

**GREAT-WEST LIFE CO INC.**  
**2025 ANNUAL INFORMATION FORM**

Dated: February 11, 2026

# Annual Information Form

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## General

This Annual Information Form ("AIF") is intended to provide material information about Great-West Lifeco Inc. ("Lifeco" or the "Corporation") and its business.

Unless otherwise indicated, all information in this AIF is presented as at December 31, 2025 and all amounts are expressed in Canadian dollars.

## Incorporation by Reference

Lifeco's 2025 Management's Discussion and Analysis dated February 11, 2026 (the "MD&A") is hereby incorporated by reference into this AIF and is available for review at [www.sedarplus.com](http://www.sedarplus.com).

### Cautionary Note Regarding Forward-Looking Information

This AIF and the documents incorporated by reference contain forward-looking information. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "achieve", "ambition", "anticipate", "believe", "could", "estimate", "expect", "initiatives", "intend", "may", "objective", "opportunity", "plan", "potential", "project", "target", "will" and other similar expressions or negative versions of those words. Forward-looking information includes, without limitation, statements about the Corporation's operations, business (including business mix), financial condition, expected financial performance (including revenues, earnings or growth rates, medium-term financial objectives and base earning objectives for the Empower business), strategies and prospects, expected costs and benefits of acquisitions and divestitures (including timing of integration activities and timing and extent of revenue and expense synergies), the timing and extent of expected transformation charges/impacts, expected expenditures or investments (including but not limited to investment in technology infrastructure and digital capabilities and solutions and investments in strategic partnerships), value creation and realization and growth opportunities, product and service innovation, expected dividend levels, expected cost reductions and savings, expected capital management activities and use of capital, the timing and extent of possible share repurchases, market position, estimates of risk sensitivities affecting capital adequacy ratios, estimates of financial risk sensitivities (including as a result of current market conditions), expected net plan inflows, expected credit experience, anticipated global economic conditions, potential impacts of catastrophe events, potential impacts of geopolitical events and conflicts, and the impact of regulatory developments (including changes to laws and government policies) on the Corporation's business strategy, growth objectives and capital.

The Corporation's medium-term financial objectives are forward-looking non-GAAP financial measures. The Corporation's ability to achieve those objectives depends on whether it is able to achieve segment earnings growth ambitions and other business growth objectives and on certain key assumptions, including: (i) the performance of equity, interest rate and credit markets during the relevant period is consistent with management's expectations, which take into account current market information and assume no credit impairments; (ii) the achievement of the Corporation's segment base earnings growth ambitions; (iii) the achievement of enterprise and segment efficiency ambitions; (iv) capital levels and available and attractive options for capital deployment; (v) no significant changes in the level of regulatory capital requirements; (vi) no significant changes to the Corporation's effective income tax rate; (vii) no significant changes to the Corporation's number of shares outstanding; (viii) no material assumption changes and no material accounting standard changes. The Corporation's medium-term financial objectives do not reflect indirect effects of equity, interest rate and credit market movements, including the potential impacts of those movements on goodwill or the current valuation allowance on deferred tax assets as well as other items that may be non-operational in nature. Further, the Corporation's target base dividend payout ratio assumes that the Corporation's financial results and market conditions will enable it to maintain the payout ratio in the target range. Dividends on outstanding common shares of the Corporation are declared and paid at the sole discretion of the Corporation's board of directors. The decision to declare a dividend on the Corporation's common shares takes into account a variety of factors including the level of earnings, adequacy of capital and availability of cash resources.

Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions about future events that were current at the time of the statements and are inherently subject to, among other things, risks, uncertainties and assumptions about the Corporation, economic factors and the financial services industry generally, including the insurance, wealth and retirement solutions industries. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of the Corporation and there is no assurance that they will prove to be correct. In particular, in setting its objective to achieve base earnings growth in the Empower business in 2026, management has assumed that the performance of equity, interest rate and credit markets during the relevant period is consistent with management's expectations, which take into account current market information and assume no credit impairments, and further that actual sales, client retention and conversion rates, customer behaviour (including contributions, redemptions, withdrawals and lapse rates), expense levels, and mix of business at Empower are consistent with management's estimates. With respect to possible share repurchases, the amount and timing of actual repurchases will depend on the earnings, cash requirements and financial condition of the Corporation, market conditions, our ability to effect the repurchases on a prudent basis, capital requirements, applicable law and regulations (including applicable securities and tax laws), and other factors deemed relevant by the Corporation, and may be subject to regulatory approval and/or conditions. In all cases, whether or not actual results differ from forward-looking information may depend on numerous factors, developments and assumptions, including, without limitation, the ability to integrate and leverage acquisitions and achieve anticipated benefits and synergies, the achievement of expense synergies and client retention targets from the acquisition of the Prudential retirement business, the Corporation's ability to execute strategic plans and adapt or recalibrate these plans as needed, the Corporation's reputation, business competition, assumptions around sales, pricing, fee rates, customer behaviour (including contributions, redemptions, withdrawals and lapse rates), mortality and morbidity experience, expense levels, reinsurance arrangements, global equity and capital markets (including continued access to equity and debt markets and credit instruments on economically feasible terms), geopolitical tensions and related economic impacts, interest and foreign exchange rates, inflation levels, liquidity requirements, investment values and asset breakdowns, hedging activities, financial condition of industry sectors and individual issuers that comprise part of the Corporation's

investment portfolio, credit ratings, taxes, impairments of goodwill and other intangible assets, technological changes, including the use of emerging technologies, such as artificial intelligence (AI), in our business, breaches or failure of information systems and security (including cyber-attacks), assumptions around third-party suppliers, changes in local and international laws and regulations, changes in accounting policies and the effect of applying future accounting policy changes, changes in actuarial standards, unexpected judicial or regulatory proceedings, catastrophic events, continuity and availability of personnel and third-party service providers, unplanned changes to the Corporation's facilities, customer and employee relations, levels of administrative and operational efficiencies, and other general economic, political and market factors in North America and internationally.

The reader is cautioned that the foregoing list of assumptions and factors is not exhaustive, and there may be other factors, including those set out herein under "Risk Factors", and any listed in other filings with securities regulators, including factors set out in the "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates" sections of the MD&A, which, along with other filings, is available for review at [www.sedarplus.com](http://www.sedarplus.com). The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to place undue reliance on forward-looking information.

Other than as specifically required by applicable law, Lifeco does not intend to update any forward-looking information whether as a result of new information, future events or otherwise.

### **Important Note Regarding Sustainability Disclosure**

Certain forward-looking statements in this AIF or the documents incorporated by reference in this AIF relate to the Corporation's climate-related and diversity-related strategies, plans, measures, objectives, goals, priorities and ambitions or actions that will be taken to achieve them. The climate-related statements include statements with respect to the Corporation's carbon emissions reduction ambitions for operations and investments (including the Corporation's plan to review and revise these ambitions as appropriate), the Corporation's approach to climate-related governance and to identifying, considering and managing climate-related risks and opportunities, and the materiality level of climate-related risks and opportunities. The diversity-related statements include statements with respect to growing representation of women and underrepresented groups in management. The forward-looking information in this AIF is presented for the purpose of assisting our stakeholders in understanding how we currently intend to address climate-related and diversity-related governance, strategy, risks, opportunities, and objectives, and is not for the purpose of promoting any business or business interest or for other purposes.

Any ambitions, goals, objectives, priorities, commitments or targets discussed in this AIF or the documents incorporated by reference in this AIF may also need to change or be recalibrated to meet our other strategic objectives and the reasonable expectations of our stakeholders, including expectations around financial performance. As a financial services company, our primary purpose is to provide our clients and customers with solutions to meet their financial security needs and to deliver on the promises we make to them. Our ability to fulfil this corporate purpose depends in large part on effective and responsible capital allocation and the ability to create value within the boundaries of our stakeholders' expectations, including expectations around financial performance. The path to achieving our climate-related ambitions will require significant investment, resources, systems and technologies by third parties we do not control. Faced with a wide range of stakeholder interests, we will need to effectively manage trade-offs and make choices about how to deploy financial and human capital. These choices could include prioritizing other strategic objectives over our climate-related ambitions in pursuit of fulfilling our primary purpose, delivering value to our stakeholders and meeting expectations around financial performance. As our business, our industry and climate science evolve over time, we may need to adjust our climate-related ambitions and our approach to meeting them. We will also need to remain thoughtful about the regulatory and business environment of the jurisdictions in which we operate, as our ability to achieve our climate-related ambitions is contingent on the success of our partners and communities.

Numerous factors (many of which are beyond the control of the Corporation) may cause actual results to differ materially and impact the Corporation's ability to achieve its climate-related and diversity-related ambitions, goals, objectives, priorities and strategies. These factors include, without limitation, the transition to a lower-carbon economy, the need for more and better climate data and standardization of climate-related measurement methodologies, our ability to gather and verify data, our ability to develop indicators to effectively monitor our advancements and assess and manage climate-related risks, the need for active and continued action by stakeholders (including governmental and non-governmental organizations, our counterparties and other businesses and individuals), trade-offs and choices we make that prioritize other strategic objectives and financial performance over our climate-related ambitions, the ability of clients, regulators and suppliers to meet and report on their publicly stated emissions and goals, the viability of third-party decarbonization scenarios, the availability of carbon offset and renewable energy instruments on economically feasible terms, compliance with our policies and procedures, our ability to recruit and retain key personnel in a competitive environment for talent, technological advancements, the evolution of consumer behaviour, varying decarbonization efforts across economies, the challenges of balancing emission reduction ambitions with an orderly, just and inclusive transition and geopolitical factors that impact global energy needs, the legal and regulatory environment, and regulatory compliance considerations. In relation to our climate-related ambitions, goals, objectives, priorities and strategies, there are limitations and uncertainties inherent in climate science, climate risk analysis and reporting. The Corporation has made good faith approximations and assumptions in establishing its 2030 Scope 1 and 2 reduction ambitions and initial reduction ambitions for Scope 3 financed emissions. However, there are many factors that are the subject of ongoing climate science and that we cannot foresee or accurately predict which will impact our ability to achieve those ambitions.

### **Cautionary Note Regarding Non-GAAP Financial Measures and Ratios**

This AIF and the documents incorporated by reference contain some non-Generally Accepted Accounting Principles (GAAP) financial measures and non-GAAP ratios as defined in National Instrument 52-112 "Non-GAAP and Other Financial Measures Disclosure". Terms by which non-GAAP financial measures are identified include, but are not limited to, "base earnings (loss)", "base earnings (loss) (US\$)", "base-earnings (loss) – pre-tax", "base earnings: insurance service result", "base earnings: net investment result", "assets under management or advisement", "assets under administration", "client assets", "non-par base operating and administration expenses", and "run-rate insurance results". Terms by which non-GAAP ratios are identified include, but are not limited to, "base earnings per common share (EPS)", "base return on equity (ROE)", "base dividend payout ratio", "base capital generation", "cost of management ratio", "efficiency ratio", "effective income tax rate – base earnings – common shareholders", "financial leverage ratio" and "pre-tax base operating margin". Non-GAAP financial measures and ratios are used to provide management and investors with additional measures of performance to help assess results where no comparable GAAP (IFRS) measure exists. However, non-GAAP financial measures and ratios do not have standard meanings prescribed by GAAP (IFRS) and are not directly comparable to similar measures used by other companies. Refer to the "Non-GAAP Financial Measures and Ratios" section in the MD&A for the appropriate reconciliations of these non-GAAP financial measures to measures prescribed by GAAP as well as additional details on each measure and ratio, which are incorporated by reference in this AIF.

## Corporate Structure

### Name, Address and Incorporation

Lifeco was incorporated under the Canada Business Corporations Act on November 8, 1979 as 94972 Canada Inc. Its name was changed to Great-West Lifeco Inc. and its capital structure was reorganized by Certificate of Amendment dated May 15, 1986. Its articles, as further amended, were restated by Restated Certificate of Incorporation dated August 7, 1997 and were subsequently amended to create Non-Cumulative First Preferred Shares Series G, Series H, Series I, Series J, Series K, Series L, Series M, Series N, Series O, Series P, Series Q, Series R, Series S, Series T, Series U, Series Y and Series Z. The registered office and principal place of business of Lifeco is located at 100 Osborne Street North, Winnipeg, Manitoba, Canada R3C 1V3.

### Intercorporate Relationships

The following table lists certain subsidiaries of Lifeco, including direct and indirect subsidiaries, at December 31, 2025. Lifeco beneficially owns, or exercises control or direction over, 100% of the voting securities of each subsidiary listed below.

<u>Subsidiary</u>	<u>Jurisdiction of Formation</u>
<b>The Canada Life Assurance Company</b>	Canada
Canada Life Capital Corporation Inc.	Canada
Canada Life International Holdings Limited	Bermuda
The Canada Life Group (U.K.) Limited	England and Wales
Canada Life Limited	England and Wales
Irish Life Group Limited	Ireland
Irish Life Assurance plc	Ireland
Canada Life Irish Holding Company Limited	Ireland
The Canada Life Insurance Company of Canada	Canada
GWL Realty Advisors Inc.	Canada
Quadrus Investment Services Ltd.	Canada
<b>Great-West Financial (Nova Scotia) Co.</b>	Nova Scotia
Great-West Lifeco U.S. LLC	Delaware
Empower Holdings, LLC	Delaware
Empower Annuity Insurance Company of America	Colorado
Empower Annuity Insurance Company	Connecticut
Empower Services Holdings US, LLC	Delaware
Empower Advisory Group, LLC	Colorado
Empower Retirement, LLC	Colorado

At December 31, 2025, Power Financial Corporation, a wholly-owned subsidiary of Power Corporation of Canada, controlled, directly or indirectly, 71.14% of the outstanding common shares of Lifeco, representing approximately 65% of the voting rights attached to all of the outstanding voting shares of Lifeco.

## Description of the Business

### General

Lifeco is a financial services holding company focused on building stronger, more inclusive and financially secure futures. Lifeco operates in the United States, Canada and Europe under the brands Empower, Canada Life, and Irish Life. Together Lifeco provides wealth, retirement, group benefits and insurance and risk solutions to approximately 40 million customer relationships. As of December 31, 2025, Lifeco and its subsidiaries had approximately 33,430 employees worldwide. Lifeco currently has no other material holdings, and currently carries on no business or activities unrelated to its holdings in Empower Annuity Insurance Company of America (“EAICA”, which operates primarily as “Empower”), The Canada Life Assurance Company (“Canada Life”), Canada Life Limited, Irish Life Group Limited (“Irish Life”) and their subsidiaries. However, Lifeco is not restricted to investing in those companies, and may make other investments in the future.

Lifeco focuses on four key lines of business that extend across its reportable operating segments:

- **Retirement** – The Corporation has built millions of trusted relationships with customers through the Retirement line of business. These relationships are based on the consistent delivery of retirement solutions that are delivered at scale through employer sponsored plans as a core part of the business. The Corporation is building lifetime customer relationships through a focus on

deepening the value of advice and product solutions to better meet customers' retirement needs.

- **Wealth** – The Corporation, with a broad global network of advisor relationships, is delivering targeted and sophisticated solutions supported by personalized advice to meet customers' personal wealth needs. The approach is enabled through investments in technology platforms and in managed solutions to help advisors continue to meet the evolving needs of customers.
- **Group Benefits** – The Corporation has built millions of trusted relationships with customers through the Group Benefits line of business. These relationships are based on health and wellness benefits that are delivered at scale through employer sponsored plans as a core part of the business. The Corporation offers benefit solutions to small, medium and large sized plan sponsors including a wide range of traditional and specialty group products designed to meet plan members' benefits needs.
- **Insurance & Risk Solutions** – The Corporation has a strong and stable insurance base which helps produce capital that is invested in areas of opportunity for growth. Additionally, with its sophisticated risk and capital management expertise, the Corporation is helping organizations manage their risks and deliver sustainable customer solutions. By leveraging this expertise, Lifeco is diversifying its portfolio, offsetting or counterbalancing risks and creating value for stakeholders including strong financial performance.

Lifeco's foreign currency denominated operating results were translated to Canadian dollars at prevailing market translation rates. Based on reported results for the twelve months ended December 31, 2025, of the \$40.1 billion of total revenue consisting of insurance revenue, net investment income, and fee and other income, approximately \$20.8 billion, or 51.9%, was denominated in currencies other than Canadian dollars. Similarly, \$2,045 million, or 51.6% of the \$3,960 million total net earnings attributable to shareholders, was denominated in foreign currencies. At December 31, 2025, approximately \$609.3 billion, or 70.6% of the \$862.8 billion of total assets, were denominated in foreign currencies.

Lifeco's businesses are grouped into reportable segments as follows:

### ***United States***

In the U.S., Empower is a leading provider of employer-sponsored retirement savings plans in the public/non-profit and corporate sectors. Empower comprises two distinct lines of business: Empower Workplace Solutions, which aligns with the Retirement line of business, offering saving, investment and advisory services through employer-sponsored plans; and Empower Personal Wealth, which operates under the Wealth line of business, offering individual product solutions and provides retail wealth management products and services to individuals, including individual retirement accounts and after-tax investment accounts. Empower's products and services are marketed nationwide through its sales force, brokers, consultants, advisors, third-party administrators and financial institutions.

### ***Canada***

In Canada, Canada Life offers a broad portfolio of financial and benefit plan solutions for individuals, families, businesses and organizations through four distinct lines of business: Retirement, Group Benefits, Wealth, and Insurance & Annuities. Through Retirement, Canada Life provides group retirement and investment products, including group Registered Retirement Savings Plans (RRSP), Defined Contribution (DC) pension plans, Tax-Free Savings Accounts (TFSA), Registered Education Savings Plans (RESP), other group retirement income products and institutional investment services. Through Group Benefits, Canada Life provides life, accidental death and dismemberment, critical illness, disability, health and dental protection, and creditor insurance. Through Wealth, Canada Life provides individual wealth savings and income products and services, including segregated funds and mutual funds. Through Insurance & Annuities, Canada Life provides individual life, disability and critical illness insurance products and services, as well as individual life annuities.

Canada Life's products are distributed through a variety of channels. The products under the Retirement and Group Benefits lines of business are distributed through an extensive network of group sales offices located across the country through brokers, consultants and financial security advisors. In 2025, a single advisor support team across Financial Horizons Group, Quadrus Investment Services, Investment Planning Counsel (IPC), Value Partners, and those with a direct contract with Canada Life was created under the new banner, Advice Canada. Advice Canada connects advisors with leading insurance solutions, along with the availability of a best-in-class wealth platform for all their clients' needs. New in 2025, Client Advisory Services encompasses the direct channels of Freedom Experience for Workplace Benefits and Retirement plan members with Financial Solutions Centre, Continuum, and Pinnacle for individual insurance and wealth clients.

### ***Europe***

The Europe segment comprises four distinct lines of business: Retirement, Wealth, Group Benefits, and Insurance & Annuities, and serves customers in the United Kingdom (U.K.), Ireland and Germany, offering individual and group protection and wealth management products, including payout annuity products, equity release mortgages, pensions and investments products. The Corporation operates under the Canada Life brand in the U.K. and Germany and under the Irish Life brand in Ireland along with other acquired brands within the intermediary and wealth markets in Ireland.

