

TAX INSTRUCTION LETTER

February 27, 2020

TO: Eligible Holders¹ who held Common Shares of Power Financial Corporation (“PFC”) (“**Former PFC Shareholder**”)

FROM: Power Corporation of Canada (“PCC”)

RE: Tax Instruction Letter for Former PFC Shareholders who wish to file a Tax Election to enable the deferral of Canadian taxes in respect of the acquisition by PCC of their Common Shares of PFC

Dear Former PFC Shareholder,

If you are a Former PFC Shareholder who is a resident of Canada and did not hold your PFC shares in a tax-free account such as an RRSP or TFSA, the acquisition of your Common Shares of PFC by PCC would generally result in a taxable gain (or loss). The purpose of this **Tax Instruction Letter** is to describe the process for you to submit the information required to produce the Tax Election allowing you to defer all or a portion of the gain that might otherwise arise from the disposition of your Common Shares pursuant to the Plan of Arrangement as described in the PFC Circular. Unless otherwise noted, all defined terms in this Tax Instruction Letter have the meaning as set out in the PFC Circular.

A Tax Election may be made by a Former PFC Shareholder, subject to the limitations set out in subsections 85(1) and 85(2) of the *Income Tax Act* (Canada) (the “**Tax Act**”). All references to such Tax Election should be understood to include, where applicable, the corresponding Tax Election under the *Taxation Act* (Québec) (the “**Québec Act**”) unless otherwise specified.

Please review this Tax Instruction Letter very carefully and consult your tax advisor as to the proper completion and delivery of the Tax Election Information (as defined below) to PCC (or its agents) and the applicable deadlines. The information provided herein and in the PFC Circular with respect to such Tax Elections is provided for general assistance only, may not be exhaustive and is not intended to be, nor should it be construed as, legal or tax advice to any particular Former PFC Shareholder. The law in this area is complex and contains numerous technical requirements not addressed in this Tax Instruction Letter.

Furthermore, apart from providing this Tax Instruction Letter and enclosure(s) to a Former PFC Shareholder for their convenience, none of PCC, PFC, the Depositary, or any of the appointed agents or representatives assisting with the Tax Election process and technology,

¹ As described in the NOTICE OF SPECIAL MEETING OF SHAREHOLDERS AND MANAGEMENT PROXY CIRCULAR of Power Financial Corporation (the “PFC Circular”), dated January 10, 2020, “Eligible Holder” means: (a) a beneficial owner of Common Shares immediately prior to the Effective Time who is a resident of Canada for purposes of the Tax Act (other than a Tax Exempt Person), or a partnership any member of which is a resident of Canada for the purposes of the Tax Act (other than a Tax Exempt Person); or (b) a beneficial owner of Common Shares immediately prior to the Effective Time, who is not a resident of Canada for the purposes of the Tax Act, and whose Common Shares are “taxable Canadian property” and not “treaty-protected property”, in each case as defined in the Tax Act, or a partnership any member of which is not a resident of Canada for the purposes of the Tax Act, and whose Common Shares are “taxable Canadian property” and not “treaty protected property”, in each case as defined in the Tax Act.

nor any affiliate or successor of any such entity will provide a Former PFC Shareholder with any advice on making a Tax Election. Accordingly, Former PFC Shareholders wishing to make a Tax Election are urged to consult with their own tax advisors without delay for specific advice in respect of whether or not to make a Tax Election, the process involved in making the Tax Election and how to comply with the requirements for making such Tax Election having regard to their own particular circumstances. Such Former PFC Shareholders should also review Information Circular 76-19R3 and Interpretation Bulletin IT-291R3 (archived) issued by the Canada Revenue Agency (“CRA”) for information in respect of the Tax Election under the Tax Act. In addition, if applicable for you, for information about the Tax Election under the Québec Act, you should also review Revenu Québec Interpretation Bulletin IMP.521.2-1/R1.

1. CANADIAN TAX TREATMENT OF THE ARRANGEMENT

The purpose of making a Tax Election is to permit certain Former PFC Shareholders to fully or partially defer any gain and resulting tax that might otherwise arise from the disposition of their Common Shares.

Please refer to the PFC Circular for a summary of the principal Canadian federal income tax considerations generally applicable to a Former PFC Shareholder, subject to the qualifications and limitations set out therein.

Generally, it is to your advantage to make the Tax Election. However, you should seek professional advice from your tax advisor to determine whether making the Tax Election is appropriate, considering your particular facts and circumstances. If you do not make the Tax Election, the disposition of your Common Shares pursuant to the Arrangement could trigger adverse tax consequences to you for the taxation year in which the disposition occurs.

A Tax Election is not available if your Common Shares were held in a TFSA, RRSP or other Registered Plan as such shares were not held by an Eligible Holder. If your Common Shares were held in a TFSA, RRSP or other Registered Plan there should be no tax payable as a result of the disposition of Common Shares pursuant to the Plan of Arrangement. Please consult your tax advisor if you require additional information.

