

## Prospectus Supplement to the Short Form Base Shelf Prospectus dated November 23, 2010

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*This prospectus supplement, together with the short form base shelf prospectus dated November 23, 2010 to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference in the short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*The securities offered under this prospectus supplement have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities laws and may not be offered or sold within the United States or to U.S. persons.*

### Prospectus Supplement

**New Issue**

**February 17, 2012**



## POWER CORPORATION OF CANADA

**\$200,000,000**

### **5.60% Non-Cumulative First Preferred Shares, Series G**

The 5.60% Non-Cumulative First Preferred Shares, Series G (the “Series G First Preferred Shares”) of Power Corporation of Canada (“Power Corporation” or the “Corporation”) will be entitled to fixed non-cumulative preferential cash dividends, if, as and when declared by the Board of Directors of the Corporation (the “Board of Directors”) at a rate equal to \$1.40 per share per annum. The initial dividend, if declared, will be payable on April 15, 2012 and will be \$0.18027 per share, based upon an anticipated issue date of February 28, 2012. Thereafter, dividends will be payable quarterly on the 15<sup>th</sup> day of January, April, June and October in each year at a rate of \$0.35 per share. Certain provisions relating to the Series G First Preferred Shares are summarized under “Details of the Offering”.

On and after April 15, 2017, the Corporation may, on not less than 30 nor more than 60 days’ notice, redeem for cash the Series G First Preferred Shares in whole or in part, at the Corporation’s option, at \$26.00 per share if redeemed prior to April 15, 2018, \$25.75 if redeemed on or after April 15, 2018 and prior to April 15, 2019, \$25.50 if redeemed on or after April 15, 2019 and prior to April 15, 2020, \$25.25 if redeemed on or after April 15, 2020 and prior to April 15, 2021 and \$25.00 if redeemed on or after April 15, 2021, in each case together with all declared and unpaid dividends to but excluding the date of redemption. See “Details of the Offering”.

**The Underwriters may offer the Series G First Preferred Shares at a price lower than that stated above. See “Plan of Distribution”.**

BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., TD Securities Inc., National Bank Financial Inc. and Desjardins Securities Inc. (collectively, the “Underwriters”), as principals, conditionally offer Series G First Preferred Shares, subject to prior sale, if, as and when issued by Power Corporation and accepted by the Underwriters in accordance with the conditions contained in the underwriting agreement referred to under “Plan of Distribution” below, and subject to approval of certain legal matters on behalf of Power Corporation by Blake, Cassels & Graydon LLP and on behalf of the Underwriters by Norton Rose Canada LLP. See “Plan of Distribution”. In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series G First Preferred Shares at a level above that which might otherwise prevail in the open market.

Power Corporation has applied to list the Series G First Preferred Shares on the Toronto Stock Exchange (the “TSX”). Listing will be subject to Power Corporation fulfilling all of the requirements of the TSX.

The Corporation’s head and registered office is located at 751 Victoria Square, Montréal, Québec, H2Y 2J3.

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**Price: \$25.00 per share**

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	<u>Price to the Public</u>	<u>Underwriters' Fee <sup>(1)</sup></u>	<u>Net Proceeds to the Corporation <sup>(2)</sup></u>
Per Series G First Preferred Share	\$25.00	\$0.75	\$24.25
Total	\$200,000,000	\$6,000,000	\$194,000,000

- (1) The Underwriters' fee is \$0.25 for each Series G First Preferred Share sold to certain institutions and \$0.75 per share for all other Series G First Preferred Shares sold. The commission set forth in the table assumes that no shares are sold to such institutions.
- (2) Before deduction of expenses of the issue payable by the Corporation estimated at \$325,000, which, together with the Underwriters' fee will be paid from the general funds of the Corporation.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing date will be on or about February 28, 2012 or such other date not later than March 28, 2012 as may be agreed upon by the Corporation and the Underwriters. A book-entry only certificate representing the Series G First Preferred Shares distributed hereunder will be issued in registered form only to CDS Clearing and Depository Services Inc. ("CDS"), or its nominee, and will be deposited with CDS on the closing of this offering. A purchaser of the Series G First Preferred Shares will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the shares are purchased. See "Book-Entry Only Securities" in the Prospectus (as defined herein).

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In this Prospectus Supplement, unless otherwise indicated, capitalized terms which are defined in the accompanying short form base shelf prospectus of the Corporation dated November 23, 2010 (the "Prospectus") are used herein with the meanings defined therein.

### ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Norton Rose Canada LLP, counsel to the Underwriters, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (together, the "Income Tax Act") in force on the date hereof and proposals to amend the Income Tax Act publicly announced by or on behalf of the Minister of Finance of Canada prior to the date hereof, the Series G First Preferred Shares to be issued under this Prospectus Supplement if issued on the date hereof, would be, on such date, qualified investments under the Income Tax Act for trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts ("TFSA"), each as defined in the Income Tax Act.

Provided that the holder of a TFSA or the annuitant under an RRSP or RRIF does not hold a significant interest (as defined for purposes of the Income Tax Act) in the Corporation or any person or partnership that does not deal at arm's length with the Corporation for the purposes of the Income Tax Act, and provided that such holder or annuitant deals at arm's length with the Corporation for the purposes of the Income Tax Act, the Series G First Preferred Shares will not be prohibited investments for a trust governed by such TFSA, RRSP or RRIF.

### DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the offering of the Series G First Preferred Shares. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus including the following documents filed with securities commissions or similar authorities in Canada and reference should be made to the Prospectus for full particulars thereof:

- (a) the Annual Information Form of Power Corporation dated March 23, 2011, including documents incorporated by reference therein;
- (b) the interim unaudited condensed consolidated comparative financial statements of Power Corporation as at and for the three- and nine- month periods ended September 30, 2011;

- (c) the interim Management's Discussion and Analysis of Power Corporation for the three- and nine-month periods ended September 30, 2011;
- (d) the audited consolidated comparative financial statements of Power Corporation as at and for the year ended December 31, 2010 and the report of the independent auditors thereon;
- (e) the Management's Discussion and Analysis of Operating Results of Power Corporation for the year ended December 31, 2010; and
- (f) the Management Proxy Circular dated March 10, 2011 with respect to the Annual Meeting of Shareholders of Power Corporation held on May 13, 2011.

Any statement contained in this Prospectus Supplement or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement.

## TRADING PRICE AND VOLUME

The following table provides information regarding the price range and volume traded for each of these classes of securities of Power Corporation on the TSX on a monthly basis for the 12 months prior to the date of this Prospectus Supplement.

	Subordinate Voting Shares	Participating Preferred Shares	First Preferred Shares, Series A	First Preferred Shares, Series B	First Preferred Shares, Series C	First Preferred Shares, Series D	First Preferred Shares, 1986 Series
	(POW)	(POW.PR.E.)	(POW.PR.A)	(POW.PR.B)	(POW.PR.C)	(POW.PR.D)	(POW.PR.F)
<b>February 2011</b>							
<i>Intraday High (\$)</i>	29.50	--	24.73	24.35	25.18	23.43	49.25
<i>Intraday Low (\$)</i>	27.04	--	24.25	23.62	24.90	22.65	48.00
<i>Volume</i>	13,232,430	--	97,506	85,794	93,859	181,414	9,801
<b>March 2011</b>							
<i>Intraday High (\$)</i>	29.45	--	24.88	24.20	25.25	23.62	49.25
<i>Intraday Low (\$)</i>	26.75	--	24.35	23.70	24.82	22.53	48.50
<i>Volume</i>	17,761,232	--	193,565	155,334	107,358	210,573	5,855
<b>April 2011</b>							
<i>Intraday High (\$)</i>	28.93	--	24.70	24.17	25.39	23.25	49.00
<i>Intraday Low (\$)</i>	27.75	--	24.25	23.45	24.05	22.41	48.99
<i>Volume</i>	7,550,415	--	75,913	146,145	115,914	144,104	33,500
<b>May 2011</b>							
<i>Intraday High (\$)</i>	28.90	--	24.95	24.79	25.39	24.25	49.25
<i>Intraday Low (\$)</i>	27.50	--	24.40	23.49	24.89	22.59	48.51
<i>Volume</i>	8,973,591	--	97,390	234,635	156,894	125,025	3,266
<b>June 2011</b>							
<i>Intraday High (\$)</i>	27.99	--	25.10	24.87	25.42	24.15	49.85
<i>Intraday Low (\$)</i>	25.64	--	24.55	24.01	24.94	23.45	48.75
<i>Volume</i>	21,316,192	--	113,837	154,107	81,745	134,993	1,325
<b>July 2011</b>							
<i>Intraday High (\$)</i>	27.06	--	25.01	24.79	25.45	24.24	48.75
<i>Intraday Low (\$)</i>	24.81	--	24.66	24.15	24.83	23.52	47.85
<i>Volume</i>	9,152,513	--	78,020	164,430	66,679	193,328	25,300