The core products offered by the U.K. business unit are bulk and individual payout annuities, equity release mortgages, investments (including life bonds, retirement drawdown and pension), and group insurance. These products are distributed primarily through independent financial advisors and employee benefit consultants in the U.K. and Isle of Man.

The core products offered by Irish Life in Ireland are savings and investments, individual and group life insurance, health insurance and pension products. These products are distributed through independent brokers, a direct sales force and tied agent bank branches. Irish Life Health offers individual and corporate health plans, distributed through independent brokers and direct channels. Irish Life Investment Managers ("ILIM") is one of the Corporation's fund management operations in Ireland. In addition to managing assets on behalf of companies in the Lifeco group, ILIM also manages assets for a wide range of institutional clients including pension schemes, insurance companies, wealth managers, fiduciary managers and sovereign wealth funds across Europe and North America. Setanta Asset Management, a subsidiary of the Corporation, manages assets for third-party institutional clients and a number of companies in the Lifeco group. The Corporation also owns a number of employee benefits and wealth consultancy businesses in Ireland. On October 1, 2025, the Corporation's European asset management businesses officially transitioned to a single legal entity, bringing together Irish Life Investment Managers, Setanta, and Canada Life Asset Management's third-party business under one parent organization, Keyridge Asset Management.

The core products offered by the Germany business unit are individual and group pensions and life insurance products. These products are distributed through independent brokers and multi-tied agents.

### ***Capital and Risk Solutions***

The Capital and Risk Solutions segment includes the Reinsurance business under the Insurance & Risk Solutions line of business, which operates primarily in the U.S., Barbados, Bermuda and Ireland. Reinsurance products are provided through Canada Life and its subsidiaries and include both reinsurance and retrocession business transacted directly with clients or through reinsurance brokers.

As a retrocessionaire, the Corporation provides reinsurance to other reinsurers to allow those companies to manage their reinsurance risk. The product portfolio offered by the Corporation includes life, annuity/longevity, mortgage surety and property catastrophe reinsurance, provided on both a proportional and non-proportional basis.

In addition to providing reinsurance products to third parties, Lifeco and its subsidiaries also utilize internal reinsurance transactions between companies in the Lifeco group. These transactions are undertaken to better manage insurance risks relating to retention, volatility and concentration; and to facilitate capital management for Lifeco and its subsidiaries and branch operations. These internal reinsurance transactions may produce benefits that are reflected in one or more of Lifeco and its subsidiaries' business units.

### ***Corporate***

The Lifeco Corporate segment includes operating results for activities that are not specifically associated with the major business units of the Corporation.

Additional information regarding Lifeco's business is included in the MD&A.

## **Risk Factors**

There are certain risks inherent in an investment in the securities of Lifeco which investors should carefully consider before investing in the securities of Lifeco. As a large international financial services holding company operating in a complex industry, Lifeco encounters a variety of risks. Lifeco's MD&A provides a description of some of the significant risks that could affect Lifeco's business, reputation, financial condition or results and Lifeco's risk management and oversight processes. The risks described in the MD&A and in this AIF do not include all possible risks and there may be other risks of which Lifeco is not currently aware. These risks have been grouped into the following categories:

1. Market and Liquidity Risk
2. Credit Risk
3. Insurance Risk
4. Operational Risk
5. Conduct Risk
6. Strategic Risk
7. Other Risks

These risks may occur independently or in combinations, and may occur simultaneously or in an environment where one or more risks evolve rapidly. It should be noted that risks included in the fourth, fifth and sixth categories, such as legal, regulatory or reputational risks, may still represent serious risks notwithstanding the expectation that they may be of a lesser magnitude.

Protecting the Corporation's reputation is a fundamental component of our Risk Appetite Framework. Reputation risk is the risk of loss as a result of damage to the Corporation's image, brand and standing in the market due to negative public perception. Reputational impacts are considered when assessing financial and non-financial risk. In addition, any significant new business development or change in strategy would also warrant an independent assessment of the potential impact on reputation.

Additional information regarding our risk factors is included in the MD&A under the heading Principal Risk Categories.

Lifeco's approach to risk management is guided by an integrated Enterprise Risk Management Framework. Each of the five components of that Framework: Risk Culture, Risk Governance, Risk Appetite, Risk Processes and Risk Infrastructure & Policies are described in Lifeco's MD&A. Management of risks, including but not limited to financial, operational (including legal and regulatory), conduct, and strategic risks, requires, among other things, policies and procedures to measure, monitor, manage, identify, assess and respond to risks and events.

***Our risk management policies and procedures may not be fully effective, which may leave us exposed to risks that could negatively affect our business, results, financial condition or reputation***

Lifeco's risk management policies and procedures may not be fully effective and may leave us exposed to unidentified and unanticipated risks. New, emerging, or rapidly changing risks may not be detected or addressed in a timely manner. These gaps could expose Lifeco to unexpected adverse events that negatively impact our financial condition, results, operations, or reputation.

***Inadequate operational resilience in the face of adverse conditions could result in financial losses, regulatory sanctions or reputational damage***

Lifeco may be subject to disruptions of its operating systems or its ability to conduct business from events that are wholly or partially beyond its control such as a natural catastrophe, act of terrorism, pandemic, cyber security incidents or electrical/telecommunications outage.

Operational resilience refers to the ability to embed capabilities, processes, and systems to successfully deliver its critical operations, through disruption. Operational resilience emphasizes preparation, response, recovery, learning, and adaptation by assuming disruptions, including simultaneous disruptions, will occur. Poor operational resilience in the face of adverse events could prevent Lifeco from carrying out important business services, with potential for lost revenue, regulatory sanctions and damage to reputation.

***Macroeconomic risks may negatively affect our results of operations and financial condition***

Many factors contribute to the economic uncertainty in the geographies in which Lifeco operates.

Global financial markets continue to experience elevated volatility, in part due to geopolitical tensions and conflicts, which Lifeco actively monitors. Central banks are weighing these factors in consideration of interest rate decisions in many of the countries in which the Corporation operates.

Economic and trade policies (including those of the countries in which Lifeco operates) may have significant implications for the US, Canadian and European economies and may negatively affect Lifeco's business and financial condition.

The U.S. has enacted sweeping tariff increases in 2025, affecting imports from Canada, Europe, and China. These measures have led to disruptions in global trade flows, increased input costs, and reduced GDP growth forecasts across affected regions. While some temporary truces have been reached, the broader trend toward economic decoupling continues. These developments may result in higher inflation, currency volatility, and slower economic growth, which could adversely impact Lifeco's financial results and capital markets exposure.

The outlook for financial and real estate markets over the short and medium-term remains highly uncertain and Lifeco actively monitors events and information globally.

Throughout 2025, commercial real estate markets in North America and Europe remained challenged, particularly the office sector. While some urban markets show signs of stabilization, vacancy rates remain elevated and fundamentals remain weak. Demand continues to be impacted by hybrid work models and cautious corporate leasing strategies, driven as well by challenging economic and capital market conditions. Multifamily and industrial sectors have shown relative resilience, though construction cost pressures and regional oversupply are emerging concerns. Along with higher interest rates, this has resulted in valuation reductions for certain investment properties and indirectly for certain commercial mortgages reflecting the current outlook for office properties. As market conditions evolve, Lifeco may be required to apply further valuation reductions.

Any or all of these macroeconomic risks may negatively affect Lifeco's financial outlook, results and operations.

## 1. Market and Liquidity Risk

Market risk is the potential loss due to changes in market rates and prices including interest rates and spreads, real estate values, foreign exchange rates, and equity prices. This risk stems from business activities including investment transactions that result in both on-balance and off-balance sheet exposures. Liquidity risk is the risk that Lifeco may be unable to generate sufficient funds to meet its obligations – including off-balance sheet commitments – as they come due.

### ***Interest rate and credit spread fluctuations may materially adversely affect our business, results and financial position***

Interest rate and credit spread risk refers to the potential loss due to changes in future interest rates or credit spreads that affect cash flows of assets relative to liabilities as well as assets backing surplus. This risk also includes changes in the amount and timing of cash flows related to asset and liability optionality, including interest rate guarantees and book value surrender benefits in the liabilities. Lifeco's main exposure to interest rate risk arises from certain general fund and segregated fund products.

A prolonged low-interest rate environment may adversely impact the Corporation's earnings and capital and could impact its business strategy. In such environments, new fixed income investments typically yield less, reducing investment income. Hedging costs may also increase, and early repayment on investments such as mortgage-backed securities, asset-backed securities, and callable bonds, could force reinvestment at lower yields, which could further reduce investment margins. Additionally, lower interest rates would increase capital requirements for guaranteed products (for example, Canadian participating products), with sensitivity to market movements (sensitivity increases as interest rates decrease). The Corporation may also be required to make payments to satisfy guarantees (e.g., on products with guaranteed minimum crediting rates). While the Corporation uses hedging strategies to partially offset this risk, there is no guarantee that hedging strategies will be fully effective.

On the other hand, a rapid rise in interest rates may adversely affect the Corporation if it needs to dispose of fixed income securities to meet contractual surrender benefits. Additionally, the value of most liquid assets and marketable securities, which are mainly fixed-income securities, would decrease when interest rates rise. This risk is most material for Canadian participating products and a majority of US general account products. A large volume of discretionary withdrawals by plan sponsors or plan participants may adversely affect Lifeco's liquidity and financial position. In addition, asset and liability matching strategies may not be sufficient to fund potential exits or reinvest at prevailing rates.

### ***Volatility in equity or real estate markets may materially adversely impact our business, results and financial position***

Non-fixed income (NFI) risk refers to the potential loss from changes in the level or the volatility of asset prices such as public and private equity, and real estate. Lifeco's main exposure to equity risk arises from three sources: direct equity investments, equity guarantee risk and equity fee income risk associated with Lifeco's assets under management.

Volatility and/or adverse economic conditions could negatively affect the value of equity securities held in Lifeco's general account, which in turn could negatively affect Lifeco's financial condition.

Through its subsidiaries, Lifeco offers segregated funds and variable annuities that provide guaranteed minimum death benefits, lifetime guaranteed minimum withdrawal benefits and guaranteed minimum accumulation on maturity benefits. In addition, Lifeco's subsidiaries have a closed portfolio of guaranteed minimum income benefits that they have reinsured from other U.S. life insurance and reinsurance companies. These products involve cash flows of which the magnitude and timing are uncertain and are dependent on the level of equity and fixed-income market returns, interest rates, currency markets, market volatility, policyholder behaviour and policyholder longevity. When equity markets perform strongly, it is less likely that the Corporation will be required to make payments on certain guaranteed products – the opposite impact is observed in equity downturns. The actual cost to the Corporation will depend on the trigger event (i.e., income election, maturity or death) having occurred and the market values at that time.

Real estate losses can arise from fluctuations in the value of, or future cash flows from, Lifeco's investment in real estate. This risk affects both the Corporation's general fund assets and investments made on behalf of policyholders. The Corporation's investment in real estate arises from direct holdings in real estate and through fixed income holdings backed by real estate (e.g., mortgages, mortgage-backed securities). Real estate risk may arise from external market conditions, inadequate property analysis, inadequate insurance coverage, inappropriate real estate appraisals or from environmental risk exposures. Mortgage loans, which are principally collateralized by commercial and residential properties, face default risk. An increase in the default rate of mortgage loan investments or fluctuations in their performance could have an adverse effect on Lifeco's business, results of operations and financial condition that could be material. Any geographic or property type concentration of mortgage loans may have adverse effects on Lifeco's investment portfolio and consequently on its results of operations or financial condition. Events or developments that have a negative effect on any particular geographic region or sector may have a greater adverse effect on the investment portfolio to the extent that the portfolio is concentrated. The ability to sell related assets may be limited if other market participants are seeking to sell at the same time. In addition, with respect to asset-backed securities ultimately collateralized by real estate, a rise in home prices and an increased availability of housing-related credit could combine to increase expected or actual prepayment speeds, which would likely lower the valuations of these mortgage loan investments.

### ***Foreign exchange fluctuations may adversely impact our financial results***

Foreign exchange risk refers to the potential for loss due to fluctuations in currency exchange rates relative to Lifeco's reporting currency. The Corporation typically aligns the currency of general fund investments with that of the corresponding insurance and investment contract liabilities.

Lifeco's financial results are reported in Canadian dollars. Lifeco has exposures to the U.S. dollar resulting from the operations of Empower and our Reinsurance operations within the Capital and Risk Solutions segment in the United States; and to the British pound and the euro resulting from the operations of business units within the Capital and Risk Solutions and Europe segments operating in the U.K., the Isle of Man, Ireland and Germany. In addition, the Capital and Risk Solutions segment may engage in business that exposes Lifeco to fluctuations in other foreign currencies. As a result, Lifeco's revenue, expenses and income denominated in currencies other than the Canadian dollar are subject to fluctuations due to the movement of the Canadian dollar against these currencies. Such fluctuations may adversely affect Lifeco's financial results and financial condition.

### ***External financing may be required if available internal sources of liquidity or capital are insufficient***

Liquidity risk is the potential inability of the Corporation to generate sufficient funds to meet its obligations as they come due. While Lifeco monitors its liquidity and capital position on a regular basis, it may need to seek external financing if available internal levels of liquidity or capital are insufficient. Liquidity demands include but are not limited to the payment of policyholder benefits, collateral posting as required under agreements with counterparties, the payment of operating expenses and taxes, reinsurance obligations, and the servicing of debt. Capital demands could result from the growth of new business, a change in investment strategy, an investment in systems or other infrastructure, a deterioration of capital arising from financial losses or a severe stress. Lifeco's access to capital and cost of capital will depend on a variety of factors such as market conditions, the general availability of credit in financial markets, the overall availability of credit to the financial services industry, the volume of trading activities in financial markets, Lifeco's credit ratings and credit capacity, and the perception of customers or lenders of Lifeco's long- or short-term financial strength. If Lifeco is unable to secure external financing to meet a liquidity shortfall, it may be required to sell assets or reinsure liabilities, make changes to its investment strategy, or discontinue the use of certain derivatives, which could have an adverse effect on Lifeco's financial condition.

## **2. Credit Risk**

### ***Defaults, impairments, or downgrades in the investment portfolio may lead to realized or unrealized losses and higher asset default provisions, negatively affecting the Corporation's earnings and capital position***

Credit risk refers to the potential loss resulting from a counterparty's inability or refusal to meet its contractual or other obligations or when the counterparty's credit rating deteriorates.

Credit risk arises whenever funds are extended, committed or invested through formal or implied arrangements. Key components of credit risk include: loan loss/principal risk, pre-settlement/replacement risk and settlement risk. Credit exposures stem from various counterparties, including issuers, borrowers, brokers, policyholders, reinsurers, derivative counterparties and guarantors.

Lifeco's primary credit exposure comes from investments in fixed income securities (including government and corporate bonds, commercial and residential mortgages, structured securities, and private assets/funds), which support policyholder liabilities. Additional exposure arises from financial contracts – such as reinsurance and derivatives – used to manage insurance and market risks or as part of core business operations.

## **3. Insurance Risk**

Insurance risk is the risk of loss due to unfavourable changes in experience associated with contractual promises and obligations arising from insurance contracts. This includes uncertainties related to the ultimate amount of net cash flows (such as premiums, commissions, claims, payouts and settlement costs), the timing of those cash flows, as well as the impact of policyholder behaviour (such as policy lapses).

Lifeco recognizes six main categories of insurance risk that may lead to financial losses: mortality risk, morbidity risk, longevity risk, policyholder behaviour risk, expense risk and property & casualty risk. Mortality, morbidity, longevity and expense risks are key business risks and managing these risks to create value is a core business activity.

### ***Differences between our pricing assumptions and actual mortality/morbidity rates may negatively affect our operations and financial position***

Mortality risk refers to the potential for loss due to unfavourable changes in mortality rates, where an increase in mortality rates leads to an increase in the value of insurance contract liabilities and a resulting decrease in current and/or future earnings. Morbidity risk refers to the potential for loss due to unfavourable changes in disability, health, dental, critical illness and other sickness rates, where an increase in the

incidence rate or a decrease in the disability recovery rate leads to an increase in the value of insurance contract liabilities and a resulting decrease in current and/or future earnings.

The long-term profitability of insurance products depends upon how actual mortality rates and actual morbidity rates, compare to pricing assumptions. Deviations from assumptions related to mortality and morbidity risk could adversely affect Lifeco's results of operations and financial condition. There is a risk that the Corporation will mis-estimate the level of mortality or morbidity, or write business which generates worse mortality and morbidity experience than expected. Mortality and morbidity risk can arise in the normal course of business through random fluctuation in realized experience, through catastrophic events such as pandemics or acts of terrorism, or in association with other risk factors.

Current legislation in Canada restricts insurers from requiring customers to take or release the results of genetic tests. Similar legislation or industry guidance exists or may be enacted in other jurisdictions. If customers have access to the results of genetic tests and we do not, this creates asymmetry of information between insureds and insurers, which could adversely impact mortality and morbidity experience and policyholder behaviour. This asymmetry of information may increase as genetic testing advances and becomes more accessible, giving rise to better diagnoses of conditions where treatments are expensive or non-existent. The asymmetry of information may lead to increased anti-selection in new business underwriting.

***Differences between our pricing assumptions and actual life expectancy rates may negatively affect our operations and financial position***

Longevity risk refers to the potential for loss due to unfavourable changes in mortality rates, where a decrease in these mortality rates leads to an increase in the value of insurance contract liabilities and a resulting decrease in current and/or future earnings. Annuities, certain segregated fund products with guaranteed minimum withdrawal benefits, and longevity reinsurance are priced and valued based on the life expectancy of the annuitant. There is a risk that annuitants may live longer than was estimated by the Corporation, which would increase the value of the associated insurance contract liabilities.

The long-term profitability of annuity products depends upon how actual longevity rates compare to pricing assumptions. Deviations from assumptions related to longevity could adversely affect Lifeco's results of operations and financial condition.

Inaccurate forecasting of an insured's life expectancy could result from, among other things: (i) advances in medical treatment (e.g., new cancer treatments) or medical innovations (e.g. GLP-1 drugs) resulting in improved life expectancy; (ii) inaccurate diagnosis or prognosis; (iii) changes to life style habits or the individual's ability to fight disease; (iv) reliance on outdated or incomplete age or health information about the insured, or on information that is inaccurate (whether or not due to fraud or misrepresentation by the insured); or (v) improper or flawed methodology or assumptions in terms of modeling medical conditions.

***Customer behaviour may result in lower product sales and decreased profitability***

Policyholder behaviour risk refers to the potential for loss due to unfavourable changes in the rates of policy lapses (to the extent that higher costs are incurred in early contract years), terminations, renewals, surrenders, or the exercise of embedded policy options.

Products are priced and valued based on the expected duration of contracts and the exercise of contractual options. There is a risk that contracts may be terminated earlier or later than anticipated in the pricing and design of the plan. If higher costs are incurred in the early years of a contract, there is a risk that contracts could be terminated before those expenses can be recovered. For products with cash surrender value, the timing of when an individual lapses could result in payouts greater than insurance contract liability, especially in a high-interest rate environment. This may decrease profitability and potentially contribute to liquidity risk discussed further under "Market and Liquidity Risk". Conversely, with certain long-term level premium products where claims costs increase with age, there is a risk that contracts may be terminated later than expected.

