitute an original and when taken together shall constitute one and the same instrument. Delivery of an executed signature page by facsimile transmission or electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto by their proper officers duly authorized in that behalf as at the date first mentioned above.

THE GREAT-WEST LIFE ASSURANCE COMPANY

By: (signed) Paul A. Mahon

Name: Paul A. Mahon

Title: Director

By: (signed) Jeremy W. Trickett

Name: Jeremy W. Trickett

Title: Corporate Secretary

LONDON LIFE INSURANCE COMPANY

By: (signed) Paul A. Mahon

Name: Paul A. Mahon

Title: Director

By: (signed) Jeremy W. Trickett

Name: Jeremy W. Trickett

Title: Corporate Secretary

THE CANADA LIFE ASSURANCE COMPANY

By: (signed) Paul A. Mahon

Name: Paul A. Mahon

Title: Director

By: (signed) Jeremy W. Trickett

Name: Jeremy W. Trickett

Title: Corporate Secretary

LONDON INSURANCE GROUP INC.

By: (signed) Arshil Jamal

Name: Arshil Jamal

Title: Director

By: (signed) Jeremy W. Trickett

Name: Jeremy W. Trickett

Title: Secretary

CANADA LIFE FINANCIAL CORPORATION

By: (signed) Paul A. Mahon

Name: Paul A. Mahon

Title: Director

By: (signed) Jeremy W. Trickett

Name: Jeremy W. Trickett

Title: Corporate Secretary

APPENDIX I
THE CANADA LIFE ASSURANCE COMPANY
General By-Law No. 1

**A by-law relating generally to the transaction of the business and affairs of
The Canada Life Assurance Company**

SECTION 1 — INTERPRETATION

1.1 Definitions

In this By-law No. 1 and all other by-laws of the Company, unless the context otherwise requires:

“Act” means the *Insurance Companies Act* (Canada) and any regulations in force thereunder, and any statute and regulations that may be substituted therefor, all as amended from time to time; and

“Company” means The Canada Life Assurance Company.

1.2 Construction

Subject to Section 1.1 of this By-law, words and expressions defined in the Act have the same meanings when used in this By-law; the singular shall include the plural and vice-versa; and the term “persons” includes natural persons, entities and personal representatives, and any number or aggregate of them.

SECTION 2 — DIRECTORS

2.1 Number

There shall be a minimum of 4 directors and a maximum of 20 directors to be elected by the shareholders of the Company and a minimum of 4 directors and a maximum of 20 directors to be elected by the policyholders of the Company. The exact number of directors to be elected by the shareholders and the exact number of directors to be elected by the policyholders at any annual meeting of shareholders and policyholders shall be such number as is fixed by the directors prior to the annual meeting. The shareholders’ directors and the policyholders’ directors may, respectively, appoint one or more additional directors as shareholders’ directors or policyholders’ director, as the case may be, to hold office for a term expiring not later than the close of the next annual meeting of shareholders or policyholders, provided that: (a) the total number of directors so appointed shall not exceed one third of the number of directors elected at the previous annual meeting of shareholders or policyholders, and (b) the maximum number of directors is not exceeded.

2.2 Conduct of Meetings of Directors

The directors shall establish from time to time the place of, and the procedures for the calling and conduct of, meetings of the Board of Directors and, subject to delegation by the Board of Directors, of its committees.

SECTION 3 — DIRECTORS’ REMUNERATION

3.1 Remuneration

In each financial year, the total amounts that may be paid by the Company to its directors for their services as directors shall not exceed \$5,000,000 dollars, which amount may be apportioned among the directors on such basis as the directors may determine, together with such further amounts as may be necessary to reimburse the directors for their reasonable expenses properly incurred in respect of their services to the Company in their capacity as directors.

SECTION 4 — MEETINGS OF SHAREHOLDERS AND POLICYHOLDERS

4.1 Chair

The Chair of any meeting of shareholders, meeting of policyholders, or meeting of shareholders and policyholders shall be the Chair of the Board of Directors, or in the absence of the Chair of the Board of Directors, the Chief Executive Officer, or in the absence of the Chair of the Board of Directors and the Chief Executive Officer, a director selected by the directors present at the meeting.

SECTION 5 — INDEMNIFICATION

5.1 Indemnification

Subject to the limitations contained in the Act, but without limit to the right of the Company to indemnify any person under the Act or otherwise, the Company shall indemnify a director or officer or a former director or officer of the Company, or a person who acts or acted at the Company's written request as a director or officer of a body corporate of which the Company is or was a shareholder or creditor, and such person's heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal or administrative action or proceeding to which such person is made a party by reason of being or having been such a director or officer of the Company or such body corporate or fiduciary (except in respect of an action by or on behalf of the Company or such body corporate to procure a judgment in its favour), if:

- (a) such person acted honestly and in good faith with a view to the best interests of the Company or the body corporate for whom such person acted at the request of the Company, as the case may be, and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person had reasonable grounds for believing that such person's conduct was lawful.

