POWER CORPORATION
OF CANADA

ADDRESS

BY

PAUL DESMARAIS, JR.

CHAIRMAN
AND CO-CHIEF EXECUTIVE OFFICER

ANNUAL MEETING OF SHAREHOLDERS

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Non-IFRS Financial Measures and Presentation – In analyzing the financial results of the Corporation and consistent with the presentation in previous years, net earnings attributable to participating shareholders are comprised of:

- operating earnings attributable to participating shareholders; and
- other items or non-operating earnings, which include the after-tax impact of any item that in management's judgment would make the period-over-period comparison of results from operations less meaningful. Other items also include the Corporation's share of any such item presented in a comparable manner by a subsidiary or a jointly controlled corporation or associate.

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, as defined by the Corporation, assist the reader in comparing the current period's results to those of previous periods as items that are not part of ongoing activities are excluded from this non-IFRS measure.

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.

The Corporation also uses a non-consolidated basis of presentation to present and analyze its results, financial position and cash flows. In this basis of presentation, Power Corporation's interests in Power Financial and other subsidiaries are accounted for using the equity method. Presentation on a non-consolidated basis is a non-IFRS presentation. However, it is useful to the reader as it presents the parent's corporate operations apart from those of its operating subsidiaries, thereby reflecting the individual respective contributions of each subsidiary to the consolidated results of the parent.

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.

CHAIRMAN'S ADDRESS TO THE ANNUAL MEETING OF SHAREHOLDERS

POWER CORPORATION OF CANADA

May 15, 2015

Thank you for joining us this morning. We're pleased to be here in Toronto, a city that's home to many of our friends and shareholders, and where we have so many personal and professional relationships.

Today, I would like to share with you some of my thoughts on how Power Corporation creates value for its shareholders.

For Power, value creation initiates a virtuous circle which drives competitive returns on capital and share performance. Thus positioned, we can keep our commitments to all our stakeholders: shareholders, employees and the communities in which we are established.

How do we achieve value creation? Through four pillars that collectively support our management framework and which are:

1. An entrepreneurial culture
2. A long-term investment vision
3. Active ownership, and
4. An ongoing effort to analyze our environment

Let me briefly touch on each.

THE VALUE-CREATING PILLARS OF OUR MANAGEMENT FRAMEWORK

1. First, our entrepreneurial culture:

   As most of you will be aware, it will soon be 20 years since my brother André and I became Co-CEOs of Power Corporation. We had the privilege of succeeding a man whose unparalleled entrepreneurial genius shaped Power Corporation for 30 years, securing in its wake an exceptional strategic positioning for the Corporation.

   The entrepreneurial culture our father epitomized is an intrinsic part of the Corporation's DNA and of our approach to value creation. André and I were fortunate to have had the opportunity to build on this culture and develop the professional management skills that complement entrepreneurship. Today, Power Corporation has a "managerial-entrepreneurial culture", a culture where entrepreneurship and professional management skills co-exist, challenge and nurture each other. This hybrid culture has broad appeal and has allowed us to attract experienced and talented professionals who embrace the four pillars of our management framework.

2. Second, a long-term investment vision:

   Thanks to the nature of our ownership model—family ownership, in partnership with other shareholders—we can avoid the tyranny of a short-term mindset and pursue a vision of long-term value creation.

   But there is more. Families often want to hand down what they have built and shaped to the generations that follow. This purpose, which is the very essence of the concept of legacy, sustains a mindset that fosters long-term vision.

   Family ownership takes a generational view, coloured by a spirit of stewardship. It's not about mere caretaking, however, as stewardship often calls for informed, bold leadership and constant renewal.

   This mindset also colours our attitude to risk taking. As owners, in partnership with others, we know that we will have to live with the risks we take, and the consequences can be quite harsh. There is no escaping them—we win or we lose, depending on the decisions we make.

   That is why we manage the growth of the Corporation with caution and patience: we manage risks over the long run. That is the essence of a long-term vision.

3. Third, active ownership:

   Active ownership defines our governance model, and it's a topic that I have discussed in the past. Active and committed ownership means that we are actively involved, through their boards of directors, in our group companies so we can have a direct influence on value creation.

   Here are the main aspects of our governance model:

   The boards of Power Corporation and of Power Financial reflect our ownership model, that of a family partnering with other shareholders. The boards of our subsidiaries, in turn, typically include some directors who are Power Corporation and Power Financial officers and who are independent of the management of the subsidiaries. Their full-time job is to be involved with the companies, to understand what they do in great detail and to track their performance. The boards carefully select the chief executive officers of our group companies on the basis of their technical and leadership skills, as well as their abilities to translate into added value the vision that the boards have for their respective companies.

   Board members do not hesitate to interact directly with our chief executive officers whenever needed. However, they give them and their teams the freedom to propose business and action plans through which the agreed-upon vision will be achieved. Business plans are thoroughly analyzed and discussed at the board level before approval. On a regular basis, boards assess our chief executive officers and their teams in terms of results achieved. Rewards take the form of competitive compensation packages that encourage long-term performance.

   We are convinced that a long-term vision of investment combined with active ownership is conducive to value creation. Relevant authorities and governance ranking organizations should take into account the characteristics of this type of ownership.

