POWER CORPORATION
OF CANADA

Annual Meeting of Shareholders

Address to the Shareholders by
André Desmarais, O.C., O.Q.
Deputy Chairman, President and
Co-Chief Executive Officer

Montréal, May 11, 2018

www.PowerCorporation.com

POWER CORPORATION OF CANADA

Forward-Looking Statements

In the course of today's meeting, officers of the Corporation may make, in their remarks or in response to questions, and the accompanying materials may include, statements containing forward-looking information.

Certain statements, 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 listener/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 listener/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, fluctuations in interest, inflation and foreign exchange rates, monetary policies, business investment and the health of local and global equity and capital markets, management of market liquidity and funding risks, risks related to investments in private companies and illiquid securities, risks associated with financial instruments, changes in accounting policies and methods used to report financial condition (including uncertainties associated with significant judgments, estimates and assumptions), the effect of applying future accounting changes, business competition, operational and reputational risks, technological changes, cybersecurity risks, 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 listener/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 its most recent Annual Information Form, filed with the securities regulatory authorities in Canada and available at www.sedar.com.

Certain financial terms which may be included in statements today or in the accompanying materials, such as adjusted net earnings, are non-IFRS financial measures that do not have a standard meaning and may not be comparable to similar measures used by other entities. Please refer to the Corporation's annual and most recent interim Management's Discussion and Analysis for more information, including how such measures are defined, an explanation of their purpose and a reconciliation of these non-IFRS measures to results reported in accordance with IFRS, where comparable IFRS measures exist.

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André Desmarais, O.C., O.Q.
Deputy Chairman, President and Co-Chief Executive Officer

Annual Meeting of Shareholders

May 11, 2018

Thank you, Mr. Chairman.

And thank you all for joining us this morning. We are delighted to be back in Montréal for this year's Annual General Meeting.

It is a pleasure for me to report to you on developments at Power Corporation during the past year.

Financial Results for 2017

Power Corporation delivered strong financial results in 2017, once again, led by its financial services companies and growing contributions from its diversified investment platforms.

In 2017, Power and its subsidiaries announced dividend increases: Great-West Lifeco announced a 6.0 per cent dividend increase in February. Power Financial also announced a 5.1 per cent dividend increase in March. Pargesa approved a 2.5 per cent dividend increase in May, and Power Corporation then followed, announcing a 7.0 per cent dividend increase.

Power Corporation reported net earnings of $1.3 billion in 2017. The increase is mainly due to contributions from Power Corporation's investment platforms, including the Sagard Investment Funds and China Asset Management Company. The 2017 results reflect the Corporation's share of a loss at Lifeco on estimated hurricane claims.

Adjusted net earnings were $1.6 billion in 2017.

Group Companies' Results

I will now turn to the financial results and highlights of the companies in our group.

Power Financial

Power Corporation holds 65.5 per cent of the common equity of Power Financial Corporation.

Net earnings were $1,717 million and adjusted net earnings were $2,135 million in 2017.

Both net earnings and adjusted net earnings were impacted negatively by unusually high losses in Great-West Lifeco's reinsurance business related to hurricane activity.

Dividends declared by Power Financial totalled $1.65 per share in 2017, up from $1.57 in 2016.

Return on shareholders' equity was 12.3 per cent.

Great-West Lifeco

Power Financial holds a 71.7 per cent interest in Great-West Lifeco.

Great-West Lifeco's adjusted net earnings were $2,647 million in 2017.

Helping its customers achieve financial security and well-being is at the core of Great-West Lifeco's purpose.

The year was marked by the following initiatives:

- **In Canada:**
  Great-West Lifeco acquired Financial Horizons Group, a fast-growing distribution company that is the leader in the Managing General Agency sector.

  Great-West Lifeco's Canadian real estate management company, GWL Realty Advisors, acquired U.S.-based EverWest. This acquisition provides Great-West Lifeco with a real estate platform in the U.S. and opens up investment opportunities for its Canadian customers.

- **In the United States:**
  For the past few years, earnings at Empower Retirement were reduced materially as the company spent heavily on the integration of its businesses. We are now enjoying the benefits of our investments. Empower has been winning new business at a rate far greater than its current market share, and in 2017 profitability grew strongly through revenue growth and productivity gains.

  The 2007 acquisition of Putnam established a significant asset management platform for Great-West Lifeco in the U.S. While we have yet to achieve the targeted financial benefits of this acquisition, Putnam has delivered strong investment performance for its customers.

  We anticipate further consolidation in the U.S. asset management market and we remain active in seeking out M&A opportunities for Putnam given the significant value that can be created through increased scale.

- **In Europe:**
  In the U.K., Canada Life acquired Retirement Advantage in early 2018, extending its position in the retirement income market.