5.2 Indemnification – Derivative Actions

The Company shall, with the prior approval of the court having jurisdiction, indemnify a person referred to in Section 5.1 above in respect of an action by or on behalf of the Company or such body corporate to procure a judgment in its favour, to which he or she is made a party by reason of being or having been a director or an officer of the Company or such body corporate, against all costs, charges and expenses reasonably incurred by him or her in connection with such action if he or she fulfills the conditions set out in Sections 5.1(a) and (b) above.

5.3 Right to Indemnity

Notwithstanding anything in this By-law, a person referred to in Section 5.1 shall be indemnified by the Company in respect of all costs, charges and expenses reasonably incurred by him or her in connection with the defence of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a director or officer of the Company or body corporate, if the person seeking indemnity,

- (a) was substantially successful on the merits in his or her defence of the action or proceeding; and
- (b) fulfills the conditions set out in Sections 5.1(a) and (b) above.

SECTION 6 — GENERAL

6.1 Head Office

The head office of the Company shall be in the City of Winnipeg in the Province of Manitoba.

6.2 Execution of Instruments

Contracts, documents or instruments in writing requiring execution by the Company shall be executed by such persons and in such manner as may be determined from time to time by the Board of Directors.

6.3 Financial Year End

The financial year of the Company shall end at the expiration of the 31st day of December in each year.

6.4 Notices

Any notice or other document to be given or sent by the Company to a director, shareholder, policyholder, officer, auditor or the actuary of the Company may be given or sent by pre-paid mail to, or delivered personally to, or sent by email or any other electronic or telephonic communication device to the last known postal or electronic address of the recipient. The accidental omission to give any notice to any director, shareholder, policyholder, officer, auditor or actuary of the Company, or the non-receipt of any notice, or any error in any notice not affecting the substance thereof, shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

SECTION 7 — EFFECTIVE TIME

7.1 Effective Time:

This By-law No. 1 shall be effective at 12:01 a.m. on [■], being the time at which the amalgamation of The Canada Life Assurance Company, The Great-West Life Assurance Company, London Life Insurance Company, Canada Life Financial Corporation and London Insurance Group Inc. becomes effective.

APPENDIX II
THE CANADA LIFE ASSURANCE COMPANY
By-Law No. 2
Share Capital By-Law

SECTION 1 — INTERPRETATION

1.1 Definitions

In this By-law, unless the context requires otherwise:

“Board” means the board of directors of the Company;

“Meeting” means, unless the context otherwise requires, an annual meeting of shareholders and Policyholders, a special meeting of shareholders or Policyholders, or both, and includes a meeting of any class or series of any class of shareholders; and

“Policyholder” means a person who holds a policy issued or assumed by the Company, the holder of which is entitled under the Act to vote at a Meeting.

All other capitalized terms used but not defined in this By-law shall have the meanings given to such terms in General By-Law No. 1 of the Company.

SECTION 2 — AUTHORIZED CAPITAL

2.1 Authorized Capital

The authorized capital of the Company shall consist of:

- (a) an unlimited number of common shares without par value (the “Common Shares”);
- (b) an unlimited number of Class A preferred shares without par value, issuable in series (the “Class A Shares”); and
- (c) an unlimited number of Class B preferred shares without par value, issuable in series (the “Class B Shares”);

as more particularly set out in Sections 3 to 5, inclusive.

SECTION 3 — COMMON SHARES

3.1 Attributes

The Common Shares shall be non-redeemable, and the rights of the holders thereof shall be equal in all respects, and those rights shall be as follows:

- (a) the right to receive notice of and to vote at all meetings of shareholders, except for meetings where only policyholders or holders of another specified class or series of shares are entitled to vote, and to one vote in respect of each Common Share held;
- (b) the right to receive dividends if, as and when declared on those shares; and

- (c) on liquidation, dissolution or winding up of the Company, the right to receive the remaining property of the Company that pertains to shareholders.

