

December 15th, 2009

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
MANITOBA AND ONTARIO
(the Jurisdictions)
AND
IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS
AND
IN THE MATTER OF
GREAT-WEST LIFECO INC., GREAT-WEST LIFE CAPITAL TRUST AND
CANADA LIFE CAPITAL TRUST (collectively, the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from subsection 2.23(1) of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids* and subsection 97(1) of the *Securities Act* (Ontario) (the **Identical Consideration Requirement**), which require the Filer to offer identical consideration to all of the holders of the same class of securities that are subject to an issuer bid in connection with Great-West Lifeco Inc.'s offer to acquire up to 170,000 of the outstanding Great-West Life Trust Securities – Series A (**GREATs**) of Great-West Life Capital Trust and up to 180,000 of the outstanding Canada Life Capital Securities – Series A (**CLICS - Series A**) of Canada Life Capital Trust (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the Manitoba Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island, Nunavut, Yukon Territory and the Northwest Territories; and

- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meanings if used in this decision, unless otherwise defined.

Representations

The decision is based on the following facts represented by the Filer:

The Filers

1. On November 11, 2009, Great-West Lifeco made an offer (the **Offer**) to the holders of GREATs and CLiCS - Series A to tender their GREATs and CLiCS - Series A to its offer to purchase up to 170,000 of the outstanding GREATs and up to 180,000 of the outstanding CLiCS - Series A.
2. Great-West Lifeco was incorporated under the *Canada Business Corporations Act* and its head office is located in Winnipeg, Manitoba.
3. Each of Great-West Life Capital Trust and Canada Life Capital Trust is an open-end trust established under the laws of Ontario. The head office of Great-West Life Capital Trust is located in London, Ontario and the head office of Canada Life Capital Trust is located in Toronto, Ontario.
4. Each of the Filers is a reporting issuer in each province and territory of Canada and is not in default of any of the requirements of the applicable securities legislation of such jurisdictions.
5. Great-West Life Capital Trust is authorized to issue an unlimited number of units and currently has two classes of units: special trust securities and GREATs. All of the special trust securities are indirectly held by Great-West Lifeco and there are 350,000 GREATs outstanding.
6. Canada Life Capital Trust is authorized to issue an unlimited number of units and currently has two classes of units outstanding: special trust securities and CLiCS (Series A and Series B). All of the special trust securities are indirectly held by Great-West Lifeco and there are 300,000 CLiCS - Series A and 150,000 CLiCS - Series B, outstanding.
7. The GREATs and CLiCS are not listed on any exchange.

The Bid

8. Pursuant to the Offer, holders of GREATs and CLiCS - Series A will receive consideration payable at the election of the holder in (a) cash; or (b) debentures of Great-West Lifeco due November 16, 2039 (the **Debentures**) plus cash.
9. The Debentures to be issued under the Offer will be either up to an additional \$350 million of debentures of Great-West Lifeco due November 16, 2039 to be issued pursuant to a trust indenture dated November 16, 2009 (the **Prospectus Debentures**), or up to \$350 million aggregate principal amount of a new issue of debentures with the same maturity date as the Prospectus Debentures (the **New Issue Debentures**). The determination of whether

Prospectus Debentures or New Issue Debentures will be issued pursuant to the Offer will be determined based upon the amount by which interest rates change between November 11, 2009, the date that the Offer commenced and the date that Debentures are to be issued pursuant to the Offer.