2. EXECUTION AND DELIVERY OF A TAX ELECTION

A Tax Election may be made by a Former PFC Shareholder on the condition that complete information is provided (“Tax Election Information”). **As described in the PFC Circular, the deadline for providing the Tax Election Information to PCC is 120 days after the day on which the disposition of the Common Shares (the “Effective Date”) is completed by the Former PFC Shareholder pursuant to the Arrangement (the “Tax Election Information Submission Deadline”).**

The Effective Date is February 13, 2020. Accordingly, the Tax Election Information Submission Deadline is June 13, 2020. The website established by PCC specifically to assist with the Tax Election process (the “Tax Election Website”) can be found at <https://www.powercorporation.com/en/investors/reorganization/>. **If the Tax Election Information for a Former PFC Shareholder is not received by PCC by the Tax Election Information Submission Deadline and in accordance with the procedures set out in this Tax Instruction Letter, PCC**

will have no obligation to make a Tax Election with such Former PFC Shareholder and therefore, the Former PFC Shareholder may not benefit from a full or partial deferral pursuant to the provisions of the Tax Act and, if applicable, the corresponding provisions of any applicable provincial income tax law. A Former PFC Shareholder wishing to make a Tax Election should give their immediate attention to this matter. In its sole discretion, PCC may choose to sign and deliver a Tax Election based on Tax Election Information received after the Tax Election Information Submission Deadline, but will have no obligation to do so and no assurances can be given that PCC will sign and deliver such a Tax Election.

Each Former PFC Shareholder who wishes to make a Tax Election must submit its Tax Election Information using the questionnaire on the Tax Election Website (the “**Questionnaire**”). PCC will not verify the accuracy of any information provided by or on behalf of any electing Former PFC Shareholder.

The following schedules contained in this letter are provided to guide you in making the Tax Election:

Schedule A	Detailed information explaining steps to be followed to file the Tax Election
Schedule B	Information on how to complete the Questionnaire
Schedule C	Frequently Asked Questions

If you require further assistance, please contact the Technical Assistance Helpline at:

1-800-860-0751

3. SUBMITTING YOUR TAX ELECTION INFORMATION

Any personal information that you submit to PCC using the Questionnaire will be used solely for the purposes of your Tax Election and any subsequent enquiries or proceedings, and you consent to our collection and use of your personal information for such purposes. Your personal information will not be used to market any goods or services to you.

Former PFC Shareholders are urged to provide the Tax Election Information to PCC via the Questionnaire on or before the Tax Election Information Submission Deadline.²

The Questionnaire is a web-based tool for submitting the Tax Election Information to PCC. Each Former PFC Shareholder can access the Questionnaire through the Tax Election Website. The Tax Election Website can be found at <https://www.powercorporation.com/en/investors/reorganization/>.

A Former PFC Shareholder will be required to provide answers to a number of questions (such as name, email address, mailing address, number of Common Shares exchanged, etc.) and submit this information online. If the transmission of information is successful, a unique identification number will be provided to the electing Former PFC Shareholder after submitting the Tax Election

² See Section 2 – *Execution and Delivery of a Tax Election*.
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Information. **This number will be required for identification purposes in the event the Former PFC Shareholder wishes to contact PCC (or its representatives) in the future.**

4. FILING A TAX ELECTION WITH THE TAX AUTHORITIES

After submission of your Tax Election Information via the web-based Questionnaire, a package containing the completed Tax Election in prescribed form and signed by PCC, along with instructions on how to execute and deliver the forms to the CRA (and, if applicable, Revenu Québec (“**RQ**”)), will be sent to the email address provided. The following is a brief summary of the transmittal instructions.

Federal purposes

i. Filing Deadline

Generally, for a Tax Election to be accepted by the CRA without an electing Former PFC Shareholder being liable for a late filing penalty, the completed Tax Election must be filed with the CRA on or before the date that is the earlier of:

- (a) the day by which PCC is required to file an income tax return for the taxation year that includes the Effective Date; and
- (b) the day by which the electing Former PFC Shareholder is required to file an income tax return for the taxation year that includes the Effective Date.

Special rules apply when determining the filing deadline for partnerships, see “Schedule B – Completing the Tax Election Questionnaire – Preliminary Information”, below.

PCC's 2020 taxation year is scheduled to end on December 31, 2020 (although PCC's taxation year could end earlier, as a result of an event such as an amalgamation), and its income tax return is required to be filed within six months from the end of the taxation year (e.g. June 30, 2021). Therefore, as noted below, you should review and file the completed Tax Election with the CRA as soon as possible after receiving such election form from PCC.

