

IN THE MATTER OF
THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA, ONTARIO, Québec, NEW BRUNSWICK, PRINCE
EDWARD ISLAND, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR, THE
YUKON TERRITORY, THE NORTHWEST TERRITORIES AND

THE NUNAVUT TERRITORY

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
GREAT-WEST LIFECO INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, the Yukon Territory, the Northwest Territories and the Nunavut Territory (collectively, the "Jurisdictions") has received an application from Great-West Lifeco Inc. ("Lifeco") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement (the "Dealer Registration Requirement") contained in the Legislation, that prohibits a person or company from trading in a security unless the person or company is registered in the appropriate category of registration under the Legislation, shall not apply to Lifeco, Computershare Trust Company of Canada ("Computershare"), as administrator to the Lifeco Program (as hereinafter defined) or Program Participants (as hereinafter defined) in respect of any trades of Lifeco Common Shares or Lifeco Preferred Shares (each, as hereinafter defined) through Computershare and the Lifeco Assisting Dealers (as hereinafter defined) under the Lifeco Program;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Manitoba Securities Commission is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Québec Commission Notice 14-101;

AND WHEREAS Lifeco has represented to the Decision Makers that:

1. Lifeco and Canada Life Financial Corporation ("CLFC") entered into a transaction agreement made as of February 14, 2003 (the "Transaction Agreement") providing for the acquisition of all

of the common shares of CLFC ("CLFC Common Shares") by Lifeco (the "Transaction") to be effected by way of a reorganization of CLFC's capital involving the change of the CLFC Common Shares into a new class of exchangeable shares of CLFC (the "Exchangeable Shares") and the automatic transfer of the Exchangeable Shares to Lifeco for a combination of up to 24,000,000 4.80% Non-Cumulative First Preferred Shares, Series E of Lifeco ("Lifeco Series E Shares"), up to 8,000,000 5.90% Non-Cumulative First Preferred Shares, Series F of Lifeco ("Lifeco Series F Shares" and together with the Lifeco Series E shares, the "Lifeco Preferred Shares") and up to 55,958,505 common shares of Lifeco ("Lifeco Common Shares") to be issued by Lifeco, as well as cash, through a series of transactions to holders of CLFC Common Shares all as more particularly described in paragraph 7.

2. Lifeco is a company incorporated under the *Canada Business Corporations Act* and is a reporting issuer under the Legislation. To its knowledge, Lifeco is not in default of any applicable requirement of the Legislation. Lifeco's registered office is located at 100 Osborne Street North, Winnipeg, Manitoba R3C 3A5.

3. The authorized share capital of Lifeco consists of an unlimited number of Lifeco Common Shares, an unlimited number of first preferred shares, issuable in series ("First Preferred Shares"), an unlimited number of Class A preferred shares, issuable in series ("Class A Preferred Shares"), and an unlimited number of second preferred shares, issuable in series. As at May 31, 2003, there were outstanding, (a) 365,249,883 Lifeco Common Shares; (b) 4,000,000 First Preferred Shares, Series C; (c) 8,000,000 First Preferred Shares, Series D; and (d) 5,192,242 Class A Preferred Shares, Series 1. The Lifeco Common Shares, First Preferred Shares, Series C, First Preferred Shares, Series D and Class A Preferred Shares, Series 1 are traded on the Toronto Stock Exchange (the "TSX").

4. CLFC is an insurance company incorporated under the *Insurance Companies Act* (Canada) and is a reporting issuer under the Legislation. To its knowledge, CLFC is not in default of any applicable requirement of the Legislation. CLFC's registered office is located at 330 University Avenue, Toronto, Ontario M5G 1R8.

5. The authorized share capital of CLFC consists of an unlimited number of CLFC Common Shares and an unlimited number of non-voting preferred shares, issuable in series ("CLFC Preferred Shares"). As of May 31, 2003, there were 160,402,435 CLFC Common Shares and 6,000,000 CLFC Preferred Shares issued and outstanding. The CLFC Preferred Shares are currently listed and posted for trading on the TSX and the CLFC Common Shares are currently listed and posted for trading on the TSX and the New York Stock Exchange.