SECTION 4 — CLASS A SHARES

4.1 Class Rights

The rights, privileges, restrictions and conditions attaching to, and being common to all shares of the class of, the Class A Shares shall be the following:

- (a) the Class A Shares shall, as a class, be entitled to preference over any other shares of the Company, except classes of shares which by their terms rank in priority to or on a parity with the Class A Shares, with respect to priority in payment of dividends and distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its Policyholders and shareholders for the purpose of winding up its affairs. For greater certainty, the Class A Shares shall rank junior to all claims of creditors of the Company in the event of the liquidation, dissolution or winding-up of the Company whether voluntary or involuntary, or any other distribution of the assets of the Company for the purpose of winding up its affairs;
- (b) the Company shall not without, but may from time to time with, the authorization of the holders of the Class A Shares given as specified in Section 4.1(c) hereof and in compliance with applicable legal requirements, create any class or classes of shares ranking in priority to or on a parity with the Class A Shares;
- (c) any authorization required to be given hereunder or any confirmation or approval required to be given by special resolution in accordance with applicable law by the holders of the Class A Shares voting separately as a class shall be deemed to have been sufficiently given or passed if it shall have been given or passed by resolution signed by all holders of Class A Shares or if it shall have been given or passed by a resolution passed at a Meeting of the holders of Class A Shares duly called for that purpose and held upon at least 21 days' notice at which holders of at least 25% of the outstanding Class A Shares are present or represented by proxy and carried by the affirmative vote of the holders of not less than 66 2/3% of the Class A Shares cast on a poll at such meeting. If, at any such Meeting, the holders of at least 25% of the outstanding Class A Shares are not present or represented by proxy within one-half hour after the time appointed for such Meeting, then the Meeting shall be adjourned to such date being not less than three days later and to such time and place as may be appointed by the chairman of such Meeting and not less than two days' notice shall be given of such adjourned Meeting but it shall not be necessary in such notice to specify the purpose for which the Meeting was originally called. At such adjourned Meeting, the holders of Class A Shares present or represented by proxy shall constitute a quorum and may transact the business for which the Meeting was originally called. A resolution passed thereat by the affirmative vote of the holders of not less than 66 2/3% of the Class A Shares cast on a poll at such Meeting shall constitute the authorization of the holders of the Class A Shares referred to herein. The formalities to be observed in respect of the giving of notice of any such Meeting or adjourned Meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the Company or administrative resolutions of the Company with respect to Meetings of shareholders, or if no such by-laws or resolutions exist, the formalities and procedures required by law, supplemented as needed by the by-laws of the Company prescribed from time to time for, or the procedures prescribed by administrative resolutions of the Company with respect to, Meetings of Policyholders or shareholders; and;
- (d) except as provided in this By-law, no series of Class A Shares shall have attached thereto any right of the holders of Class A Shares of such series to vote at Meetings of shareholders and/or Policyholders of the Company, except such rights as may be provided by applicable law, and except the right to vote upon the occurrence of an event that is continuing or by reason of a condition that has been fulfilled if and to the

extent set out in the rights, privileges, restrictions and conditions applicable to shares of such series, if any. If the Class A Shares, or any series thereof, shall become entitled to voting rights, the holder of each such share shall have the right to one vote per share at all class or series Meetings of the holders of Class A Shares, or a series thereof, as the case may be.

4.2 Powers of Directors

Subject to Sections 4.1 and 4.3 hereof, the directors of the Company may from time to time by resolution,

- (a) divide the Class A Shares into series and fix the number, if any, and designation of shares of any such series and the rights, privileges, restrictions and conditions thereof including, without limitation, the rate, amount or method of calculation of dividends or liquidation entitlement and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the dates of payment thereof, subject to Section 4.1(d), the voting rights, if any, to be attached to the Class A Shares of such series, whether the Class A Shares of such series are redeemable or purchasable for cancellation and the redemption and/or purchase prices or the formula according to which the redemption or purchase price may be calculated, the terms and conditions of redemption and/or purchase, rights permitting or requiring the conversion or exchange of such shares into shares of another class or series or other securities of the Company or another body corporate, if any, any sinking or purchase funds, special covenants or other provisions and rights of retraction, if any, vested in the holders of Class A Shares of such series, and the prices and the other terms and conditions of any right of retraction and whether any additional rights of retraction may be vested in such holders in the future; and
- (b) change the rights, privileges, restrictions and conditions attached to any unissued series of Class A Shares.

4.3 Series Rights

The Class A Shares of each series shall rank on a parity with the Class A Shares of every other series with respect to priority in payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its Policyholders and shareholders for the purpose of winding up its affairs.

4.4 Amendments

Section 4 of this By-law may be deleted, varied, modified, amended or amplified with the prior authorization of the holders of the Class A Shares then outstanding given as provided in Section 4.1(c) hereof and in compliance with applicable legal requirements.