A Former PFC Shareholder will need to manually include any applicable social insurance number, Business Number, trust account number, and partnership account number prior to filing Tax Election form(s) in order to complete such form(s), as no such tax identification numbers will be collected in the Questionnaire or included in the Tax Election form(s) received by a Former PFC Shareholder from PCC or its agents.

ii. Where to file the Tax Election

The Federal Tax Election should be filed with your CRA Tax Centre. The Tax Services Offices and the associated Tax Centre are listed on the CRA website: <https://www.canada.ca/en/revenue-agency/corporate/contact-information/tax-services-offices-tax-centres.html>. For greater certainty, Federal Tax Elections should be filed by a Former PFC Shareholder with their Tax Centre AND NOT with their Tax Services Office.

- For trusts, the applicable Tax Centre is based on the location of the Trustee;

- For a corporation or an individual, the CRA has designated specific Tax Centres for all corporations and individuals depending on where they are located. The Tax Centres and the areas they serve are listed on the CRA website referred to above;
- Where the Tax Election is made by a partnership or a Former PFC Shareholder that owns the Common Shares together with a co-owner or co-owners (a “**Co-Owner**” or “**Co-Owners**”, as the case may be), the applicable Tax Centre is that of PCC, the Prince Edward Island Tax Centre.

Québec purposes, if applicable

i. Filing Deadline

Generally, in order for a Québec Tax Election to be accepted by the Québec tax authority, RQ, without an electing Former PFC Shareholder being liable for a late filing penalty, the completed Tax Election must be filed with RQ by the later of the following dates:

- (a) the earliest date by which either PCC, or the electing Former PFC Shareholder must file an income tax return for the taxation year which includes the Effective Date (in each case as discussed above), or
- (b) the date of the last day of the two-month period following the end of the taxation year that, of the taxation years of both parties which includes the Effective Date, ends the latest.

ii. Where to file the Tax Election

The Québec Tax Election form, together with a copy of the federal Tax Election form, should be filed with RQ at the following address:

Revenu Québec
C.P. 3000, succursale Place-Desjardins
Montréal, Québec H5B 1A4

Electing Former PFC Shareholders filing in Québec should note that corporations established in Québec are required to file the French version of the Québec Tax Election; however, the copy of the federal Tax Election can be the English version.

Each Former PFC Shareholder is urged to consult its own tax advisor as soon as possible respecting the Tax Election and the filing deadlines (at both the federal and Québec level) that apply to it. However, regardless of the applicable filing deadline, complete and accurate Tax Election Information must be received by PCC on or before the Tax Election Information Submission Deadline and in accordance with the procedures set out in this Tax Instruction Letter.

With the exception of execution and delivery of the election form by PCC following receipt of the Tax Election Information (provided such information is received by PCC by the Tax Election Information Submission Deadline), compliance with the requirements for a valid Tax Election will be the sole responsibility of the Former PFC Shareholder making the election. None of PCC, PFC, the Depositary, or any of the appointed agents or representatives assisting with the tax election process and technology will be responsible or liable for taxes,

interest, penalties, damages or expenses resulting from the failure by anyone to provide information necessary for the election in accordance with the procedures set out in this Tax Instruction Letter, to properly complete any election form or to properly file it within the time prescribed and in the form prescribed under the Tax Act (or the corresponding provisions of the Québec Act).

SCHEDULE A

SUMMARY OF WHAT AN ELIGIBLE HOLDER MUST DO TO FILE A TAX ELECTION

1. Submit your Tax Election Information to PCC in accordance with the procedures set out in this Tax Instruction Letter. Tax Election Information must be received on or before the Tax Election Information Submission Deadline.³ Your information can be submitted by using the Tax Election website at <https://www.powercorporation.com/en/investors/reorganization/>. For help in submitting the required information, please refer to the following pages of this Tax Instruction Letter.
2. Your Tax Election(s) will be compiled based solely on the Tax Election Information you submit. It is your responsibility to ensure the information provided is in compliance with the requirements imposed under the Tax Act, and if applicable, the Québec Act, to make a valid Tax Election. PCC or its agents will send a package with electronic copies of the completed Tax Election(s) to you by email following submission of the Tax Election Information for filing with the CRA (and, if applicable, RQ). If you do not receive a Tax Election, you should contact the Technical Assistance Helpline noted in this Tax Instruction Letter. Each Former PFC Shareholder is solely responsible for ensuring their Tax Election as delivered by PCC is completed and filed with the CRA (and, if applicable, RQ) by their filing deadline, as discussed further above. See “4. Filing a Tax Election with the Tax Authorities”, above.
3. Review the Tax Election(s) that you receive with your own tax advisor as soon as possible to ensure that you agree with the content, calculations and other disclosures. If you do not so agree, immediately contact the Technical Assistance Helpline indicated in this Tax Instruction Letter. DO NOT make changes to a Tax Election that has been signed by PCC, except as specifically described in paragraph 5, below.
4. If you and your tax advisor are satisfied that the Tax Election(s) is accurate, print three copies of the federal Tax Election form (or four copies of the federal Tax Election form and three copies of the Québec Tax Election, where there is a requirement to file in Québec).
5. Prior to filing you must **manually** include on your Tax Election form(s) certain information that is not collected by the Questionnaire. This information is as follows:
 - All applicable social insurance numbers, Business Numbers, trust account numbers, and partnership account numbers (including any such relevant social insurance numbers, Business Numbers, trust account number and partnership account numbers of the partners of a partnership or Co-Owners of Common Shares)
 - Former PFC Shareholders that are partnerships must include on their Tax Election forms(s) (or in a schedule attached thereto) a list of all partners and their names, social insurance numbers, business numbers or trust account numbers prior to filing. If a member of the partnership is itself a partnership, attach a list showing the names and

