POWER CORPORATION
OF CANADA

ADDRESS

BY

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CHAIRMAN
AND CO-CHIEF EXECUTIVE OFFICER

ANNUAL MEETING OF SHAREHOLDERS

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Forward-Looking Statements

Certain statements in this document, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Corporation's current expectations, or with respect to disclosure regarding the Corporation's public subsidiaries, reflect such subsidiaries' disclosed current expectations. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation's financial performance, financial position and cash flows 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, 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 list of factors in the previous paragraph, 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 applicable Canadian 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 of the Corporation's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials, including its most recent Management's Discussion and Analysis and Annual Information Form, filed with the securities regulatory authorities in Canada and available at www.sedar.com.

Non-IFRS Financial Measures

In analyzing the financial results of the Corporation and consistent with the presentation in previous years, net earnings attributable to participating shareholders are classified into the following components:

- operating earnings attributable to participating shareholders; and
- other items or non-operating earnings, which include the after-tax impact of any item that management considers to be of a non-recurring nature or that could make the period-over-period comparison of results from operations less meaningful, and also include the Corporation's share of any such item presented in a comparable manner by its subsidiaries and jointly controlled corporations and associates.

However, management uses these financial measures in its presentation and analysis of the financial performance of Power Corporation, and believes that they provide additional meaningful information to readers in their analysis of the results of the Corporation.

Operating earnings attributable to participating shareholders and operating earnings per share are non-IFRS financial measures that do not have a standard meaning and may not be comparable to similar measures used by other entities.

CHAIRMAN'S ADDRESS TO THE ANNUAL MEETING OF SHAREHOLDERS

POWER CORPORATION OF CANADA

May 15, 2013

Thank you for joining us this morning. Echoing my brother's sentiments, it is a pleasure to be here in Winnipeg where we have so many business and personal connections.

At recent Annual Meetings, I have addressed a number of corporate and general business issues relative to the activities of the Corporation and the manner in which we keep our commitments to all stakeholders, including shareholders. Today, I would like to share some recent governance changes we have made and discuss our ownership structure and the value it brings to the Corporation and its shareholders.

The financial crisis of 2008 had a far-reaching impact on financial and economic systems around the world. The crisis resulted in many changes to the ways in which these various systems are regulated and thus to changes in how they operate today. We have witnessed the incremental re-regulation of the industry aimed at preventing a similar situation from occurring again in the future. The fallout from the financial crisis also gave rise to a sometimes intense public debate on a range of corporate governance issues.

We view this multi-faceted public discourse as one of the positive things that has emerged from the financial crisis. Honest self-examination is healthy for both the larger system and the individual corporations which constitute that system.

It was in this spirit that we as a group of companies seized the opportunity to return to our roots and carefully evaluate whether our investment strategies and our capital structure met the litmus test for effectiveness in the new environment the financial crisis left in its wake.

Indeed, the process allowed us to reaffirm the strong core values at the heart of our business model. We believe that staying true to these values helped Power Corporation and its various group companies manage the financial crisis better than most in our sector. In this vein, we expect the highest standards for business ethics and personal integrity of our employees and of our business partners. This exercise in self-examination also led to an appreciation that there was still room for improvement.

We re-examined our risk management practices, strengthened our capital base, extended our debt maturity and increased the level of liquidity in all of our subsidiaries.

In terms of governance, we reduced the size of our Board from 21 directors to 12. We have provided more disclosure and transparency surrounding our business activities, including providing more detailed information concerning our corporate social responsibility activities. We also participated for the first time last year in the Carbon Disclosure Project which helps companies track — and thus improve — this aspect of their environmental performance.

Coincident with the focus the recent financial crisis put on the corporate world, the public became aware of instances of self-dealing and conflicts of interest which has understandably led to cynicism. These situations occurred at both widely held and closely held companies, including at enterprises which have dual class share structures, as we do at Power Corporation.

So it comes as no surprise that the Canadian Coalition for Good Governance is developing a policy on dual class share structures. Please let me address this issue.

We believe there are inherent benefits to a dual class share structure and that companies which employ this type of structure are integral to the Canadian capital markets and are critical contributors to the economy. In addition to Power, many other Canadian companies employ this share structure, including Bombardier, Canadian Tire Corporation, Fairfax Financial Holdings, Rogers Communications, Teck Resources, the Jean Coutu Group, and Transcontinental.

Dual class share companies tend to have a focus on long-term success and profitability and as such make more efficient use of their capital. When there is meaningful equity ownership in the company, then the interests of the controlling shareholder and the minority shareholders are aligned.

If it were not for the dual class share structure, many of the entrepreneurs behind these companies would not have had a viable means to access the capital required to allow them to grow and prosper. While we have seen foreign takeovers occur in almost every business sector in the country, it rarely happens in a family-controlled company. Family ownership is a buttress against the too-frequent drain of head office operations out of the country which has a negative impact on local employment and investment. Community capacity is also adversely affected when head offices move — there are less charitable donations made, fewer employees to volunteer in the community and less community investment in general.