SECTION 5 — CLASS B SHARES

5.1 Class Rights

The rights, privileges, restrictions and conditions attaching to, and being common to all shares of the class of, the Class B Shares shall be the following:

- (a) the Class B Shares shall, as a class, rank equally with any other class of shares of the Company which by its terms ranks on a parity with the Class B Shares and junior to the Class A Shares and any other class of shares of the Company which by its terms ranks in priority to the Class B Shares, and shall be entitled to preference over all other classes of shares of the Company which by their terms rank junior to the Class B Shares with respect to priority in payment of dividends and distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its Policyholders and shareholders for the purpose of winding up its affairs. For greater certainty, the Class B Shares shall rank junior to all claims of creditors of

the Company in the event of the liquidation, dissolution or winding-up of the Company whether voluntary or involuntary, or any other distribution of the assets of the Company for the purpose of winding up its affairs;

- (b) the Company shall not without, but may from time to time with, the authorization of the holders of the Class B Shares given as specified in Section 5.1(c) hereof and in compliance with applicable legal requirements, create any class or classes of shares in addition to the Class A Shares ranking in priority to or on a parity with the Class B Shares;
- (c) any authorization required to be given hereunder or any confirmation or approval required to be given by special resolution in accordance with applicable law by the holders of the Class B Shares voting separately as a class shall be deemed to have been sufficiently given or passed if it shall have been given or passed by resolution signed by all holders of Class B Shares or if it shall have been given or passed by a resolution passed at a Meeting of the holders of Class B Shares duly called for that purpose and held upon at least 21 days' notice at which holders of at least 25% of the outstanding Class B Shares are present or represented by proxy and carried by the affirmative vote of the holders of not less than 66 2/3% of the Class B Shares cast on a poll at such Meeting. If, at any such Meeting, the holders of at least 25% of the outstanding Class B Shares are not present or represented by proxy within one-half hour after the time appointed for such Meeting, then the Meeting shall be adjourned to such date being not less than three days later and to such time and place as may be appointed by the chairman of such Meeting and not less than two days' notice shall be given of such adjourned Meeting but it shall not be necessary in such notice to specify the purpose for which the Meeting was originally called. At such adjourned Meeting, the holders of Class B Shares present or represented by proxy shall constitute a quorum and may transact the business for which the Meeting was originally called. A resolution passed thereat by the affirmative vote of the holders of not less than 66 2/3% of the Class B Shares cast on a poll at such Meeting shall constitute the authorization of the holders of the Class B Shares referred to herein. The formalities to be observed in respect of the giving of notice of any such Meeting or adjourned Meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the Company or administrative resolutions of the Company with respect to Meetings of shareholders, or if no such by-laws or resolutions exist, the formalities and procedures required by law, supplemented as need be by the by-laws of the Company prescribed from time to time for, or the procedures prescribed by administrative resolutions of the Company with respect to, Meetings of Policyholders or shareholders; and
- (d) except as provided in this By-law, no series of Class B Shares shall have attached thereto any right of the holders of Class B Shares of such series to vote at Meetings of shareholders and/or Policyholders of the Company, except such rights as may be provided by applicable law, and except the right to vote upon the occurrence of an event that is continuing or by reason of a condition that has been fulfilled if and to the extent set out in the rights, privileges, restrictions and conditions applicable to shares of such series, if any. If the Class B Shares, or any series thereof, shall have become entitled to voting rights, the holder of each such share shall have the right to one vote per share at all class or series Meetings of the holders of Class B Shares, or a series thereof, as the case may be.

5.2 Powers of Directors

Subject to Sections 5.1 and 5.3 hereof, the directors of the Company may from time to time by resolution,

- (a) divide the Class B Shares into series and fix the number, if any, and designation of shares of any such series and the rights, privileges, restrictions and conditions thereof including, without limitation, the rate, amount or method of calculation of dividends or liquidation entitlement and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the dates of payment thereof, subject to Section 5.1(d), the voting rights, if any, to be attached to the Class B Shares of such series, whether the Class B Shares of such series are redeemable or purchasable for cancellation and the redemption and/or purchase prices or the formula according to which the redemption or purchase price

may be calculated, the terms and conditions of redemption and/or purchase, rights permitting or requiring the conversion or exchange of such shares into shares of another class or series or other securities of the Company or another body corporate, if any, any sinking or purchase funds, special covenants or other provisions and rights of retraction, if any, vested in the holders of Class B Shares of such series, and the prices and the other terms and conditions of any right of retraction and whether any additional rights of retraction may be vested in such holders in the future; and

- (b) change the rights, privileges, restrictions and conditions attached to any unissued series of Class B Shares.

5.3 Series Rights

The Class B Shares of each series shall rank on a parity with the Class B Shares of every other series with respect to priority in payment of dividends and in distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its Policyholders and shareholders for the purpose of winding up its affairs.