³ See Section 2 – *Execution and Delivery of a Tax Election*.
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social insurance numbers, business numbers or trust account numbers of each member of that partnership.

- Where a Former PFC Shareholder co-owns Common shares with more than one other Co-Owner, a list of all Co-Owners of Common Shares, including their names and social insurance numbers, business numbers or trust account numbers, must be included with the Tax Election form on filing.

The Questionnaire will **NOT** ask for any of the information described above and a Former PFC Shareholder is solely responsible for completing their Tax Election(s) with such information prior to filing.

6. Sign all copies of the completed Tax Election(s) in the area marked “Signature of Transferor, of Authorized Officer or Authorized Person” of the federal Tax Election form (at the bottom of page 2 of form T2057 or at the bottom of page 4 of form T2058) and, if applicable, in the area marked “Signature of transferor or authorized signee” of the Québec Tax Election form (at the bottom of page 4 for both form TP-518-V or TP-529-V).
 - a. File one copy of the signed federal Tax Election with the CRA immediately.
 - b. If applicable, file one copy of the Québec Tax Election with RQ immediately, including a copy of the federal Tax Election filed with the CRA.
 - c. Send one copy of the signed Tax Election(s) to PCC by mail to the following address:

Power Corporation of Canada
800 Place Victoria
PO Box 497
Montreal QC, H4Z 1B0
 - d. Retain one copy of the Tax Election(s) for your records.

SCHEDULE B

COMPLETING THE TAX ELECTION QUESTIONNAIRE

Getting Started

Before starting, a Former PFC Shareholder will need the following:

1. Identification related information, including the Former PFC Shareholder's name, email address, mailing address, relevant taxation year, and, if applicable, similar information for the members of a Former PFC Shareholder that is a partnership or Co-Owners of the Former PFC Shareholder's Common Shares;
2. The number of Common Shares the Former PFC Shareholder disposed of to PCC pursuant to the Arrangement;
3. The aggregate adjusted cost base ("ACB") or cost amount of the Common Shares of the Former PFC Shareholder disposed of pursuant to the Arrangement; and
4. The total amount of cash (in Canadian dollars) and the total number of PCC Subordinate Voting Shares received pursuant to the Arrangement.

About the Questionnaire

After agreeing to terms and conditions and reviewing some preliminary information, the questionnaire is generally separated into four parts

1. Preliminary Information
2. Transaction Details
3. Deferral Options
4. Shareholder Identification

To assist you in understanding the information requirements of each of these parts, the following pages of this Tax Instruction Letter will briefly provide descriptions of these requirements.

1. Preliminary Information

This Part requires the Former PFC Shareholder to provide the following information:

- a. Identify the Former PFC Shareholder as being an individual, a corporation, a trust or a partnership.

If you make a selection other than individual, you will also be asked to indicate the taxation year which includes the Effective Date of the Arrangement (i.e., the taxation year that includes February 13, 2020).

An individual (other than a trust) is taxed on a calendar year basis and generally has a December 31 taxation year-end. A Former PFC Shareholder that is an individual will generally provide the taxation year as 2020/01/01 to 2020/12/31.

A corporation may have a taxation year that ends at any time in the year. A Former PFC Shareholder that is a corporation must provide the taxation year that includes February 13, 2020. For example, if the corporation's year began on July 1, 2019 and ends on June 30, 2020, the taxation year provided should be 2019/07/01 to 2020/06/30.

An inter vivos trust or a testamentary trust that is not a graduated rate estate (as defined in the Tax Act) is generally taxed on a calendar year basis and has a December 31 taxation year-end. A Former PFC Shareholder that is an inter vivos trust or a testamentary trust that is not a graduated rate estate that was established on or before January 1, 2020 will generally provide the taxation year as 2020/01/01 to 2020/12/31.

A graduated rate estate testamentary trust (as defined in the Tax Act) may have a taxation year that ends at any time of the year. A Former PFC Shareholder that is a graduated rate estate must provide the taxation year that includes February 13, 2020. For example, if the graduated rate estate's year began July 1, 2019 and ends on June 30, 2020, the taxation year provided should be 2019/07/01 to 2020/06/30.

