

NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL HEARING

IN THE MATTER OF THE CANADA LIFE CANADIAN EMPLOYEES PENSION PLAN CLASS ACTION LITIGATION

PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR RIGHTS.

PURPOSE OF THIS NOTICE

The purpose of this notice is to advise class members that on October 28, 2011 the litigation involving The Canada Life Canadian Employees Pension Plan (the "Plan") was certified as a class action by the Ontario Superior Court of Justice for the purposes of implementing the settlement agreement reached between the parties. The title of proceedings and court file number in the litigation is: *Kidd et al. v. The Canada Life Assurance Company*, court file no. 05-CV-287556CP. This notice also provides information concerning a settlement approval hearing that is scheduled to be heard on January 27th, 2012.

NATURE OF THE PROCEEDING

The litigation raised the following main allegations: 1) the terms of the Plan did not permit the defendant Canada Life to apply pension assets to pay certain administrative expenses of the Plan and 2) the Plan members who were affected by any partial wind up of the Plan are entitled to share in surplus assets held within the Plan. The plaintiffs asked the Court to make various orders including an order that the surplus in the Plan allocable to that portion of the Plan that was partially wound up be distributed to affected members together with an order that Canada Life was not entitled to pay administrative expenses from the Plan fund and that such amounts should be repaid to the Plan fund, with interest. Following lengthy negotiations between the parties, which were facilitated by a Judge of the Ontario Superior Court of Justice, a settlement was reached which is subject to court and regulatory approvals. A summary of the terms of the proposed settlement is set forth below.

MEMBERS OF THE CLASS

The members of the class (the "Class") certified by the Ontario Superior Court of Justice are:

- a) all persons, wherever resident, who are or were former members under the Plan and who were included in the partial wind up of the Plan declared as at June 30, 2005 (the "Integration Partial Wind Up") together with the spouses, estates, heirs, beneficiaries, and representatives of any of the above who has died (the "Integration Partial Wind Up Sub-Class");
- b) all persons, wherever resident, who are or were former members under the Plan who were employed by Indago Capital Management Inc. and whose employment ceased following (and as a result of) a merger of that company with Laketon Investment Management Ltd. on February 26, 1999 (the "Indago Members") together with the spouses, estates, heirs, beneficiaries, and representatives of any of the above who has died (the "Indago Sub-Class");
- c) all persons, wherever resident, who are or were former members under the Plan who were formerly employed by Adason Properties Limited and who were notified of their termination of employment between November 1, 1999 and February 28, 2001 (the "Adason Members") together with the spouses, estates, heirs, beneficiaries, and representatives of any of the above who has died (the "Adason Sub-Class");

- d) all persons, wherever resident, who are or were former members under the Plan who were employed by Pelican Food Services Limited and whose employment with Pelican Food Services Limited ceased as a result of the outsourcing in January 2001 of that company's operations by Canada Life (the "Pelican Members") together with the spouses, estates, heirs, beneficiaries, and representatives of any of the above who has died (the "Pelican Sub-Class");
- e) all persons, wherever resident, who are not included in subparagraphs (a) to (d) above and are or were active members of the Plan at any time between June 30, 2005 and October 28, 2011; or were inactive members of the Plan (deferred vested members and pensioners) on April 12, 2005; or were persons otherwise entitled to benefits under the Plan on April 12, 2005 (collectively the "Non-Partial Wind Up Group Members") together with the spouses, estates, heirs, beneficiaries, and representatives of any of the above who has died; and
- f) all persons, wherever resident, who were former members previously entitled to benefits or other payments under the Plan and who would have been included in the Integration Partial Wind Up (and therefore would have been part of the Integration Partial Wind Up Sub-Class) but for the fact that their benefits under the Plan were governed by the laws of Quebec, which at the relevant time did not recognize partial pension plan wind ups in its pension legislation and who were not inactive members of the Plan on April 12, 2005, together with the spouses, estates, heirs, beneficiaries, and representatives of any of the above who has died.

The law firms of Koskie Minsky LLP and Harrison Pensa LLP have been appointed as counsel to the Class, the Integration Partial Wind Up Sub-Class, the Indago Sub-Class and the Pelican Sub-Class. The law firm of Sack Goldblatt Mitchell LLP has been appointed as counsel to the Adason Sub-Class.

DESCRIPTION OF THE SETTLEMENT

Under the terms of the settlement proposal, the net surplus allocable to the Integration Partial Wind Up (the "Integration Partial Wind Up Surplus") will be distributed as follows:

- i The members of the Integration Partial Wind Up will get 57.22% of the Integration Partial Wind Up Surplus.
- i Inactive members of the Plan (i.e. deferred vested members and pensioners) on April 12, 2005 who were not included in the Integration Partial Wind Up nor in any of the Prior Partial Wind Ups (described below), and persons otherwise entitled to benefits under the Plan on April 12, 2005 by virtue of their relationship to a Plan member where the Plan member died prior to that date and was not included in the Integration Partial Wind Up nor in any of the Prior Partial Wind Ups (collectively, the "Inactive Non-Partial Wind Up Group Members"), who consent (if necessary) to the transfer to a new pension plan and variation of trust (described further below), get 12.44% of the Integration Partial Wind Up Surplus.
- i Canada Life will get 30.34% of the Integration Partial Wind Up Surplus.
- i Those members of the Plan who were employed in Quebec and would have been included in the Integration Partial Wind Up but for the fact that Quebec did not recognize partial plan wind ups in its pension legislation at the relevant time, and who (if necessary) consent to the transfer to a new pension plan and variation of trust, will receive a total amount of surplus which is equal to the amount they would have received had they been treated as a member of the Integration Partial Wind Up.