5.4 Amendments

Section 5 of this By-law may be deleted, varied, modified, amended or amplified with the prior authorization of the holders of the Class B Shares then outstanding given as provided in Section 5.1(c) hereof and in compliance with applicable legal requirements.

SECTION 6 — EFFECTIVE TIME

6.1 Effective Time

This By-law No. 2 shall be effective at 12:01 a.m. on [■], being the time at which the amalgamation of The Canada Life Assurance Company, The Great-West Life Assurance Company, London Life Insurance Company, Canada Life Financial Corporation and London Insurance Group Inc. becomes effective.

SCHEDULE C
PRO FORMA UNAUDITED COMBINED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

(in Canadian \$ millions)

	Canada Life	London Life	Great-West Life	Amalco
Assets				
Invested assets	\$83,431	\$34,324	\$132,512	\$132,512
Assets held for sale	897	0	897	897
Goodwill and intangible assets	1,549	88	8,389	8,389
Other assets	23,192	4,007	23,778	23,778
Investments on account of segregated fund policyholders	107,323	58,270	177,711	177,711
Investments on account of segregated fund policyholders held for sale	3,319	0	3,319	3,319
Total assets	<u>\$219,711</u>	<u>\$96,689</u>	<u>\$346,606</u>	<u>\$346,606</u>
Liabilities				
Insurance and investment contract liabilities	\$85,773	\$32,210	\$130,218	\$130,218
Liabilities held for sale	897	0	897	897
Other liabilities	9,866	1,952	10,502	11,502*
Investment and insurance contracts on account of segregated fund policyholders	107,323	58,270	177,711	177,711
Investment and insurance contracts on account of segregated fund policyholders held for sale	3,319	0	3,319	3,319
Total liabilities	<u>207,178</u>	<u>92,432</u>	<u>322,647</u>	<u>323,647</u>
Equity				
Participating account surplus	288	1,827	2,723	2,723
Non-controlling interests	119	0	21	21
Shareholder's equity	12,126	2,430	21,215	20,215*
Total equity	<u>12,533</u>	<u>4,257</u>	<u>23,959</u>	<u>22,959</u>
Total liabilities and equity	<u>\$219,711</u>	<u>\$96,689</u>	<u>\$346,606</u>	<u>\$346,606</u>
Available capital	11,694	4,010	16,141	16,141
Surplus allowance and eligible deposits	7,521	1,901	10,665	10,665
Base solvency buffer	13,460	4,412	19,165	19,165
Life Insurance Capital Adequacy Test (LICAT) ratio:	<u>143%</u>	<u>134%</u>	<u>140%</u>	<u>140%</u>

* The balance sheets presented for each of Canada Life, London Life and Great-West Life are unchanged from those issued in each of the companies' 2018 annual reports. Since Canada Life and London Life are already wholly-owned subsidiaries of Great-West Life, the pro forma balance sheet for Amalco is the same as that for Great-West Life consolidated, adjusted only for the proposed restructuring step as follows.

Subject to board approval, existing common shares of Great-West Life held by Great-West Lifeco Inc. will be converted into common and new preferred shares of Amalco on the effective date of the amalgamation.

SCHEDULE D
SUMMARY OF INDEPENDENT ACTUARY'S REPORT

I, Paul Della Penna, Fellow of the Canadian Institute of Actuaries, Fellow of the Society of Actuaries and Member of the American Academy of Actuaries, have been engaged jointly by The Great-West Life Assurance Company ("Great-West Life"), London Life Insurance Company ("London Life") and The Canada Life Assurance Company ("Canada Life"), to prepare an independent actuarial report, pursuant to s. 247(2) of the *Insurance Companies Act* (Canada) (the "ICA"), with respect to the proposed amalgamation of Great-West Life, London Life, Canada Life, London Insurance Group Inc. ("LIG") (the sole shareholder of London Life) and Canada Life Financial Corporation ("CLFC") (the sole shareholder of Canada Life), to be carried out pursuant to the terms of sections 245 to 253 of the ICA (the "Amalgamation"). Each of London Life, Canada Life, LIG and CLFC (together with Great-West Life, the "Amalgamating Companies") are Canadian companies that are all direct or indirect wholly owned subsidiaries of Great-West Life, and as such, the financial statements of the Amalgamating Companies are already consolidated in the financial statements of Great-West Life.

I considered the effect of the proposed transaction on the policyholders of Great-West Life, London Life and Canada Life, as it relates to:

- their current and future rights (including voting rights), security, interests and benefits;
- their reasonable benefit, cost and dividend expectations;
- the operating rules relating to closed blocks of participating policies and related policyholders' benefits and expectations; and
- continuing service to all policyholders.