Very generally, a partnership:

- i. with a member that is an individual, a professional corporation, or a partnership with a member that is an individual or a professional corporation, or
- ii. with a member (directly or indirectly through one or more partnerships) that is a partnership in which a corporation has a significant interest, or
- iii. that is a member of a partnership (directly or indirectly through one or more partnerships) in which a corporation has a significant interest,

will have a fiscal period and taxation year that is a calendar year. A Former PFC Shareholder that is a partnership must provide the taxation year that includes February 13, 2020. For example, if the partnership's year began on January 1, 2020 and ends on December 31, 2020, the taxation year provided should be 2020/01/01 to 2020/12/31.

- b. Confirm whether or not the Former PFC Shareholder is an Eligible Holder as defined in the PFC Circular.
- c. Confirm whether or not the Former PFC Shareholder is an individual, corporation or trust that is resident of Canada for purposes of the Tax Act or, if the Former PFC Shareholder is a partnership, whether any of its partners are non-residents of Canada for purposes of the Tax Act.
- d. Confirm whether the Former PFC Shareholder held Common Shares as capital property or inventory.

The determination of whether the Common Shares were capital property or inventory to the Former PFC Shareholder is a question of fact depending on the Former PFC Shareholder's particular circumstances. A Former PFC Shareholder's Common Shares generally would have been considered capital property to the Former PFC Shareholder unless the Former PFC Shareholder held them in the course of carrying on a business, or in the course of an adventure or concern in the nature of trade.

Generally, most Former PFC Shareholders held the Common Shares as capital property and will answer this question “Capital Property”. Some Former PFC Shareholder, however, will have held the Common Shares as inventory and will answer this question “Inventory”.

A Former PFC Shareholder should consult with their own tax advisor if the Former PFC Shareholder is unsure of whether Common Shares are capital property or inventory to them.

- e. Confirm whether or not the Former PFC Shareholder is a resident of Quebec or is required to file a Quebec income tax return for the period that includes February 13, 2020.

As discussed previously, Former PFC Shareholders that are required to file a Québec income tax return are also required to make an additional Québec Tax Election to defer all or a portion of any gain that might otherwise arise for Québec income tax purposes. For Former PFC Shareholders who answer “Yes” to this question, PCC will prepare a Québec Tax Election based on the information provided by the Former PFC Shareholder in the Questionnaire, and send the Québec Tax Election to the Former PFC Shareholder to sign and file with RQ.

A Former PFC Shareholder filing the Québec Tax Election with RQ must also file the federal Tax Election with the CRA. In addition, a copy of the federal Tax Election filed must be enclosed with the Québec Tax Election filed with RQ.

Former PFC Shareholders filing in Québec should note that corporations established in Québec are required to file the French version of the Québec Tax Election; however, the copy of the federal Tax Election can be the English version.

2. Transaction Details

This part requires the Former PFC Shareholder to provide the following information:

- a. The total number of Common Shares disposed of by the Former PFC Shareholder (and all Co-Owners, if applicable).

The number of Common Shares disposed of should generally be found on the Former PFC Shareholder’s brokerage statement, if applicable, that includes February 13, 2020. If such information is not on your brokerage statement, you should contact your investment dealer or broker, as they may be able to provide you with this information.

- b. In the case of Co-Owners, the Former PFC Shareholder should enter the total amount of Common Shares disposed of, including those of any Co-Owners that decide not to elect.
- c. ACB or cost amount (as applicable) of the Common Shares disposed of by the Former PFC Shareholder.

The rules for determining the ACB (cost amount in the case of Common Shares that are inventory) of the Common Shares are complex. PCC does not have access to information that can assist Former PFC Shareholders in determining their particular ACB or cost amount.

The ACB of the Common Shares that are capital property will generally be the amount paid by the Former PFC Shareholder to acquire the Common Shares plus any reasonable costs

to acquire the shares. The ACB may be adjusted in certain circumstances (*e.g.*, where a Former PFC Shareholder received its Common Shares due to a previous tax-deferred transaction, where a Former PFC Shareholder received its Common Shares as a gift or where a Former PFC Shareholder held shares of PFC at a time when there was a stock split of PFC). The ACB of a Former PFC Shareholder's Common Shares acquired at any time will be determined by averaging the cost of such shares with the ACB of the Common Shares held by the Former PFC Shareholders as capital property immediately before that time.

Each Former PFC Shareholder should consult its own tax advisor to obtain assistance in determining the correct ACB of the Common Shares disposed of pursuant to the Arrangement.

- d. The amount of cash and number of PCC Subordinate Voting Shares received by the Former PFC Shareholder (and all Co-Owners, if applicable).

The amount of cash and number of PCC Subordinate Voting Shares received can be found on the Former PFC Shareholder's brokerage statement, if applicable, that includes February 13, 2020.

The amount of cash received by a Former PFC Shareholder was equal to \$0.01 multiplied by the number of Common Shares held by such Former PFC Shareholder plus any cash received in respect of fractional PCC Subordinate Voting Shares. The number of PCC Subordinate Voting Shares received by a Former PFC Shareholder was equal to 1.05 multiplied by the number of Common Shares held by such Former PFC Shareholder (rounded down in respect of any fractional PCC Subordinate Voting Shares).