  In Ireland, Irish Life introduced 4D Health, where customers can tailor their benefit plans to suit their needs. You'll note some of the benefits available to them on screen.

  And in Germany, Canada Life is transforming its back office systems to a platform that will improve digital access for advisors and clients and will allow it to extend its product offering.

IGM Financial

Power Financial holds a 65.3 per cent interest in IGM Financial.

IGM Financial's adjusted net earnings were $728 million in 2017.

IGM operates through Investors Group, Mackenzie Financial and Investment Planning Counsel with assets under management of $156.5 billion.

For IGM, 2017 was a year of progress and significant momentum.

Investors Group

Going back a few years, Investors Group faced a number of challenges, including pressure on mutual fund fees, increased competition from a number of players, not the least of which were the major banks, and less representation in high-growth segments of the market, such as in the high net worth segment.

The company has undergone significant transformation and is today repositioned for growth. It has systematically reduced the pricing of its investment products over the past five years. It eliminated the deferred sales charge option on its mutual funds – a charge that clients paid if they redeemed their funds early.

It launched a series of high net worth product options, and eliminated the embedded fees that are paid for advice from all high net worth products. The company has announced that it will move all clients to this new fee structure over the next 24 months, taking a leadership role on fee transparency in the Canadian market place.

In 2017, the impact of all of these changes started to bear fruit.

Investors Group had the highest gross sales of mutual funds in its history, up 25 per cent from 2016 and had its best net sales of funds in over a decade, at $1.9 billion.

Mackenzie Financial

The story is very similar at Mackenzie. Mackenzie has spent the past several years investing in people, its brand, its products and its technology.

Over the past four years, Mackenzie has launched 51 mutual funds and 28 ETFs, or exchange-traded funds.

Mackenzie also had its best sales of mutual funds in its history in 2017, and had overall net sales of $3.3 billion versus net redemptions of $0.8 billion in 2016.

Fintech

Power Financial, Great-West Lifeco and IGM Financial are also actively supporting the group's Fintech strategy, which has the dual objective of providing an attractive return on the capital invested and of helping our existing financial services businesses transform their models and enrich their clients' experiences. We anticipate continuing to support this strategy, and are very encouraged by the progress of companies such as Wealthsimple, Portag3 and Personal Capital.

Wealthsimple is Canada's largest robo-advisor by a significant margin. In just a few years, it has grown to administer over $2 billion for Canadians – driven by the outstanding client experience it is providing.

Pargesa Group

I will now turn to the Pargesa/GBL Group.

Power Financial holds a 27.8 per cent interest in Pargesa Holding.

Pargesa's net earnings were SF382 million in 2017.

Pargesa holds a 50 per cent interest in Groupe Bruxelles Lambert (GBL), the second-largest listed investment holding company in Europe, with a net asset value of €19 billion and a market capitalization of €15 billion at December 31, 2017.

As a leading investor in Europe, GBL strives to maintain a diversified high-quality portfolio composed of global companies that are leaders in their sector, through which it can contribute to value creation as an active professional investor. As an active investor, GBL adds value by sharing its experience, expertise and network across its portfolio of companies.

Investment Activities

I will now turn to our investments other than Power Financial and its group companies.

Anchored by our core investment in Power Financial, we have been building investment platforms that capitalize on our unique long-term relationships with strong local partners. Our objective is to achieve sound long-term investment diversification and sustainable long-term value creation for our shareholders.

These investment activities include the Sagard Investment Funds, and interests in China resulting from more than 40 years of engagement.

Sagard Investment Funds

Since the launch of its first Sagard fund in 2002 in Europe, Power Corporation has continued to support and develop these investment platforms. Currently, the Corporation operates equity investment funds in three geographical regions – Sagard Europe, Sagard Holdings (in North America) and Sagard China.

The Sagard platforms are managed locally with experienced investment professionals that have in-depth knowledge of the local public and private markets. They benefit from the Power group's network by collaborating with each other and leveraging the relationships cultivated by Power in their respective geographical regions.

Sagard Europe

The Sagard Europe funds invest in mid-sized private companies based in France, Belgium, Luxembourg and Switzerland. Pargesa, GBL and third parties have also invested in Sagard Europe. At December 31, 2017, Power had invested a total of $664 million in the Sagard Europe funds since inception. The Corporation has received distributions from these funds totalling $642 million and the fair value of the Corporation's share of these funds was $499 million. The funds have therefore produced realized and unrealized gains of $477 million, for an annual internal rate of return of 18.6 per cent since inception.

Sagard Holdings

Sagard Holdings invests in the equity and debt capital of middle-market companies in the United States and Canada. In certain circumstances, Sagard Holdings will seek control of companies that have superior growth and return profiles.