	<b>Subordinate Voting Shares</b>	<b>Participating Preferred Shares</b>	<b>First Preferred Shares, Series A</b>	<b>First Preferred Shares, Series B</b>	<b>First Preferred Shares, Series C</b>	<b>First Preferred Shares, Series D</b>	<b>First Preferred Shares, 1986 Series</b>
	<b>(POW)</b>	<b>(POW.PR.E.)</b>	<b>(POW.PR.A)</b>	<b>(POW.PR.B)</b>	<b>(POW.PR.C)</b>	<b>(POW.PR.D)</b>	<b>(POW.PR.F)</b>
<b>August 2011</b>							
<i>Intraday High (\$)</i>	25.53	28.50	25.35	24.80	25.68	24.34	47.85
<i>Intraday Low (\$)</i>	22.49	28.50	24.80	24.02	24.82	23.23	44.51
<i>Volume</i>	19,615,097	350	85,455	119,481	92,040	141,795	3,532
<b>September 2011</b>							
<i>Intraday High (\$)</i>	23.87	--	25.54	25.15	25.58	24.71	45.24
<i>Intraday Low (\$)</i>	20.90	--	24.79	24.37	25.00	23.51	39.05
<i>Volume</i>	18,767,789	--	75,495	106,524	71,272	150,886	3,063
<b>October 2011</b>							
<i>Intraday High (\$)</i>	25.65	--	25.18	25.01	25.34	24.71	40.99
<i>Intraday Low (\$)</i>	21.25	--	24.80	24.08	24.80	23.81	39.01
<i>Volume</i>	22,393,837	--	49,037	94,672	313,414	107,947	5,600
<b>November 2011</b>							
<i>Intraday High (\$)</i>	24.89	--	25.45	25.25	25.54	24.99	41.50
<i>Intraday Low (\$)</i>	21.10	--	24.92	24.64	25.05	24.31	40.01
<i>Volume</i>	13,230,304	--	44,246	52,626	57,083	120,553	17,590
<b>December 2011</b>							
<i>Intraday High (\$)</i>	23.90	--	26.47	25.24	25.60	24.98	43.25
<i>Intraday Low (\$)</i>	22.05	--	25.04	24.79	25.05	24.45	41.50
<i>Volume</i>	22,906,843	--	42,856	92,649	47,753	102,631	2,831
<b>January 2012</b>							
<i>Intraday High (\$)</i>	25.91	29.00	25.60	25.62	25.94	25.50	43.99
<i>Intraday Low (\$)</i>	23.09	26.70	25.15	25.01	25.18	24.45	42.51
<i>Volume</i>	25,326,980	3,700	42,996	203,498	135,175	270,900	2,200
<b>February 1 to 15, 2012</b>							
<i>Intraday High (\$)</i>	25.36	--	25.65	25.63	25.68	26.05	43.50
<i>Intraday Low (\$)</i>	24.48	--	25.13	24.78	25.19	24.40	43.50
<i>Volume</i>	8,953,345	--	38,769	57,433	49,672	118,053	225

On February 15, 2012, the closing prices per security of each class of outstanding securities of the Corporation on the TSX were as follows:

<b>Class of Security</b>	<b>TSX Symbol</b>	<b>Closing Price (\$)</b>
Subordinate Voting Shares	POW	24.79
Participating Preferred Shares	POW.PR.E	28.50 <sup>(1)</sup>
First Preferred Shares, Series A	POW.PR.A	25.15
First Preferred Shares, Series B	POW.PR.B	24.80
First Preferred Shares, Series C	POW.PR.C	25.34
First Preferred Shares, Series D	POW.PR.D	24.40
First Preferred Shares, 1986 Series	POW.PR.F	43.50

<sup>(1)</sup> Last traded on January 31, 2012.

## DETAILS OF THE OFFERING

The following is a summary of certain provisions attaching to the Series G First Preferred Shares. See “Description of First Preferred Shares” in the Prospectus for a description of the general terms and provisions of the

First Preferred Shares of the Corporation as a class.

**Certain Provisions of the Series G First Preferred Shares as a Series**

The following is a summary of certain provisions of the Series G First Preferred Shares, as a series.

***Dividends***

The holders of the Series G First Preferred Shares will be entitled to receive quarterly non-cumulative preferential cash dividends, if, as and when declared by the Board of Directors, on the 15th day of January, April, July and October in each year at a rate equal to \$0.35 per share (\$1.40 per share per annum). The initial dividend, if declared, will be payable on April 15, 2012 and will be \$0.18027 per share, assuming an issue date of February 28, 2012.

***Redemption by the Corporation***

The Series G First Preferred Shares will not be redeemable prior to April 15, 2017. Subject to the provisions of any shares of the Corporation ranking prior to or *pari passu* with the Series G First Preferred Shares, and to the provisions described under “Restrictions on Dividends and Retirement of Shares” below, the Corporation may redeem at any time on or after April 15, 2017 all or from time to time any of the then outstanding Series G First Preferred Shares. Such redemption may be made upon payment in cash of the amount of \$26.00 per share if redeemed prior to April 15, 2018, \$25.75 if redeemed on or after April 15, 2018 and prior to April 15, 2019, \$25.50 if redeemed on or after April 15, 2019 and prior to April 15, 2020, \$25.25 if redeemed on or after April 15, 2020 and prior to April 15, 2021 and \$25.00 if redeemed on or after April 15, 2021, in each case together with an amount equal to all declared and unpaid dividends thereon to but excluding the date of redemption. The Corporation shall provide not less than 30 nor more than 60 days’ notice of such redemption to each holder of Series G First Preferred Shares to be redeemed.

If less than all outstanding Series G First Preferred Shares are at any time to be redeemed, the shares to be redeemed will be selected in such manner as the Corporation may determine.

***Purchase for Cancellation***

Subject to the provisions described under “Restrictions on Dividends and Retirement of Shares”, and subject to the provisions of any shares of the Corporation ranking prior to or *pari passu* with the Series G First Preferred Shares, the Corporation may at any time or times purchase for cancellation all or any part of the Series G First Preferred Shares at any price if the purchase is effected prior to April 15, 2017 and at a price per share not exceeding the redemption price at the time of purchase together with an amount equal to all declared and unpaid dividends to but excluding the date of purchase and the costs of purchase if effected on or after April 15, 2017.

***Restrictions on Dividends and Retirement of Shares***

So long as any of the Series G First Preferred Shares are outstanding, the Corporation shall not, without the approval of the holders of the Series G First Preferred Shares given as described under “Modification of Series”:

- (i) declare or pay any dividends (other than stock dividends in shares ranking junior to the Series G First Preferred Shares) on the Participating Preferred Shares, the Subordinate Voting Shares or any other shares of the Corporation ranking junior to the Series G First Preferred Shares;
- (ii) except out of the net cash proceeds of an issue of shares ranking junior to the Series G First Preferred Shares, redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of the Participating Preferred Shares, Subordinate Voting Shares or other shares ranking junior to the Series G First Preferred Shares;
- (iii) redeem or call for redemption or purchase or otherwise retire or make any return of capital in respect of less than all of the Series G First Preferred Shares; or
- (iv) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision attaching thereto, redeem or call for redemption or purchase or otherwise

retire or make any return of capital in respect of any shares ranking *pari passu* with the Series G First Preferred Shares;

unless dividends (including cumulative dividends, if any) for the immediately preceding payment date (as defined in the share provisions) in respect of the Series G First Preferred Shares and all other shares ranking prior to or *pari passu* with the Series G First Preferred Shares shall have been declared and paid or monies set aside for payment.

#### ***Voting Rights***

The holders of the Series G First Preferred Shares shall not be entitled to notice of or to attend or to vote at any meeting of the shareholders of the Corporation unless and until the Corporation shall at any time have failed to pay dividends on the Series G First Preferred Shares equal in the aggregate to one and one-half times the annual rate or amount of dividends carried by the Series G First Preferred Shares in accordance with the terms thereof, whether or not consecutive and whether or not such dividends shall have been declared and whether or not there shall have been any monies of the Corporation properly applicable to the payment of dividends, and for such purpose such dividends shall be deemed to have accrued from day to day. Thereafter, until an amount or amounts equal in the aggregate to one year's dividends at the annual rate or amount of dividends carried by the Series G First Preferred Shares shall have been paid thereon, the holders of the Series G First Preferred Shares shall be entitled to receive notice of all general meetings of shareholders of the Corporation and to attend thereat, other than any meetings of the holders of any other series of First Preferred Shares held separately and as a series, and shall at any such meetings which they shall be entitled to attend, except when the vote of the holders of shares of any other class or series is to be taken separately and as a class or series, be entitled to one vote in respect of each Series G First Preferred Share held by each of such holders respectively.

#### ***Rights on Liquidation***

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series G First Preferred Shares, the holders of the Series G First Preferred Shares shall be entitled to be paid and to receive an amount equal to \$25.00 per Series G First Preferred Share plus declared and unpaid dividends up to and including the date of distribution before any amount shall be paid or any assets of the Corporation shall be distributed to the holders of Participating Preferred Shares, Subordinate Voting Shares or shares of any other class of the Corporation ranking junior to the Series G First Preferred Shares. After payment to the holders of the Series G First Preferred Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the assets of the Corporation.