If such information is not on your brokerage statement, you should contact your investment dealer or broker, as they may be able to provide you with this information.

In the case of Co-Owners, the Former PFC Shareholder should enter the total amount of cash and the total number of PCC Subordinate Voting Shares received by ALL Co-Owners.

3. Deferral Options

As described in the PFC Circular, the Elected Amount that is chosen by the Former PFC Shareholder, within certain parameters defined in the Tax Act (and, if applicable, the Québec Act), will affect the tax results of the disposition of the Common Shares. The Elected Amount will be the proceeds of disposition for purposes of computing any gain or loss on the Former PFC Shareholder's disposition of the Common Shares.

Former PFC Shareholders that wish to minimize any gain on the disposition of the Common Shares should answer "All" to the question "how much of your gain are you electing to defer?". If the full gain cannot be deferred based on the information included in the Questionnaire an error message may appear. However, Former PFC Shareholders should not rely on the Questionnaire to determine if the full gain can be deferred since this information will not be verified by PCC.

Alternatively, Former PFC Shareholders may choose to use another amount as their Elected Amount, subject to the rules outlined below. Former PFC Shareholders that answer "Portion" to the question "How much of your gain are you electing to defer?" will be prompted to indicate the

portion of the gain they wish to recognize. The elected amount will be computed taking into account the gain the Former PFC Shareholder wishes to recognize on the transaction.

As described in the PFC Circular, the Elected Amount for Common Shares disposed of pursuant to the Arrangement must comply with the following rules:

- a. It may not be less than the amount of cash received
- b. It may not be greater than the fair market value of the Common Shares at the Effective Time
- c. It may not be less than the lesser of (i) the ACB or cost to the Former PFC Shareholder of the Common Shares disposed of immediately before the Effective Time, and (ii) the fair market value of the Common Shares disposed of at the Effective Time

An Elected Amount that does not otherwise comply with the foregoing limitations will be automatically adjusted under the Tax Act (and, if applicable, the Québec Act), so that it is in compliance with such limitations.

Former PFC Shareholders should consult their tax advisors regarding the selection of the appropriate Elected Amount in respect of the Common Shares.

The aggregate cost of the PCC Subordinate Voting Shares of a Former PFC Shareholder received as consideration for the disposition of the Common Shares will be equal to the Elected Amount described above, less the aggregate amount of cash received, and such cost will be averaged with the ACB of all other PCC Subordinate Voting Shares held by such Former PFC Shareholder as capital property immediately prior to February 13, 2020.

4. Shareholder Identification

In this section, enter the Former PFC Shareholder's full name, email address, mailing address (generally should be the address listed on the Former PFC Shareholder's income tax return), and contact telephone number.

In addition, enter the Tax Services Office of the Former PFC Shareholder. The Tax Services Offices are listed on the CRA website: <https://www.canada.ca/en/revenue-agency/corporate/contact-information/tax-services-offices-tax-centres.html>.

Contact Information

PCC may need to contact you (or a contact person) to clarify the information contained in the Questionnaire submitted. PCC requests that each Former PFC Shareholder provide a telephone number, home address and email address to facilitate any contact.

PCC also requires the Former PFC Shareholder's email address to send the completed copies of the Tax Election. Without a valid email address, a copy of the Tax Election will not be provided.

Co-Owner(s) of the Common Shares

Former PFC Shareholders that are individuals and owned the Common Shares together with a Co-Owner or multiple Co-Owners may designate one Co-Owner to complete the Questionnaire and file the applicable Tax Election(s), as discussed further below. The Questionnaire will ask whether or not the shares are co-owned with another taxpayer. If you answer yes, you will be instructed to 23833181.12

provide the contact information for the co-owner, including the name, address and Tax Services Office of each Co-Owner and the Tax Election forms will be prepared on the basis that each Co-Owner will elect to defer the same proportion of the gain that might otherwise arise from the disposition of Common Shares. If you do not want to elect to defer the same proportion of the gain that might otherwise arise from the disposition of Common Shares as your Co-Owner, you should consult the Technical Assistance Helpline. The designated Co-Owner must file one copy of the Tax Election for each Co-Owner. A list of all Co-Owners, including their names and social insurance number, business number, partnership account number or trust account number, must be included with the Tax Election form on filing. The Questionnaire will **NOT** ask for the names of more than two Co-Owners. Where Common Shares are owned between more than two Co-Owners, a Former PFC Shareholder is solely responsible for creating such list and including it with their Tax Elections prior to filing. Former PFC Shareholders who are not individuals and owned the Common Shares together with a Co-Owner or Co-Owners should consult the Technical Assistance Helpline for instructions on submitting their Tax Election Information.

