

THE CANADA LIFE CANADIAN EMPLOYEES PENSION PLAN (the “Plan”)

IMPORTANT INFORMATION ABOUT THE CLASS PROCEEDINGS

NOTICE TO ACTIVE EMPLOYEES

From: David Kidd, Alex Harvey, and Jean-Paul Marentette, Plaintiffs; on notice to all parties

This announcement is approved by the Court and intended for all “active” Members of the Class included in the Canada Life Class Action Settlement, approved by the Ontario Superior Court of Justice by order dated January 27, 2012, which includes all active members of the Plan as of June 30, 2005 plus any new members up to October 28, 2011 (together with the spouses, estates, heirs, beneficiaries and representatives of those who have died).

Please note that your pension entitlements under the Plan are unaffected by the circumstances described in this notice.

The purpose of this message is to provide an important update regarding the Settlement. Canada Life and Class Counsel have recently been informed by the external actuarial advisors to Canada Life that certain prevailing conditions in the financial and annuity markets, in concert with greater than assumed rates of election by Class Members of certain benefit settlement options, have adversely impacted the valuation of the Integration Partial Wind Up Surplus (“Integration PWU Surplus”). Specifically, the estimated value of the Integration PWU Surplus has decreased from an estimated \$54 million as of June 30, 2011 (net of projected expenses) to less than \$10 million as of December 31, 2011 (also net of expenses).

The decrease in the estimated Integration PWU Surplus over the six month period noted above is largely attributable to a change in prescribed actuarial assumptions arising from a drop in interest rates, as well as a higher take-up rate of the guaranteed pension option among members of the Integration PWU than what was assumed. The combined effect of low interest rates and the higher annuity take-up rate is to appreciably increase the cost of settling the basic benefits, hence reducing the estimated amount of the Integration PWU Surplus.

As a practical matter, the reduction in the estimated Integration PWU Surplus does not affect your entitlement under the Settlement. In accordance with the Settlement, active Class Members who are eligible to participate in the Settlement will receive a two year “contribution holiday” under the Plan, which means they will not have to make employee contributions to the Plan during that time. Active members who are otherwise eligible for this contribution holiday but who have left employment before the holiday begins, will receive an equivalent cash payment. The contribution holiday will not be funded out of the Integration PWU Surplus, and therefore is not affected by the decrease in the Integration PWU Surplus.

The effect of the reduction in the Integration PWU Surplus is that there may be a delay in implementing the Settlement, however, including a delay in the provision of contribution holidays to eligible active members. The parties are working together, under the supervision of Justice Perell of the Ontario Superior Court of Justice, to consider options to address the current situation. We will keep you informed of any developments.

If you have any questions, please contact Representative Counsel, Koskie Minsky LLP, at 1-800-286-2266 or canadalife@kmlaw.ca

PLEASE DO NOT CALL JUSTICE PERELL OR THE ONTARIO SUPERIOR COURT OF JUSTICE.