I also considered the tax consequences of the transaction on the policyholders.

Upon investigation based on the information provided, it is my opinion that the Amalgamation is fair to all policyholders concerned in that, as Guideline E-14 stipulates:

1. the rights (including voting rights) and interests of policyholders of Great-West Life, London Life and Canada Life will be protected by the Amalgamation, recognizing that a policyholder with a vote in more than one of the Amalgamating Companies will have only one vote in the amalgamated company;
2. based on the current financial condition of the Amalgamating Companies and the projected condition of the amalgamated company, the security of benefits for all policyholders of Great-West Life, London Life and Canada Life will remain satisfactory after implementation of the Amalgamation;
3. the reasonable service expectations, and the reasonable dividend and other benefit expectations, of participating policyholders are not diminished by the Amalgamation, including the merger of the open participating accounts of Great-West Life, London Life and Canada Life;
4. the reasonable benefit and service expectations of policyholders of Great-West Life, London Life and Canada Life with non-fully guaranteed insurance policies, are not diminished by the Amalgamation; and
5. the benefit and service expectations of non-participating policyholders of Great-West Life, London Life and Canada Life with fully guaranteed insurance policies will be preserved.

I declare that I have carried out my work objectively, in accordance with generally accepted actuarial practice and without regard for potential gain other than compensation for the work undertaken.



PAUL DELLA PENNA
Fellow of the Canadian Institute of Actuaries
Fellow of the Society of Actuaries
Member of the American Academy of Actuaries

July 19, 2019

SCHEDULE E
FURTHER INFORMATION ON COMBINING THE LIFE COMPANIES' CANADIAN OPEN PARTICIPATING ACCOUNTS

All terms used but not defined in this Schedule E have the meaning given to them in the joint management proxy circular dated August 5, 2019 (the “**Joint Circular**”) to which this Schedule is attached.

Introduction

This Schedule E has been created to provide additional information for participating policyholders who want more detail than what is provided in the Joint Circular as to how the Life Companies expect the merger of the Canadian open participating accounts of the Life Companies would be accomplished and the internal work that went into arriving at the recommended course of action.

The Plan: Merging the Participating Accounts (the “Par Account Merger”)

For the purposes of this Schedule E the entirety of the transactions described in the Joint Circular under the heading ‘*Effect of the Amalgamation on Participating Accounts*’ will be hereinafter referred to as the “**Par Account Merger**”. Additional details not covered in the Joint Circular as to how the resulting single, combined, Canadian participating account is expected to be managed as of the date of the Par Account Merger are further set out below.

Internal Diligence Process

In deciding whether or not to approve proceeding with the Amalgamation, including the Par Account Merger, each Life Company conducted a rigorous internal process. The Life Companies formed an internal working group, led by the now retired Chief Actuary, Canada of each of the Life Companies and including senior level actuaries (the “**Par Working Group**”). The Par Working Group, with the assistance of outside experts, conducted significant analysis and considered alternatives for managing the participating accounts after the Amalgamation.

Management’s Participating Account Objectives

Participating insurance is considered a key strength of the Life Companies. Given that the Life Companies are leaders in providing this product solution, participating insurance was identified as core to the future business plans of Amalco in Canada.

Accordingly, in developing their recommendations and determining an implementation plan for the Par Account Merger, the Par Working Group was guided by the following six objectives identified by management of the Life Companies:

1. **No adverse impact to policyholders:** The approach adopted should result either in no change, or an improvement, in policyholders’ reasonable expectations for in-force policyholders at the time of amalgamation with respect to security, rights, benefits and costs.
2. **Consistency of participating philosophy for all Canadian open participating policyholders:** As exists today, there should be one set of open participating account management policies with consistent participating account management practices. This includes the optimal use of participating surplus to support the growth and vitality of the participating business.
3. **Simplified management:** Management of the participating accounts today requires the maintenance and management of three accounts, creation of and management of multiple versions of similar products, and management of six asset/liability segments. This leads to inefficiencies and extra expense, additional time-to-market for new initiatives (which must be implemented three times) and unnecessary attention to temporary differences in performance among the accounts. The approach adopted should provide a simplified management approach.
4. **Multi-distribution channel efficiency and effectiveness:** The approach adopted should provide potential customers with the widest possible choice in terms of advice, purchase and service through a multiple distribution channel approach, while recognizing that given the adjustable nature of participating insurance and the consistency of participating philosophy, policyholders’ reasonable expectations should be very similar regardless of distribution channel.
5. **Greater diversification of risk:** The pooling of diversified risks benefits the policyholders and can enhance net cost and service. This diversification can include diversification of sources of investable cashflows – at present each account is dependent on sales and resulting cashflows from one or two distribution channels and the products

available within that account, which can be more variable than the cashflows that would result from sales within a larger account serviced by all distribution channels.