#### ***Modification of Series***

Approval of variations to the provisions of the Series G First Preferred Shares as a series and any other authorization required to be given by the holders of such shares as a series may be given by a resolution passed by an affirmative vote of not less than two-thirds of the votes cast at a general meeting of the holders of Series G First Preferred Shares duly called for such purpose and held upon at least 21 days' notice at which the holders of a majority of the outstanding shares of such series are present in person or represented by duly qualified proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series G First Preferred Shares then present in person or represented by proxy will form the necessary quorum.

#### ***Issue of Additional Series of Preferred Shares***

The Corporation may issue other series of preferred shares ranking on a parity with the Series G First Preferred Shares without the authorization of the holders of the Series G First Preferred Shares.

#### ***Depository Services***

The Series G First Preferred Shares will be in "book-entry only" form and must be purchased, transferred, converted or redeemed through participants in the depository service of CDS. See "Book-Entry Only Securities" in the Prospectus.

### ***Tax Election***

The provisions of the Series G First Preferred Shares as a series require the Corporation to make the necessary election under Part VI.1 of the Income Tax Act so that a corporation holding Series G First Preferred Shares will not be subject to tax under Part IV.1 of the Income Tax Act on dividends received (or deemed to be received) on the Series G First Preferred Shares. See “Certain Canadian Federal Income Tax Considerations”.

### ***Business Day***

If any action is required to be taken by the Corporation on a day that is not a business day, then such action will be taken on the next succeeding day that is a business day.

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Norton Rose Canada LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser of Series G First Preferred Shares pursuant to this Prospectus Supplement (a “Holder”) who, for purposes of the Income Tax Act and at all relevant times, is or is deemed to be a resident of Canada, deals at arm’s length and is not affiliated with the Corporation and holds Series G First Preferred Shares as capital property. Generally, the Series G First Preferred Shares will be capital property to a Holder provided the Holder does not acquire or hold such shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade. This summary is not applicable to a Holder that is a “financial institution” for purposes of the “mark to market property” rules in the Income Tax Act or a “specified financial institution” (as defined in the Income Tax Act), nor does it apply to a Holder an interest in which is a “tax shelter investment” (as defined in the Income Tax Act) or to a Holder which has made a “functional currency” election under the Income Tax Act to determine its Canadian tax results in a currency other than Canadian currency. Such Holders are advised to consult with their own tax advisors. This summary assumes that the Series G First Preferred Shares will be listed on a designated stock exchange in Canada (which currently includes the TSX) at all relevant times.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser and no representations with respect to the income tax consequences to any particular purchaser are made. Accordingly, prospective purchasers should consult their own tax advisors with respect to their particular circumstances.**

This summary is based upon the current provisions of the Income Tax Act, the regulations thereunder (the “Regulations”), all specific proposals to amend the Income Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance of Canada prior to the date hereof (the “Proposals”) and counsels’ understanding of the current administrative policies and assessing practices of the Canada Revenue Agency made publicly available prior to the date hereof. No assurances can be given that the Proposals will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any change in law or administrative policies or assessing practices, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign tax legislation or considerations.

### ***Dividends***

Dividends (including deemed dividends) received on the Series G First Preferred Shares by an individual will be included in the individual’s income and generally will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced dividend gross-up and dividend tax credit with respect to any dividends (including deemed dividends) designated by the Corporation as “eligible dividends” in accordance with the Income Tax Act.

Dividends (including deemed dividends) received on the Series G First Preferred Shares by a corporation will be included in computing the corporation’s income and will generally be deductible in computing the taxable income of the corporation.



The Series G First Preferred Shares are “taxable preferred shares” as defined in the Income Tax Act. The terms of the Series G First Preferred Shares require the Corporation to make the necessary election under Part VI.1 of the Income Tax Act so that a corporation holding Series G First Preferred Shares will not be subject to tax under Part IV.1 of the Income Tax Act on dividends received (or deemed to be received) on the Series G First Preferred Shares.

Dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax.

A “private corporation”, as defined in the Income Tax Act, or any other corporation controlled (whether by reason of a beneficial interest in one or more trusts or otherwise) by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay refundable tax under Part IV of the Income Tax Act of 33⅓% of dividends received (or deemed to be received) on the Series G First Preferred Shares to the extent such dividends are deductible in computing its taxable income.

### ***Dispositions***

A Holder who disposes of or is deemed to dispose of a Series G First Preferred Share (either on redemption of the Series G First Preferred Share for cash or otherwise) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such share to such Holder. The amount of any deemed dividend arising on the redemption or acquisition by the Corporation of a Series G First Preferred Share will generally not be included in computing the proceeds of disposition to the Holder for purposes of computing the capital gain or capital loss arising on the disposition of the Series G First Preferred Share. See “Redemption” below. If the Holder is a corporation, any capital loss arising on the disposition of a Series G First Preferred Share may, in certain circumstances, be reduced by the amount of any dividends, including deemed dividends, which have been received on the Series G First Preferred Share or on any share which was converted into or exchanged for such share. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Generally, one-half of any capital gain will be included in computing the Holder’s income as a taxable capital gain. One-half of any capital loss may be deducted from the Holder’s taxable capital gains subject to and in accordance with the rules contained in the Income Tax Act. Capital gains realized by an individual (including certain trusts) may give rise to liability for alternative minimum tax under the Income Tax Act. An amount in respect of taxable capital gains of a Canadian-controlled private corporation, as defined in the Income Tax Act, may be subject to an additional refundable tax of 6⅔%.

### ***Redemption***

If the Corporation redeems for cash or otherwise acquires a Series G First Preferred Share, other than by a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market, the Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Corporation, including any redemption premium, in excess of the paid-up capital (as determined for purposes of the Income Tax Act) of such share at such time. Generally, the proceeds of disposition for purposes of computing the capital gain or capital loss arising on the disposition of such share will be equal to the amount paid by the Corporation on redemption or acquisition of such share, including any redemption premium, less the amount of the deemed dividend, if any. In the case of a corporate shareholder, it is possible that in certain circumstances all or part of the deemed dividend may be treated as proceeds of disposition and not as a dividend.

## **EARNINGS COVERAGE RATIOS**

Power Corporation adopted International Financial Reporting Standards (“IFRS”) effective for interim and annual periods commencing January 1, 2011. Financial results under IFRS for 2010 and 2011 are unaudited. Prior to the adoption of IFRS, Power Corporation prepared its consolidated financial statements in accordance with Canadian generally accepted accounting principles as in effect prior to January 1, 2011 (“Previous Canadian GAAP”). All amounts appearing under this heading which are derived from the consolidated financial statements of Power Corporation for periods ending on or prior to December 31, 2010 are presented in accordance with Previous Canadian GAAP.

The following earnings coverage ratios set out below are calculated for the 12 months ended December 31, 2010 under both Previous Canadian GAAP and IFRS, and for the 12 months ended September 30, 2011 under IFRS. In each case they give effect to the issuance, repurchase, repayment and redemption of preferred shares and consolidated debt since January 1, 2010, including the issuance of 8,000,000 Series G First Preferred Shares to be distributed under this prospectus supplement.

### **Previous Canadian GAAP**

The following information was computed under Previous Canadian GAAP. Power Corporation's dividend requirements on all of its preferred shares including those of subsidiaries, after giving effect to the issue of the Series G First Preferred Shares and adjusted to a pre-tax equivalent using an effective income tax rate of 17.5% amounted to \$350 million for the 12 months ended December 31, 2010. Power Corporation's interest requirements on its consolidated debt for the 12 months ended December 31, 2010 amounted to \$436 million for this period.

Power Corporation's net earnings attributable to participating shareholders before interest on debt, dividends on preferred shares classified as liabilities and other financial charges, income taxes and non-controlling interests for the 12 months ended December 31, 2010 was \$3,331 million, which is 4.2 times the aggregate dividend and interest on debt requirements for this period.

### **IFRS**

The following information was computed under IFRS. Power Corporation's dividend requirements on all of its preferred shares including those of subsidiaries, after giving effect to the issue of the Series G First Preferred Shares and adjusted to a pre-tax equivalent using effective income tax rates of 19.5% and 17.7%, respectively, amounted to \$359 million and \$351 million for the 12 months ended December 31, 2010 and for the 12 months ended September 30, 2011, respectively. Power Corporation's interest requirements on its consolidated debt for the 12 months ended December 31, 2010 and for the 12 months ended September 30, 2011, amounted to \$431 million for each such period.

