

ANNOUNCEMENT – October 2, 2013

The Plaintiffs, CLPENS Executive, and Class Counsel are pleased to announce that new settlement terms have been reached with Canada Life in order to resolve this litigation after extensive negotiations between the parties in the last four weeks. The parties are in the process of documenting the new settlement terms which will form an amendment to the existing Surplus Sharing Agreement (“SSA”) which will be put before Justice Perell for approval on a date to be determined. The terms of the proposed settlement are as follows:

- i There will be a single distribution of surplus to the Class;
- i Canada Life will contribute an amount (estimated to be approximately \$11 million) so that each member of the Integration Partial Wind-Up Sub Class and each member of the Inactive Eligible Non-PWU Sub Class (i.e. pensioners and deferred/vested members) is guaranteed to receive a surplus payment equal to the greater of 56% of the amount that was estimated on their Personal Information Statement in 2011, or \$1000;
- i Class Counsel will waive a total of \$1,000,000 in legal fees approved by the Court, and will not charge any legal fees incurred from January, 2012 to completion of this matter. Those amounts will be applied for the benefit of class members exclusively;
- i Canada Life will waive its entitlement to reimbursement of a portion of its settlement expenses in the amount of \$500,000, and will also waive entitlement to a portion of the interest on its outstanding expenses (estimated at \$800,000), and these amounts will be added to the Integration Partial Wind-Up Surplus to be distributed;
- i In all other material respects the SSA remains the same, including for active Class Members and for members of the Prior Partial Wind Ups who were not affected by the diminution in the Integration Partial Wind-Up Surplus.

In light of the agreement reached, the Court of Appeal hearing scheduled for October 9, 2013 has been adjourned. Once the wording of the proposed amendment to the SSA has been concluded, the appeal before the Court of Appeal will be rendered moot and Canada Life and the Representative Plaintiffs will bring a new motion before Justice Perell for approval of the proposed amendment.

The Representative Plaintiffs and Class Counsel recommend the new settlement terms as fair, reasonable, and in the best interests of the Class given the economic events and regulatory changes that have transpired since the SSA was approved in 2012; and the parties are committed to implementing the settlement as quickly as possible. The new settlement provides certainty to Class members and brings an end to litigation. It is the product of extensive negotiation over the last four weeks.

A fairness hearing before Justice Perell will be scheduled, with notice to all Class members.

Please continue to monitor the website of Class Counsel for further updates.