Current and future legislation may restrict insurers from requiring customers to take or release the results of genetic tests. There may also be an impact on policy lapse rates where adverse genetic testing results may motivate insureds to retain their policies resulting in claims payouts that differ from those assumed in the pricing and valuation of products, as well as increased insurance rates which may result in loss of new and existing customers.

In addition to the risk associated with core product offerings, the Corporation also writes structured mass lapse reinsurance transactions, which are designed to provide capital relief for our clients. Key risk drivers for these transactions include factors that could trigger a mass lapse event, which are generally remote, one-off events. Examples include catastrophic events, changes to the market for the product such as changes to tax incentives or availability of new products, and reputational events including adverse agent activity, or large-scale policyholder migration.

***Increased or higher than expected expenses may reduce our profitability***

Expense risk refers to the potential for loss due to unexpected changes in expenses related to fee-for-service business or the servicing and maintenance of insurance, savings or reinsurance contracts. This includes direct expenses and allocations of overhead costs. This risk can arise from general economic conditions, unexpected increases in inflation, new high-cost drugs or treatments, slower than anticipated growth, or

reduction in productivity leading to increases in unit expenses. Expense risk occurs in products where we cannot or will not pass increased costs onto the client and will manifest itself in the form of an insurance contract liability increase or a reduction in expected future profits.

#### ***Catastrophic events could cause volatility in our financial results***

Property & casualty risk refers to the risk of loss due to unfavourable experience related to property catastrophes and other non-life coverages.

This risk is primarily associated with the Corporation's reinsurance assumed business and can be divided into two main categories:

- **Property catastrophe risk:** The Corporation primarily assumes this risk as a retrocessionaire. The Corporation is exposed to the risk of extreme or catastrophic events including, but not necessarily limited to tornadoes, hurricanes, earthquakes, tsunamis, wildfires, floods, and acts of terrorism. The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Certain events such as earthquakes, tsunamis, hurricanes, wildfires, floods, and man-made catastrophes could cause substantial damage in larger areas, especially those that are heavily populated. Claims resulting from natural or man-made catastrophic events could cause volatility in Lifeco's financial results for any fiscal quarter or year and could reduce Lifeco's profitability and have an adverse effect on our results of operations. Participation is generally at significantly higher event or experience loss exposures than primary carriers and reinsurers. Generally, an event or experience of significant severity must occur prior to the Corporation incurring a claim. If a claim does occur, it may affect multiple reinsurance contracts.
- **Structured property & casualty risk:** Treaties are written on a structured basis and can take the form of coverage for particular lines of business or multiple lines of business. Unlike traditional reinsurance where the reinsurer assumes a share of the insurer's overall risk, these treaties are typically structured to support clients' capital management and risk mitigation objectives.

## **4. Operational Risk**

Operational risk refers to the potential loss due to issues with internal processes, people, or systems or from external events. This risk can arise from normal day-to-day operations or unexpected incidents and can lead to material financial losses and damage to reputation.

Lifeco recognizes eleven main categories of operational risk that may lead to losses: Technology Risk, Business Continuity Risk, Physical Security Risk, Business Processing Risk, Reporting Risk, Fraud Risk, Third-party Risk, Legal Risk, Regulatory Compliance Risk, People Risk, and Model/End-user-computing Risk.

#### ***System failures or information risk may materially adversely affect our business, results of operations, financial position and reputation***

Technology risk is the risk of loss from improper system or control design, improper operation, delivery of or unauthorized access to information and technology resources that can significantly impact the Corporation's ability to operate efficiently, to stay compliant with regulations, and to maintain its financial integrity and reputation. More specifically, technology risk includes cyber and information security risk, technology operations risk, and technology delivery risk.

The nature of advancing technology introduces uncertainty as to how the insurance industry will evolve. Cloud services, which are being adopted by the Corporation to improve systems flexibility and information security, require scrutiny as digital supply chains grow in complexity. Technology is a critical component of Lifeco's business operations and is also central to Lifeco's customer-focused digital strategy. Lifeco continues to face technology and cyber risks stemming from legacy technology constraints and the advancement of techniques used in cyber-attacks.

Like other global companies, Lifeco is regularly the target of attempted cyber and other security threats and must continuously monitor and develop its information technology networks and infrastructure to prevent, detect, address and mitigate the risk of threats to its data (personal and confidential) and systems, including malware and computer virus attacks, ransomware, unauthorized access, misuse, denial-of-service attacks, system failures and disruptions. Despite the implementation of a variety of security measures, Lifeco's computer systems could be subject to physical and electronic break-ins, cyber-attacks, and similar disruptions from unauthorized tampering, including threats that may come from external factors, such as governments, organized crime, hackers, artificial-intelligence (AI)-enhanced threats and other third parties, or may originate internally. Further, although steps have been taken to prevent and detect such events, it is possible that Lifeco may not become aware of a cyber incident for some time after it occurs, which could increase its exposure to operational, reputational and privacy risks as well as litigation and regulatory risks. Challenges in managing information effectively – such as capturing, organizing, storing, and securely disposing of corporation data – can hinder timely access to accurate data for informed decision-making. Poor handling of data, particularly in cross-border transfers, may lead to regulatory compliance issues. If these risks are not properly managed, these could result in financial and reputational impact, along with potential legal consequences.

Lifeco continues to implement new risk management processes and practices that are designed to allow it to better identify, measure and mitigate risk, but those processes and practices continue to require further development and ongoing updates as technology and business needs

evolve. It will require further work and time to develop and implement risk management processes and practices required to fully address rapidly evolving technology and technology use and legacy technology issues. Lifeco may suffer losses as a result of technology and cyber events that its existing processes and practices either do not yet address or do not address adequately or as a result of failures to comply with those processes and policies.

Lifeco also receives and is required to protect personal, confidential and proprietary information. Lifeco retains confidential information in its information systems and in cloud-based systems (including customer transactional data and personal information about its customers, the employees and customers of its customers, and its own employees). Lifeco relies on commercial technologies and third parties to maintain the security of those systems. Although Lifeco attempts to keep such information secure from unauthorized access (including by taking steps such as carrying out due diligence on third-party service providers), it may be unable to do so in all events, especially with clients, vendors, service providers, counterparties and other third parties who may not have or use appropriate controls to protect personal, confidential or proprietary information. Although in selecting technology services, the Corporation seeks to balance appropriately the need to manage technology and cyber security risks, service providers nevertheless may introduce material security risks into the Corporation's technology environment. As well, because of the limited number of large-scale cloud-based services, Lifeco's ability to negotiate customized terms of service, or switch providers if issues arise, may be limited. Any problems caused by these third parties, including those resulting from breakdowns or other disruptions in communication services provided by a vendor, failure of a vendor to handle current or higher volumes, or cyber-attacks and security breaches at a vendor, could adversely affect Lifeco's ability to deliver products and services to its customers and otherwise conduct its business. Furthermore, Lifeco's policies, procedures and technical safeguards may also be insufficient to prevent or detect improper access to confidential, personal or proprietary information by employees, vendors or other third parties with otherwise legitimate access to Lifeco's systems.

Our corporate insurance coverage is structured with reference to publicly observed loss trends within the industry and is intended to mitigate financial impacts. However, certain security events could exceed coverage limits or fall outside the scope of insurable losses.

***Failure to provide for the continuity of business processes in the face of adverse conditions could result in losses, regulatory sanctions or reputational damage***

Business continuity risk is the risk of loss from the inability to maintain business processes and operations during adverse events. These events can be natural, technological or human caused events and may result in disruptions affecting workplace access, workforce availability, technology or the supply chain. Failure to adequately execute business continuity processes in the face of adverse events, or inefficiencies or flaws in these processes, could prevent Lifeco from carrying out critical operations, with potential for lost revenue, regulatory sanctions and damage to reputation.

***Inadequate physical security and safeguarding could result in losses and adverse impact to our reputation***

Physical security risk is the risk of damage or loss that may arise from natural, technological, or malicious threats, actions or events involving physical asset and people security. Physical security risk management entails safeguarding people, facilities, technology and data from physical security incidents which can cause significant loss to the organization. Inadequate physical security strategies and safeguarding could result in losses and adversely impact Lifeco's reputation.

***Inadequate business processing could negatively impact our relationships with customers, our reputation or financial results***

Business processing risk is the risk of loss or material error due to inadequate or failed business processes. These processes include transaction processing, product development and introduction, new business (including distribution and sales), renewals (including underwriting), investment activities, client administration, claims and benefit payments. Such inadequacies may result from issues in governance, oversight, communication or general process management. Inadequate or failed processes or systems can adversely impact Lifeco's financial results, relationships with customers and reputation.

***Inadequate reporting could negatively impact our financial results and reputation***

Reporting risk is the risk of loss or material misstatement due to inadequate financial reporting. Reporting includes data aggregation, financial reporting, modelling and financial management. Such inadequacies may result from break-downs in processes or systems or issues in governance, oversight, communication or general management. Inadequate or failed reporting can adversely impact Lifeco's financial results and reputation.

***Fraudulent activity may create financial losses and negatively affect our customers or our reputation***

Fraud risk is the risk of loss due to acts of a type that are intended to defraud, misappropriate assets, or circumvent laws or regulations by customers, suppliers, advisors, directors, officers, employees, on-site contractors or other third parties. Fraud is any intentional dishonest act or omission designed to deceive others, resulting in a victim suffering or being exposed to a loss or the perpetrator achieving a gain. Fraud can result in financial, reputational, regulatory and legal impacts to Lifeco or its subsidiaries and have other impacts that are detrimental to customers and other stakeholders. Lifeco faces both internal and external fraud risks that may include identify theft, fraudulent claims,

misrepresentation, forgery and collusion (all of which can be AI-enabled), as incident types. Fraud can be difficult to detect due to the continuously evolving external fraud environment and increasingly sophisticated methods of organized criminals, and could harm our business, results of operations or financial condition.

***Third parties that fail to meet our performance standards may adversely affect Lifeco's financial results and reputation***

Third party risk is the risk of loss due to a third party failing to provide goods, services, business activities, protect data or systems or otherwise exposing Lifeco to negative outcomes. This risk applies to both external and internal third parties. Lifeco and its subsidiaries strategically engage third parties to maintain cost efficiency, optimize internal resources and capital and access skills, expertise and resources not otherwise available. Lifeco uses a third-party risk management framework to manage and monitor third-party risk throughout the third-party lifecycle. The failure to establish adequate standards for performance, to adequately manage and monitor performance against those standards, or by third parties to meet Lifeco's standards, can have a negative impact on Lifeco's financial results and reputation.

***Adverse litigation, non-compliance with laws or regulations, and regulatory action or publicity could damage our business and reputation, and create losses***

Legal and regulatory risk is the risk of loss from non-compliance with local or international laws, regulations, or industry standards or contractual or other legal obligations, as well as civil or criminal litigation involving Lifeco or its subsidiaries. As a multi-national company, Lifeco and its subsidiaries are subject to extensive legal and regulatory requirements across jurisdictions in which we operate, including the U.S., Canada, the U.K., Ireland and Germany. These requirements cover areas such as capital adequacy, privacy, financial crimes (such as fraud, bribery, corruption, money laundering, and terrorist financing), liquidity and solvency, investments, sales practices, obligations to consumers, investors, suppliers, and other counterparties, business conduct, asset management, dealers and provision of investment advice as well as reinsurance processes. Material changes in legal or regulatory frameworks, or non-compliance, could negatively and materially impact Lifeco. An increase in the pace of regulatory change may also increase operational costs to maintain compliance.

Insurance and securities regulators in multiple jurisdictions regularly re-examine existing laws and regulations applicable to financial and retirement services providers, insurance companies, investment advisors, broker-dealers and their products and distribution methods. Compliance with applicable laws and regulations can be time and resource intensive, and changes in these laws and regulations or in the interpretation or enforcement thereof, may materially increase direct and indirect compliance costs and other expenses of doing business, thus having an adverse effect on Lifeco's results of operations and financial condition. Future regulatory capital, actuarial and accounting changes, including changes with a retroactive impact, could have an adverse effect on Lifeco's consolidated financial condition, results of operations and regulatory capital both upon implementation and going forward. In addition, such changes could have an adverse effect on Lifeco's position relative to that of other Canadian and international financial institutions with which we compete for business and capital. Failure to comply with applicable laws or regulations could result in financial penalties or sanctions, and damage our reputation.

Ongoing regulatory developments in multiple jurisdictions can result in significant levels of complexity in Lifeco's products, how they are sold and serviced, and in the systems and processes used to run Lifeco's business. This complex regulatory framework may restrict innovation and/or affect customer and advisor experiences, may require Lifeco to modify its business practices, to adopt new systems, or to upgrade existing systems, each at significant expense, and may lead to the increased difficulty in executing Lifeco's business strategies. In addition, there is a risk that tax legislation, administrative guidance or legislative developments could lessen or eliminate some of the benefits currently available to Lifeco's insurance subsidiaries or their policyholders. This risk could result in lower product sales or increased lapses of policies, and could negatively impact Lifeco's future results of operations and financial position.

From time to time, regulators raise issues during examinations or audits of Lifeco's insurance subsidiaries that could have a negative impact on Lifeco. Lifeco cannot predict with certainty whether or when regulatory actions may be taken that could adversely affect Lifeco's operations.

***Changes in tax laws, tax regulations or interpretations of such tax laws or regulations could have an adverse effect on our business, results of operations and financial condition***

The Corporation's effective tax rate reflects certain tax benefits, including but not limited to tax-exempt investment income, dividends received deductions, tax credits and lower statutory tax rates in some jurisdictions in which we operate. In addition, many of our life insurance products provide clients with preferential tax treatment under various tax regimes (for example, certain insurance policies and annuity contracts permit the deferral or elimination of taxation on earnings accrued under the policy or the exclusion from taxable income of specific death benefits paid to policyholders' beneficiaries). Changes in tax legislation could reduce or eliminate some of the tax advantages currently available to the Corporation, its policyholders or its other clients. Should such changes occur, they could adversely affect our future results of operations and financial position, potentially through lower product sales, increased policy lapses, and /or higher corporate tax rates.

The Corporation is subject to income tax laws in multiple jurisdictions, across various levels of government and involving a range of tax mechanisms. The Corporation's operations are complex and related income tax interpretations, regulations and legislation applicable to its activities are subject to continual change. The Corporation undertakes tax planning strategies to achieve tax efficiencies. It regularly assesses the uncertainty associated with these strategies. Provisions are maintained for uncertain tax positions. Accordingly, the provision for income taxes represents management's interpretation of the relevant income tax laws and its estimate of current and deferred income tax balances for

the period. The audit and review activities of tax authorities may affect the ultimate determination of the amounts of income taxes payable or receivable, deferred income tax assets or liabilities and income tax expense. There is a risk that tax authorities could successfully maintain different interpretations of the relevant laws which may give rise to additional taxes, interest and penalties.

The 15% Global Minimum Tax (“GMT”) regime has been in effect since 2024 and applies to all countries where the Corporation has significant operations. The Corporation will file its first GMT information and top-up-tax returns in 2026, in respect of the 2024 tax year. The GMT is complex in nature and applies to Lifeco as part of a larger group of related companies. There is a risk that future legislative changes, administrative guidance or interpretative differences between countries may result in unanticipated tax liabilities, compliance costs or operational challenges.

In addition, deferred tax assets have been recorded in the financial statements related to tax loss carry-forwards, tax credits and other amounts that will not be deductible for tax purposes until a future year. Recognition of the deferred tax asset is based on whether it is probable that the entity will have taxable profits and/or tax planning opportunities available to allow the deferred tax asset to be used. Changes in circumstances in future periods may adversely impact the recoverability of the deferred tax asset, potentially requiring a reduction in its carrying value. This could have an adverse impact on our financial results that could be material.

Any changes to statutory corporate income tax rates in jurisdictions in which we operate requires a review and re-measurement of deferred tax assets and liabilities as at the date of substantive enactment. Consequently, any rate reduction could result in a reduction in the carrying value of deferred tax assets and a corresponding income tax expense at that time.

***If we cannot attract and retain key people, our ability to meet our business objectives will be adversely affected***

People risk is the risk of loss due to inadequate management of human capital or misalignment between human resources policies, programs and practices and employment related legislation, regulatory expectations or the Corporation’s strategic objectives, risk appetite and values. Lifeco’s success depends, in large part, on its ability to attract and retain key people. Due to the intense competition for key employees with demonstrated ability, Lifeco and its subsidiaries may be unable to hire or retain such employees. In addition, Lifeco may experience higher than expected employee turnover and difficulty attracting new employees. Inability to retain Lifeco’s key people could have an adverse effect on operations that could be material, given their skills, knowledge of Lifeco’s business, years of industry experience and the potential difficulty of promptly finding qualified replacement employees. Lifeco’s results of operations and financial condition could be adversely affected if it is unsuccessful in attracting and retaining key employees.

***Decisions based on incorrect models or End-user-computing (EUC) may cause financial loss, poor business and strategic decision-making, or damage to Lifeco’s reputation***

Model / EUC risk is the risk of negative outcomes from decisions based on inaccurate models or EUC’s, or from misuse of their outputs and reports. This risk can lead to financial loss, poor business and strategic decisions, and harm to the Corporation’s reputation or standing.

## **5. Conduct Risk**

***Inappropriate conduct by employees or intermediaries may cause unfair outcomes for customers and adversely affect Lifeco’s business, results, financial condition and reputation***

Conduct risk is the risk that customers may experience unfair outcomes due to inadequate or failed processes or inappropriate actions or offerings by Lifeco or its representatives. Conduct risk can arise and must be managed at all stages of our processes from product development to sales and post-sales service. If conduct risk is not identified and managed, it can harm Lifeco’s customers and lead to financial, reputational, and regulatory risk for Lifeco, including potential for remediation costs and regulatory fines.

## **6. Strategic Risk**

Strategic risk is the risk of failing to set, or meet, appropriate strategic objectives in the context of the internal and external operating environment, exposing the Corporation to material business, financial, or reputational risk.

***Competitive factors may adversely affect Lifeco’s market share and profitability***

The industry in which Lifeco operates is highly competitive. Lifeco’s competitors include insurance companies, mutual fund companies, banks, investment advisors, asset management companies, retirement service providers, and certain other service and professional organizations. In addition, new Fintech and Insurtech companies continue to make gains in the industry. Although there has been consolidation in some sectors, no one competitor is dominant. Customer retention is a key factor for continued profitability. Lifeco’s customers could shift their funds to competitors’ products or services for any number of reasons, including investment performance, changes in prevailing interest rates, changes in customer investment preferences, changes in Lifeco’s reputation in the marketplace, loss of key investment management personnel and financial market performance. As with all financial services companies, Lifeco’s ability to conduct business depends on consumer confidence in

the industry and Lifeco's financial strength. Actions of competitors, and financial difficulties of other companies in the industry, and related adverse publicity, could undermine consumer confidence and harm Lifeco's reputation.

***We may not be able to execute our business strategies, or our strategies may not accomplish our objective***

Strategic risk may reflect intentional risk-taking, or it may emerge as an unintended consequence of business strategy, its execution, or inadequate resilience to internal or external forces. Effective strategies may be designed that nevertheless fail to achieve their long-term vision due to ineffective execution or management of risks stemming from strategic initiatives.