Power Corporation's net earnings attributable to participating shareholders before interest on debt, dividends on preferred shares classified as liabilities and other financial charges, income taxes and non-controlling interests for the 12 months ended December 31, 2010 was \$3,209 million, which is 4.1 times the aggregate dividend and interest on debt requirements for this period. Power Corporation's net earnings attributable to participating shareholders before interest on debt, dividends on preferred shares classified as liabilities and other financial charges, income taxes and non-controlling interests for the 12 months ended September 30, 2011 was \$3,660 million, which is 4.7 times the aggregate dividend and interest on debt requirements for this period.

### **RATINGS**

The Series G First Preferred Shares have been given a preliminary rating of Pfd-2 (high) by DBRS Limited ("DBRS"). Pfd-2 (high) is the fourth highest of sixteen ratings used by DBRS for preferred shares. Preferred shares with a Pfd-2 (high) rating are of satisfactory 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 companies whose senior bonds are rated in the "A" category. As in the case with all rating categories, the relationship between senior debt ratings and preferred share ratings should be understood as one where the senior debt rating effectively sets a ceiling for the preferred shares issued by the entity. However, there are cases where the preferred share rating could be lower than the normal relationship with the issuer's senior debt rating.

The Series G First Preferred Shares have been given a preliminary rating of P-2 (High) under its Canadian rating scale and BBB+ under its global rating scale by Standard & Poor's Rating Services ("S&P"). A P-2 (High) rating is the fourth highest of eighteen ratings used by S&P in its Canadian national preferred share rating scale. Correspondingly, an BBB+ rating is the sixth highest of the twenty ratings used by S&P in its Global preferred share rating scale. A preferred share rating of BBB+ exhibits adequate protection parameters, however, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments on the obligation.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. A security rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency.

## **PLAN OF DISTRIBUTION**

Under an underwriting agreement (the “Underwriting Agreement”) dated February 17, 2012 between the Corporation and the Underwriters, the Corporation has agreed to sell and the Underwriters have severally agreed to purchase, as principals, subject to compliance with all necessary legal requirements and to the terms and conditions contained therein, on February 28, 2012 or such other date not later than March 28, 2012 as may be agreed upon by the parties, all but not less than all of the 8,000,000 Series G First Preferred Shares at an aggregate price of \$200,000,000 payable in cash to the Corporation against delivery.

In consideration for their services in connection with this offering, the Corporation has agreed to pay the Underwriters a fee equal to \$0.25 per Series G First Preferred Share sold to certain exempt institutions and \$0.75 per share with respect to all other sales of Series G First Preferred Shares. Assuming that no Series G First Preferred Shares are sold to such institutions, the Underwriters’ fee will be \$6,000,000. All fees payable to the Underwriters will be paid on account of services rendered in connection with the issue and will be paid out of the general funds of the Corporation.

The Underwriting Agreement provides that the Underwriters may, at their discretion, terminate their obligations thereunder upon the occurrence of certain stated events or if there should develop, occur or come into effect any occurrence of national or international consequence, or any action, government law or regulation, inquiry or other occurrence of any nature whatsoever which in the reasonable opinion of the Underwriters may materially adversely affect Canadian financial markets or the business, operations or affairs of the Corporation and its subsidiaries, taken together, and such event would be reasonably expected to have a significant adverse effect on the market price or value of the Series G First Preferred Shares. The Underwriters are, however, obligated to take up and pay for all the Series G First Preferred Shares if any Series G First Preferred Shares are purchased under the Underwriting Agreement.

The Underwriters may not, throughout the period of distribution, bid for or purchase the Series G First Preferred Shares. The foregoing restriction is subject to certain exemptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Series G First Preferred Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. In connection with this offering, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Series G First Preferred Shares at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Series G First Preferred Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws and, subject to certain exemptions, may not be offered or sold within the United States or to U.S. persons. The distribution of this Prospectus Supplement and the offering and sale of the Series G First Preferred Shares are also subject to certain restrictions under the laws of certain other jurisdictions outside of Canada. Each Underwriter has agreed that it will not offer for sale or sell or deliver the Series G First Preferred Shares in any such jurisdiction except in accordance with the laws thereof.

The Underwriters propose to offer the Series G First Preferred Shares initially at the offering price specified on the cover page of this Prospectus Supplement. After the Underwriters have made a reasonable effort to sell all of the Series G First Preferred Shares at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page.

The determination of the terms of the distribution, including the issue price of the Series G First Preferred Shares, was made through negotiations between the Corporation and the Underwriters.

Power Corporation has applied to list the Series G First Preferred Shares on the TSX. Listing will be subject to Power Corporation fulfilling all of the requirements of the TSX.

## **RISK FACTORS**

An investment in the Series G First Preferred Shares is subject to certain risks, including those set out in the Prospectus and the following.

Power Corporation's Annual Information Form dated March 23, 2011, Power Corporation's Management's Discussion and Analysis of Operating Results and audited consolidated comparative financial statements for the year ended December 31, 2010, as well as Power Corporation's interim Management's Discussion and Analysis and interim unaudited condensed consolidated comparative financial statements for the three- and nine- month period ended September 30, 2011 are incorporated by reference in this section. These documents discuss, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on Power Corporation's business, financial condition or results of operations. See also the discussion under "Earnings Coverage Ratios", which is relevant to an assessment of the risk that Power Corporation will be unable to pay dividends on the Series G First Preferred Shares.

Canadian generally accepted accounting principles require the Corporation and its subsidiaries to perform an impairment test on goodwill and intangible assets at least annually. Such testing has not yet been completed for the Corporation and certain of its subsidiaries for the year ending December 31, 2012. It is not possible to determine the outcome of the impairment test at this time.

The value of Series G First Preferred Shares will be affected by the general creditworthiness of Power Corporation. The market value of the Series G First Preferred Shares, as with other preferred shares, is primarily affected by changes (actual or anticipated) in prevailing interest rates and in the credit rating assigned to such shares. Real or anticipated changes in credit ratings on the Series G First Preferred Shares may also affect the cost at which Power Corporation can transact or obtain funding, and thereby affect its liquidity, business, financial condition or results of operations.

The Series G First Preferred Shares rank equally with other First Preferred Shares of Power Corporation in the event of an insolvency or winding-up of Power Corporation. If Power Corporation becomes insolvent or is wound-up, Power Corporation's assets must be used to pay debt, including subordinated debt, before payments may be made on Series G First Preferred Shares and other preferred shares.

The Series G First Preferred Shares are non-cumulative and dividends are payable at the discretion of the Board of Directors. See "Details of the Offering" and "Earnings Coverage Ratios" which are relevant to an assessment of the risk that Power Corporation will be unable to pay dividends on the Series G First Preferred Shares.

The Series G First Preferred Shares do not have a fixed maturity date and are not redeemable at the option of the holders thereof. The ability of a holder to dispose of its holdings of Series G First Preferred Shares may be limited.

Stock market volatility may affect the market price of the Series G First Preferred Shares for reasons unrelated to Power Corporation's performance.

There can be no assurance that an active trading market will develop for the Series G First Preferred Shares after the offering, or, if developed, that such market will be sustained at the offering price of the Series G First Preferred Shares.

## **USE OF PROCEEDS**

The net proceeds from the sale of the Series G First Preferred Shares offered hereunder will amount to approximately \$193,675,000 after deducting the Underwriters' fee (assuming no sales of Series G First Preferred Shares to certain institutions) and estimated expenses of the issue. Such fee and expenses will be paid out of the general funds of the Corporation. The net proceeds of this offering will be used by the Corporation to supplement its financial resources and for general corporate purposes.

## **LEGAL MATTERS**

In connection with the issue and sale of the Series G First Preferred Shares, certain legal matters will be passed upon on behalf of the Corporation by Blake, Cassels & Graydon LLP and on behalf of the Underwriters by Norton Rose Canada LLP. As of the date hereof, the partners and associates of Blake, Cassels & Graydon LLP and Norton Rose Canada LLP, as a group beneficially own, directly or indirectly, less than 1% of the outstanding securities of Power Corporation or any associated party or affiliate of Power Corporation.

## **TRANSFER AGENT AND REGISTRAR**

The registrar and transfer agent for the Series G First Preferred Shares is Computershare Investor Services Inc. at its principal offices in Montréal, Québec, and Toronto, Ontario.

## **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

## INDEPENDENT AUDITOR'S CONSENTS

We have read the prospectus supplement of Power Corporation of Canada (the "Corporation") dated February 17, 2012 qualifying the distribution of Non-Cumulative First Preferred Shares, Series G, to the Short Form Base Shelf Prospectus dated November 23, 2010 relating to the offering of up to \$1,000,000,000 of Debt Securities (unsecured), Subordinate Voting Shares and First Preferred Shares of the Corporation (collectively, the "Prospectus"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the Prospectus of our report to the shareholders of Power Corporation of Canada on the consolidated balance sheets of the Corporation as at December 31, 2010 and 2009 and the consolidated statements of earnings, comprehensive income, changes in shareholders' equity and cash flows for the years then ended. Our report is dated March 10, 2011.

