



CIRCULAR
December 4, 2003

CONTRACT ADJUSTMENT

**CANADA LIFE FINANCIAL CORPORATION (CL)
PLAN OF ARRANGEMENT WITH GREAT-WEST LIFECO INC. (GWO)
Cash Adjustment**

THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (“CDCC”) MEMBERS AND BOURSE DE MONTRÉAL INC. APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE PLAN OF ARRANGEMENT. CDCC AND BOURSE DE MONTRÉAL INC. ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY.

Further to our circulars No. 99-2003, dated July 8, 2003 and No. 101-2003, dated July 9, 2003, Bourse de Montréal Inc (the “Bourse”) and Canadian Derivatives Clearing Corporation (CDCC) wish to inform you that the cash in lieu amounts corresponding to the fractional non-cumulative first preferred 4.80% Series E shares of Great-West Lifeco (Series E preferred shares) and non-cumulative first preferred 5.90% Series F shares of Great-West Lifeco (Series F preferred shares) have been determined.

Based on the information provided by the transfer agent, CDCC will evaluate shares mentioned above at the following prices :

Series E preferred shares (GWO-px) : C\$25.57
Series F preferred shares (GWO-pf) : C\$25.35

Therefore, CDCC will calculate the cash in lieu amounts as follows:

0.63 GWO-px (0.0063 x 100) x C\$25.57 = C\$16.11 per CLY contract, and
0.75 GWO-pf (0.0075 x 100) x C\$25.35 = C\$19.01 per CLY contract.

Circular no.: 166-2003

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Based on the formula above, the New Deliverable Per Contract on CLY options will be as follows:

**New Deliverable
Per Contract:**

- 1) **C\$3,865 in cash;**
- 2) **17 Series E preferred shares of Great-West Lifeco (100 x 0.1763) ;**
- 3) **C\$16.11 in cash in lieu of 0.63 Series E preferred shares of great-West Lifeco;**
- 4) **5 Series F preferred shares of Great-West Lifeco (100 x 0.0575); and**
- 5) **C\$19.01 cash in lieu of 0.75 Series F preferred shares of Great-West Lifeco.**

*** Cash settlement of CLY options will take place through CDCC's cash settlement system. The cash portion of the deliverable remains fixed as part of the option deliverable and will not vary with price changes of securities also included in the deliverable.**

CDCC will process a cash adjustment based on the formula provided below.

Members of CDCC who exercise long call options will receive: $C\$35.12 (C\$25.57 \times 0.63 (GWO-px) + C\$25.35 \times 0.75 (GWO-pf)) \times \text{Number of contracts exercised}$.

Members of CDCC assigned on short call options will deliver: $C\$35.12 (C\$25.57 \times 0.63 (GWO-px) + C\$25.35 \times 0.75 (GWO-pf)) \times \text{Number of contracts assigned}$.

Members of CDCC who exercise long put options will deliver : $C\$35.12 (C\$25.57 \times 0.63 (GWO-px) + C\$25.35 \times 0.75 (GWO-pf)) \times \text{Number of contracts exercised}$.

Members of CDCC assigned on short put options will receive: $C\$35.12 (C\$25.57 \times 0.63 (GWO-px) + C\$25.35 \times 0.75 (GWO-pf)) \times \text{Number of contracts assigned}$.

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS CLASS OF OPTIONS ARE ADVISED OF THIS NOTICE.

For further information, please contact your local CDCC office.

Joëlle Saint-Arnault
Vice-President, Legal Affairs and Secretary