6. **Clarity of product offerings:** Today, clear communication of product offering exists for each open participating account because the products forming part of a separate participating account are provided by a separate legal entity. That is, London Life participating products, Great-West Life participating products, and Canada Life participating products sold today respectively form part of the London Life participating account, the Great-West participating account, and the Canada Life open participating account. The approach adopted should ensure such clarity is continued around the available product offerings and policyholder benefits.

After careful consideration the Par Working Group determined that the Par Account Merger would satisfy all six objectives and would best satisfy the benefit and service expectations of the participating policyholders, and therefore recommended implementing the Par Account Merger as the preferred alternative for the participating accounts on Amalgamation.

Shareholder Transfer

The ICA limits the amount that can be distributed from the participating account to the shareholder account (under section 461). The annual limit is set as a maximum percentage of the amount determined by the board of directors to be distributed from the profits of the participating account for that financial year. This total amount to be distributed is divided between the shareholders and the participating policyowners. The maximum percentage decreases from 10% to just over 2.5% as the size of the participating account increases.

Currently, Great-West Life and London Life distribute 2.5% of the total distribution to the shareholder account, whereas in 2018, Canada Life distributed 2.84%.

Following Amalgamation, including the Par Account Merger, the total distribution limit for the single, combined, Canadian participating account of Amalco would be harmonized at 2.5%. For the policyholders that had previously participated in the pre-Amalgamation Canada Life open participating account, this change would result in an effective increase in dividends by approximately 0.3% (e.g. \$3 for every \$1,000 of dividends) compared to the dividend they would have received had the Amalgamation not occurred.

Canadian Closed Participating Accounts

The Canada Life Canadian closed participating account and the Canada Life Canadian ancillary sub-account, which currently share the same investment segment supporting the Canada Life open participating account liabilities, would upon Amalgamation and implementation of the Par Account Merger, continue to invest in the investment segment supporting the liabilities of the single, combined, Canadian open participating account of Amalco. All the non-economic experience (i.e. non-investment related experience, such as mortality and expenses) of the pre-Amalgamation Canada Life closed participating account would continue to be separately tracked, consistent with current practice. Other than as described immediately above, the Amalgamation, including the Par Account Merger, would have no impact on any of the current processes with respect to the closed participating accounts.

New York Life and Crown Life closed participating accounts each have their own asset segment. The expenses allocated to closed participating accounts are prescribed by each of the respective closed block operating rules, which would continue unchanged post-Amalgamation.

Number of Voting Insurance Policies and Eligible Voting Policyholders

For details as to the number of voting insurance policies and policyholders eligible to vote for each Life Company please refer to the table.

Table I: Total Voting Insurance Policies and Eligible Voting Policyholders per Life Company (at June 10, 2019)

Company	Total Number of Voting Policies	Total Number of Voting Policyholders
Canada Life	315,144	250,687
Great-West Life	113,081	88,600
London Life	1,318,124	875,676
Total (Amalco)	1,746,349	1,214,963

Surplus

Surplus that exists in each of the open participating accounts of the Life Companies consists of (i) accumulated (including investment income) past contributions to surplus (from in-force participating policies and past generations of participating policyholders no longer in-force) and (ii) the present value of expected future contributions to surplus for in-force participating policies. Participating account surplus, and income generated by it, is used to provide strength and stability to each participating account and its ongoing operation. It may also be used for other purposes, including to help ensure each Life Company can meet its obligations to its respective participating policyholders; finance new business growth and acquisitions that may benefit its participating account; provide for transitions during periods of major change; and manage undue fluctuations in dividends. These principles and expectations are not changed by the Amalgamation or the Par Account Merger and are in keeping with the Participating Account Management Policy applicable to each of the Life Companies.

Surplus levels of the three (3) Canadian open participating accounts as at December 31, 2018 are shown in the following table:

Table II: Total Surplus of Participating Accounts per Life Company

Company	Participating Surplus Balance (at December 31, 2018)
Canada Life	\$281 million
Great-West Life	\$608 million
London Life	\$1,827 million

In carrying out the Par Account Merger, the surplus balances attributed to the individual Canadian open participating accounts would be combined into a single surplus balance which supports the capital needs of the new combined Canadian open participating account (including both pre-amalgamation in-force policies and post-amalgamation new issues). Currently surplus balances in each of the Canadian open participating accounts of each Life Company are maintained at levels that are above the minimum regulatory capital requirements applicable to each of the Life Companies. Given this, the surplus balance in the single, combined, Canadian open participating account resulting from the Par Account Merger would remain above and satisfy the minimum regulatory capital requirements of Amalco at the time of Amalgamation, including the Par Account Merger.