We also consent to the incorporation by reference in the Prospectus of our report to the shareholders of Power Financial Corporation on the consolidated balance sheets of Power Financial Corporation as at December 31, 2010 and 2009 and the consolidated statements of earnings, comprehensive income, changes in shareholders' equity and cash flows for the years then ended. Our report is dated March 10, 2011.

We also consent to the incorporation by reference in the Prospectus of our report to the shareholders of Great-West Lifeco Inc. on the consolidated balance sheets of Great-West Lifeco Inc. as at December 31, 2010 and 2009 and the summaries of consolidated operations, the consolidated statements of surplus, the summaries of consolidated comprehensive income and the consolidated statements of cash flows for the years then ended. Our report is dated February 10, 2011.

We also consent to the incorporation by reference in the Prospectus of our report to the shareholders of IGM Financial Inc. on the consolidated balance sheets of IGM Financial Inc. as at December 31, 2010 and 2009 and the consolidated statements of earnings, comprehensive income, changes in shareholders' equity and cash flows for the years then ended. Our report is dated February 11, 2011.

(Signed) Deloitte & Touche LLP<sup>†</sup>

Montréal, Québec  
February 17, 2012

<sup>†</sup>Chartered accountant auditor permit No 9569

## CERTIFICATE OF UNDERWRITERS

Dated: February 17, 2012

To the best of our knowledge, information and belief, the short form base shelf prospectus dated November 23, 2010 (the "Prospectus"), together with the documents incorporated in the Prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the Prospectus and this supplement as required by the securities legislation of all the provinces and territories of Canada.

BMO NESBITT BURNS INC.

RBC DOMINION SECURITIES INC.

SCOTIA CAPITAL INC.

By: (signed) PIERRE-OLIVIER PERRAS

By: (signed) RAJIV BAHL

By: (signed) STEPHEN MACCULLOCH

CIBC WORLD MARKETS INC.

TD SECURITIES INC.

By: (signed) BENOÎT LAUZÉ

By: (signed) JONATHAN BROER

NATIONAL BANK FINANCIAL INC.

By: (signed) DARIN E. DESCHAMPS

DESJARDINS SECURITIES INC.

By: (signed) A. THOMAS LITTLE

## **Short Form Base Shelf Prospectus**

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*This short form base shelf prospectus has been filed under legislation in all provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Power Corporation of Canada, 751 Victoria Square, Montréal, Québec H2Y 2J3 (telephone: (514) 286-7400), and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## **Short Form Base Shelf Prospectus**

**New Issue**

November 23, 2010



# **POWER CORPORATION OF CANADA**

**\$1,000,000,000**

**Debt Securities (unsecured)  
Subordinate Voting Shares  
First Preferred Shares**

Power Corporation of Canada (“Power” or the “Corporation”) may from time to time offer and issue the following securities: (i) debt securities (the “Debt Securities”) of the Corporation; (ii) subordinate voting shares (the “Subordinate Voting Shares”) of the Corporation; and (iii) first preferred shares (the “First Preferred Shares”) of the Corporation, or any combination thereof. The Debt Securities, Subordinate Voting Shares, and First Preferred Shares (together, the “Securities”) offered hereby may be offered separately or together, in separate series, in amounts, at prices and on terms to be set forth in an accompanying shelf prospectus supplement (a “Prospectus Supplement”). All shelf information not included in this short form base shelf prospectus (the “Prospectus”) will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with the Prospectus. Power may sell up to \$1,000,000,000 in aggregate initial offering price of Securities (or the Canadian dollar equivalent thereof at the time of issuance if any of the Securities are denominated in a foreign currency or currency unit) during the 25-month period that this Prospectus, including any amendments hereto, remains valid.

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption at the option of Power or the holder, any exchange or conversion terms and any other specific terms; (ii) in the case of Subordinate Voting Shares, the number of shares, the offering price, and any other specific terms; and (iii) in the case of First Preferred Shares, the designation of the particular class, series, aggregate principal amount, the number of shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at the option of Power or the holder, any exchange or conversion terms and any other specific terms. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.



The outstanding Subordinate Voting Shares of the Corporation, the Participating Preferred Shares of the Corporation and the First Preferred Shares of the Corporation are listed on the Toronto Stock Exchange (the "TSX") under the stock symbol "POW", "POW.PR.E", and "POW.PR.A", "POW.PR.B", "POW.PR.C", "POW.PR.D" and "POW.PR.F", respectively.

The Securities may be sold through underwriters or dealers, by Power directly pursuant to applicable statutory exemptions or through agents designated by Power from time to time. See "Plan of Distribution". Each Prospectus Supplement will identify each underwriter, dealer or agent engaged in connection with the offering and sale of those Securities, and will also set forth the terms of the offering of such Securities including the net proceeds to Power and, to the extent applicable, any fees payable to the underwriters, dealers or agents. The offerings are subject to approval of certain legal matters by Blake, Cassels & Graydon LLP on behalf of Power.

Power's registered and head office is located at 751 Victoria Square, Montréal, Québec, H2Y 2J3.

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## FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Corporation's and its subsidiaries' current expectations. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation's financial position and results of operations as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and the reader is cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

By its nature, this information is subject to inherent risks and uncertainties, that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the Corporation's and its subsidiaries' control, affect the operations, performance and results of the Corporation and its subsidiaries and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes (including adoption of International Financial Reporting Standards), business competition, operational and reputational risks, technological change, changes in government regulation and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, the Corporation's and its subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Corporation's and its subsidiaries' success in anticipating and managing the foregoing factors.

The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including that the foregoing list of factors, collectively, are not expected to have a material impact on the Corporation and its subsidiaries. While the Corporation considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

Other than as specifically required by law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties about the Corporation's business is provided in the documents incorporated herein by reference, including the Corporation's Annual Information Form dated March 24, 2010 and its Management's Discussion and Analysis of Operating Results for the year ended December 31, 2009 and the three- and nine-month periods ended September 30, 2010.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with securities commissions or similar authorities in Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the Annual Information Form of Power dated March 24, 2010, including documents incorporated by reference therein;
- (b) the interim unaudited consolidated comparative financial statements of Power as at and for the three- and nine-month periods ended September 30, 2010;
- (c) the interim Management's Discussion and Analysis of Operating Results of Power for the three- and nine-month periods ended September 30, 2010;
- (d) the audited consolidated comparative financial statements of Power as at and for the year ended December 31, 2009 and the report of the auditors thereon;
- (e) the Management's Discussion and Analysis of Operating Results of Power for the year ended December 31, 2009; and
- (f) the Management Proxy Circular dated March 11, 2010 with respect to the Annual Meeting of Shareholders of Power held on May 13, 2010.

All documents of Power of the type described in Section 11.1 of Form 44-101F1 — Short Form Prospectus to National Instrument 44-101 — Short Form Prospectus Distributions, if filed by Power with the provincial and territorial securities commissions or similar authorities in Canada after the date of this Prospectus and during the term of this Prospectus shall be deemed to be incorporated by reference into this Prospectus.

A Prospectus Supplement containing the specific terms in respect of any Securities will be delivered, together with this Prospectus, to purchasers of such Securities and will be deemed to be incorporated into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement, but only for the purposes of the distribution of the Securities to which such Prospectus Supplement pertains.