4. And finally, our fourth pillar, the ongoing effort to analyze our environment:

   This pillar reinforces the three previous ones. It is our constant effort to understand and analyze the world in which we live and, in particular, the business sectors in which the group companies operate.

   Possession of such knowledge empowers us to effectively play the role of an active owner of our group companies. It also allows us to act in a manner consistent with our long-term vision of investment, while keeping abreast of trends that shape our environment. Significantly, this effort allows us to seize business opportunities as they arise. Therefore, what might appear to be opportunism is actually the direct and logical outcome of a systematic and thorough preparation for action. We prepare and study for a long time in order to be ready to take quick action.

   What does this ongoing effort involve?

   We carefully follow major socio-economic trends as they develop. We closely monitor the activities of our competitors. We are connected to numerous Canadian and international business networks. We also have numerous discussions within the Power teams and with our boards of directors.

Together, the four pillars of our management framework—an entrepreneurial culture, long-term vision, active ownership and ongoing analysis—allow us to manage the Corporation's investments with caution and rigour, and create value for all stakeholders.

AN ILLUSTRATION OF THIS APPROACH

Our management framework has allowed us to achieve consistent success and measured progress. Consider Power Financial Corporation as an example.

The creation of Power Financial some 30 years ago to house our financial services investments was based on a thorough analysis that culminated in the following three conclusions:

1. The ageing of the population will work in favour of the financial services industry and, more particularly, in favour of insurance and asset management;

2. North America will be the leading continent in this respect, both in terms of demand for insurance products, and in volume of savings. Today, half of the 70 trillion U.S. dollars in assets under management globally are located in North America. In addition, North America will benefit from stable and predictable business and regulatory environments;

3. Capital requirements for companies in this sub-sector of the financial services world will be achievable in the context of family control.

By monitoring the sector on an ongoing basis, we were able to sell Montreal Trust in 1989 and our healthcare assets in the United States in 2008. We acquired London Life in 1997, Mackenzie Financial in 2001, Canada Life in 2003, Putnam in 2007 and Irish Life in 2013. Through our active ownership model, we were in a position to ensure the smooth integration of these acquisitions into Great-West Lifeco and IGM Financial.

In 2014, Great-West Lifeco completed the acquisition of the retirement services of J.P. Morgan in the United States, which were then merged with the similar business units of Great-West Financial and Putnam to create Empower Retirement Services. Empower is now the second-largest company in a sector under consolidation. It has a promising future given the growing number of defined contribution pension plans offered by employers in the United States.

The success of Power Financial clearly illustrates how the four pillars of our management framework effectively come into play.

We maintain that this management framework has been instrumental in helping Power Financial grow over the past decades and weather the 2008 financial crisis.

SOUND MANAGEMENT OF DIVERSIFICATION

As you know, Power Corporation is more than Power Financial, as successful as the latter has been. We also seek long-term investment diversification, with a cautious eye to risk management.

To continue to manage diversification, we are building on our experience gained at Pargesa, the investment holding company that we control through Power Financial in partnership with Groupe Frère from Belgium. The method involves creating options which allow us to seize business opportunities in other industry sectors and regions.

- An example is the creation of the Sagard funds, which are controlled by Power Corporation.

  When we evaluated the best way to diversify the Corporation's portfolio, we concluded that creating funds adapted to the particular characteristics of the European, Chinese and U.S. financial markets would be consistent with the four pillars of our management framework.

  We established Sagard Europe in 2002. This entity now manages three private equity funds focused on investments in medium-size businesses in France, Belgium, Luxembourg and Switzerland. Sagard Europe has invested in companies in sectors as varied as industrials, business services and consumer products.

  In 2005, we founded Sagard China to invest in public markets in China and Hong Kong. This investment platform was established following a patient study of the Chinese environment and the long-term development of a business network. Today, Sagard China has investments in all sectors represented on the Chinese stock market, with a particular emphasis on the consumer and healthcare sectors.

  Finally, a third entity, Sagard Capital, started operating in the United States in 2007. Sagard Capital takes significant minority or control positions in mid-cap public companies in North America, currently in sectors such as business services and healthcare management.

  The three Sagard portfolios have allowed us to assess new industry sectors in a context of active ownership, while diversifying risk and generating good returns for the Corporation. We closely monitor their development and have found success in this approach to diversification.

- Examples within the Power Corporation portfolio include our other investments in China, our digital properties, our media properties, which André talked about earlier, and Power Energy, our platform for investments in renewable energy.

CONCLUSION

To recap, we have implemented a management framework at Power Corporation that consistently creates value. That framework is characterized by an entrepreneurial culture, a long-term investment vision, active ownership, and thorough, ongoing study of our environment, particularly the business sectors in which our companies operate.

We are confident that this model fosters and supports our objective in terms of return on capital for the benefit of all our shareholders, and ultimately all our stakeholders.

Over a period of 20 years, to the end of 2014, Power Corporation has had total average shareholder returns of 13.1 per cent per year, compared with 8.8 per cent per year for the S&P/TSX composite index and 10.6 per cent per year for the S&P/TSX financial sector sub-index.

Let me conclude today by thanking you all—shareholders, guests, employees—for joining us. Thanks as well to those of you who have joined us via the Internet. We appreciate your support.

It is a pleasure to be here in Toronto and to have you as our guests on the occasion of this annual meeting.