Lifeco's strategic initiatives may involve mergers and acquisitions, divestitures, block reinsurance transactions or other business transformation initiatives. Such strategies present risks that could have an adverse effect on Lifeco's business and financial performance that could be material. Examples of this include: (i) the diversion of management's attention, (ii) the ability to execute a transaction or transformation effectively, including, if applicable, the integration of operations and the retention of employees and (iii) the contingent and latent risks associated with the past operations of and other unanticipated problems arising from a transaction partner or the businesses subject to transformation. Lifeco cannot know if it will fully realize the anticipated benefits of a completed transaction or transformation or if there will be substantial unanticipated costs associated with such a transaction or transformation. Lifeco is not able to predict whether it will be able to identify and complete a future transaction on terms favorable to it. In addition, Lifeco will not know with certainty that it will be able to maintain its current competitive position in the markets in which it operates, or that it will be able to successfully execute strategy to expand its operations into new markets. If Lifeco fails to do so, its business, results of operations, financial condition or reputational standing could be adversely affected.

***Mergers and acquisitions could create new risks for our business and affect our financial condition***

Lifeco and its subsidiaries periodically evaluate existing companies, businesses, assets, products and services. These reviews may result in Lifeco or its subsidiaries acquiring or disposing of businesses or assets. In the ordinary course of business, Lifeco considers the purchase or sale of companies, business segments or assets. If transactions occur, they 1) could be material to Lifeco in size or scope, 2) could result in risks and contingencies, including integration risks, relating to companies, businesses or assets that Lifeco acquires or expose it to the risk of claims relating to those it has disposed of, 3) could result in changes in the value of securities of Lifeco, including common shares of Lifeco, and 4) could result in Lifeco holding additional capital for contingencies that arise after the transaction is completed. Strategic and integration risks can also emerge due to external risks that are difficult to anticipate, resulting in reduced synergies and negative impact on value capture.

## **7. Other Risks**

***Sustainability risks may negatively affect Lifeco's operations and financial condition or give rise to liability***

Sustainability risk refers to the potential for loss or other negative impacts resulting from environmental, social, or governance factors. This includes the risk of loss or negative impacts from the inability or failure to adequately prepare for the transition to a lower-carbon economy or for the physical impacts of a changing environment, or from the failure to develop and maintain strategies to manage the business in response to changes in social factors.

Sustainability risk underlies all risk types, both financial (market, credit and insurance) and non-financial (operational, conduct and strategic).

Lifeco recognizes that attitudes towards environmental and social issues are dynamic and continue to evolve and have been further amplified in recent years. This has led to legislative and regulatory developments, as well as responses from government agencies and other stakeholders focused on sustainability matters. Lifeco may experience direct or indirect financial, operational or reputational impact stemming from shifting stakeholder sentiments and societal pressures, regulatory expectations and enforcement.

Climate-related risks may adversely affect Lifeco's invested assets, tenants, customers, reinsurance counterparties and suppliers, which in turn may negatively impact Lifeco's operations and financial condition. Climate-related risks include both physical and transition risks.

Physical risks are associated with direct and indirect damage from weather-related events, environmental disasters or longer-term shifts in climate (such as changes in precipitation and extreme weather variability, sea-level rise and rising mean temperatures). Climate-related events may negatively impact Lifeco's insurance and reinsurance liabilities, the value of Lifeco's corporate and investment properties and their ability to generate income, and business continuity. Lifeco may experience direct or indirect financial, operational or reputational impact stemming from environmental risk events. For example, liability under environmental protection laws resulting from Lifeco's commercial mortgage loan portfolio and real estate investments may harm Lifeco's financial strength and reduce its profitability. Contamination of a property may give rise to a lien on the property to secure recovery of the costs of cleanup. In some jurisdictions, this kind of lien has priority over the lien of an existing mortgage against the property, which would impair Lifeco's ability to foreclose on that property should the related loan be in default. We also may face this liability after foreclosing on a property securing a mortgage loan held by a subsidiary of Lifeco. Although Lifeco has established environmental policies pertaining to the acquisition and ongoing management of investment properties, events such as these could harm Lifeco's financial strength and decrease its profitability.

Through our property catastrophe reinsurance business, Lifeco may be exposed to extreme weather events, such as tornadoes, hurricanes and floods if the total claims from the underlying cedants exceed an attachment point (usually set at very high levels), up to a contractual limit. Physical risks can also manifest by causing shifts in mortality and morbidity rates over the short and long terms. Lifeco's results of operations and financial performance may be adversely affected if mortality and morbidity rates deviate from management's assumptions, as noted under "Insurance Risk".

Transition risks arise from the transition toward a lower-carbon and climate resilient economy, driven by policy and regulations, legal risks, lower-carbon technology advancement, and shifting stakeholder sentiments and societal preferences. Lifeco's exposure to transition risk includes exposure to equity and credit risks arising from its investment portfolio, as industries adjust to legal and policy changes, changing business models and consumer behaviour. Through equity or debt investments or supplier relationships, Lifeco may also become subject to the negative impacts of transition risks on third parties. Lifeco's financial condition may be negatively impacted by costs associated with changes in environmental laws and regulations and regulatory enforcement. Further, Lifeco's reputation, financial performance and ability to generate business may suffer if Lifeco fails to meet shifting stakeholder expectations on risk mitigation practices and climate-related reporting or if its public statements are challenged under "greenwashing" legislation. Lifeco may also become subject to climate-related litigation or regulatory enforcement which could negatively affect its financial condition and reputation, as further described under "Operational Risk".

### ***Failure to achieve our climate-related ambitions could negatively impact our reputation and financial condition***

Because of the limitations and uncertainties inherent in climate science, climate risk analysis and reporting, Lifeco's climate-related ambitions are subject to inherent risks and uncertainties and are based on assumptions, estimates and judgments. Many factors that are the subject of ongoing climate science and that Lifeco may not foresee or be able to accurately predict may impact Lifeco's ability to achieve its climate-related ambitions, including its carbon emissions reduction ambitions.

Much of the climate-related information disclosed by Lifeco is based on estimated data with very limited supporting documentation, including data from third-party data providers. Lifeco has not independently verified or assessed the assumptions underlying data obtained from its clients and other third parties that Lifeco uses to set, track and report on progress towards meeting its climate-related ambitions. Many assumptions, standards, metrics and measurements used in preparing our climate-related data are not audited or independently verified, have limited comparability and continue to evolve. Given the inherent uncertainty and complexity relating to the measurement of climate-related data and that some of the data, assumptions, estimates and judgments underlying Lifeco's climate-related ambitions may subsequently turn out to be inaccurate, Lifeco may need to revise or recalibrate its carbon emission reduction ambitions and/or other climate-related strategies or ambitions. Lifeco's approach to managing climate-related risk, and the data underlying our climate-related analysis and strategy, remain subject to evolution over time and the scope of assets to be included in our climate-related ambitions, remains under review. There is a strong possibility that our expectations, forecasts, estimates, predictions and conclusions may not prove to be accurate and our assumptions may prove to be incorrect, and there is a material risk we will not achieve our climate-related ambitions, goals, objectives, priorities, strategies and commitments.

Lifeco's ambitions, goals, objectives, priorities, commitments and targets may also need to change or be recalibrated to meet our other strategic objectives and the reasonable expectations of our stakeholders, including expectations around financial performance. As a financial services company, our primary purpose is to provide our clients and customers with solutions to meet their financial security needs and to deliver on the promises we make to them. Our ability to fulfil this corporate purpose depends in large part on effective and responsible capital allocation and the ability to create value within the boundaries of our stakeholders' expectations, including expectations around financial performance. The path to achieving our climate-related ambitions will require significant investment, resources, systems and technologies by third parties we do not control. Faced with a wide range of stakeholder interests, we will need to effectively manage trade-offs and make choices about how to deploy financial and human capital. These choices could include prioritizing other strategic objectives over our climate related ambitions in pursuit of fulfilling our primary purpose, delivering value to our stakeholders and meeting expectations around financial performance. As our business, our industry and climate science evolve over time, we may need to adjust our climate related ambitions and our approach to meeting them. We will also need to remain thoughtful about the regulatory and business environment of the jurisdictions in which we operate, as our ability to achieve our climate-related ambitions is contingent on the success of our partners and communities.

Many of the assumptions, estimates, standards, methodologies, scenarios, metrics and measurements relating to climate science, climate risk analysis and reporting are under development, are not capable of verification, have limited comparability, and continue to evolve. Legislative and regulatory changes, market developments and/or changes in data availability and reliability could also materially affect these assumptions, estimates, standards, methodologies, scenarios, metrics and measurements used by Lifeco and/or other companies, and could materially affect Lifeco's ability to achieve its climate-related ambitions. Lifeco's ability to achieve its climate-related ambitions will depend on the collective efforts and actions across a wide range of stakeholders outside of Lifeco's control, and there can be no assurance that they will be achieved. Failure to achieve these ambitions, or having to revise these ambitions, could negatively affect Lifeco's reputation and financial condition.

### ***Challenges relating to our distribution channels may impede our ability to generate sales***

Product distribution risk is the risk of loss if the Corporation cannot effectively market its products through its network of distribution channels and intermediaries. These intermediaries often offer competing products and are not obligated to continue working with Lifeco. The Corporation introduces from time to time changes to its relationships with its distributors and other intermediaries that could result in

disruption of those relationships. Losing access to a distribution channel, failing to maintain effective relationships with intermediaries or not adapting to changes in distribution channels could significantly impact Lifeco's sales.

### ***Geopolitical and Country risk may negatively impact our business and financial condition***

Geopolitical risk is the risk of loss and uncertainty arising from political, economic and social factors on Lifeco's operations, investments and financial performance across geographic regions. These risks may include changes in government policies, regulatory environments, trade relations, tariffs, civil unrest, terrorism and other geopolitical events that can affect the stability and predictability of markets in which Lifeco operates. The Corporation continues to monitor potential impacts of recent geopolitical conflicts. See also "Macroenvironmental Risks" above for risks due to economic and trade policies.

Country risk is the risk that economic and political influences in a country could result in financial loss and/or loss of reputation for the Corporation. Sources of country risk can arise from on-balance sheet or off-balance sheet exposures including, but not limited to, invested assets, insurance liabilities, and operations such as mergers & acquisitions, outsourcing, offshoring, and data transfer.

### ***Lifeco's financial condition is dependent on the operations and financial condition of its subsidiaries***

As a holding company, Lifeco's ability to pay interest, dividends and other operating expenses and to meet its obligations depends upon receipt of sufficient funds from its subsidiaries and its ability to raise additional capital. In the event of the bankruptcy, liquidation or reorganization of any of its subsidiaries, the insurance and investment contract liabilities of these subsidiaries will be completely provided for before any assets are made available for distribution to Lifeco. Additionally, the other creditors of these subsidiaries generally have priority over Lifeco in receiving payments unless Lifeco is recognized as a creditor of the relevant subsidiaries. Further, payments from subsidiaries, including interest and dividends, are subject to restrictions under insurance, securities, corporate and other laws and regulations, requiring certain of Lifeco's subsidiaries to maintain solvency and capital standards.

### ***Technological advancements are evolving rapidly and may create new risks and amplify existing risks to the Corporation***

The adoption of emerging technologies and innovation such as artificial intelligence ("AI") may expose the Corporation to new risks inherent in these technologies, as well as amplify or accelerate existing risks. The Corporation leverages AI technologies in some aspects of its business, including to support productivity, optimize business processes and to enhance customer experience. Third parties engaged by the Corporation may also make use of AI systems or tools in providing products or services to the Corporation. This use of AI introduces new risks, including but not limited to the potential for AI to inherit, amplify or perpetuate discriminatory bias and misinformation, potential inaccuracy of outputs, potential intellectual property infringement, and concerns about fairness or ethical use, all of which could negatively affect our reputation and the trust of our customers and other stakeholders. AI use may also amplify or add complexity to existing risks faced by the Corporation, including cyber and information security risk, privacy risk, legal and regulatory risk, model risk, market risk and fraud risk. In addition, the availability and ease of use of AI more generally may create or worsen competitive pressures faced by the Corporation, as new competitors who are able to leverage low-cost AI technologies may emerge in the financial services markets in which Lifeco operates. Any of these risks, individually or in the aggregate, could adversely affect Lifeco's business, financial condition or reputation.

## **General Development of the Business**

### **Three Year History**

Over the three year period ending December 31, 2025, total revenue from operations increased from \$41.6 billion in 2023 to \$44.0 billion in 2025. Total client assets have grown from \$2,488.4 billion at December 31, 2023, to \$3,317.6 billion at December 31, 2025. The growth experienced by Lifeco has been achieved both through organic growth as well as through transactions with third parties. The significant transactions involving Lifeco and its subsidiaries are described below.

During the first quarter of 2023, Irish Life combined its Irish brands: Invesco Limited, Acumen & Trust and APT Wealth Management under a single wealth management umbrella. The new firm, Unio Financial Services Limited ("Unio"), brings together three advisory firms into one firm with a common advisory and investment proposition for clients. Underpinned by a market-leading digital platform, Unio provides personalized client advice and investment solutions to a growing and underserved population.

On March 8, 2023, Empower announced the launch of Empower Personal Wealth Division, Empower Personal Wealth with an expanded focus on retail wealth management. This new business is working to make money management simpler, clearer, and more accessible by bringing together everything a customer owns and owes in one comprehensive dashboard that they and their advisor can leverage to take control of their personal wealth.

On April 3, 2023, Canada Life (Canadian segment) announced an agreement to acquire Investment Planning Counsel ("IPC"), a leading independent wealth management firm, from IGM Financial Inc., an affiliated company and a member of the Power Corporation group of companies. The acquisition was completed on November 30, 2023 and accelerates Canada Life's strategy of building the leading platform for

independent advisors in Canada. Canada Life acquired IPC for a total cash consideration of \$585 million, subject to adjustments.

On April 18, 2023, Lifeco repaid the principal amount of its maturing 2.50% €500 million euro bonds, together with accrued interest.

On May 16, 2023, Canada Life U.K. announced an agreement to sell its individual onshore protection business to Countrywide Assured plc (“Countrywide”), a subsidiary of Chesnara plc. This transfer was completed on February 23, 2025. Through a separate transaction dated December 23, 2024, Canada Life U.K.’s onshore bond business is to be transferred to Countrywide Assured pending court approval, which is expected to occur in 2026. This follows the Canada Life U.K. announcement that it closed onshore individual protection insurance to new business in November 2022.

On May 31, 2023, Lifeco announced the sale of Putnam Investments to Franklin Resources, Inc., operating as Franklin Templeton, in exchange for Franklin Templeton common shares, cash, and other deferred and contingent consideration (the “Putnam Transaction”). The transaction was completed on January 1, 2024 and facilitates the continued focus of Lifeco’s U.S. strategy on retirement and personal wealth. Lifeco will retain its controlling interest in PanAgora Asset Management, a leading quantitative asset manager, and certain deferred tax assets related to Putnam. Lifeco has agreed to retain shares representing approximately 4.9% of outstanding Franklin Templeton stock for a minimum 5-year period. In connection with the Putnam Transaction, Lifeco, Power Corporation of Canada and Franklin Templeton entered into a strategic partnership to distribute Franklin Templeton products. Lifeco will provide an initial long-term asset allocation of US\$25 billion assets under management to Franklin Templeton within 12 months of closing with the potential for that amount to increase over the next several years.

On June 13, 2023, Canada Life (Canadian segment) announced an agreement to acquire Value Partners Group Inc. (“Value Partners”), a fast-growing wealth planning firm. The acquisition was completed on September 8, 2023.

In June 2023, Canada Life (Canadian segment) was awarded the federal government dental care benefits program, extending a decades-long relationship in retaining the Public Service Dental Care Plan (“PSDCP”) for active employees and expanding to include the retiree plan under a modernized contract. Overall, the program represents approximately \$550 million in annual paid claims. On November 1, 2024, Canada Life began administering the dental benefits for approximately 1.4 million Canadians through the PSDCP.

In 2023, the Capital and Risk Solutions segment expanded its international presence in targeted new markets, while continuing to focus on core markets and product expansion in Europe, including two transactions in Italy and client base expansion in Asia.

During the fourth quarter of 2023, Lifeco published ‘Advancing Inclusive Growth: Impact, Inclusion, and Citizenship’, a report on the Corporation’s efforts related to impact, inclusion and citizenship. This report provides an update on the inclusion ambitions set by the Corporation as well as 2030 emission reduction ambitions for operations and investments. See “Important Note Regarding Sustainability Disclosure”.

In January 2024, Canada Life Investment Management, Ltd. merged 20 Canada Life mutual funds to make it easier for advisors and investors to navigate the Canada Life mutual life lineup.

On January 23, 2024, Canada Life U.K. announced the immediate closure of the Select Account, The Retirement Account, and the Canada Life Trustee Investment Plan to new business, representing less than 1% of its customer base. On December 23, 2024, Canada Life U.K. announced the partial transfer of this business to Countrywide Assured plc (Countrywide), a subsidiary of Chesnara plc. The transfer is expected to complete in 2026, subject to court approval. This decision enables Canada Life U.K. to focus on core lines, including offshore wealth products.

On March 21, 2024, Empower announced a comprehensive suite of new partnerships with asset management and insurance providers to offer a market-leading range of in-plan and out-of-plan guaranteed retirement income solutions for investors saving through workplace plans. In the first quarter of 2024, Canada Life was named third most valuable brand and most valuable insurance brand in Canada by Brand Finance.

On May 6, 2024, Lifeco and Power Sustainable Manager Inc. (“Power Sustainable”), a climate-focused investment manager, jointly announced that they have entered into a new long-term strategic partnership. Under the transaction, Lifeco has become a minority shareholder in Power Sustainable and has agreed to invest in certain funds across Power Sustainable’s investment strategies in the coming months and years.

In the second quarter of 2024, Canada Life Asset Management completed its first real estate transaction in Germany.

On September 23, 2024, Empower announced that it has acquired Plan Management Corporation, the creator of OptionTrax®, a leading digital equity plan administration platform and service provider, expanding Empower’s retirement services to employers who offer equity compensation programs as well as enhancing financial planning services offered through the Empower Personal Wealth Business.

On October 1, 2024, Canada Life Investment Management Ltd. and Counsel Portfolio Services Inc., a subsidiary of IPC, amalgamated. Bringing these two investment fund management companies together into one centre of excellence is expected to allow Canada Life to unlock new growth opportunities, achieve economies of scale and improve operational effectiveness.

On October 4, 2024, Canada Life announced that it had signed a new, independent distribution agreement with Primerica Life Insurance

Company of Canada (“Primerica Canada”). This distribution agreement will give Primerica Canada's advisors access to a curated selection of Canada Life's segregated fund shelf, extending the market reach of Canada Life's existing distribution and help the underserved mass market. The training and onboarding of Primerica Canada's advisors will be phased, beginning in 2025.

During the fourth quarter of 2024, Empower announced an expansion of the suite of retirement income products offered based on partnering with several asset managers and insurance providers to help bolster the choices retirement plan participants have available to them on the Empower platform.