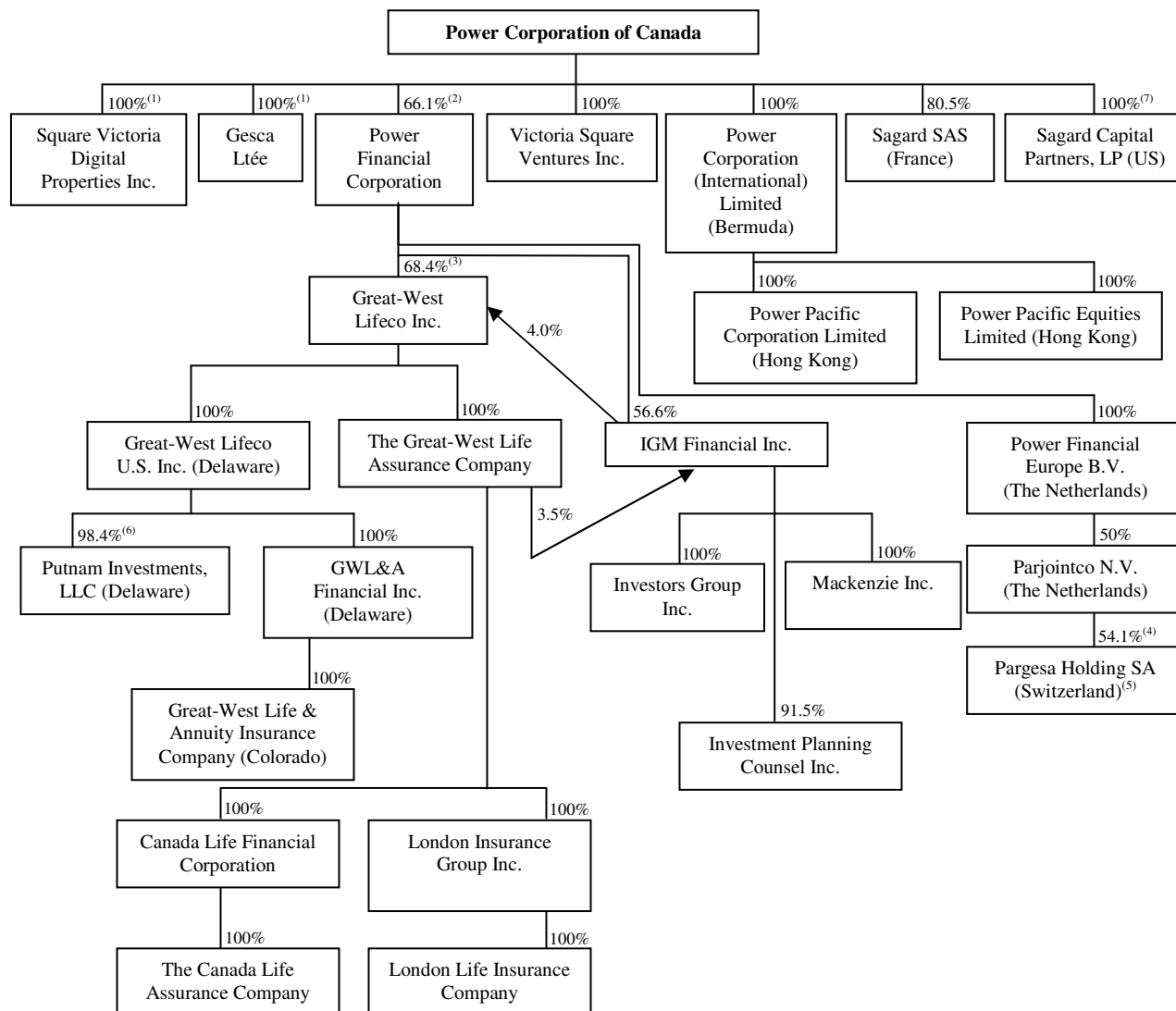
Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

When a new annual information form and related annual financial statements are filed by Power and, where required, accepted by the applicable securities regulatory authorities during the term of this Prospectus, the previous annual information form, the previous annual financial statements, all interim financial statements, material change reports and information circulars filed by Power prior to the commencement of Power's financial year in which the new annual information form is filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

## POWER CORPORATION OF CANADA

### Intercorporate Relationships

The following chart summarizes Power's corporate structure at September 30, 2010, including interests (direct and indirect) in its material and certain other subsidiaries and investments. Unless otherwise specified below, all companies were incorporated in Canada. The indicated percentages represent approximate participating equity interests.



- (1) Owned by Square Victoria Communications Group Inc., which is wholly owned directly by Power.
- (2) Owned by 171263 Canada Inc., which is wholly owned directly by Power.
- (3) Approximately 65.0 per cent direct and indirect voting interest, in the aggregate
- (4) 62.9 per cent voting interest
- (5) The companies in the Pargesa group are more fully described in Power Financial's Annual Information Form dated March 24, 2010, portions of which are incorporated herein by reference.
- (6) 100 per cent voting interest
- (7) Owned through wholly owned subsidiaries of Power.

## **General**

Power is a diversified international management and holding company that holds interests, directly or indirectly, in companies that are active in the financial services, communications and other business sectors.

Power's principal asset is its controlling interest in Power Financial Corporation ("Power Financial"). As at September 30, 2010, Power held a 66.1% equity and voting interest in Power Financial. Power Financial holds substantial interests in the financial services industry through its controlling interest in each of Great-West Lifeco Inc. ("Lifeco") and IGM Financial Inc. ("IGM Financial"). These companies and their subsidiaries offer an extensive range of financial products and services to individuals and corporations in Canada, the United States and Europe. Through its wholly owned subsidiary, Power Financial Europe B.V. ("Power Financial Europe"), which in turn holds a 50% interest in Parjointco N.V. ("Parjointco"), Power Financial has a significant interest in Pargesa Holding SA ("Pargesa Holding"). Based in Europe, companies in the Pargesa Holding group are active in the oil and gas, electricity, energy services, water, waste services, industrial minerals, cement and building materials, and wine and spirits sectors. These investments are held by Pargesa Holding directly or through Groupe Bruxelles Lambert ("GBL"), a Belgian holding company.

Power holds investments in Asia as well as in various funds. Through its subsidiary Gesca Ltée ("Gesca"), Power is engaged in the publication of daily newspapers in Québec and in Ontario, as well as the operation of various related Web sites. In addition, Power holds 100% of Victoria Square Ventures Inc. ("VSV") and Square Victoria Digital Properties Inc. ("Square Victoria Digital"), which each hold ownership interests in several companies.

As at December 31, 2009, Power and its subsidiaries had, in aggregate, approximately 30,750 employees in North America.

## **Power Financial Corporation**

At September 30, 2010, Power Financial controlled, directly and indirectly, approximately 68.4% of the outstanding common shares of Lifeco, representing approximately 65% of the voting rights attached to all the outstanding Lifeco voting shares. At September 30, 2010, Power Financial also controlled, directly and indirectly, approximately 56.6% of the outstanding common shares of IGM Financial.

## **Great-West Lifeco Inc.**

Lifeco is a financial services holding company with interests in the life insurance, health insurance, asset management, investment and retirement savings and reinsurance businesses, primarily in Canada, the United States, Europe and Asia. Its major operating subsidiaries are The Great-West Life Assurance Company ("Great-West Life") and London Life Insurance Company ("London Life") in Canada, The Canada Life Assurance Company ("Canada Life") in Canada and in Europe, and Great-West Life & Annuity Insurance Company ("GWL&A") and Putnam Investments, LLC ("Putnam") in the United States. As at September 30, 2010, Lifeco and its subsidiaries had more than \$486 billion in assets under administration.

Lifeco currently has no other holdings, and currently carries on no businesses or activities, that are unrelated to its holdings in Great-West Life, London Life, Canada Life, GWL&A, Putnam and their subsidiaries. However, Lifeco is not restricted to investing in those companies, and may make other investments in the future.

## ***The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company***

Great-West Life owns all of the shares of London Insurance Group Inc. ("LIG"), a company continued under the *Canada Business Corporations Act*. LIG owns all of the shares of London Life. Great-West Life owns all the shares of Canada Life Financial Corporation ("CLFC"), which in turn owns all of the shares of Canada Life. Each of Great-West Life, London Life, CLFC and Canada Life are Canadian insurance companies governed by the

*Insurance Companies Act* (Canada). Great-West Life also owned at September 30, 2010, approximately 9.2 million common shares (representing 3.5%) of IGM Financial.

In Canada, Great-West Life and its operating subsidiaries, London Life and Canada Life, offer a broad portfolio of financial and benefit plan solutions for individuals, families, businesses and organizations. They provide a wide range of retirement savings and income plans, as well as life, disability and critical illness insurance for individuals and families. As a leading provider of employee benefits in Canada, Great-West Life offers effective benefit solutions for large and small employee groups.

In Europe, Canada Life is broadly organized along geographically-defined market segments and offers protection and wealth management products and reinsurance. The Europe segment is composed of two distinct business units: Insurance & Annuities, which consists of operations in the United Kingdom, Isle of Man, Ireland and Germany; and Reinsurance, which operates primarily in the United States, Barbados and Ireland. Reinsurance products are provided through Canada Life, London Reinsurance Group Inc. and their subsidiaries.

### ***Great-West Life & Annuity Insurance Company***

GWL&A is a leader in meeting the retirement income needs of employees in the public/non-profit and corporate sectors. It also provides annuities and life insurance for individuals and businesses, as well as fund management, investment and advisory services. Headquartered in metro Denver, Colorado, GWL&A serves its customers nationwide through a range of financial products and services marketed through its own sales force, brokers, consultants, advisers, third party administrators and financial institutions.

### ***Putnam Investments, LLC***

Headquartered in Boston, Massachusetts, Putnam provides investment management, certain administrative functions, distribution, and related services through a broad range of investment products to individual and institutional investors. Individual retail investors are served through a broad network of distribution relationships with unaffiliated broker-dealers, financial planners, registered investment advisors and other financial institutions that distribute the Putnam Funds to their customers, which, in total, includes more than 150,000 advisors in over 1,600 firms, representing over 5 million client accounts as at September 30, 2010. Institutional investors are supported by Putnam's dedicated account management, product management, and client service professionals and through strategic relationships with several investment management firms outside of the United States. As at September 30, 2010, Putnam had approximately \$123.3 billion in total assets under management.

### ***IGM Financial Inc.***

IGM Financial is a personal financial services company, primarily providing investment advisory and related services. Its activities are carried out principally through its subsidiaries Investors Group Inc. ("Investors Group"), Mackenzie Financial Corporation ("Mackenzie") and Investment Planning Counsel Inc. ("Investment Planning Counsel"). As at September 30, 2010, IGM Financial owned all of the outstanding common shares of Investors Group; indirectly, all of the outstanding common shares of Mackenzie; and 91.5% of the outstanding common shares of Investment Planning Counsel.