In December 2017, Sagard Holdings successfully completed the first closing of Sagard Credit Partners, a fund which provides credit capital directly to public and private middle-market companies across Canada and the United States. Of the total US$260 million committed by limited partners, Sagard Holdings has committed US$100 million.

At December 31, 2017, Power had invested $616 million in Sagard Holdings and received distributions of $64 million. The fair value of the investments was $824 million. To date, Sagard Holdings has generated realized and unrealized gains of $272 million, for an annual internal rate of return of 7.7 per cent since inception.

Sagard China

The Sagard China team, based in Shanghai, is a long-term investor seeking absolute returns through a concentrated portfolio of selected stocks. It began participating in Chinese equities through the Chinese stock market in 2005 and in the Hong Kong stock market in 2010.

Since its inception in 2005, Power Corporation has invested $313 million in Sagard China and has received distributions in cash of $19 million. At year-end 2017, the fair value of Sagard China was $784 million. Realized and unrealized gains to date are $490 million, for an annual internal rate of return of 14.2 per cent since inception.

The Corporation has invested $1.6 billion in the Sagard Investment Funds and received distributions in cash of $725 million since inception. During this period, the fair value of the Corporation's investments in the funds has grown to $2.1 billion. Gains on these investments were $1.2 billion, of which $606 million were realized. The internal rate of return during this period was 13.4 per cent. In addition, the Sagard Investment Funds provide us with diversification in terms of geography, industry and investment style.

China Asset Management Company

In August 2017, Power Corporation acquired an additional 3.9 per cent interest in China Asset Management Company (China AMC). Together with a 10 per cent interest purchased in 2011, Power now directly holds a 13.9 per cent equity interest. IGM, through its subsidiary Mackenzie Investments, also completed an acquisition of a 13.9 per cent interest in China AMC in August. As a result, the group owns a combined 27.8 per cent of the company.

Founded in 1998 as one of the first asset management companies in China, China AMC has developed and maintained its position among the market leaders in China's asset management industry. As at December 31, 2017, China AMC's assets under management were $168 billion.

The investment provides Power Corporation with an opportunity to leverage the group's extensive experience in wealth management and distribution as it works with China AMC. Companies within the group benefit from this strategic relationship by identifying chances to work together on product development and sub-advisory relationships.

Communications

This past Tuesday, La Presse announced its intention to adopt a not for profit structure that will benefit from a financial contribution of $50 million from Power Corporation.

This change in structure requires the repeal of a provision of a Private Act adopted in 1967 regarding the ownership of La Presse. The new structure will be established shortly after the legislative provision is repealed, depending on the outcome of the legislative process.

As part of this change in structure, Power Corporation is also ready to establish, in collaboration with the unions, a mechanism to retain past retirement plan obligations under its responsibility on a going concern basis. This will notably reduce La Presse's future financial burden while benefiting retirees as well as active and inactive employees who have accumulated pensions up to the date when the new structure is established.

Thereafter, Power Corporation will no longer own La Presse and will no longer have any ties with the not for profit structure. All profit from operations, any government assistance and money collected from donors will serve the operations of La Presse.

The new structure is designed to be a modern approach adapted to the realities of today's print media. The contribution of $50 million from Power Corporation will help La Presse focus on its strategic plan in an orderly manner and bring together the necessary conditions to expand its support base, from governments, to major donors, foundations, advertisers and the general public. La Presse will thus be able to pursue its mission: producing high-quality, thorough and reliable news and promoting diversity of opinion with respect for ideas and individuals.

La Presse plays a crucial role in ensuring the vitality of democracy in Québec. It is this deeply held conviction that determined my family and Power Corporation to support La Presse for more than 50 years, even in the most difficult moments.

Thus, it was not without certain sadness that I took part in the announcement made this past Tuesday. Modifying La Presse's ownership structure was not an easy decision. However, it was the only responsible decision considering the current challenges faced by quality journalism. In the current context, remaining trapped in the models of the past is doomed to failure. Only innovation and new ways of doing business can lead to success. My sadness is therefore attenuated by the conviction that we are making the right decision for the future of La Presse.

Accordingly, it is with the belief that we are acting in the best interest of La Presse and Québec society that Power Corporation and the Desmarais family agree to cede this asset which was acquired by my father in 1967 and that is so valuable to Québec. We are confident that La Presse will be able to meet these new challenges and therefore ensure its long-term viability.

Power Energy Corporation

The principles of collaboration and building trusted relationships also apply to our initiatives in the sustainable and renewable energy sector.

Power Energy Corporation, our wholly owned subsidiary established in 2012, actively manages investments in this sector. Its goal is to build and own, over the long term, companies that can generate growing and stable cash flows.