In 2024, the Capital and Risk Solutions segment continued to expand its international presence in targeted new markets, while continuing to focus on core markets and product expansion in Europe and the U.S. Of note, the Corporation's geographic expansion included two structured transactions in Australia and growth in the asset intensive business with two transactions signed in the fourth quarter of 2024.

On February 12, 2025, Canada Life introduced changes to drive growth and support advisors in individual insurance and wealth. Over the following 18 months, directly affiliated advisors will be transitioning to the managing general agent model for new individual insurance business. Advisors will be able to use the same process, support team and tools for all their new business. A single advisor support team across Financial Horizons Group and Quadrus Investment Services has been created under the new banner, Advice Canada.

On March 17, 2025, Lifeco released an update for its Supplemental Information Package for analysts and investors, which included enhanced disclosures and certain reporting segment reclassifications to better reflect the underlying performance of each reportable segment. These reclassifications had no impact on the equity, net earnings or cash flows of the Corporation.

During the first quarter of 2025, Empower announced a new consumer-directed healthcare (CDH) offering to help individuals manage their healthcare finances. Empower will offer benefits such as health savings accounts (HSAs), flexible spending accounts (FSAs), health reimbursement arrangements (HRAs), voluntary employees' beneficiary association plans (VEBAs), wellness incentives, lifestyle benefits, and more. In partnership with Alegeus Technologies, LLC, the integrated set of CDH benefits will be incorporated into Empower's digital platform under the Empower brand.

In the first quarter of 2025, Irish Life's claims artificial intelligence summarization and productivity tool went into full production for specific claim types. It has enabled faster claims payments and improved customer experience as well as efficiency and productivity improvements.

On April 2, 2025, Lifeco announced an update to its medium-term financial objectives effective January 1, 2025 as follows: increased its base return on equity objective to 19%+ from 16-17%; introduced a new base capital generation objective of 80%+; and reaffirmed its base earnings per share growth objective of 8-10% and base earnings dividend payout ratio objective of 45-55%. Lifeco also announced that, within the next three years, it plans to incur an estimated \$250 million to \$300 million of post-tax restructuring costs, through investment in modernized technology platforms and retiring legacy systems, as well as enhancing productivity through increased automation and leveraging a global workplace.

During the second quarter of 2025, Empower announced a new investment option for retirement plan participants incorporating private market opportunities in equity, credit, and real estate into advised defined contribution retirement plans. The initiative was launched in collaboration with asset managers including Apollo, Franklin Templeton, Goldman Sachs, Neuberger Berman, PIMCO, Partners Group, and Sagard. The investments are included as part of Collective Investment Trust (CIT) offerings and are intended to provide plan participants with diversified investment options which were previously limited to institutional and high-net-worth investors.

On June 25, 2025, Canada Life announced a new strategic agreement with ClearEstate, a leader in digital estate planning services, that will help make ClearEstate's services more accessible. Through this strategic agreement, Canada Life, IPC and Quadrus will be able to refer certain of their clients, plan members, and employees to ClearEstate for their services.

On June 25, 2025, the Capital and Risk Solutions segment announced changes to its business strategy. The segment will cease new business for its U.S. traditional life mortality risk reinsurance line of business in order to increase focus on core markets of structured solutions, longevity reinsurance and catastrophe retrocession.

During the second quarter, Irish Life introduced Platform Quarter, a market-first solution that integrates non-life and life-wrapped pension and investment offerings for brokers. The individual business also expanded its distribution footprint through a new partnership with SuperValu, leveraging the grocery chain's 600,000 monthly active loyalty card users.

On August 12, 2025, Great-West Lifeco U.S. Finance 2020, LP, a subsidiary of Lifeco, repaid the principal amount of its maturing 0.904% US\$500 million senior notes, together with accrued interest.

On September 24, 2025, the Corporation issued 8,000,000 5.70% Non-Cumulative First Preferred Shares, Series Z (the “Series Z Shares”) for gross proceeds of \$200 million, which includes the full exercise of the underwriters' option. The Series Z Shares have been listed for trading on the Toronto Stock Exchange under the symbol “GWO.PR.Z”.

In September 2025, Canada Life Germany launched a new version of their occupational pension product which allows for customers to flex the levels of risk they are willing to accept, which provides an opportunity for the customer for greater returns while also supporting the business's capital efficiency ambitions.

During the third quarter of 2025, Canada Life launched a suite of five new Index ETF segregated funds, which provide the value of a passive investment solution while offering the benefits of a Canada Life segregated funds policy.

In the third quarter of 2025, Irish Life Cornmarket, Ireland's largest public sector financial services broker, acquired Marsh Ireland's personal insurance business, adding over 28,000 policies to its portfolio. This strategic transaction strengthens Cornmarket's position in the General Insurance market and supports long-term growth in both the public sector and broader consumer segments.

On October 1, 2025, the Corporation's European asset management businesses officially transitioned to a single legal entity, bringing together Irish Life Investment Managers, Setanta, and Canada Life Asset Management's third-party business under one parent organization, Keyridge Asset Management.

In December 2025, Investment Planning Counsel (IPC) acquired the wealth assets of De Thomas Wealth Management, an independent wealth firm. This acquisition reinforces IPC's long-term vision of becoming a premier destination for entrepreneurial advisors and supports IPC's broader vision to expand its footprint and continue providing advisors with the independence, tools, platforms, and support they need to deliver an exceptional client experience.

Additional information regarding the recent general development of Lifeco's business, and the outlook for Lifeco's current financial year, is included in the MD&A.

## Capital Structure

### General

The authorized capital of Lifeco consists of an unlimited number of First Preferred Shares, issuable in series (the "First Preferred Shares"), an unlimited number of Class A Preferred Shares, issuable in series (the "Class A Preferred Shares"), an unlimited number of Second Preferred Shares, issuable in series (the "Second Preferred Shares") and an unlimited number of Common Shares (the "Common Shares").

As at December 31, 2025, there were 906,331,875 Common Shares, 12,000,000 Non-Cumulative First Preferred Shares, Series G ("Series G Shares"), 12,000,000 Non-Cumulative First Preferred Shares, Series H ("Series H Shares"), 12,000,000 Non-Cumulative First Preferred Shares, Series I ("Series I Shares"), 6,800,000 Non-Cumulative First Preferred Shares, Series L ("Series L Shares"), 6,000,000 Non-Cumulative First Preferred Shares, Series M ("Series M Shares"), 10,000,000 Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series N ("Series N Shares"), 10,000,000 Non-Cumulative First Preferred Shares, Series P ("Series P Shares"), 8,000,000 Non-Cumulative First Preferred Shares, Series Q ("Series Q Shares"), 8,000,000 Non-Cumulative First Preferred Shares, Series R ("Series R Shares"), 8,000,000 Non-Cumulative First Preferred Shares, Series S ("Series S Shares"), 8,000,000 Non-Cumulative First Preferred Shares, Series T ("Series T Shares"), 1,500,000 Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series U ("Series U Shares"), 8,000,000 Non-Cumulative First Preferred Shares, Series Y ("Series Y Shares") and 8,000,000 Non-Cumulative First Preferred Shares, Series Z ("Series Z Shares") issued and outstanding. As of December 31, 2025, no Class A Preferred Shares or Second Preferred Shares were outstanding.

### Common Shares

Each Common Share entitles the holder to one vote at all meetings of shareholders (other than at meetings exclusively of another class or series of shareholders). Subject to the prior rights of the holders of Class A Preferred Shares, First Preferred Shares and Second Preferred Shares, the holders of Common Shares are entitled to receive dividends on the Common Shares if, as and when declared by the Board of Directors, and to receive the remaining property of Lifeco on dissolution or winding-up.

### Class A Preferred Shares

The Class A Preferred Shares may be issued in one or more series with such rights, privileges, restrictions and conditions as the Lifeco Board of Directors designates. With respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of Lifeco, the Class A Preferred Shares of each series rank on a parity with the Class A Preferred Shares of every other series and with the First Preferred Shares, and in priority to the Second Preferred Shares and to the Common Shares. The holders of Class A Preferred Shares of any series are not entitled to notice of or to attend or to vote at any meetings of Lifeco shareholders, except as may be required by law or as may be specifically provided for in the provisions attaching to the Class A Preferred Shares of such series.

### First Preferred Shares

The First Preferred Shares may be issued in one or more series with such rights, privileges, restrictions and conditions as the Lifeco Board of Directors designates. With respect to the payment of dividends (which are payable if, as and when declared by the Board of Directors) and the distribution of assets in the event of the liquidation, dissolution or winding-up of Lifeco, the First Preferred Shares of each series rank on a parity with the First Preferred Shares of every other series and with the Class A Preferred Shares, and in priority to the Second Preferred Shares and to the Common Shares. Subject to the temporary voting rights discussed below, the holders of First Preferred Shares of any series are not entitled to notice of or to attend or to vote at any meetings of Lifeco shareholders, except as may be required by law or as may be specifically provided for in the provisions attaching to the First Preferred Shares of such series.

### Temporary Voting Rights and Restrictions and Constraints on Transfer

Section 411 of the Insurance Companies Act (Canada) (the "ICA") requires that Canada Life has voting shares that carry at least 35% of the voting rights attached to all of their outstanding shares beneficially owned by persons who are not "major shareholders" or who are not entities controlled by a major shareholder (the "Public Holding Requirement"). The ICA provides that a person is a major shareholder of a company if the aggregate of the shares of any class of voting shares beneficially owned by the person and by entities controlled by the person exceeds 20% of all of the outstanding shares of that class.

As permitted by the ICA, the Public Holding Requirement applicable to Canada Life (and, prior to January 1, 2020, The Great-West Life Assurance Company and London Life Insurance Company) has been satisfied by Lifeco through provisions in Lifeco's articles that attach voting rights to the First Preferred Shares and that impose certain constraints on the issue and transfer of the First Preferred Shares. Such provisions currently apply to the First Preferred Shares and will continue to apply until the occurrence of certain events described in Lifeco's articles (such period of time, the "Temporary Period").

During the Temporary Period, holders of First Preferred Shares are entitled to receive notice of and to attend all meetings of Lifeco shareholders (other than meetings of holders of a class or series of shares at which such holders are entitled to vote separately as a class or series) unless, in the case of the Series U Shares, such entitlement is waived by the holders of such shares. Each First Preferred Share carries that number of votes calculated in accordance with a formula set out in Lifeco's articles. The formula provides, in effect, that the number of votes attached to each First Preferred Share is such that the holders of Common Shares and the holders of First Preferred Shares who do not directly or indirectly own more than 10% of the Common Shares or 10% of the First Preferred Shares respectively will collectively exercise 35% of the voting rights attached to all voting shares of Lifeco.

During the Temporary Period, First Preferred Shares are not to be issued, or be registered in the securities register of Lifeco as transferred, where such issue or transfer would result in a person beneficially owning, directly or indirectly, more than 10% of the First Preferred Shares as a class. If, during the Temporary Period, First Preferred Shares are held by a person who owns more than 10% of the First Preferred Shares as a class, or an entity controlled by such a person owns any First Preferred Shares, the voting rights attached to the First Preferred Shares of such person or entity cannot be exercised.

### *Series G Shares*

The Series G Shares carry a non-cumulative dividend of 5.20% per annum, payable quarterly. Lifeco has the right to redeem the Series G Shares in whole or in part at a price of \$25.00 per share. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series G Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series G Shares are entitled to be paid an amount equal to \$25.00 per Series G Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series G Shares.

### *Series H Shares*

The Series H Shares carry a non-cumulative dividend of 4.85% per annum, payable quarterly. Lifeco has the right to redeem the Series H Shares in whole or in part at a price of \$25.00 per share. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series H Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series H Shares are entitled to be paid an amount equal to \$25.00 per Series H Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series H Shares.

### *Series I Shares*

The Series I Shares carry a non-cumulative dividend of 4.50% per annum, payable quarterly. Lifeco has the right to redeem the Series I Shares in whole or in part at a price of \$25.00 per share. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series I Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series I

Shares are entitled to be paid an amount equal to \$25.00 per Series I Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series I Shares.

#### *Series L Shares*

The Series L Shares carry a non-cumulative dividend of 5.65% per annum, payable quarterly. Lifeco has the right to redeem the Series L Shares in whole or in part at a price of \$25.00 per share. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series L Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series L Shares are entitled to be paid an amount equal to \$25.00 per Series L Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series L Shares.

#### *Series M Shares*

The Series M Shares carry a non-cumulative dividend of 5.80% per annum, payable quarterly. Lifeco has the right to redeem the Series M Shares in whole or in part at a price of \$25.00 per share. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series M Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series M Shares are entitled to be paid an amount equal to \$25.00 per Series M Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series M Shares.

#### *Series N Shares*

The Series N Shares carried a non-cumulative dividend, payable quarterly, of 1.749% per annum until December 30, 2025, which rate was reset to 4.090% per annum commencing on December 31, 2025 to but excluding December 31, 2030. On December 31, 2030 and on December 31 every five years thereafter the dividend rate will be reset so as to equal the then current five-year Government of Canada bond yield plus 1.30%. Lifeco has the right to redeem the Series N Shares, in whole or in part, on December 31, 2030 and on December 31 every five years thereafter for \$25.00 per share plus declared and unpaid dividends. Subject to Lifeco's right of redemption and certain other restrictions on conversion described in the Series N Share conditions, each Series N Share is convertible at the option of the holder on December 31, 2030 and on December 31 every five years thereafter into one Series O Share, which will carry a non-cumulative floating rate dividend in the amount per share determined by multiplying \$25.00 by the sum of the relevant Government of Canada Treasury Bill rate plus 1.30%. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series N Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of Series N Shares are entitled to be paid an amount equal to \$25.00 per Series N Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series N Shares.

#### *Series O Shares*

The Series O Shares, if issued on conversion of Series N Shares in the future, will carry a floating rate non-cumulative dividend, payable quarterly, in an amount per share determined each quarter by multiplying \$25.00 by the sum of the relevant Government of Canada Treasury Bill rate plus 1.30%. Lifeco will have the right to redeem the Series O Shares, in whole or in part for \$25.50 per share plus declared and unpaid dividends, unless such Series O Shares are redeemed on December 31, 2030 or on December 31 in each fifth year thereafter in which case the redemption price will be \$25.00 per share plus declared and unpaid dividends. Subject to Lifeco's right of redemption and certain other restrictions on conversion described in the Series O Share conditions, each issued and outstanding Series O Share will be convertible at the option of the holder on December 31, 2030 and on December 31 every five years thereafter into one Series N Share. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series O Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of Series O Shares will be entitled to be paid an amount equal to \$25.00 per Series O Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series O Shares.

#### *Series P Shares*

The Series P Shares carry a non-cumulative dividend of 5.40% per annum, payable quarterly. Lifeco has the right to redeem the Series P Shares in whole or in part at a price of \$25.00 per share. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series P Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series P Shares are entitled to be paid an amount equal to \$25.00 per Series P Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series P Shares.

### *Series Q Shares*

The Series Q Shares carry a non-cumulative dividend of 5.15% per annum, payable quarterly. Lifeco has the right to redeem the Series Q Shares in whole or in part at a price of \$25.00 per share. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series Q Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series Q Shares are entitled to be paid an amount equal to \$25.00 per Series Q Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series Q Shares.

### *Series R Shares*

The Series R Shares carry a non-cumulative dividend of 4.80% per annum, payable quarterly. Lifeco has the right to redeem the Series R Shares in whole or in part at a price of \$25.00 per share. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series R Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series R Shares are entitled to be paid an amount equal to \$25.00 per Series R Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series R Shares.

### *Series S Shares*

The Series S Shares carry a non-cumulative dividend of 5.25% per annum, payable quarterly. Lifeco has the right to redeem the Series S Shares in whole or in part at a price of \$25.00 per share. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series S Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series S Shares are entitled to be paid an amount equal to \$25.00 per Series S Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series S Shares.

### *Series T Shares*

The Series T Shares carry a non-cumulative dividend of 5.15% per annum, payable quarterly. Lifeco has the right to redeem the Series T Shares in whole or in part at a price of \$25.00 per share plus a premium if they are redeemed prior to June 30, 2026. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series T Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series T Shares are entitled to be paid an amount equal to \$25.00 per Series T Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series T Shares.

### *Series U Shares*

The Series U Shares are held by Computershare Trust Company of Canada, as trustee of the LRCN Trust (the "LRCN Trustee"). During the period from and including August 12, 2021 up to but excluding December 31, 2026, unless waived by holders of the Series U Shares, such holders will be entitled to receive fixed rate semi-annual non-cumulative cash dividends, payable semi-annually, as and when declared by the Board of Directors of Lifeco, of 3.60% per annum. On December 31, 2026 and on December 31 every five years thereafter the dividend rate will be reset so as to equal the then current five-year Government of Canada bond yield plus 2.641%. Lifeco has the right to redeem the Series U Shares, in whole or in part, on December 31, 2026 and on December 31 every five years thereafter for \$1,000.00 per share plus declared and unpaid dividends. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series U Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of Series U Shares are entitled to be paid an amount equal to \$1,000.00 per Series U Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series U Shares.

If the Board of Directors does not declare the dividends, or any part thereof, on the Series U Shares on or before the dividend payment date for a particular semi-annual period, then the entitlement of the holders of the Series U Shares to such dividends, or to any part thereof, for such semi-annual period will be forever extinguished. The LRCN Trustee has provided to Lifeco a waiver of its right to receive any and all dividends on the Series U Shares during the period from and including the date of the waiver to and including the date upon which the LRCN Trustee, as trustee of the Limited Recourse Trust, provides, by written notice, a revocation of such waiver to Lifeco (the "Dividend Waiver"). Accordingly, no dividends are expected to be required to be declared or paid and no dividends are expected to be declared or paid on the Series U Shares while the shares are held by the LRCN Trustee. The Dividend Waiver is applicable to the LRCN Trustee and will not bind a subsequent holder of the Series U Shares.

### *Series Y Shares*

The Series Y Shares carry a non-cumulative dividend of 4.50% per annum, payable quarterly. Lifeco has the right to redeem the Series Y Shares in whole or in part on or after December 31, 2026 at a price of \$25.00 per share plus a premium if they are redeemed prior to December 31,

2030. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series Y Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series Y Shares are entitled to be paid an amount equal to \$25.00 per Series Y Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series Y Shares.

#### *Series Z Shares*

The Series Z Shares carry a non-cumulative dividend of 5.70% per annum, payable quarterly. Lifeco has the right to redeem the Series Z Shares in whole or in part on or after September 30, 2030 at a price of \$25.00 per share plus a premium if they are redeemed prior to September 30, 2034. Subject to the prior satisfaction of the claims of all creditors of Lifeco and of holders of shares of Lifeco ranking in priority to the Series Z Shares, in the event of the liquidation, dissolution or winding-up of Lifeco, the holders of the Series Z Shares are entitled to be paid an amount equal to \$25.00 per Series Z Share plus declared and unpaid dividends before any amount is paid, or any assets of Lifeco are distributed, to the holders of Common Shares or to the holders of shares of any other class ranking junior to the Series Z Shares.