Active members of the Plan as at June 30, 2005, plus any new Plan members after that date up to October 28, 2011 (the date the class action was certified), who (if necessary) consent to the transfer to the new pension plan and variation of trust, will get a two-year contribution holiday under the Plan.

As part of the settlement proposal, Canada Life will transfer those Non-Partial Wind Up Group Members who are still entitled to benefits under the Plan, and who consent to the transfer, to a new pension plan (the "New Plan"), together with assets equal to the value of the benefits these members have earned under the Plan along with a proportional share of the surplus in the ongoing portion of the Plan. The Non-Partial Wind Up Group Members who consent to the transfer to the New Plan will also be consenting to a variation of the trust under which the Plan assets are held. The benefit formula in the New Plan will be the same as the formula in the current Plan. As part of the settlement proposal, Canada Life has agreed that the benefit formula in the New Plan will not change for at least two years without member approval. Any of the Non-Partial Wind Up Group Members who do not consent to the settlement proposal (including, if necessary, consenting to transfer to the New Plan) will not participate in the settlement; that is, they will not receive any payment of surplus or, if an active member, will not receive a contribution holiday, and if they are still entitled to benefits under the Plan, they will not move to the New Plan.

The settlement proposal also deals with three events that occurred prior to the Integration Partial Wind Up which involved the termination of employment of the Indago Members, the Adason Members and the Pelican Members. Under the terms of the settlement proposal, Canada Life will declare partial wind ups of the Plan in connection with the termination of employment of these Plan members (the "Prior Partial Wind Ups"). The Indago Members, the Adason Members and the Pelican Members will only share in the surplus attributable to the partial wind up in which they are included. The surplus allocable to each of the Prior Partial Wind Ups will be divided on a basis similar to the Integration Partial Wind Up: 57.22% to the members of each Prior Partial Wind Up; 12.44% to those Inactive Non-Partial Wind Up Group Members who consent to the settlement proposal, and 30.34% to Canada Life.

Expenses incurred by the parties related to the negotiation and implementation of the settlement proposal, or related more generally to the Integration Partial Wind Up or the Prior Partial Wind Ups, will be deducted from the surplus allocable to each partial wind up prior to the split described above. There is no direct cost to you as a Class member. Further information on the estimate of the total expenses incurred in connection with the settlement proposal, including Class counsel's fees (which must be approved by the Court) and the terms of the settlement proposal generally, can be found by going to the Koskie Minsky LLP website, www.kmlaw.ca.

OPT-OUT PROCESS

Class members who do not want to be included in the class action have a right to opt out of the proceedings. If you wish to opt out of the class action, you must ensure that a written notice to that effect is received at the office of Koskie Minsky LLP by prepaid first class mail or fax (416-977-3316) or email (canadalifecclass@kmlaw.ca) by no later than 5:00 PM on January 3, 2012. Koskie Minsky's address is:

Koskie Minsky LLP, Barristers & Solicitors, 20 Queen Street West,
Suite 900, Box 52, Toronto, Ontario M5H 3R3 Attn: Canada Life Class Action

If you are a Class member and opt out, you will not be entitled to participate in the settlement. If you are a Class member and do not opt out, you will be bound by any future Orders in this action and by the terms of the settlement proposal, if the settlement is approved by the Court. The settlement includes a release of certain legal rights against the defendants as set forth in the surplus sharing agreement.

SETTLEMENT APPROVAL HEARING

Class counsel will ask the Court to approve the settlement of the class action and approve Class counsel's fees and disbursements in connection with the class action on January 27th, 2012 at 10 AM at Osgoode Hall, 130 Queen Street West, Toronto, Ontario. At the settlement approval hearing, the Court will consider any objections to or comments concerning either the proposed settlement or Class counsel's motion for approval of its fees and disbursements. Objections or comments are to be made in writing and should be mailed, faxed or emailed to Koskie Minsky LLP at the address listed above on or before January 16th, 2012. Koskie Minsky LLP will ensure that any objections and/or comments received are filed with the Court in advance of the settlement approval hearing. Provided a Class member has made a written submission, subject to the Court's direction, that person shall be entitled to make oral submissions at the settlement approval hearing.

FURTHER INFORMATION

This notice is intended to provide a summary of the terms of the settlement proposal and notify you of your right to opt out of the proceeding. Further particulars of the proposed settlement, the Surplus Sharing Agreement (which includes all details of the settlement proposal), and the Order of the Superior Court of Justice dated October 28, 2011 can be obtained from the Koskie Minsky LLP website at: www.kmlaw.ca. Questions for Class counsel should be directed by email or telephone to:

Koskie Minsky LLP
Tel: 1-800-286-2266
Email: canadalife@kmlaw.ca
Attn: Canada Life Class Action

Harrison Pensa LLP
Tel: 1-800-263-0489 (ext 775)
Email: Canadalife@harrisonpensa.com
Attn: Canada Life Class Action

Counsel to the Class, the Integration Partial Wind Up Sub-Class,
the Indago Sub-Class and the Pelican Sub-Class

or

Sack Goldblatt Mitchell LLP
Tel: 416-979-4050
Email: DBrown@sgmlaw.com
Attn: Darrell Brown

Counsel to the Adason Sub-Class

THIS NOTICE HAS BEEN APPROVED BY THE ONTARIO SUPERIOR COURT OF JUSTICE.
QUESTIONS ABOUT THIS NOTICE SHOULD NOT BE DIRECTED TO THE COURT.