Guided by our own experience, augmented by the recruitment of recognized leaders in the field, Power Energy invests in industries that benefit from the global energy transformation. The companies that make up Power Energy are:

- Potentia Renewables, a company that operates rooftop solar generation facilities based in Ontario and manages a pipeline of wind development projects in Western Canada;
- Eagle Creek Renewable Energy, a U.S.-based owner and operator of hydroelectric facilities;
- Lumenpulse, a leading manufacturer of high-performance, specification-grade LED lighting solutions;
- and lastly, in the fourth quarter of 2017, Power Energy acquired a 43.8 per cent interest in Lion Electric, an innovative company manufacturing zero-emission vehicles sold throughout North America.

Power Energy has invested $654 million to date in these four companies and we are seeking an annual return of 12 per cent.

We are pleased with the development of Power Energy, which is rapidly expanding its footprint in businesses with stable long-term cash flows, and thus we expect Power Energy to positively contribute to the net asset value creation at Power Corporation. We believe that we are still in the early days of a global transformation towards a sustainable and energy-efficient world, which may present a number of attractive investment opportunities that Power Energy is strategically positioned to seize.

Value Creation

I would now like to discuss value creation and diversification:

- In the past five years, adjusted earnings per share, a key metric for the Corporation, have grown at a compound annual growth rate of 10.3 per cent per year.
- During the same period, Power has increased its annual dividend from $1.16 to $1.41 per share in 2017, or 6.7 per cent per year since Power has resumed increasing its dividend in 2015.
- Also, during this five-year period, the book value of Power’s shares has increased from $18.47 to $29.40, an annual increase of 9.7 per cent.

The value of our non-Power Financial investments has also grown. The slide that is now on the screen shows their value in 2012 and at the end of 2017. As you can see, the value of these investments has grown from $1.8 billion to $3.6 billion in this five-year period and now represents 20 per cent of Power’s net asset value.

Since 2013, income from investments, including Power Energy, totals over $1 billion and represents on average 16 per cent of the net earnings of the Corporation. This is a significant amount. In addition, unrealized gains during this period were $473 million. These are gains consisting of increases in value which can only be realized in earnings when the investment is sold.

We believe that this well-diversified portfolio of investments will continue to produce solid earnings, although not always in a predictable manner. We also believe that the value of these investments is still not fully reflected in the Corporation's stock price.

However, we remain optimistic. Stock prices almost always manage to catch up with quality earnings, which is what we believe Power has been able to deliver, and strives to continue to do.

Corporate Social Responsibility

We believe that our success as a business is linked to our ability to manage responsibly and work together to create a more sustainable and inclusive future. At Power, and also at our subsidiaries, we aim at doing our part by creating jobs and economic prosperity, enabling financial security, promoting health and wellness, and by supporting social inclusion. Over the past year, we continued to build on our long-standing tradition of contributing to the communities in which we operate and strengthened our commitment to corporate social responsibility. I'd like to highlight a few of our 2017 achievements:

- As a signatory to the United Nations Global Compact, we published our second Advanced Level Communication on Progress, demonstrating our group companies' efforts in supporting the organization's ten principles on human rights, labour, the environment and the fight against corruption.
- We maintained our listing on the FTSE4Good Global Index – one of the most important indices that measures the performance of companies demonstrating strong environmental, social and governance practices.
- We responded to the Carbon Disclosure Project for the sixth consecutive year and obtained a score of A- (Leadership) for implementing a range of actions to manage climate change. It is also worth mentioning that as part of the 2017 edition of the CDP, four of the six top-ranked Canadian financial services companies are members of the Power group.
- Community investment contributions by our group companies totalled more than $48 million last year and, together, we supported more than 2,000 community organizations in Canada alone. Many community organizations benefit from the active involvement of our employees, whom we encourage to share their experience and expertise through volunteering.

POWER CORPORATION OF CANADA

Results for the First Quarter of 2018

I will now briefly report on Power Corporation's results for the first quarter of 2018. Net earnings and adjusted net earnings were $525 million, compared with net earnings of $258 million and adjusted net earnings of $269 million in 2017.

As a measure of our confidence, I am also pleased to announce that, at its meeting this morning, your Board of Directors declared a quarterly dividend on the Participating Preferred and Subordinate Voting Shares of 38.20 cents per share, thus increasing Power Corporation's previous dividend by 6.6 per cent.

Strong earnings in 2017 at Power Financial and in our investment activities, recent dividend increases by the Corporation's principal subsidiaries and positive momentum in underlying businesses all contributed to the Board's decision to increase the Corporation's dividend again this year.

Conclusion

To conclude, I would like to express our gratitude to the management, directors and employees of Power Corporation and its group companies, who have contributed to the excellent results we achieved. I also thank the clients of our group of companies for the trust and support they have shown us.

Finally, I want to thank you, our shareholders, for your continuing support and for your attention today.