#### Second Preferred Shares

The Second Preferred Shares may be issued in one or more series with such rights, privileges, restrictions and conditions as the Lifeco Board of Directors designates. With respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of Lifeco, the Second Preferred Shares of each series rank on a parity with the Second Preferred Shares of every other series and in priority to the Common Shares, but junior to the First Preferred Shares and to the Class A Preferred Shares. The holders of Second Preferred Shares of any series are not entitled to notice of or to attend or to vote at any meetings of Lifeco shareholders except as may be required by law or as may be specifically provided for in the provisions attaching to the Second Preferred Shares of such series.

### **Ratings**

Securities	AM Best Company		Morningstar DBRS		Fitch Ratings		Moody's Ratings		S&P Global Ratings	
	Rating	Rank	Rating	Rank	Rating	Rank	Rating	Rank	Rating	Rank
Preferred Shares	bbb+	8 of 21	Pfd-2 (High)	4 of 16	BBB+	8 of 23	NR <sup>(1)</sup>		P-1 (Low) <sup>(2)</sup> A- <sup>(3)</sup>	3 of 18 5 of 20
Senior Debentures	a	6 of 21	A (High)	5 of 26	A	6 of 23	NR <sup>(1)</sup>		A+	5 of 22
Subordinated LRCNs	NR <sup>(1)</sup>		A (Low)	7 of 26	BBB+	8 of 23	NR <sup>(1)</sup>		A-	7 of 22

(1) Not Rated

(2) The Canadian scale rating for preferred shares

(3) The Global scale rating for preferred shares

#### *Preferred Share Ratings*

The preferred share rating is a rating agency's assessment of the creditworthiness of an obligor with respect to a specific preferred share obligation compared to preferred shares issued by other issuers. The rating reflects the rating agency's assessment of the issuer's capacity and willingness to pay dividends and principal on a timely basis.

#### *Issue Credit Ratings*

The ratings assigned to the debt issued by Lifeco are generally referred to as issue credit ratings. An issue credit rating is a rating agency's opinion of the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program. It reflects the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation as well as the currency in which the obligation is denominated. Issue credit ratings typically take into account the likelihood of payment (the capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation), the nature of the provisions of the obligation, and the protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under laws of bankruptcy and other laws affecting creditor rights.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization.

Lifeco has paid customary rating fees to S&P, Morningstar DBRS, Fitch and Moody's in relation to the above-noted and other ratings. In addition, Lifeco has, in the ordinary course of business, made payments for other services provided to Lifeco by S&P, Morningstar DBRS, Fitch, AM Best and Moody's during the last two years.

The descriptions of the ratings below are sourced from public information as disclosed by each rating agency.

#### **(a) AM Best Company (AM Best)**

AM Best's Issue Credit Rating (IR) is an independent opinion of credit quality assigned to issues that gauges the ability to meet the terms of the obligation. An IR assigned to a specific issue is an opinion of the ability to meet the ongoing financial obligations to security holders when due. As such, an IR is an opinion regarding the relative future credit risk. Credit risk is the risk that an issuer may not meet its contractual financial obligations as they come due. The rating does not address any other risk, including, but not limited to, liquidity risk, market value risk or price volatility of rated obligations.

AM Best assigns long-term issue credit ratings in a range from "aaa" to "c". Ratings from "aa" to "ccc" may be enhanced with a "+" (plus) or "-" (minus) to indicate whether credit quality is near the top or bottom of a category. The absence of either a plus or minus designation indicates the rating is in the middle of the category.

Lifeco's senior debentures have been assigned an "a" rating. This rating denotes the issuer has an excellent ability to meet the terms of the obligation. Lifeco's preferred shares have been assigned a "bbb+" rating. This rating denotes the issuer has a good ability to meet the terms of the obligation; however, the issue is more susceptible to changes in economic or other conditions than more highly rated issues.

#### **(b) Morningstar DBRS (DBRS)**

DBRS' credit ratings are forward-looking opinions about credit risk that reflect the creditworthiness of an entity or security. DBRS uses rating scales to assign and monitor credit ratings.

The DBRS preferred share rating scale is used to rate preferred shares issued in the Canadian securities markets. This rating scale reflects an opinion on the risk that an issuer will not fulfil its obligations with respect to both dividend and principal commitments in respect of the preferred shares in accordance with the terms under which they were issued. Every DBRS rating using the preferred share rating scale is based on quantitative and qualitative considerations relevant to the issuing entity. Each rating category may be denoted by the subcategories "high" and "low". The absence of either a "high" or "low" designation indicates the rating is in the middle of the category.

The DBRS long-term obligation rating scale provides an opinion on the risk of default, which is the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims.

DBRS assigns ratings for preferred shares in a range from "Pfd-1" to "D". Lifeco's preferred shares have been assigned a "Pfd-2 (High)" rating. This rating denotes that the Preferred shares are generally of good credit quality and protection of dividends and principal is still substantial, but earnings, the balance sheet and coverage ratios are not as strong as Pfd-1 rated companies. Generally, Pfd-2 ratings correspond with issuers with an A category or higher reference point.

DBRS assigns ratings for long-term obligations in a range from "AAA" to "D". Lifeco's senior debentures have been assigned an "A (high)" rating and Lifeco's subordinated LRCNs have been assigned an "A (low)" rating. According to DBRS, long-term obligations rated "A" are of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than "AA". An obligor may be vulnerable to future events, but qualifying negative factors are considered manageable. In addition, "(low)" and "(high)" designations indicate relative strength within the rating category.

#### **(c) Fitch Ratings (Fitch)**

Fitch credit ratings relating to issuers are an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. Credit ratings are used by investors as indications of the likelihood of receiving the money owed to them in accordance with the terms on which they invested. Fitch's credit ratings do not directly address any risk other than credit risk and do not deal with the risk of a market value loss on a rated security due to changes in interest rates, liquidity and other market considerations. Fitch's ratings of individual securities or financial obligations of a corporate issuer address relative vulnerability to default on an ordinal scale. In addition, for financial obligations in corporate finance, a measure of recovery given default on that liability is also included in the rating assessment.

Fitch assigns ratings for preferred shares and debt in a range from "AAA" to "D". The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Fitch's rating outlooks indicate the direction a rating is likely to move over a one to two-year period. Rating outlooks may be positive, stable, negative or evolving.

Lifeco's preferred shares have been assigned a "BBB+" rating. This rating denotes good credit quality and expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

Lifeco's senior debentures have been assigned an "A" rating. This rating denotes high credit quality and expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. Lifeco's subordinated LRCNs have been assigned a "BBB+" rating. According to Fitch, long-term debt instruments rated "BBB" have good credit quality and such rating indicates that expectations of credit risk are currently low and that the capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

#### **(d) Moody's Ratings (Moody's)**

Moody's does not rate the securities issued by Lifeco. However, it does provide an Insurance Financial Strength rating to Lifeco's major operating subsidiaries.

#### **(e) S&P Global Ratings (S&P)**

An S&P Global Ratings issue credit rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program. It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation as well as the currency in which the obligation is denominated. The opinion reflects S&P's view of the obligor's capacity and willingness to meet its financial commitments as they come due, and this opinion may assess terms, such as collateral security and subordination, which could affect ultimate payment in the event of default.

S&P assigns ratings for Canadian preferred shares in a range from "P1" to "D" and these ratings are a forward-looking opinion about the creditworthiness of an issuer with respect to a preferred share obligation issued in the Canadian market, relative to preferred shares issued by other issuers in the Canadian market. S&P's Canadian scale preferred share ratings may be modified by the addition of "High" or "Low" to show relative standing within the major rating categories. It is S&P's practice to present an issuer's preferred share ratings on both the global ratings scale and the Canadian national scale when listing the ratings for an issuer. S&P's Global ratings scale ranges from AA to D and may be modified with the addition of "+" or "-" to show relative standing within the major rating categories.

S&P assigns ratings for long-term obligations in a range from "AAA" to "D". Most ratings may be modified by the addition of a plus "+" or minus "-" sign to show relative standing within the major letter rating categories.

Lifeco's preferred shares have been assigned a "P-1 (low)" rating and an "A-" rating on the Canadian and global scales, respectively. These ratings denote the obligor's capacity to meet its financial commitments on the obligation is strong, however, the obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories.

Lifeco's senior debentures have been assigned an "A+" rating and Lifeco's subordinated LRCNs have been assigned an "A-" rating. According to S&P, long-term debt rated "A" indicates that the obligor has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. A rating may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

## **Dividends**

Lifeco does not have a formal dividend policy. Lifeco maintains a target dividend payout ratio range of 45% to 55% of base earnings<sup>1</sup> that is considered in dividend decisions. The declaration and payment of dividends is at the discretion of the Lifeco Board of Directors. The decision to declare a dividend takes into account a variety of factors including the level of earnings, adequacy of capital, and availability of cash resources. As a holding company, Lifeco's ability to pay dividends and, in part, its ability to deploy capital is dependent upon Lifeco receiving dividends from its operating subsidiaries. Lifeco's operating subsidiaries are subject to regulation in a number of jurisdictions, each of which maintains its own regime for determining the amount of capital that must be held in connection with the different businesses carried on by the operating subsidiaries. The requirements imposed by the regulators in any jurisdiction may change from time to time, and thereby impact the ability of the operating subsidiaries to pay dividends to Lifeco.

In March of 2002, the Canada Life Capital Trust issued 150,000 Canada Life Trust Securities – Series B (the "CLiCS – Series B"). Canada Life Financial Corporation ("CLFC") agreed that if (i) the Canada Life Capital Trust fails to pay distributions on the CLiCS – Series B, and (ii) Canada Life does not at that time have sufficient public preferred shares outstanding, then CLFC would not pay dividends on its common shares or on its preferred shares until the 12th month following the Canada Life Capital Trust's failure to have paid the distributions on the CLiCS – Series B,

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<sup>1</sup> Target dividend payout ratio (base) is a non-GAAP ratio calculated using base earnings, a non-GAAP financial measure. Refer to "Non-GAAP Financial Measures and Ratios" in the MD&A, which is available at [www.sedarplus.com](http://www.sedarplus.com).

unless the Canada Life Capital Trust first pays such missed distributions. Effective January 1, 2020, the obligations of CLFC and Canada Life relating to the CLiCS – Series B became obligations of the amalgamated Canada Life.

The amount of cash dividends paid per share in respect of Lifeco's outstanding shares for each of Lifeco's three most recently completed financial years is as follows:

	2025	2024	2023
Common <sup>(1)</sup>	\$2.440	\$2.220	\$2.080
Series G First Preferred	\$1.3000	\$1.3000	\$1.3000
Series H First Preferred	\$1.21252	\$1.21252	\$1.21252
Series I First Preferred	\$1.1250	\$1.1250	\$1.1250
Series L First Preferred	\$1.41250	\$1.41250	\$1.41250
Series M First Preferred	\$1.450	\$1.450	\$1.450
Series N First Preferred <sup>(2)</sup>	\$0.437252	\$0.437252	\$0.437252
Series P First Preferred	\$1.350	\$1.350	\$1.350
Series Q First Preferred	\$1.2875	\$1.2875	\$1.2875
Series R First Preferred	\$1.200	\$1.200	\$1.200
Series S First Preferred	\$1.3125	\$1.3125	\$1.3125
Series T First Preferred	\$1.2875	\$1.2875	\$1.2875
Series Y First Preferred	\$1.1250	\$1.1250	\$1.1250
Series Z First Preferred <sup>(3)</sup>	\$0.38260	-	-

- (1) In 2023, Lifeco made dividend payments to common shareholders on each of March 31, June 30 and September 29 in the amount of \$0.5200 per share. On February 14, 2024, Lifeco announced an increase in the quarterly dividend of \$0.035 per share. On February 5, 2025, Lifeco announced an increase in the quarterly dividend of \$0.055 per share.
- (2) Fixed dividend rate of \$0.437252 per annum until December 30, 2025, and reset to the fixed dividend rate of \$1.0225 per annum for the five-year period starting on December 31, 2025 and ending on December 30, 2030.
- (3) The Corporation issued the Series Z First Preferred Shares at a dividend rate equal to \$1.425 per share per annum on September 24, 2025. The initial dividend of \$0.3826 per share was paid on December 31, 2025.

## Market for Securities

The Common Shares and the First Preferred Shares, Series G, H, I, L, M, N, P, Q, R, S, T, Y and Z are listed and posted for trading on the Toronto Stock Exchange ("TSX") and also trade on a number of alternative trading platforms. The below tables provide trading price and volume statistics for those trades made on the TSX during 2025.

Lifeco Common Shares (TSX:GWO)					
2025	Trading Range		Volume Traded		
	Low	High	Total	Average <sup>(1)</sup>	
January	\$45.47	\$47.15	29,323,577	1,332,890	
February	\$46.85	\$53.74	77,763,062	4,092,793	
March	\$51.12	\$56.38	89,010,897	4,238,614	
April	\$51.00	\$57.47	40,240,407	1,916,210	
May	\$50.10	\$52.52	79,090,098	3,766,195	
June	\$49.95	\$51.98	82,587,531	3,932,740	
July	\$49.99	\$52.80	35,900,988	1,631,863	
August	\$52.06	\$55.23	51,384,705	2,569,235	
September	\$52.71	\$56.48	36,537,914	1,739,901	
October	\$56.32	\$59.46	24,017,821	1,091,719	
November	\$59.32	\$65.07	36,727,901	1,836,395	
December	\$62.94	\$67.86	41,078,425	1,956,115	

**Lifeco Series G First Preferred Shares (TSX: GWO.PR.G)**

2025	Trading Range		Volume Traded		
	Low	High	Total	Average <sup>(1)</sup>	
January	\$21.67	\$22.12	131,949	5,998	
February	\$21.96	\$22.75	112,594	5,926	
March	\$22.09	\$22.87	234,385	11,161	
April	\$21.16	\$22.94	83,895	4,195	
May	\$21.78	\$22.56	79,195	3,771	
June	\$22.07	\$22.59	110,625	5,268	
July	\$22.39	\$23.14	72,672	3,303	
August	\$22.97	\$23.81	153,132	8,060	
September	\$23.34	\$24.18	292,152	14,608	
October	\$23.61	\$24.28	184,968	8,808	
November	\$23.49	\$24.27	56,367	2,818	
December	\$23.30	\$23.95	79,487	3,785	

**Lifeco Series H First Preferred Shares (TSX: GWO.PR.H)**

2025	Trading Range		Volume Traded		
	Low	High	Total	Average <sup>(1)</sup>	
January	\$20.33	\$20.93	156,742	7,464	
February	\$20.53	\$21.39	97,520	5,418	
March	\$20.79	\$21.20	60,267	3,013	
April	\$19.68	\$21.00	77,808	3,890	
May	\$20.41	\$21.15	151,519	7,975	
June	\$20.82	\$21.45	40,220	2,011	
July	\$21.26	\$22.20	59,780	2,847	
August	\$21.93	\$22.39	139,729	6,986	
September	\$21.67	\$22.46	60,458	2,879	
October	\$21.93	\$22.93	57,342	2,606	
November	\$22.05	\$22.95	146,209	7,310	
December	\$22.15	\$22.58	57,064	2,853	

**Lifeco Series I First Preferred Shares (TSX: GWO.PR.I)**

2025	Trading Range		Volume Traded		
	Low	High	Total	Average <sup>(1)</sup>	
January	\$19.33	\$19.85	197,169	8,962	
February	\$19.59	\$20.36	110,554	5,819	
March	\$19.81	\$20.25	101,543	4,835	
April	\$18.57	\$20.07	113,501	5,405	
May	\$19.33	\$19.95	164,718	8,669	
June	\$19.45	\$19.88	96,275	4,814	
July	\$19.65	\$20.76	86,723	3,942	
August	\$20.50	\$21.15	222,445	11,122	
September	\$20.31	\$21.17	79,375	3,780	
October	\$20.50	\$21.70	198,399	9,018	
November	\$20.68	\$21.70	71,112	3,556	
December	\$20.83	\$21.30	64,594	3,230	

**Lifeco Series L First Preferred Shares (TSX: GWO.PRL)**

2025	Trading Range		Volume Traded		
	Low	High	Total	Average <sup>(1)</sup>	
January	\$23.80	\$24.28	108,614	4,937	
February	\$23.91	\$24.43	42,709	2,669	
March	\$24.00	\$24.54	58,505	3,079	
April	\$23.00	\$24.15	66,145	3,307	
May	\$23.62	\$24.14	68,012	3,580	
June	\$23.87	\$24.49	37,015	2,056	
July	\$24.40	\$25.00	35,486	1,971	
August	\$24.82	\$25.27	83,474	4,174	
September	\$24.82	\$25.17	48,114	2,291	
October	\$25.00	\$26.06	61,583	3,079	
November	\$25.20	\$25.87	59,054	2,953	
December	\$25.08	\$25.59	24,662	1,451	

**Lifeco Series M First Preferred Shares (TSX: GWO.PR.M)**

2025	Trading Range		Volume Traded		
	Low	High	Total	Average <sup>(1)</sup>	
January	\$24.22	\$24.60	83,729	3,987	
February	\$24.50	\$24.88	50,470	3,365	
March	\$24.44	\$25.00	97,873	4,894	
April	\$23.27	\$24.60	61,516	3,238	
May	\$23.95	\$24.75	61,214	3,061	
June	\$24.27	\$24.92	35,597	1,780	
July	\$24.70	\$25.17	96,251	4,813	
August	\$25.02	\$25.35	30,810	1,926	
September	\$25.00	\$25.30	49,774	2,370	
October	\$25.22	\$26.08	64,132	3,054	
November	\$25.48	\$26.02	41,928	2,995	
December	\$25.57	\$26.00	215,123	11,951	

**Lifeco Series N First Preferred Shares (TSX: GWO.PR.N)**

2025	Trading Range		Volume Traded		
	Low	High	Total	Average <sup>(1)</sup>	
January	\$15.85	\$16.97	513,347	25,667	
February	\$16.22	\$16.85	54,938	3,232	
March	\$15.83	\$16.35	116,747	7,783	
April	\$14.54	\$15.94	94,441	4,971	
May	\$15.32	\$16.38	53,847	3,365	
June	\$16.41	\$17.22	101,308	5,959	
July	\$17.59	\$18.48	186,269	9,804	
August	\$18.04	\$18.50	91,126	6,075	
September	\$17.45	\$18.20	78,234	4,890	
October	\$17.60	\$17.83	182,427	9,121	
November	\$17.79	\$18.15	300,684	15,825	
December	\$18.14	\$18.75	308,966	16,261	

**Lifeco Series P First Preferred Shares (TSX: GWO.PR.P)**

2025	Trading Range		Volume Traded	
	Low	High	Total	Average <sup>(1)</sup>
January	\$22.54	\$23.00	94,183	4,485
February	\$22.70	\$23.58	147,698	7,774
March	\$23.20	\$23.75	234,797	11,740
April	\$22.20	\$23.64	98,548	4,693
May	\$22.78	\$23.35	49,709	2,485
June	\$23.23	\$23.69	55,831	2,792
July	\$23.48	\$24.25	74,961	3,407
August	\$24.14	\$24.44	188,225	11,764
September	\$24.01	\$24.43	59,738	3,319
October	\$24.25	\$25.00	84,728	4,236
November	\$24.16	\$24.98	55,214	2,761
December	\$24.01	\$24.60	167,956	7,998