As at September 30, 2010, IGM Financial had approximately \$122.7 billion in total assets under management. At that same date, IGM Financial held approximately 37.8 million common shares (representing 4.0%) of Lifeco.

### ***Investors Group Inc.***

Investors Group, founded in 1926, delivers personalized financial solutions to Canadians through a network of consultants located throughout Canada, with approximately \$58.8 billion in mutual fund assets under management as of September 30, 2010. In addition to an exclusive family of mutual funds and other investment vehicles, Investors Group offers a wide range of insurance, securities, mortgage products and services, and, through National Bank of Canada, also offers banking products and services.

### ***Mackenzie Financial Corporation***

Mackenzie was founded in 1967, and is an investment management firm providing investment advisory and related services. With approximately \$64.5 billion in total assets under management as of September 30, 2010, Mackenzie distributes its products and services primarily through a diversified distribution network of third party financial advisors.

### ***Investment Planning Counsel Inc.***

Investment Planning Counsel was founded in 1996, and is an independent distributor of financial products, services and advice in Canada.

### **Power Financial Europe B.V.**

At September 30, 2010, Power Financial Europe held a 50% interest in Parjointco, which held a 62.9% voting interest and a 54.1% equity interest in Pargesa Holding. At such date, Pargesa Holding held a 52.0% voting and a 50.0% equity interest in GBL. The Pargesa Holding group holds significant interests in a limited number of large European companies, either through Pargesa Holding or through GBL. At September 30, 2010, such interests consisted principally of a 4.0% interest in Total S.A., an international oil and gas group; a 5.2% interest in GDF SUEZ, an electricity and gas company, a 7.1% interest in SUEZ Environnement, a water and waste services company; a 58% interest in Imerys S.A., a leading company in specialty minerals, a 21.1% interest in Lafarge S.A., a leading cement and building materials company, and a 9.8% interest in Pernod Ricard, a wine and spirits company.

### **Victoria Square Ventures Inc.**

VSV holds direct ownership positions in several companies. As at September 30, 2010, VSV held approximately a 22.2% interest in Bellus Health Inc., a publicly traded company.

### **Gesca Ltée and Square Victoria Digital Properties Inc.**

Through two wholly owned subsidiaries, Gesca and its sister company Square Victoria Digital, the Corporation participates in numerous sectors of the communications and media industry.

Gesca, through its subsidiaries, is engaged in the publication of seven daily newspapers and the operation of various related Web sites, including Cyberpresse.ca.

Square Victoria Digital, directly or through its subsidiaries, produces television programming and invests in new media ventures and start-up digital projects. Square Victoria Digital also holds a 50% interest in Workopolis, an Internet-based career and recruitment business and an interest in the Olive Canada Network, an online advertising network.

### **Asia**

In Asia, the most significant investment of the Corporation is its holding in CITIC Pacific Limited (“CITIC Pacific”) (4.3% equity interest as of the date hereof), a public corporation whose shares are listed on the Hong Kong Stock Exchange. CITIC Pacific’s businesses include special steel manufacturing, iron ore mining, real estate development and investment, power generation and civil infrastructure. Most of CITIC Pacific’s assets are invested in mainland China, Hong Kong and Australia. CITIC Pacific is subject to the public disclosure requirements of the Hong Kong Stock Exchange.

In addition, Power is involved in selected investment projects in China and, in October 2004, was granted a licence to operate as a Qualified Foreign Institutional Investor (“QFII”) in the Chinese “A” shares market, for an amount of US\$50 million.



## **Investment in Funds and Securities**

In 2002, Power made a commitment of €100 million to Sagard Private Equity Partners (“Sagard 1”), a €535 million fund, to which GBL also made an investment commitment of €50 million. Sagard 1 has completed twelve investments, seven of which have been sold as of the date hereof.

Sagard 2 was launched in 2006 with the same investment strategy as Sagard 1. This fund closed with total commitments of €1.0 billion. Power made a €200 million commitment to Sagard 2, while Pargesa and GBL made commitments of €50 million and €150 million, respectively. As of the date hereof, Sagard 2 held four investments. In November 2009, the Corporation’s commitment was reduced to €160 million and the size of the fund was reduced to €810 million. Pargesa and GBL’s commitments were also reduced to €40 million and €120 million, respectively. The Sagard 1 and Sagard 2 funds are managed by Sagard SAS, a subsidiary of the Corporation based in Paris, France.

In addition, a wholly owned subsidiary of the Corporation, Sagard Capital Partners Management Corp. (“Sagard Capital”), has been investing in mid-cap public companies in the United States, pursuant to a plan to allocate a portion of the Corporation’s cash resources (initially limited to a maximum of US\$250 million) to selected investment opportunities in that country.

## **DESCRIPTION OF DEBT SECURITIES**

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement.

The Debt Securities will be direct unsecured obligations of Power and will rank equally and ratably with all other unsecured and unsubordinated indebtedness of Power from time to time issued and outstanding.

The Debt Securities will be issued under one or more indentures between Power and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee (each, a “Trustee”), as supplemented and amended from time to time (each a “Trust Indenture” and, collectively, the “Trust Indentures”).

Each Prospectus Supplement will set forth the terms and other information with respect to the Debt Securities being offered thereby, including: (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities; (ii) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars); (iii) the percentage of the principal amount at which such Debt Securities will be issued; (iv) the date or dates on which such Debt Securities will mature; (v) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any); (vi) the dates on which such interest will be payable and the record dates for such payments; (vii) the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued; (viii) any redemption term or terms under which such Debt Securities may be defeased; (ix) whether such Debt Securities are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof; (x) any exchange or conversion terms; and (xi) any other specific terms.

Debt Securities may, at the option of Power, be issued in fully registered form, in bearer form or in “book-entry only” form. See “Book-Entry Only Securities”.

## **DESCRIPTION OF SHARE CAPITAL**

The authorized capital of Power consists of an unlimited number of First Preferred Shares, an unlimited number of Participating Preferred Shares and an unlimited number of Subordinate Voting Shares. As of November 12, 2010, there were 409,346,632 Subordinate Voting Shares and 48,854,772 Participating Preferred Shares issued and outstanding.

The First Preferred Shares of Power may be issued in one or more series with such rights, privileges, restrictions and conditions as the Board of Directors of Power designates. As of November 12, 2010, the floating rate Cumulative Redeemable First Preferred Shares, 1986 Series, the 5.60% Non-Cumulative First Preferred Shares, Series A, the 5.35% Non-Cumulative First Preferred Shares, Series B, the 5.80% Non-Cumulative First Preferred Shares, Series C, and the 5.00% Non-Cumulative First Preferred Shares, Series D are the only series of First Preferred Shares outstanding.

### **DESCRIPTION OF SUBORDINATE VOTING SHARES**

Holders of Subordinate Voting Shares are entitled to vote at all meetings of shareholders (other than meetings exclusively of another class or series of shares), and subject to the rights of holders of Participating Preferred Shares and the First Preferred Shares, to receive any dividend on such share and to participate equally with all other holders of Subordinate Voting Shares in the remaining property of the Corporation on dissolution or winding-up. Power may not, without approval of two-thirds of the Subordinate Voting Shares, issue any Participating Preferred Shares unless Power contemporaneously with such issue offers to holders of Subordinate Voting Shares the right to acquire from Power pro rata to their holdings an aggregate number of Subordinate Voting Shares that is equal to eight and one-third times the number of Participating Preferred Shares proposed to be issued for a consideration per share that is equal to the stated capital amount per share for which the Participating Preferred Shares are to be issued. There are no conversion rights, special liquidation rights, pre-emptive rights or subscription rights attaching to the Subordinate Voting Shares.

The Subordinate Voting Shares represent 45.5% of the aggregate voting rights attached to Power's outstanding voting securities.

The Articles of Power do not contain any rights or provisions applicable to holders of Subordinate Voting Shares where a take-over bid is made for the Participating Preferred Shares.

### **DESCRIPTION OF FIRST PREFERRED SHARES**

The following sets forth certain general terms and provisions of the First Preferred Shares. The particular terms and provisions of a series of First Preferred Shares offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in such Prospectus Supplement. First Preferred Shares may be issued in fully registered form or in "book-entry only" form. See "Book-Entry Only Securities".

The First Preferred Shares may be issued in one or more series with such rights, privileges, restrictions and conditions as the Board of Directors designates. The following is a summary of certain provisions of the First Preferred Shares as a class.

#### **Certain Provisions of the First Preferred Shares as a Class**

##### ***Priority***

With respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, the First Preferred Shares of each series rank on a parity with the First Preferred Shares of every other series and in priority to the Participating Preferred Shares, the Subordinate Voting Shares and any other shares ranking junior to the First Preferred Shares. On such a distribution, the rights of the holders of the First Preferred Shares of each series will be subject to the prior satisfaction of all claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the First Preferred Shares.