We do acknowledge that dual class share structures may raise certain governance concerns related to self-dealing and conflicts of interests. As I mentioned earlier, though, the same can be said of widely held companies, as evidenced by the many recent high-profile cases of improper behaviour.

The cultural mindset we have brought to the company is one of integrity and transparency. It’s a mindset that led us to create Related Party and Conduct Review committees at both the holding company level and at our publicly traded subsidiaries. Although we have very few related party transactions, these committees review all transactions with related parties, including the controlling shareholder; they are an important element of our governance model. The committees are comprised exclusively of directors who are independent of both management and the majority shareholder.

With such safeguards in place, having a family as a controlling shareholder can deliver value to a business, to all of its shareholders, and to other stakeholders.

I believe that is recognized by many investors. People who invest in Power Corporation do so with full knowledge of our dual class share structure. Everything is disclosed. In fact many people invest with us precisely because of that structure and its benefits.

Our governance model is defined by active ownership and close oversight of our subsidiaries and we believe that this in turn has driven performance. More precisely, we let the leadership teams at our subsidiaries develop and implement business strategy. We use our presence on the boards of our subsidiaries to approve and monitor this process. The boards of our subsidiaries include internal and external directors who are both independent of management. The internal directors are typically Power Corporation and Power Financial officers whose full-time job is to get involved with the companies, to understand what they do in great detail and to track their performance. It is their job to focus on the long-term issues affecting the companies in which we invest.

This system of managing our investments mirrors the ownership philosophy we follow as long-term shareholders.

As long-term shareholders we can extricate ourselves from the unending, distracting focus on quarterly performance and short-term results. We have a deliberate long-term investment philosophy. Investments should be about sound strategy, execution and governance with the aim of generating sustainable returns.

Consider our relationship with Groupe Frère in Belgium. The agreement between Power and Groupe Frère that governs our strategic partnership in Europe was signed in 1990 and since that time has produced an average annual total shareholder return of 9.17 per cent compared to the CAC 40 index which produced an average annual total shareholder return of 5.3 per cent over the same period. It was extended for the first time in 1996. Last December we jointly announced a further extension of the agreement to 2029, with provision for possible future extension. This partnership is integral to our European investment strategy and is a perfect illustration of our long-term approach.

In February of this year, Great-West Lifeco announced that it will acquire Irish Life Group from the Government of Ireland. With a single transaction, Lifeco will achieve the leading position in life insurance, pensions and investment management in Ireland. This is an investment based on our view of the long-term value of the acquisition and its potential for consistent performance. It also stands as a long-term commitment to the country of Ireland and the hundreds of thousands of clients we will gain through the acquisition. We had been examining this acquisition for some time, evaluating it in the context of the financial situation in Europe before finally deciding the timing was right. It is an example of how a long-term investor with a prudent approach is best equipped to make difficult decisions in challenging times.

The presence of a long-term shareholder also enables the development of lasting relationships predicated on trust. There must be trust between the controlling shareholder and the management team, trust wherein both sides know and are committed to acting upon their respective roles. At Power that sense of trust permeates throughout our group.

Since the majority of our operations involve the health and financial well-being of individuals, trust is the cornerstone of our business. Through leading brand names such as Great-West Life, Canada Life, London Life, Investors Group and Mackenzie Investments, we serve more than 12 million people across Canada. All told, we have some 25,000 advisors who help countless families prepare for the various events of life and help create healthy, financially strong lives.

We bring strong values to the company, values such as respect for individuals, a sense of personal responsibility and integrity, and a belief that enduring success is the product of hard work and perseverance. We work diligently to embed these values in the corporate culture of Power and the companies in which we invest. Our family believes in public service and the obligation to become involved in our communities. Volunteerism and charitable giving are integral parts of our corporate DNA. Both are widely practiced and encouraged in our companies.

We have developed a governance model that is tailored to our circumstances as a family-controlled holding company. Because of this circumstance, we have built a robust governance framework and we are very mindful as a family of the roles and obligations we have within that framework.

Year after year, in good times and in difficult times, Power Corporation has consistently delivered for Canadians. I believe that has created the trust that exists between Power Corporation, its shareholders, and the customers of our portfolio companies. It's a trust we never take for granted and always work diligently to strengthen. It is a privilege to have and we are grateful for it.

I would like to end my remarks today with an expression of gratitude. Precisely because we are here in Winnipeg, we have many in the audience who are our employees as well as shareholders. My gratitude is directed towards you and your thousands of colleagues who work on our shareholders' behalf across Canada and around the world. We succeed as a corporation because you succeed with our customers. Thank you for your hard work.

To everyone here in the room, shareholders, employees and guests, thank you for taking the time to join us today.