**Lifeco Series Q First Preferred Shares (TSX: GWO.PR.Q)**

2025	Trading Range		Volume Traded	
	Low	High	Total	Average <sup>(1)</sup>
January	\$21.50	\$22.00	70,363	3,351
February	\$21.74	\$22.48	108,444	5,708
March	\$22.04	\$22.41	77,667	5,178
April	\$20.83	\$22.35	102,818	5,141
May	\$21.61	\$22.08	53,751	2,688
June	\$21.82	\$22.29	75,146	4,175
July	\$22.18	\$22.73	70,830	3,542
August	\$22.70	\$23.38	96,927	5,101
September	\$22.92	\$23.50	37,649	1,982
October	\$23.23	\$23.96	48,323	2,301
November	\$23.21	\$24.15	40,800	2,147
December	\$23.00	\$23.74	62,720	2,987

**Lifeco Series R First Preferred Shares (TSX: GWO.PR.R)**

2025	Trading Range		Volume Traded	
	Low	High	Total	Average <sup>(1)</sup>
January	\$20.21	\$20.71	83,575	3,799
February	\$20.40	\$21.11	45,669	2,686
March	\$20.50	\$20.96	111,982	5,599
April	\$19.55	\$20.85	66,144	3,481
May	\$20.17	\$20.79	35,579	1,873
June	\$20.51	\$21.02	49,751	2,618
July	\$20.87	\$21.58	69,382	3,304
August	\$21.43	\$21.90	124,315	7,313
September	\$21.45	\$22.03	72,329	3,616
October	\$21.50	\$22.63	36,667	2,037
November	\$21.66	\$22.63	89,659	4,719
December	\$21.72	\$22.14	116,301	5,538

**Lifeco Series S First Preferred Shares (TSX: GWO.PR.S)**

2025	Trading Range		Volume Traded	
	Low	High	Total	Average <sup>(1)</sup>
January	\$21.80	\$22.38	162,236	7,726
February	\$22.25	\$22.89	187,094	9,847
March	\$22.42	\$23.02	287,922	13,711
April	\$21.50	\$23.00	62,874	3,493
May	\$22.10	\$22.71	26,427	1,391
June	\$22.50	\$22.85	24,861	1,462
July	\$22.53	\$23.05	385,939	17,543
August	\$23.00	\$23.81	189,033	10,502
September	\$23.36	\$23.90	79,836	3,992
October	\$23.74	\$24.51	67,565	3,556
November	\$23.90	\$24.60	98,199	5,168
December	\$23.70	\$24.30	73,704	3,879

**Lifeco Series T First Preferred Shares (TSX: GWO.PR.T)**

2025	Trading Range		Volume Traded	
	Low	High	Total	Average <sup>(1)</sup>
January	\$21.51	\$21.90	71,861	3,593
February	\$21.80	\$22.50	46,405	2,730
March	\$22.00	\$22.57	146,362	8,131
April	\$20.50	\$22.52	103,620	5,181
May	\$21.47	\$22.10	16,726	984
June	\$21.87	\$22.26	13,604	972
July	\$22.13	\$22.80	33,339	1,755
August	\$22.77	\$23.30	177,334	10,431
September	\$23.10	\$23.62	294,495	14,725
October	\$23.25	\$24.36	390,281	20,541
November	\$23.39	\$24.30	44,067	2,448
December	\$23.13	\$23.87	37,078	2,317

**Lifeco Series Y First Preferred Shares (TSX: GWO.PR.Y)**

2025	Trading Range		Volume Traded	
	Low	High	Total	Average <sup>(1)</sup>
January	\$18.89	\$19.80	57,169	2,599
February	\$19.40	\$20.05	58,681	3,260
March	\$19.65	\$20.05	94,329	4,716
April	\$18.34	\$19.80	58,037	3,055
May	\$18.90	\$20.25	60,680	3,034
June	\$19.28	\$19.70	95,559	4,550
July	\$19.61	\$20.30	31,292	1,738
August	\$20.09	\$21.17	48,693	2,435
September	\$20.23	\$21.10	69,599	3,314
October	\$20.45	\$21.45	45,538	2,168
November	\$20.54	\$21.63	98,907	5,206
December	\$20.50	\$21.18	46,101	2,195

**Lifeco Series Z First Preferred Shares (TSX: GWO.PR.Z) <sup>(2)</sup>**

2025	Trading Range		Volume Traded		
	Low	High	Total	Average <sup>(1)</sup>	
September	\$25.02	\$25.13	780,773	156,155	
October	\$25.14	\$26.20	776,610	35,300	
November	\$25.30	\$26.18	190,785	10,041	
December	\$25.30	\$25.75	74,389	3,719	

(1) Average volume traded is the total volume divided by the number of days the security actually traded during the month.

(2) The Series Z First Preferred Shares were listed and posted for trading on the TSX effective September 24, 2025.

Note: Source data provided by Bloomberg. 'Volume traded' is solely based on the S&P/TSX volume.

## Directors and Officers

### Directors

The following table sets forth the name, province or state and country of residence and principal occupation for each Director of Lifeco.

Name, Place of Residence, and Board Committee Membership	Director since	Principal Occupation
Michael R. Amend North Carolina, United States of America (2)(7)	May 3, 2018	Chief Enterprise Technology Officer, Ford Motor Company, an American multinational manufacturer, since September, 2021; previously, President, Online, at Lowes Companies, Inc., a home improvement company from December, 2018 to September, 2021.
Deborah J. Barrett, FCPA, FCA, ICD.D Ontario, Canada (1)(2)(5)	May 4, 2017	Corporate Director; previously, Chief Financial Officer of The Woodbridge Company Limited, a private investment holding company, from 2011 until her retirement in 2017.
Roberta (Robin) A. Bienfait Georgia, United States of America (1)(7)	May 7, 2020	Chief Executive Officer of Emnovate, an executive advisory firm, since 2017; Founder of Atlanta Tech Park, a global technology accelerator.
Heather E. Conway Ontario, Canada (1)(2)(3)(4)(7)	May 2, 2019	Chair of the Board of Amex Bank of Canada, since May, 2022; previously, Co-President and Executive Director of Hot Docs Canadian International Documentary Film Festival, from November, 2021 to May, 2022 and Corporate Director since 2019.
Marcel R. Coutu Alberta, Canada (3)(4)(5)	May 3, 2007	Corporate Director; previously, Chairman of Syncrude Canada Ltd. and past President and Chief Executive Officer of Canadian Oil Sands Limited.
André Desmarais, O.C., O.Q. Québec, Canada (3)(4)(7)	April 22, 1992	Deputy Chairman of Power Corporation of Canada, a holding and management company with substantial interests in the financial services industry.
Paul Desmarais, Jr., O.C., O.Q. Québec, Canada (3)(5)	May 15, 1986	Chairman of Power Corporation of Canada.
Gary A. Doer, O.M. Manitoba, Canada (4)(7)	May 5, 2016	Corporate Director; previously, Senior Business Advisor at Dentons Canada LLP, a global law firm, from August, 2016 to February, 2025 and Canada's Ambassador to the United States from October, 2009 to January, 2016.
Claude Généreux Québec, Canada (4)(5)	May 7, 2015	Executive Vice-President of Power Corporation of Canada since 2015; Senior Partner Emeritus of McKinsey & Company, a global management consulting firm.
David M. Harney Ontario, Canada	July 1, 2025	President and Chief Executive Officer of Lifeco and Canada Life since July, 2025; President and Chief Operating Officer, Europe from February, 2020 to June, 2025, with additional oversight for Capital and Risk Solutions from February 2024. He also acted as Interim Global Chief Investment Officer from December, 2024 to June, 2025; and previously, Chief Executive Officer of Irish Life Group.

<b>Name, Place of Residence, and Board Committee Membership</b>	<b>Director since</b>	<b>Principal Occupation</b>
Jason (Jake) P. Lawrence Ontario, Canada (6)(7)	May 2, 2024	Executive Vice-President and Chief Financial Officer of Power Corporation of Canada since March, 2024; previously, various positions with The Bank of Nova Scotia, including Chief Executive Officer and Group Head, Global Banking and Markets from 2021 to March, 2024 and Co-Group Head, Global Banking and Markets from 2018 to 2020.
Paula B. Madoff New York, United States of America (5)(6)	May 3, 2018	Corporate Director and Advisory Director at Goldman Sachs, a global investment banking, securities and investment management firm, since August, 2017; previously, spent over 30 years at Goldman Sachs and was most recently a Partner in the Global Markets Division until her retirement in 2017.
Susan J. McArthur <sup>(1)</sup> Ontario, Canada (3)(4)(5)	May 7, 2015	Corporate Director and Co-Founder and Executive Chair of LockDocs Inc., a startup focused on digital identity as a service, since June, 2021; previously, Managing Partner at GreenSoil Investments, a venture firm focused on investing in real estate technology and agro food technology.
R. Jeffrey Orr Québec, Canada (3)(4)(5)(6)	July 30, 2002	Chair of the Board of Lifeco and Canada Life since May, 2013 and of EAICA since July, 2013; President and Chief Executive Officer of Power Corporation of Canada since 2020; previously Chair of the Board of Putnam from June, 2008 <sup>(2)</sup> .
James P. O'Sullivan Ontario, Canada (4)(5)	May 2, 2024	President and Chief Executive Officer of IGM Financial Inc. since September, 2020; various positions with The Bank of Nova Scotia, including Strategic Advisor from June, 2019 to December, 2019, and Group Head, Canadian Banking from June, 2015 to June, 2019.
T. Timothy Ryan Florida, United States of America (3)(4)(7)	May 8, 2014	Corporate Director; previously, Head of NA Financial Institutions Group at JPMorgan Chase & Co., a global financial services firm, from 1993 to 2008 and Vice-Chairman of Global Regulatory Policy at JPMorgan Chase & Co., from January to October, 2014.
Dhvani D. Shah, CFA Florida, United States of America (2)(4)(5)(6)	May 10, 2023	President and Chief Investment Officer at Third Lake Capital, LLC, an investment advisory firm, since May, 2025; Group Vice President and Chief Investment Officer of JM Family Enterprises, Inc. from December, 2020 to May, 2025.
Siim A. Vanaselja, FCPA, FCA Ontario, Canada (1)(7)	May 8, 2014	Corporate Director; previously, Executive Vice-President and Chief Financial Officer of BCE Inc. and Bell Canada from 2001 to 2015.
Brian E. Walsh New York, United States of America (3)(4)(5)(6)	May 7, 2009	Corporate Director and Principal and Senior Advisor at Titan Advisors, LLC ("Titan"), an asset management firm; previously Principal and Chief Strategist of Titan from July, 2015 to March, 2023.

- (1) Member of the Audit Committee.
- (2) Member of the Conduct Review Committee.
- (3) Member of the Governance and Nominating Committee.
- (4) Member of the Human Resources Committee.
- (5) Member of the Investment Committee.
- (6) Member of the Reinsurance Committee.
- (7) Member of the Risk Committee.

The term of office of each of the Lifeco Directors will expire at the close of Lifeco's next annual meeting.

<sup>(1)</sup> Ms. McArthur was a member of the Board of Directors of Lunera Lighting Inc. ("Lunera"), an investee company of one of the private investment funds that GreenSoil Investments manages, from October, 2017 to May, 2019. In February 2019, Lunera commenced a voluntary, board supervised winding up of its affairs that required compromising amounts owing to its unsecured creditors. Lunera completed its dissolution process on July 30, 2019 after a Certificate of Dissolution was issued by a court in Delaware.

<sup>(2)</sup> The Putnam Transaction was completed on January 1, 2024. See "General Development of the Business".

## Executive Officers

The following table sets forth the name, province or state and country of residence and principal occupation for each executive officer of Lifeco.

<b>Name, Place of Residence</b>	<b>Position and Principal Occupation</b>
R. Jeffrey Orr Québec, Canada	Chair of the Board of Lifeco, Canada Life and EAICA and President and Chief Executive Officer of Power Corporation of Canada.
David M. Harney Ontario, Canada	President and Chief Executive Officer of Lifeco and Canada Life; President and Chief Operating Officer, Europe from February, 2020 to June, 2025, with additional oversight for Capital and Risk Solutions from February 2024. He also acted as Interim Global Chief Investment Officer from December, 2024 to June, 2025; and previously, Chief Executive Officer of Irish Life Group.
Michael W. Dibden Ontario, Canada	Executive Vice-President and Global Chief Information Officer of Lifeco and Canada Life since April, 2024; previously, Chief Operating Officer at IGM Financial Inc. from June, 2017 to April, 2024.
Sharon C. Geraghty Ontario, Canada	Executive Vice-President and General Counsel of Lifeco and Canada Life since January, 2018; previously, Partner in the law firm Torys LLP specializing in mergers and acquisitions, corporate governance and securities law.
Nancy C. Hudson Manitoba, Canada	Senior Vice-President and Chief Internal Auditor of Lifeco and Canada Life since September, 2024; previously, Vice-President, Chief Internal Auditor, Canada of Canada Life from September, 2023 to September, 2024 and Vice-President, Operations Support from June, 2018 to September, 2023.
Linda Kerrigan Ontario, Canada	Senior Vice-President and Appointed Actuary of Canada Life since September, 2019 and of Lifeco since August, 2023; and previously, Senior Vice-President, Corporate Actuarial of Canada Life from May, 2018 to August, 2019.
John D. Melvin Connecticut, United States of America	Executive Vice-President and Chief Investment Officer of Lifeco and Canada Life since October, 2025; Senior Vice-President and Chief Investment Officer of Sammons Financial Group from August, 2021 to September, 2025; Head of Public Markets, Macro Strategy, Hedge Funds, Private Financing of Hartford Investment Management from September, 2020 to April, 2021.
Amy E. Metzger Ontario, Canada	Senior Vice-President and Chief Compliance Officer of Lifeco and Canada Life since May, 2023; previously, Vice-President, Chief Compliance Officer, Canada of Canada Life from March, 2016 to December, 2021, and Vice-President, Chief Compliance Officer, Canada and head of Non-Financial Risk from January, 2022 to April, 2023.
Colleen N. Bailey Moffitt <sup>(1)</sup> Ontario, Canada	Executive Vice-President and Chief Human Resources Officer of Lifeco and Canada Life since September, 2024; previously, Senior Vice-President, Human Resources at Canada Life from June, 2021 to September, 2024 and Vice-President, Talent Acquisition from April, 2019 to May, 2021.
Fabrice Morin <sup>(2)</sup> Québec, Canada	President and Chief Operating Officer, Canada of Lifeco and Canada Life since February, 2024; previously, Executive Vice-President, Individual Wealth and Insurance Solutions of Canada Life from June, 2023 to February, 2024 and Executive Vice-President, Canadian Operations from March, 2019 to June, 2023.
Edmund F. Murphy III Florida, United States of America	President and Chief Executive Officer, Empower since September, 2014.
Jon P. Nielsen Tennessee, United States of America	Executive Vice-President and Chief Financial Officer of Lifeco and Canada Life since February, 2024 (Chief Financial Officer designate since September 2023); previously, Managing Director and Group Chief Financial Officer of Asian-based insurer, FWD Group from October, 2019 to August, 2023.
Jeff Poulin Florida, United States of America	Chief Executive Officer, Capital and Risk Solutions of Lifeco and Canada Life, since July, 2025; Chief Executive Officer of Canada Life Reinsurance since May, 2017.
Lindsey C. Rix-Broom Norfolk, United Kingdom	Chief Executive Officer, Europe of Lifeco and Canada Life since July, 2025; Chief Executive Officer of Canada Life U.K. from September, 2021 to June, 2025; previously, Chief Executive Officer of UK Savings and Retirement at Aviva plc.
David B. Simmonds Ontario, Canada	Senior Vice-President, Chief Marketing, Communications and Sustainability Officer of Lifeco and Canada Life since January, 2022; previously, Senior-Vice-President, Office of the CEO, Lifeco from April, 2021 to December, 2021; and previously, SVP Communications and Public Affairs at McKesson Corporation.
Dervla M. Tomlin Dublin, Ireland	Executive Vice-President and Chief Risk Officer of Lifeco and Canada Life since February, 2023; previously Executive Vice-President and Chief Actuary of Lifeco and Canada Life from April, 2015 to February, 2023.

<sup>(1)</sup> Effective January 12, 2026, Teresa Kilmartin has been appointed Chief Human Resources Officer of Lifeco and Colleen N. Bailey Moffitt will continue her role as Chief Human Resources Officer of Canada Life.

<sup>(2)</sup> Effective January 12, 2026, Fabrice Morin's position was updated to President and Chief Executive Officer, Canada Life (Canada).

## Shareholdings of Directors and Executive Officers

As at December 31, 2025, the directors and executive officers of Lifeco, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 575,847 Common Shares representing approximately 0.06% of the outstanding Common Shares.

## Legal and Regulatory Proceedings

Lifeco and its subsidiaries are from time to time subject to legal actions, including arbitrations and class actions. While it is inherently difficult to predict the outcome of any of these proceedings with certainty, and while it is possible that an adverse resolution could be material, based on information presently known it is not expected that any of the existing legal actions, either individually or in the aggregate, are expected to have an effect on Lifeco that is material. Lifeco and its subsidiaries are also subject to regulatory reviews in the normal course of business. Based on the information presently known, neither these reviews nor any matters arising from them are expected to have a material effect on Lifeco.

## Transfer Agent and Registrar

Lifeco's transfer agent and registrar is Computershare Investor Services Inc. In Canada, the Common Shares are transferable at the following locations:

<b>Canadian Offices</b>	Computershare Investor Services Inc. 320 Bay Street, 14th Floor, Toronto, Ontario M5H 4A6 800, 324 8th Avenue S.W., Calgary, Alberta T2P 2Z2 650 de Maisonneuve Boulevard W, 7th Floor, Montréal, Québec H3A 3T2 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9 Phone: 1-888-344-2798 (toll free in Canada and the United States), 514-982-9557 (direct dial)
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The First Preferred Shares are only transferable at the Toronto Office of Computershare Investor Services Inc. Internationally, the Common Shares are also transferable at the following locations:

<b>United States Offices</b>	Computershare Trust Company, N.A. 150 Royall Street, Canton, Massachusetts 02021  Phone: 1-888-344-2798 (toll free in Canada and the United States)
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<b>United Kingdom Office</b>	Computershare Investor Services PLC The Pavilions, Bridgwater Road Bristol BS99 6ZZ Phone: +44 (0) 370 702 0003
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<b>Ireland Office</b>	Computershare Investor Services (Ireland) Limited 3100 Lake Drive, Citywest, Business Campus Dublin 24, D24 AK82 Phone: +351 1447 5566
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Shareholders wishing to contact the transfer agent by email can do so at [GWO@computershare.com](mailto:GWO@computershare.com).

## Interests of Experts

Deloitte LLP is the external auditor of Lifeco that prepared the Auditors' Report to Shareholders included with the consolidated annual financial statements of Lifeco for its most recently completed financial year. Deloitte LLP has advised Lifeco that it is independent of Lifeco within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Manitoba.

## Audit Committee Information

### Audit Committee Charter

The Audit Committee Charter as approved by the Board of Directors on December 4, 2025, is attached as Appendix A.

