



Shareholder Proposal

Great-West Lifeco Report on Climate Change Impacts and Strategies

Be it resolved that:

The Board of Directors provide a report to shareholders by October 2011, prepared at reasonable cost and omitting proprietary information, describing how Great-West Lifeco is assessing the impact of climate change on the corporation, the corporation's plans to disclose this assessment to shareholders, and, if applicable, the rationale for not disclosing such information in the future through annual reporting mechanisms such as the Carbon Disclosure Project.

Supporting Statement

Studies on the impact of climate change to life and health insurance companies continue to mount. In 2009, reports from Health Canada and studies in peer reviewed journals, such as Environmental Health Perspective and the Lancet, have linked health impacts to climate change. Moreover, a UK report by the Universities Superannuation Scheme, Railpen, Henderson Global Investors and Insight Investment entitled *Managing the Unavoidable* found companies were focusing too much on the catastrophic impacts of climate change rather than on the slower, but more likely incremental impacts.

Several members of the Great-West Lifeco Board of Directors and the CEO of Great-West Life Assurance, supported the Canadian Council of Chief Executives' climate change policy statement which stated "we share the goal of slowing, stopping and reversing the growth of global greenhouse gas emissions (GHG) over the shortest period of time that is reasonably achievable."

In October 2010 the Canadian Securities Administrators (CSA) published guidance on complying with existing environmental disclosure requirements after an internal review concluded that current environmental disclosure was inadequate. CSA Staff Notice 51-333 provides guidance on the following environmental risks: litigation risks, physical risks, regulatory risks, reputational risks and risks relating to the company's business model.

Corporate disclosure of exposure to climate change risks and opportunities is essential for investors looking to assess the strengths and weaknesses of corporate securities. While Great-West Lifeco has a limited operational footprint, significant exposure to climate change risks and opportunities are embedded through its insurance

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policies, investments and real estate holdings. Moreover, Great-West Lifeco is exposed to significant reputational risks by not meeting stakeholder expectations.

The Carbon Disclosure Project (CDP), an investor coalition representing 534 institutional investors that collectively manage US\$64 trillion in assets, sends an annual survey to Canada's largest 200 corporations requesting that companies disclose their climate change strategies. Great-West Lifeco's peers (such as Manulife, Sun Life and Industrial Alliance) all responded to the CDP in 2010, but Great-West Lifeco declined to participate for the seventh year in a row.

Insurance regulators are increasingly requiring climate change disclosure from companies. Through the National Association of Insurance Commissioners, the state of Colorado (where Great-West has a registered subsidiary) suggests insurers complete a climate change survey that is consistent with the requirements of the CDP. Four other states require the completion of this survey.

In 2009, a similar proposal was supported by over one-third of non controlling shareholders. In 2010, of shareholders who voted, over 50% of those not affiliated with management supported this proposal. Despite growing support from shareholders management has not addressed the substance of the proposal.