Former PFC Shareholders who are unsure of whether they owned Common Shares together with a co-owner or multiple co-owners are urged to consult their legal advisor. Former PFC Shareholders who owned Common Shares together with other co-owners should consult their own tax advisors regarding the appropriate course of action in respect of making a Tax Election.

Partnerships Owning Common Shares

Tax Elections by Former PFC Shareholders that are partnerships must either be signed by all partners, or by a person authorized in writing by all partners to sign for them. A person authorized to sign for all partners should attach a copy of the authorizing agreement to the partnership's Tax Election. A list of all partners, including their names, social insurance numbers, Business Numbers, trust account numbers and partnership account numbers must be manually included in the Tax Election form (or in a schedule attached thereto) prior to filing. If a member of the partnership is itself a partnership, attach a list showing the names and Business Numbers, trust account numbers and partnership account numbers of each member of that partnership. The Questionnaire will **NOT** ask for the name, address, and social insurance number, Business Number, trust account number or partnership account number of each partner (if applicable) and a Former PFC Shareholder is responsible for adding such information prior to filing its Tax Election(s).

SCHEDULE C

FREQUENTLY ASKED QUESTIONS

Q1. How do I determine how many Common Shares were disposed of pursuant to the Arrangement?

A1. If you are a registered shareholder (meaning that you either had a physical certificate or direct registration statement representing your Common Shares), the Depository may be able to provide you with this information. If you held your Common Shares in an account with an investment dealer or broker this information should be on your brokerage statement for the period that includes the Effective Date. Alternatively, your investment dealer or broker may be able to provide you with this information.

Q2. How do I confirm the number of PCC Subordinate Voting Shares and cash I received pursuant to the Arrangement?

A2. Pursuant to the terms of the Arrangement you have received (i) 1.05 PCC Subordinate Voting Shares and (ii) \$0.01 in cash in exchange for each Common Share disposed of to PCC. Where the aggregate number of PCC Subordinate Voting Shares to be issued to you pursuant to the Arrangement would have resulted in a fraction of a PCC Subordinate Voting Share being issued, you may have received a cash payment in lieu of such a fraction of a PCC Subordinate Voting Share.

If you are a registered shareholder (meaning that you either had a physical certificate or direct registration statement representing your Common Shares), Computershare Investor Services Inc. ("**the Depository**")⁴ may be able to provide you with this information. If you held your Common Shares in an account with an investment dealer or broker this information should be on your brokerage statement for the period that includes the Effective Date. Alternatively, your investment dealer or broker may be able to provide you with this information.

Q3. I owned Common Shares together with other Co-Owners (e.g. my spouse). Who should complete and sign the Tax Election?

A3. A single Questionnaire may be used for the federal Tax Election or the Québec Tax Election if one Co-Owner is chosen to submit the Tax Election Information on behalf of all Co-Owners (the "**Designated Co-Owner**"). If a single Questionnaire is being used, you must respond "yes" to question "Are the Shares co-owned with another taxpayer?" in the Shareholder Identification section of the Questionnaire.

The Designated Co-Owner must provide the required information for each electing Co-Owner in the Questionnaire. PCC will prepare the Tax Election(s) for each Co-Owner and send the forms to the

⁴ You can contact the Depository by telephone at 1-800-564-6253, or by email at corporateactions@computershare.com.
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Designated Co-Owner. Then the Designated Co-Owner must sign one completed copy of each Tax Election and file the forms together with a list of all Co-Owners electing and proof of authority to sign on behalf of such Co-Owners with the CRA and RQ, as applicable.

If you owned your Common Shares together with other co-owners, you should consult your own tax advisors regarding the appropriate course of action in respect of making a Tax Election.

Q4. Will PCC help me complete the Tax Election?

A4. To enable Former PFC Shareholders to submit their Tax Election Information, PCC has made the Questionnaire available to Former PFC Shareholders in a web-based format. This Tax Instruction Letter describes how to complete the Questionnaire. After receiving the completed Questionnaire, PCC, PFC, the Depositary, or any of the appointed agents or representatives assisting with the tax election process and technology, will compile a Tax Election form(s) based solely on the Tax Election Information provided by the Former PFC Shareholder. Former PFC Shareholders may call the Technical Assistance Helpline for technical assistance regarding use of the Questionnaire. However, neither PCC, PFC, the Depositary, nor any of the appointed agents or representatives assisting with the tax election process and technology will provide legal or tax advice to any Former PFC Shareholder in connection with their Tax Election.

It is each Former PFC Shareholder's responsibility to review the Tax Election form for accuracy and complete it as described under "Schedule A – Summary of what an Eligible Holder must do to file a Tax Election - #5", sign it and timely file it with the CRA and, if applicable, RQ. Neither PCC, PFC, the Depositary, nor any of the appointed agents or representatives assisting with the tax election process and technology will verify the accuracy of the Tax Election Information provided by a Former PFC Shareholder.

Q5. Is there a fee for making the Tax Election?