### Composition of the Audit Committee

The Audit Committee of Lifeco is comprised of Siim A. Vanaselja (Chair), Deborah J. Barrett, Robin A. Bienfait and Heather E. Conway. Each audit committee member is independent and financially literate within the meaning of Multilateral Instrument 52-110 (Audit Committees).

### Relevant Education and Experience

In addition to their general business background and involvement with other companies, the members of the Lifeco Audit Committee have experience as audit committee members with the Lifeco group of companies. New members of the Audit Committee generally participate in a Directors Orientation program which includes a session entitled Financial Literacy. This session was developed and is usually presented by management and by Lifeco's external auditor, and includes information on Lifeco's structure and operating segments, significant accounting policies, materiality, the Auditor's Report and the role of the external auditor. All members of the Lifeco Audit Committee have experience in reviewing financial statements and in dealing with related accounting and auditing issues. The following sets out the relevant education and experience of each member of the Lifeco Audit Committee:

*Siim A. Vanaselja* – Mr. Vanaselja was Executive Vice-President and Chief Financial Officer of BCE Inc. and Bell Canada from 2001 to 2015. Prior to joining BCE Inc. he was a Partner with KPMG Canada in Toronto. Mr. Vanaselja is a Director of Canada Life. He is also a Director of TC Energy Corporation and Lead Trustee of RioCan Real Estate Investment Trust. He previously served as a Director and Chair of the Audit Committee of Maple Leaf Sports & Entertainment Ltd and as Chair of the board of TC Energy Corporation. Mr. Vanaselja is a Fellow of the Chartered Professional Accountants of Ontario.

*Deborah J. Barrett* – Ms. Barrett was Chief Financial Officer of The Woodbridge Company Limited from 2011 until her retirement in 2017 and previously served as Vice-President, Finance from 2004 to 2011. Prior to that, she held a number of senior financial leadership positions in public and private companies. Ms. Barrett is a Director and member of the Audit Committee of Canada Life. She previously served as a Director and Chair of the Audit Committee of Infrastructure Ontario, as a member of the Audit Committee of The Globe and Mail Inc., as a Trustee and Chair of the Compensation and Governance Committee of Canadian Real Estate Investment Trust and past Finance Committee Chair of Soulpepper Theatre Company. Ms. Barrett is a Fellow of the Chartered Professional Accountants of Ontario.

*Robin A. Bienfait* – Ms. Bienfait is Chief Executive Officer of Emnovate. She previously served as Executive Vice-President and Chief Enterprise Innovation Officer at Samsung Electronics from 2014 to 2017 and, prior to that, she was Chief Information Officer at BlackBerry from 2007 to 2014. Ms. Bienfait is a Director and member of the Audit Committee of Canada Life. She is also a Director and member of the Audit Committees of EAICA. Ms. Bienfait is also a director and Chair of the board of Global Aviation, a trustee of the Georgia Institute of Technology Applied Research Corporation, a director of Quantum Valley Ideas Lab and the Atlanta Chapter of the National Association of Corporate Directors and Mitsubishi UFJ Financial Group, Inc. Ms. Bienfait holds a Masters in Technology Management from the Georgia Institute of Technology and a Bachelor's Degree in Engineering from Central Missouri State University.

*Heather E. Conway* – Ms. Conway is Chair of the Board of Amex Bank of Canada, a position she has held since May, 2022. She is a member of the Audit Committee of Amex Bank of Canada. She was Co-President and Executive Director of Hot Docs Canadian International Documentary Film Festival from November, 2021 to May, 2022. She previously served as Executive Vice-President, English Services of CBC/Radio-Canada, Canada's national public radio and television broadcaster, from December, 2013 until December, 2018, and as Chief Business Officer at the Art Gallery of Ontario and Chief Executive Officer of Edelman Public Relations, Canada. Ms. Conway was Executive Vice-President at Alliance Atlantis from 2001 to 2007 and, prior to that, was Executive Vice-President at TD Bank Financial Group from 1995 to 2001. She is a Director and a member of the Audit Committee of Canada Life. She previously served as a director of IGM Financial Inc., IG Wealth Management and Mackenzie Inc. from 2010 to 2013. Ms. Conway has a Bachelor of Arts in Economics from Queen's University and a Master of Arts in Industrial Relations from the University of Warwick, United Kingdom.

### Pre-Approval Policy

On February 1, 2005, the Lifeco Audit Committee adopted a Policy Regarding the Pre-Approval of Services provided by the External Auditor (the "Pre-Approval Policy") for the purpose of identifying, mitigating and/or eliminating potential threats to the independence of the external auditor. The Pre-Approval Policy is reviewed and approved by the Lifeco Audit Committee on an annual basis.

The Pre-Approval Policy prohibits Lifeco or any of its subsidiaries from engaging the external auditor to provide certain specified non-audit services. Pursuant to the Pre-Approval Policy, all non-audit services that are not specifically prohibited may be provided to Lifeco or to any of its subsidiaries by the external auditor if such services have been pre-approved by the Lifeco Audit Committee and the audit committees of each of Power Financial Corporation and Power Corporation of Canada.

## External Auditor Service Fees

	Year Ended December 31, 2025	Year Ended December 31, 2024
Audit Fees		
General Corporate Audit Fees <sup>(1)</sup>	\$ 27,833,808	27,715,386 <sup>(1)</sup>
Segregated and Other Fund Audit Fees <sup>(2)</sup>	9,411,846	9,383,953 <sup>(2)</sup>
Other Audit Fees <sup>(3)</sup>	6,878,206	6,916,936
Audit-Related Fees <sup>(4)</sup>	8,301,089	7,037,343
Tax Fees <sup>(5)</sup>	1,457,030	620,201
All Other Fees <sup>(6)</sup>	660,110	674,122
Total	<u>\$ 54,542,089</u>	<u>52,347,941</u>

- (1) General Corporate Audit Fees: These audit fees are for the audits of the financial statements of Lifeco and its subsidiaries (where such subsidiary audits support the audit of the financial statements of Lifeco). The General Corporate Audit Fees amount for the year ended December 31, 2024 is revised to reflect approximately \$0.3 million in fees not previously included.
- (2) Segregated and Other Fund Audit Fees: These audit fees are for the financial statements of the segregated funds of Lifeco's insurance subsidiaries, for the audits of the financial statements of registered or unregistered funds and other investment products managed by subsidiaries of Lifeco, and for the audits of the financial statements of partnerships to which Lifeco, its subsidiaries or the segregated funds of Lifeco's insurance subsidiaries are a party. The Segregated and Other Fund Audit Fees amount for the year ended December 31, 2024 is revised to remove approximately \$0.9 million in fees previously included in error.
- (3) Other Audit Fees: These audit fees are for audit services provided to subsidiaries of Lifeco, where such subsidiary audits do not directly support the audit of the financial statements of Lifeco.
- (4) Audit-Related Fees: These audit-related fees include fees for reviews of interim financial statements of Lifeco and its subsidiaries, for the audits of pension plans of subsidiaries of Lifeco, for reviews of securities filings and for audits/specified procedures mainly related to statutory and regulatory filings, information barriers, internal controls, benefit plans, managed properties, business cycle processes and capital adequacy requirements.
- (5) Tax Fees: These tax fees primarily relate to tax compliance and planning.
- (6) All Other Fees: These other fees relate to specific engagements including translation services, internal control assessments, independent peer reviews, quality assurance services and innovation projects.

## Additional Information

Additional information relating to Lifeco is available for review at [www.sedarplus.com](http://www.sedarplus.com).

Additional information in respect of Lifeco, including directors' and officers' remuneration and indebtedness, principal holders of its securities and securities authorized for issuance under the Lifeco Stock Option Plan is contained in Lifeco's Management Proxy Circular for its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in Lifeco's consolidated financial statements and the MD&A for its most recently completed financial year.

**APPENDIX A**  
**GREAT-WEST LIFE CO INC.**  
**AUDIT COMMITTEE CHARTER**

**SECTION 1.        MEMBERSHIP**

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) shall be composed of not less than three directors of Great-West Lifeco Inc. (the “Corporation”), all of whom shall be independent and financially literate within the meaning of Canadian Securities Administrators National Instrument 52-110. Committee members shall be appointed by the Board and shall serve at the pleasure of the Board. The Board shall also appoint the Committee Chair.

**SECTION 2.        PROCEDURAL MATTERS**

In connection with the discharge of its duties and responsibilities, the Committee shall observe the following procedures:

- 2.1 Meetings.** The Committee shall meet at least four times every year, and more often if necessary, to discharge its duties and responsibilities hereunder. The Committee may meet at any place within or outside of Canada.
- 2.2 Joint Meetings with Risk Committee.** The Committee shall meet, at least annually, with the Risk Committee of the Board.
- 2.3 Advisors.** The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay, at the Corporation’s expense, the compensation of such advisors.
- 2.4 Quorum.** A quorum at any Committee meeting shall be two Committee members.
- 2.5 Secretary.** The Corporate Secretary or an Associate Corporate Secretary or such other person as may be designated by the Committee Chair (or in the absence of the Committee Chair, the acting Committee Chair), shall act as secretary of Committee meetings.
- 2.6 Calling of Meetings.** A Committee meeting may be called by the Committee, the Board Chair, the President and Chief Executive Officer, the external auditor of the Corporation, or by any Committee member. When a Committee meeting is called by anyone other than the Board Chair, the person(s) calling such meeting shall so inform the Board Chair and Committee Chair.

**SECTION 3.        DUTIES AND RESPONSIBILITIES**

In addition to any other duties and responsibilities assigned to it from time to time by the Board:

**3.1 Disclosure Documents.** The Committee shall:

- (a) review the Corporation’s:
  - (i) interim and annual financial statements;
  - (ii) interim and annual management’s discussions and analyses;
  - (iii) interim and annual earnings press releases;
  - (iv) non-financial disclosures required to be included in the reports listed above;
  - (v) other documents containing non-financial disclosures that require audit or assurance by an independent third-party expert; and
  - (vi) other documents as may be required pursuant to the Disclosure Policy;

and report thereon to the Board before such documents are approved by the Board and disclosed to the public;

- (b) be satisfied that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, other than the public disclosure provided by the financial statements, management’s discussions and analyses and earnings press releases, and shall periodically assess the adequacy of those procedures;
- (c) review, at its discretion, any financial information contained in any reports filed by the Corporation with regulatory authorities in connection with the financial condition of the Corporation;

- (d) review the effect of off-balance sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Corporation's financial condition; and
- (e) review such investments and transactions that could adversely affect the well-being of the Corporation that the external auditor of the Corporation or any officer of the Corporation may bring to the attention of the Committee.

**3.2 External Audit.** The Committee shall:

- (a) recommend to the Board the external auditor to be appointed for purposes of preparing or issuing an auditor's report or performing other audit, review or attest services;
- (b) assess the skills and resources of the external auditor, including the audit firm's internal policies and practices for quality control and annually report to the Board on the effectiveness of the external auditor;
- (c) review the scope and terms of the external auditor's engagement and make a recommendation to the Board with respect to the external auditor's engagement;
- (d) review the appropriateness and reasonableness of proposed audit fees, and any issues relating to the payment of audit fees and make a recommendation to the Board with respect to the compensation of the external auditor;
- (e) review the independence of the external auditor, including an annual report prepared by the external auditor regarding its independence;
- (f) review the external auditor's engagement to ensure that the external auditor is duly appointed as external auditor of each of the Corporation's subsidiaries, unless in the opinion of the Corporation, after consulting the external auditor, the total assets of the subsidiary are not a material part of the total assets of the Corporation, or unless, in the case of a subsidiary that carries on its operations in a country other than Canada, the laws of the country do not permit such appointment;
- (g) review the recommendation of the external auditor for the person designated to conduct the audit;
- (h) meet with the external auditor and with management to review the audit plan, audit findings, any restrictions on the scope of the external auditor's work, and any serious difficulties that the external auditor encounters during the audit and approve the audit plan;
- (i) review with the external auditor and management any changes in Generally Accepted Accounting Principles (i.e., International Financial Reporting Standards); the quality and the acceptability of major accounting policies and assumptions; alternative treatments of financial information within Generally Accepted Accounting Principles that have been discussed with management, the ramifications of the use of alternative treatments, and the treatment preferred by the external auditor; the presentation and impact of significant risks and uncertainties that could adversely affect the wellbeing of the Corporation; and key estimates and judgments of management; in each case that may be material to the Corporation's financial reporting;
- (j) have the authority to communicate directly with the external auditor;
- (k) receive reports directly from the external auditor;
- (l) directly oversee the work of the external auditor that is related to the preparation or issue of an auditor's report or other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (m) meet with the external auditor to discuss the annual financial statements and the interim financial statements;
- (n) meet with the external auditor to discuss the returns, investments and transactions referred to in subsections 3.1(d) and 3.1(e) hereof;
- (o) review any management letter containing the recommendations of the external auditor, and the response and follow up by management in relation to any such recommendations;
- (p) review any evaluation of the Corporation's internal control over financial reporting conducted by the external auditor, together with management's response;

- (q) pre-approve (or delegate such pre-approval to one or more of its independent members) in accordance with the pre-approval policy of the Corporation, all engagements for non-audit services to be provided to the Corporation or its subsidiaries by the external auditor, together with all non-audit services fees, and consider the impact of such engagements and fees on the independence of the external auditor;
- (r) approve the Corporation's hiring policy regarding partners, employees and former partners and employees of the present and former external auditor; and
- (s) review all issues and statements related to a change of external auditor and the steps planned by management for an orderly transition.

**3.3 Finance.** The Committee shall:

- (a) through the Committee Chair, have the authority to communicate directly with the Chief Financial Officer;
- (b) with input from the President and Chief Executive Officer and the Board Chair, as appropriate, review and recommend to the Board the appointment and/or removal of the Chief Financial Officer;
- (c) approve material amendments to, and review at least every five (5) years, the mandate of the Chief Financial Officer (the "CFO Mandate");
- (d) annually assess the performance of the Chief Financial Officer and the effectiveness of the Finance Function;
- (e) annually approve the organizational and reporting structure, budget and resources of the Finance Function and satisfy itself that the Chief Financial Officer has adequate resources and independence to discharge the responsibilities of the Chief Financial Officer under the CFO Mandate and in respect of any planned activities; and
- (f) require management to implement and maintain appropriate internal control procedures and review, evaluate and approve those procedures.

**3.4 Internal Audit.** The Committee shall:

- (a) through the Committee Chair, have the authority to communicate directly with the Chief Internal Auditor;
- (b) with input from the President and Chief Executive Officer and the Board Chair, as appropriate, review and recommend to the Board the appointment and/or removal of the Chief Internal Auditor;
- (c) approve material amendments to, and review at least every five (5) years, the mandate of the Chief Internal Auditor (the "CIA Mandate");
- (d) annually assess the performance of the Chief Internal Auditor and the effectiveness of the Internal Audit Function;
- (e) approve annually:
  - (i) the risk-based internal audit plan, incorporating both assurance and advisory activity, and periodically approve any changes; and
  - (ii) the organizational and reporting structure, budget and resources of the Internal Audit Function;
 and satisfy itself that the Chief Internal Auditor has adequate resources and independence to discharge the responsibilities of the Chief Internal Auditor under the CIA Mandate;
- (f) meet with the Chief Internal Auditor and with management to discuss the effectiveness of the internal control procedures established for the Corporation;
- (g) review the results of Internal Audit activity, including the Chief Internal Auditor's overall opinion on Governance, Risk Management and Control and management's responses and subsequent progress on any material risks identified;
- (h) annually meet with the Risk Committee to review the Chief Internal Auditor's opinion on Governance, Risk Management, and Control, and any other matters that the Chief Internal Auditor deems relevant; and

- (i) satisfy itself that the Chief Internal Auditor maintains a quality assurance and improvement program that includes an external quality assessment every five years, and review the results of both internal and external assessments and the Chief Internal Auditor's progress in addressing any recommendations.

**3.5 Actuarial.** The Committee shall:

- (a) through the Committee Chair, have the authority to communicate directly with the Appointed Actuary;
- (b) with input from the President and Chief Executive Officer and Board Chair, as appropriate, review and recommend to the Board the appointment and/or removal of the Appointed Actuary;
- (c) approve material amendments to, and review at least every five (5) years, the mandate of the Appointed Actuary (the "AA Mandate");
- (d) annually assess the performance of the Appointed Actuary and the effectiveness of the Actuarial Function;
- (e) annually approve the organizational and reporting structure, budget and resources of the Actuarial Function and satisfy itself that the Appointed Actuary has adequate resources and independence to discharge the responsibilities of the Appointed Actuary under the AA Mandate and in respect of any planned activities; and
- (f) meet with the Appointed Actuary to discuss the parts of the interim and annual financial statements prepared by the Actuarial Function.

**3.6 Accounting Complaints Handling Procedures.** The Committee shall establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

The Accounting Complaints Handling Procedures may be set forth in the Corporation's Code of Conduct.

**3.7 In-Camera Sessions.** At every regularly-scheduled meeting of the Committee, the Committee members shall meet without members of management present and shall hold an in-camera meeting each quarter separately with each of the external auditor, Chief Internal Auditor, Chief Financial Officer, Appointed Actuary, and, as the Committee deems appropriate, management.

**3.8 Subsidiaries.**

- (a) With respect to any Material Subsidiary in the corporate ownership chain between the Corporation and any Direct Subsidiary, the Committee shall review the financial statements of that Material Subsidiary.
- (b) With respect to any Direct Subsidiary:
  - (i) the Committee may rely on the review and approval of the financial statements of the Direct Subsidiary by the audit committee and the board of directors of the Direct Subsidiary, and on reports or opinions of the external auditor on those financial statements;
  - (ii) the Committee shall receive a copy of the charter of the Direct Subsidiary's audit committee, together with a memorandum summarizing its meeting processes and structure (Process Memorandum); and
  - (iii) the secretary of the Committee shall table a report from the secretary of the Direct Subsidiary's audit committee confirming that the processes mandated by its charter and Process Memorandum have been followed.
- (c) For these purposes:
  - (i) "**Material Subsidiary**" means a subsidiary whose net income represents 10% or more of the net income of the Corporation; and
  - (ii) "**Direct Subsidiary**" means the first Material Subsidiary below the legal entity in a corporate ownership chain that has an audit committee which is comprised of a majority of independent directors.

**SECTION 4. AUDITOR'S ATTENDANCE AT MEETINGS**

The external auditor shall be entitled to receive notice of every Committee meeting and, at the expense of the Corporation, to attend and be heard at any Committee meeting. If so requested by a Committee member, the external auditor shall attend every Committee meeting held during the term of office of the external auditor.

**SECTION 5. ACCESS TO INFORMATION**

The Committee shall have access to all information, documents and records of the Corporation that it determines to be necessary or advisable to enable it to perform its duties and to discharge its responsibilities under this Charter.

**SECTION 6. REVIEW OF CHARTER**

The Committee shall periodically review this Charter and recommend any changes to the Board as it may deem appropriate.

**SECTION 7. REPORTING**

The Committee Chair shall (i) report to the Board, at such times and in such manner, as the Board may from time to time require on matters subject to the Committee's review and consideration, (ii) promptly inform the Board Chair of any significant issues raised by the Committee members, the internal auditor, the external auditor or the regulators; and (iii) provide the Board Chair with copies of any written reports or letters provided by the external auditor and the regulators to the Committee.