6. Computershare is the registrar and transfer agent for the Lifeco Common Shares, First Preferred Shares, Series C, First Preferred Shares, Series D, Class A Preferred Shares, Series I, CLFC Common Shares and CLFC Preferred Shares. Computershare will also be the registrar and transfer agent for the Lifeco Preferred Shares to be issued under the Transaction.

7. The reorganization of CLFC's capital will consist of the following:

(a) an amendment to the by-laws of CLFC to create the Exchangeable Shares, which will rank junior to the CLFC Preferred Shares and equal to the CLFC Common Shares;

(b) an amendment to the by-laws of CLFC to change the CLFC Common Shares, other than those beneficially owned by Lifeco or its subsidiaries that have not been allocated to a segregated or other investment fund established and maintained by any of such subsidiaries, into Exchangeable Shares at the closing date on the basis of one Exchangeable Share for each CLFC Common Share; and

(c) each Exchangeable Share, other than those held by CLFC shareholders who validly exercise their dissent rights, will be automatically transferred to Lifeco at the closing date in exchange for any of \$44.50 in cash, 1.78 Lifeco Series E Shares, 1.78 Lifeco Series F Shares, 1.1849 Lifeco Common Shares or a combination of the foregoing (subject in each case to election and proration based on a specified maximum number of shares and amount of cash to be issued or paid) and subject to customary anti-dilution provisions.

8. The Transaction has been voted on and approved by holders of CLFC Common Shares at a special meeting held on May 5, 2003. Subject to the satisfaction or waiver of all closing conditions and obtaining all applicable regulatory approvals, it is anticipated that the Transaction will close on July 10, 2003.

9. In connection with the demutualization ("Demutualization") of Canada Life Assurance Company ("Canada Life"), CLFC established an assisted sales program (the "Program") to be administered by Montreal Trust Company of Canada ("Montreal Trust" now operating as Computershare) to facilitate the ownership and transfer of CLFC Common Shares received by certain insurance policyholders of Canada Life on completion of Demutualization.

10. Under the Program, participating eligible policyholders who received CLFC Common Shares on Demutualization ("Program Participants") hold their shares through Computershare as nominee and are able to sell those shares on the TSX simply by contacting Computershare, the administrator of the Program, through written instructions or by telephone. Computershare established an account with a registered dealer (the "Assisting Dealer") and, through the Assisting Dealer, arranges to sell Program Participants' CLFC Common Shares and remit the proceeds, less applicable fees, to Program Participants. The Program was only offered to Program Participants and only in respect of CLFC Common Shares received by them on Demutualization.

11. Under the Program, only sell orders at the market price are accepted by Computershare and no advice regarding the decision to sell or hold the CLFC Common Shares is offered to any Program Participant. Program Participants may not sell less than all of their CLFC Common Shares held under the Program, but any Program Participant who wishes to sell their CLFC Common Shares in another manner (for example, by transferring their holdings to another dealer with whom they have a brokerage relationship) is free to do so. Material distributed to Program Participants regarding the Program does not contain any advice as to the desirability of selling or

holding the CLFC Common Shares. Neither Canada Life nor CLFC subsidizes the costs of selling CLFC Common Shares under the Program. Program Participants are not required to pay commissions on the sale of their shares through the Program, but are required to pay a flat fee (currently CDN\$25.00) to Computershare for each sale of CLFC Common Shares under the Program. The Assisting Dealer does not open individual accounts or engage in "know your client" procedures with respect to individual Program Participants using the Program.

12. In connection with the establishment of the Program, CLFC, Canada Life, Montreal Trust and the Program Participants applied for and were granted relief pursuant to a decision dated July 8, 1999 by the Decision Makers in each Jurisdiction (other than Québec) from the registration requirements in respect of trades in CLFC Common Shares under the Program.

13. Canada Life, CLFC and Montreal Trust also obtained a decision document dated October 27, 1999 containing an extract of the minutes of a meeting held by the Commission des valeurs mobilières du Québec on July 12, 1999, pursuant to which the Commission des valeurs mobilières du Québec under Section 263 of *Securities Act* (Québec), granted relief from the registration requirements in connection with the establishment and administration of the Program.