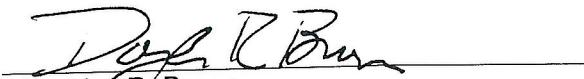
10. The Debentures are not convertible into any other security.
11. Rule 802 (**Rule 802**) under the United States Securities Act of 1933, as amended (the **1933 Act**) provides an exemption from the registration requirements of the 1933 Act for offers and sales in any exchange offer for a class of securities of a “foreign private issuer” (as defined for purposes of the 1933 Act and the rules and regulations issued by the U.S. Securities and Exchange Commission thereunder) if the holders of the foreign subject company resident in the United States hold no more than 10% of the securities that are the subject of the exchange offer (the **10% Condition**). Rule 800(h) provides that for the purposes of the calculation of the 10% Condition, securities held by the offeror are to be excluded. In order for Rule 802 to apply, holders resident in the United States must participate in the exchange offer on terms at least as favourable to those offered to the other holders of the subject securities, subject to an exception which allows the offeror to offer cash consideration to securityholders resident in states of the United States that do not have an applicable state “blue sky” exemption from the registration or qualification requirements of state securities laws.
12. To the knowledge of the Filer, Great-West Life Capital Trust and Canada Life Capital Trust are “foreign private issuers” within the meaning of Rule 405 of Regulation C under the 1933 Act.
13. To the knowledge of the Filer, the 10% Condition has not been met and, accordingly, the offer and sale of the Debentures would not be exempt from the registration requirements of the 1933 Act by virtue of Rule 802. Furthermore, there is no general exemption from state “blue sky” laws that coordinates with Rule 802; as a result, the securities laws of some states may prohibit delivery of the Debentures to holders of GREATs or CLiCS – Series A resident in such states without registration of the Debentures unless such holders are otherwise exempt investors under the laws of such states.
14. A geographic analysis report for the GREATs as of November 11, 2009, with respect to approximately 98.4% of the outstanding GREATs disclosed that: (i) residents in Canada comprise 2,358 holders, collectively holding approximately 82.07% of all GREATs reported; (ii) residents in the United States comprise 54 holders, collectively holding approximately 8.68% of all GREATs reported; and (iii) residents outside of Canada and the United States comprise 34 holders, collectively holding approximately 9.25% of all GREATs reported.
15. A geographic analysis report for the CLiCS - Series A as of November 11, 2009, with respect to approximately 91.5% of the outstanding CLiCS - Series A disclosed that: (i) residents in Canada comprise 810 holders of CLiCS - Series A, collectively holding approximately 75.36% of all CLiCS - Series A reported; (ii) residents in the United States comprise 27 holders, collectively holding approximately 11.11% of all CLiCS - Series A reported; and (iii) residents outside of Canada and the United States comprise 23 holders, collectively holding approximately 13.53% of all CLiCS – Series A reported.
16. As noted above, holders of GREATs and CLiCS - Series A may elect to receive Debentures pursuant to the Offer. The Debentures have not been and will not be registered or otherwise qualified for distribution pursuant to the securities legislation of any jurisdiction outside of Canada, including the 1933 Act.

17. In lieu of delivering Debentures to U.S. holders of GREATs and/or CLiCS – Series A, Great-West Lifeco intends to use a vendor placement mechanism, the details and procedures of which are described below and in the Offer for any U.S. holder that requests to receive Debentures pursuant to the Offer. As a result of the vendor placement, the registration requirements of the 1933 Act will not apply as the Debentures will not be delivered in the United States or to U.S. holders.
18. In accordance with the vendor placement mechanism and the Offer, Great-West Lifeco proposes to deliver to Computershare Investor Services Inc. (the **Depository**), the Debentures that the non-residents of Canada would otherwise be entitled to receive pursuant to the Offer. The Depository will cause to be sold those Debentures after the payment date for the GREATs and CLiCS - Series A tendered by non-residents pursuant to the Offer. After completion of the sale, the Depository will distribute the aggregate net proceeds of sale, pro rata, among the non-residents who tendered their GREATs or CLiCS - Series A pursuant to the Offer and who elected to receive Debentures.
19. Any sale of the Debentures described above will be completed as soon as practicable after the date on which Great-West Lifeco takes up and pays for the GREATs and/or CLiCS - Series A tendered by non-residents pursuant to the Offer and will be done in a manner intended to maximize consideration to be received from the sale of Debentures and to minimize any adverse impact of the sale on the market for the Debentures.
20. To the extent there are any holders of GREATs and/or CLiCS - Series A in jurisdictions outside of Canada and the United States to whom the Debentures may not be delivered without registration or qualification under the laws of their own jurisdiction, Great-West Lifeco proposes using the vendor placement mechanism described above, modified as necessary to comply with the laws of such foreign jurisdiction.
21. The Debentures, GREATs and CLiCS-Series A are not listed but have a market for trading and that market will not be materially less liquid upon successful completion of the Offer.
22. On the market on which the Debentures trade, based on one month of trading since November 9, 2009, the aggregate traded volume of the Debentures has been at least \$17,000,000 of the \$200,000,000 issue currently outstanding, and the aggregate value of the trades has been at least \$15,000,000 and the market value of the Debentures was at least \$75,000,000.
23. If Great-West Lifeco increases the consideration offered pursuant to the Offer to holders of GREATs and/or CLiCS - Series A resident in Canada, the increase in consideration will also be offered to any non-residents of Canada at the same time and on the same basis.
24. Great-West Lifeco has sufficient cash available to satisfy the consideration offered pursuant to the Offer in the event all holders of GREATs and/or CLiCS – Series A who deposit to the Offer elect to receive cash.
25. Except to the extent that relief from the Identical Consideration Requirement is granted, the Offer will comply with the requirements under the legislation concerning issuer bids.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that, in connection with the Offer, the Exemption Sought is granted so that the Filer is exempt from the Identical Consideration Requirement, provided that non-Canadian holders of GREATs or CLiCS - Series A who would otherwise receive Debentures pursuant to the Offer, instead receive cash proceeds from the sale of the Debentures in accordance with the procedures set out in paragraphs 18 and 19 above.



Douglas R. Brown
Director & Secretary to the Commission
The Manitoba Securities Commission