The surplus position of the single, combined, Canadian open participating account resulting from the Par Account Merger would continue to be reviewed at least annually and, based on these reviews, contributions to surplus may be adjusted by increasing or decreasing the dividend scale.

Tax Consequences

There are no tax consequences, either as a result of the Amalgamation or the Par Account Merger, that are expected to have an impact on participating policyholder dividends.

Similarly, the Amalgamation and the Par Account Merger do not result in any changes in any other taxes (including investment income tax or premium tax) applicable to participating policies that have been issued or acquired by any of the Life Companies.

Risk Diversification

The Par Account Merger should allow for greater diversification of risk, providing the increased potential for more stable investment returns in the single, combined, Canadian open participating account versus what would otherwise have been observed had the Amalgamation and Par Account Merger not occurred.

For example, certain risks (such as mortality) are subject to lower volatility in experience as the exposure base increases. As a result, it would be expected that a single, combined, Canadian open participating account that includes exposure from all pre-Amalgamation open participating accounts of the Life Companies would experience greater diversification of mortality risk and, as a result, greater predictability of future claims experience.

With increased diversification of mortality in a single, combined, Canadian open participating account, certain risk opportunities (such as a potential reduction in the need for external reinsurance) may produce a positive impact if they result in a reduction in mortality costs related to reinsurance charges.

In addition, investment experience and investment performance are influenced by the stability and predictability of investable cashflows. Accordingly, new business and in-force policy cashflows of a single, combined, Canadian open participating account accepting new business from various distribution channels may be more stable than any one of the Life Companies' current Canadian open participating accounts alone.

While no assessment has been made of the financial impacts of these diversification benefits, they are not expected to have a material impact on policyholder dividends.

Dividend Scale Interest Rate (DSIR)

The assets supporting the participating accounts are invested in accordance with investment policies approved by the board of directors of each of the Life Companies. The current investment policies, including investment strategies and asset mix targets, of each of the Life Companies are substantially aligned in all material respects.

While the investment strategy for the participating accounts of each Life Company is substantively the same, and has been for several years, the three existing participating liabilities segments have produced different investment returns as measured for dividend scale interest rate ("DSIR") purposes. However, given the current segments all have the same investment strategy and target mix, the Life Companies expect that the invested asset component of the DSIR would converge as the transitional impacts of historical differences run off. To ensure that these remaining transitional differences continue to accrue to the policyholders to whom they relate, any unamortized balances of past gains or losses (as at the time of Amalgamation) would continue to be reflected in calculating the DSIRs for the dividend classes to which those balances are attributed using a pre-determined amortization schedule set at the time of Amalgamation.

Post-Amalgamation, a single investment strategy would be adopted by Amalco in respect of the single, combined Canadian open participating account, which would reflect the pre-Amalgamation investment strategies currently applicable to the Canadian open participating accounts of the Life Companies.

Open Participating Account Experience Factors other than Dividend Scale Interest Rates

Following Amalgamation, including the Par Account Merger:

- any amounts distributed as participating policyholder dividends relating to experience factors other than the DSIR would continue to be divided among the various dividend classes (both pre and post-Amalgamation) consistent with how they are handled prior to Amalgamation;
- the existing in-force dividend classes would continue to be maintained; and
- new dividend classes would be considered as determined to be appropriate for new sales post Amalgamation according to existing processes for reviewing and establishing dividend classes.

Any positive or negative experience from factors other than the DSIR within the open participating accounts, which has been determined to be appropriate to distribute through the dividend scale but which has not yet been previously reflected in policyholder dividends, would continue to be earmarked to the respective experience factor groups as determined to have contributed to them, consistent with the approach pre-Amalgamation.

Dividends

The Par Account Merger is expected to result in the distribution of the same or possibly slightly greater policyholder dividends for affected policyholders for pre-Amalgamation policies maintained in these accounts than would be the case if the Canadian open accounts were kept separate.

These increases are due to anticipated expense synergies and possible improved and more stable investment returns from a larger and more diversified account, but these are impossible to quantify at this time and may or may not materialize. For policyholders whose policies are currently maintained in the Canadian open account of Canada Life, the dividends they will receive are expected to increase slightly, relative to what would be received should the Amalgamation not go through, due to the decrease in the shareholder transfer rate that will apply post Amalgamation.

THE
Great-West Life
ASSURANCE COMPANY

London
Life

 **Canada Life**

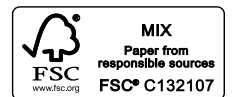
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