14. Upon completion of the Transaction, Program Participants will no longer hold any CLFC Common Shares and the Program will, as a result, terminate. However, pursuant to the Transaction, Program Participants may receive Lifeco Common Shares and/or Lifeco Preferred Shares.

15. It is proposed that Lifeco continue to offer an assisted sales program (the "Lifeco Program"). It is proposed that Program Participants, upon receiving Lifeco Common Shares and/or Lifeco Preferred Shares pursuant to the Transaction, have their Lifeco Common Shares and/or Lifeco Preferred Shares registered in the name of Computershare and be automatically enrolled in the Lifeco Program on substantially the same terms as under the Program.

16. Under the Lifeco Program, Program Participants who receive Lifeco Common Shares and/or Lifeco Preferred Shares pursuant to the Transaction will be able to sell such shares by contacting Computershare, the administrator of the Lifeco Program. Computershare will establish an account with one or more registered dealers (the "Lifeco Assisting Dealers") and will, through the Lifeco Assisting Dealers, arrange to sell Program Participants' Lifeco Common Shares and/or Lifeco Preferred Shares obtained as a result of the Transaction and remit the proceeds to the Program Participants, less applicable fees. The Lifeco Program will only be extended to Program Participants and only in respect of Lifeco Common Shares and/or Lifeco Preferred Shares received pursuant to the Transaction in substitution for CLFC Common Shares received upon Demutualization.

17. Under the Lifeco Program, only sell orders will be accepted by Computershare and no advice regarding the decision to sell or hold the Lifeco Common Shares and/or Lifeco Preferred Shares will be offered to a Program Participant. Program Participants wishing to sell their Lifeco Common Shares will not be able to sell less than all of their Lifeco Common Shares held under the Lifeco Program and Program Participants wishing to sell either series of Lifeco Preferred Shares will not be able to sell less than all of the applicable series of Lifeco Preferred Shares held

under the Lifeco Program. However, any Program Participant who wishes to sell its Lifeco Common Shares and/or Lifeco Preferred Shares in another manner (for example, by transferring its holdings to another dealer with whom it has a brokerage relationship) will be free to do so. Any material distributed to Program Participants regarding the Lifeco Program will not contain any advice as to the desirability of selling or holding the Lifeco Common Shares and/or the Lifeco Preferred Shares. Lifeco will not subsidize the cost of selling Lifeco Common Shares and/or Lifeco Preferred Shares under the Lifeco Program. Program Participants will not be required to pay commissions on the sale of their shares through the Lifeco Program, but will be required to pay a flat fee to Computershare for each sale of Lifeco Common Shares and/or Lifeco Preferred Shares under the Lifeco Program (expected to be approximately \$35.00). The Assisting Dealers will not open individual accounts or engage in "know your client" procedures with respect to individual Program Participants using the Lifeco Program. At any time a Program Participant in the Lifeco Program may transfer their Lifeco Common Shares and/or Lifeco Preferred Shares to a stock broker or obtain share certificates representing such shares at no cost to such Program Participant.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Dealer Registration Requirement shall not apply to Lifeco, Computershare, as administrator under the Lifeco Program, or Program Participants in respect of:

- (a) the placing of unsolicited orders ("Sale Orders") with Computershare by Program Participants to sell Lifeco Common Shares and/or Lifeco Preferred Shares in accordance with the Lifeco Program; or
- (b) the execution by Computershare of the Sale Orders through the Lifeco Assisting Dealers, in accordance with the Lifeco Program,

PROVIDED THAT:

- (i) Computershare is, at the relevant time, appropriately licensed or otherwise legally authorized to carry on the business of a trust company in the Jurisdiction; and
- (ii) for the purposes of this MRRS Decision Document, Sale Order shall not be considered "solicited" by reason of Lifeco or Computershare, on behalf of Lifeco, distributing to Program Participants disclosure documents, notices, brochures, or similar documents advising of the availability of Computershare to facilitate sales of Lifeco Common Shares and/or Lifeco Preferred Shares or by reason of Lifeco and/or Computershare advising Program Participants of the availability, and informing Program Participants of the details of the operation, of the Lifeco Program in response to enquiries from Program Participants by telephone or otherwise.

July 4, 2003.

Director - Legal