A5. No, you are not required to pay any fees to make the Tax Election, provided the Tax Election is filed by your filing deadline as described in Section 4 of this Tax Instruction Letter. The CRA and RQ, if applicable, may levy a penalty for a late filed Tax Election.

Q6. How do I calculate the ACB or cost amount (as applicable) of my Common Shares?

A6. The rules for determining the ACB (or cost amount in the case of Common Shares that are inventory) of the Common Shares are complex. The ACB of a Former PFC Shareholder's Common Shares that are capital property will generally be the amount that the Former PFC Shareholder paid for the Common Shares when they were originally acquired plus reasonable costs to acquire the shares such as a broker commission. The ACB of particular Common Shares may be different due to certain events (*e.g.*, where a Former PFC Shareholder received its Common Shares due to a previous tax-deferred transaction, where a Former PFC Shareholder received its Common Shares as a gift or where a Former PFC Shareholder held shares of PFC at a time when there was a stock split of PFC). The ACB of a Former PFC Shareholder's Common Shares acquired at any time will be determined by averaging the cost of such shares with the ACB of the Common Shares held by the Former PFC Shareholders as capital property immediately before that time.

The rules for determining ACB or cost amount (as applicable) of Common Shares are complex. You should consult your own tax advisor to obtain assistance.

Q7. I received my Common Shares from my spouse or common law partner through an inheritance or gift. What is my ACB?

A7. Generally, if you received your Common Shares from your spouse or common law partner through an inheritance or gift and the Common Shares were held by you as capital property, the starting point for calculating the ACB of the Common Shares will be the ACB of the Common Shares to your spouse or common law partner immediately before their death or the gifting of the shares. However, the rules in this area are complex and you should consult your tax advisor for more information.

Q8. What happens if PCC does not receive my Tax Election Information by the Tax Election Information Submission Deadline?

A8. PCC has agreed to make a Tax Election with Former PFC Shareholders, subject to the limitations set out in subsection 85(1) and 85(2) of the Tax Act and any applicable provincial income tax law, only if complete Tax Election Information is provided on or before the Tax Election Information Submission Deadline (i.e. June 13, 2020). Therefore, it is important that you provide your complete information by that deadline. PCC may, but is not obligated to, sign and deliver a Tax Election if the Tax Election Information is received after the Tax Election Information Submission Deadline. Consequently, you should ensure that complete and accurate Tax Election Information is received by PCC in accordance with the procedures set out above by the Tax Election Information Submission Deadline. Accordingly, if you wish to make a Tax Election with PCC you should give your immediate attention to this matter.

Q9. I filed the Tax Election to obtain a full tax-deferred rollover on the disposition of my Common Shares. Do I have to report the disposition on my tax return for the period that includes the disposition of the Common Shares?

A9. Yes. You must report the disposition of Common Shares even though you elected to obtain a full deferral of any capital gain that might otherwise arise on the disposition of your Common Shares pursuant to the Arrangement. Your proceeds of disposition for Canadian income tax purposes will be equal to the Elected Amount set out in box B on page 3 of the federal Tax Election (and equivalent box on a Québec Tax Election).

Q10. I have completed and submitted the Questionnaire to PCC. What do I do next?

A10. After receiving a properly completed Questionnaire, a Tax Election will be prepared using the information that you provided. The Tax Election(s) will be signed and PCC will send an electronic copy to you using the email address provided in the Questionnaire.

You should then review the Tax Election with your tax advisor. If you do not agree with the content, calculations or any disclosures, contact the Technical Assistance Helpline indicated in this Tax Instruction Letter. If you are satisfied, you should complete such Tax Election form as described under “Schedule A – Summary of what an Eligible Holder must do to file a Tax Election - #5”, sign it and timely file it with the CRA and, if applicable, RQ. Please also refer to the section “Filing a Tax Election with the Tax Authorities” in this letter.

Q11. I am a non-resident of Canada. What are my tax consequences resulting from the Arrangement?

A11. A summary of the Canadian income tax consequences to non-residents of Canada can be found in the PFC Circular under the heading “*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*”.

Q12. If I make a Tax Election in Québec, am I required to make a federal Tax Election?

A12. Yes, a Former PFC Shareholder making a Québec Tax Election must also make a federal Tax Election. Note that a copy of the federal Tax Election must be submitted to RQ when filing the Québec Tax Election. A Former PFC Shareholder that is a corporation established in Québec is required to file the French version of the Québec Tax Election; however, the copy of the federal Tax Election can be the English version.

Q13. What if I no longer wish to make a Tax Election after I have completed and submitted the Questionnaire to PCC?

A13. If you no longer wish to make a Tax Election following completion and submission of the Questionnaire to PCC, do not file the Tax Election sent to you by PCC with the tax authorities in accordance with A.10 and promptly contact the Technical Assistance Helpline indicated in this Tax Instruction Letter to notify PCC of your decision to no longer make the Tax Election.