### ***Approval by First Preferred Shareholders***

In addition to any shareholder approvals required by applicable law, the approval of the holders of the First Preferred Shares, as a class, is required to delete, add to or vary any right, privilege, preference, restriction or condition attaching to the First Preferred Shares as a class.

### ***Voting Rights***

The holders of First Preferred Shares shall not be entitled to notice of or to attend or to vote at any meeting of the shareholders of the Corporation unless and until the Corporation shall at any time have failed to pay dividends on the First Preferred Shares of any one series equal in the aggregate to one and one-half times the annual rate or amount of dividends carried by the First Preferred Shares of such series in accordance with the terms thereof, whether or not consecutive and whether or not such dividends shall have been declared and whether or not there shall have been any monies of the Corporation properly applicable to the payment of dividends, and for such purpose such dividends shall be deemed to have accrued from day to day. Thereafter, but only so long as any dividends on the First Preferred Shares of any series, if dividends on such First Preferred Shares of any such Series be cumulative, remain in arrears or, if dividends on such First Preferred Shares of any such Series be non-cumulative, until an amount or amounts equal in the aggregate to one year's dividends at the annual rate or amount of dividends carried by such non-cumulative First Preferred Shares of any such series shall have been paid thereon, the holders of the First Preferred Shares as a class shall be entitled to receive notice of all general meetings of shareholders of the Corporation and to attend thereat, other than any meetings of the holders of any particular series of First Preferred Shares held separately and as a series, and shall at any such meetings which they shall be entitled to attend, except when the vote of the holders of shares of any other class is to be taken separately and as a class, be entitled to one vote in respect of each First Preferred Share held by each of such holders respectively.

## **BOOK-ENTRY ONLY SECURITIES**

Securities issued in "book-entry only" form must be purchased, transferred or redeemed through participants ("CDS Participants") in the depository service of CDS Clearing and Depository Services Inc. or a successor (collectively, "CDS"). Each of the underwriters, dealers or agents, as the case may be, named in an accompanying Prospectus Supplement will be a CDS Participant or will have arrangements with a CDS Participant. On the closing of a book-entry only offering, Power may cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from Power or CDS evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the registered dealer from which the Securities are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its CDS Participants having interests in the Securities. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

If Power determines, or CDS notifies Power in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and Power is unable to locate a qualified successor, or if Power at its option elects, or is required by law, to terminate the book-entry system, then the Securities will be issued in fully registered form to holders or their nominees.

### ***Transfer, Conversion or Redemption of Securities***

Transfer of ownership, conversion or redemption of Securities will be effected through records maintained by CDS or its nominee for such Securities with respect to interests of CDS Participants, and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities may do so only through CDS Participants.

The ability of a holder to pledge a Security or otherwise take action with respect to such holder's interest in a Security (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

### ***Payments and Notices***

Payments of principal, redemption price, if any, dividends and interest, as applicable, on each Security will be made by Power to CDS or its nominee, as the case may be, as the registered holder of the Security and Power understands that such payments will be credited by CDS or its nominee in the appropriate amounts to the relevant CDS Participants. Payments to holders of Securities of amounts so credited will be the responsibility of the CDS Participants.

As long as CDS or its nominee is the registered holder of the Securities, CDS or its nominee, as the case may be, will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. In such circumstances, the responsibility and liability of Power in respect of notices or payments on the Securities is limited to giving or making payment of any principal, redemption price, if any, dividends and interest due on the Securities to CDS or its nominee.

Each holder must rely on the procedures of CDS and, if such holder is not a CDS Participant, on the procedures of the CDS Participant through which such holder owns its interest, to exercise any rights with respect to the Securities. Power understands that under existing policies of CDS and industry practices, if Power requests any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the CDS Participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by Power, any Trustee and CDS. Any holder that is not a CDS Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its CDS Participant to give such notice or take such action.

Power, the underwriters, dealers or agents and any Trustee identified in an accompanying Prospectus Supplement, as applicable, will not have any liability or responsibility for (i) records maintained by CDS relating to beneficial ownership interest in the Securities held by CDS or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interest; or (iii) any advice or representation made by or with respect to CDS and contained herein or in any Trust Indenture with respect to the rules and regulations of CDS or at the directions of the CDS Participants.

### **EARNINGS COVERAGE RATIOS**

Earnings coverage ratios will be provided as required in the Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

### **PLAN OF DISTRIBUTION**

Power may sell the Securities (i) through underwriters or dealers, (ii) directly to one or more purchasers pursuant to applicable statutory exemptions or (iii) through agents. The Securities may be sold at fixed prices or non-fixed prices, such as prices determined by reference to the prevailing price of the Securities in a specified market, at market prices prevailing at the time of sale or at prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities. The Prospectus Supplement for any of the Securities being offered thereby will set forth the terms of the offering of such Securities, including the type of security being offered, the name or names of any underwriters, dealers or agents, the purchase price of such Securities, the proceeds to Power from such sale, any underwriting discounts and other items constituting underwriters' compensation, any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a

fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents may be changed from time to time.

The Securities may also be sold directly by Power at such prices and upon such terms as agreed to by Power and the purchaser or through agents designated by Power from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by Power to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent is acting on a best efforts basis for the period of its appointment.

Power may agree to pay the underwriters a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission will be paid out of the general corporate funds of Power. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with Power to indemnification by Power against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time.

Unless otherwise specified in a Prospectus Supplement, the Securities will not be registered under the United States Securities Act of 1933, as amended.

## **RISK FACTORS**

Before deciding whether to invest in any Securities, investors should consider carefully the risks set out in the documents incorporated by reference in this Prospectus (including the risks described under “Risk Factors” of Power’s Annual Information Form dated March 24, 2010, and all subsequently filed documents incorporated by reference) and those described in a Prospectus Supplement relating to a specific offering of Securities.

## **USE OF PROCEEDS**

The use of proceeds of the sale of each series of Securities will be described in the Prospectus Supplement relating to the specific issuance of Securities.

## **LEGAL MATTERS**

Certain legal matters in connection with the Securities offered hereby will be passed upon by Blake, Cassels & Graydon LLP on behalf of the Corporation. As of the date hereof, the partners and associates of Blake, Cassels & Graydon LLP, as a group beneficially own, directly or indirectly, less than 1% of the outstanding Securities of Power or any associated party or affiliate of Power.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of Power are Deloitte & Touche LLP, independent chartered accountants, located at 1, Place Ville-Marie, Suite 3000, Montréal, Québec, H3B 4T9.

The registrar and transfer agent for Power is Computershare Investor Services Inc. at its principal offices in Montréal, Québec, and Toronto, Ontario.

## **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

## AUDITORS' CONSENT

We have read the short form base shelf prospectus of Power Corporation of Canada ("Power") dated November 23, 2010 relating to the offering of up to \$1,000,000,000 of Debt Securities (unsecured indebtedness), Subordinate Voting Shares and First Preferred Shares (the "Prospectus"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Prospectus of our report to the shareholders of Power on the consolidated balance sheets of Power as at December 31, 2009 and 2008, and the consolidated statements of earnings, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended. Our report is dated March 11, 2010.

We also consent to the incorporation by reference in the above-mentioned Prospectus of our report to the shareholders of Power Financial Corporation on the consolidated balance sheets of Power Financial Corporation as at December 31, 2009 and 2008, and the consolidated statements of earnings, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended. Our report is dated March 11, 2010.

We also consent to the incorporation by reference in the above-mentioned Prospectus of our report to the shareholders of Great-West Lifeco Inc. on the consolidated balance sheets of Great-West Lifeco Inc. as at December 31, 2009 and 2008 and the summaries of consolidated operations, the consolidated statements of surplus, the summaries of consolidated comprehensive income, and the consolidated statements of cash flows for the years then ended. Our report is dated February 11, 2010.

We also consent to the incorporation by reference in the above-mentioned Prospectus of our report to the shareholders of IGM Financial Inc. on the consolidated balance sheets of IGM Financial Inc. as at December 31, 2009 and 2008 and the consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended. Our report is dated February 10, 2010.

(signed) DELOITTE & TOUCHE LLP<sup>1</sup>  
Montréal, Québec  
November 23, 2010

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<sup>1</sup>Chartered accountant auditor permit N° 18383

**CERTIFICATE OF POWER CORPORATION OF CANADA**

Dated: November 23, 2010

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement as required by the securities legislation of each of the provinces and territories of Canada.

By: (signed) PAUL DESMARAIS, JR.  
Chairman and Co-Chief  
Executive Officer

By: (signed) ANDRÉ DESMARAIS  
Deputy Chairman, President  
and Co-Chief Executive Officer

By: (signed) PHILIP K. RYAN  
Executive Vice-President and  
Chief Financial Officer

On behalf of the Board of Directors

By: (signed) MICHEL PLESSIS-BÉLAIR  
Director

By: (signed) JOHN A. RAE  
Director