



POWER CORPORATION  
OF CANADA

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## Annual Meeting of Shareholders

Address to the Shareholders by  
**Paul Desmarais, Jr.**, o.c., o.g.  
Chairman and  
Co-Chief Executive Officer

Toronto, May 14, 2019

[www.PowerCorporation.com](http://www.PowerCorporation.com)

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### 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, including the fintech strategy, 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](http://www.sedar.com).

### Non-IFRS Financial Measures and Presentation

Certain financial terms which may be included in statements today or in the accompanying materials, such as adjusted net earnings, other items, adjusted net earnings per share, and adjusted return on equity, are non-IFRS financial measures that do not have a standard meaning and may not be comparable to similar measures used by other entities. Statements may also contain other non-IFRS financial measures which are publicly disclosed by the Corporation's subsidiaries such as, but not limited to, sales, assets under management, assets under administration and net asset value. The Corporation also uses a non-consolidated basis of presentation to present and analyze its results whereby its interests in its subsidiaries are accounted for using the equity method. Presentation on a non-consolidated basis is a non-IFRS presentation. 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.



Address to the Shareholders by  
**Paul Desmarais, Jr.**, O.C., O.Q.  
Chairman and Co-Chief Executive Officer

## Annual Meeting of Shareholders May 14, 2019

Thank you for joining us today. It is a pleasure for me to be addressing you at the conclusion of this historic 50th-anniversary year of the involvement of our family with Power Corporation. My brother and I stand before you today with feelings of humility and profound gratitude towards the dedicated employees and officers of Power and its group companies. For they have been our companions and allies on this journey of progress and success.

I want to take this occasion to salute and to thank these individuals, our colleagues, from the bottom of my heart. I also want to reflect a bit today with you, our shareholders, on the values and commitments that our family and this wonderful team of ours have shared from the outset.

I see five values in particular that guide our companies and employees.

The first critical value is **integrity**. I believe that our people strive to ensure that the Corporation and our group companies operate in an honest, principled and disciplined manner. Integrity is the cornerstone of a good reputation. Demonstrating integrity in decisions and actions gives others the sense and the confidence that when you do things you will do them well and do them honourably. Demonstrating integrity causes people to want to come and work at your company, to partner with you, to invest in your future.

Our team embraces **responsibility** as a value. We of course take very seriously our responsibility to you, our shareholders. That is fundamental. Equally fundamental is our responsibility to our clients. We *chose* to be in the financial services industry. And this is not just any ordinary product or service. We manage our clients' savings and investments; we guide them in building their futures and their families' security and confidence. Offering insurance products means being there when you are needed, for health and wellness support, for unforeseen events or when a tragedy strikes. This represents a profound obligation, one we walk with every day.

We believe we must also demonstrate responsibility towards the communities we operate in, towards fellow citizens, and towards the natural environment. We are deeply conscious of the fact that we do not operate in a vacuum. Thriving businesses depend on a thriving, sustainable society.

Thus, we believe that philanthropy is a critical ingredient in the success of our communities. That is a legacy that our father and mother instilled in André and me well before the term "corporate social responsibility" gained currency, and it continues. This is why we donate generously and we encourage our employees to be involved, to be leaders, and to give of their time to charitable causes they hold dear.

A third important value our team adheres to is **respect**. We believe that respect should permeate how each of us interacts within our team, with clients and all of our other stakeholders. For a deep respect is key to unlocking the creative potential of the people around us.



Personally, I think that such respect requires the quality of *empathy*, a sensitivity and awareness of the viewpoint and feelings of others, taking a moment to walk in their shoes. This is part of good teamwork, of chemistry, where others sense we have regard for who they are and that we wish them well for their sakes, not our own sake. Frankly, I think an empathetic respect is also important in deal-making.

Negotiating sustainable commitments requires treating your interlocutor well, sensing “where they are coming from”.

In our companies, we live respect by celebrating employee contributions, by encouraging people to take pride in what they do and what they have accomplished.

**Hard work** is also part of our DNA. The daily discipline of striving to get things done and done right and not to be satisfied until you have. That requires a passion, I think, for excellence in what we are building, for our clients’ well-being, and for how we can make a real, positive difference in our community. This is what keeps us going. It is also a function of having balance in one’s life. Of course, there are times when we have to go all out, as was the case these past few months for members of our team. We are very grateful to them for their extraordinary effort.

Our fifth cornerstone value is **courage**. For us courage is about sticking by your values, including in the toughest moments. It also means a measured boldness, a willingness to take carefully calibrated risks. It also means avoiding acting rashly or impulsively, getting caught up in “deal fever”. And courage means following through, keeping your sights on long-term value creation, not short-term imperatives. This requires being patient with our capital, allowing a strategy to take root and gain traction.

**Integrity, responsibility, respect, hard work, courage:** these are the values we see in our team and in our shared history.

And so today, when I look back on the great colleagues and leaders my father brought in, who mentored my brother André and me as we took the reins, and I look at the leaders and colleagues we have hired, as I said at the outset, I feel gratitude. And I feel humility towards their inspiring example, and towards the values they have lived by and continue to live by. They make these values real, they embody them, they turn them into impact, and they transmit them to others. They make Power Corporation what it is. And we have been privileged to work with them.

So I want to close as I opened, by saluting them, and expressing our profound appreciation and gratitude towards them for all they have done and continue to do. To make Power Corporation and its subsidiaries a great group of companies with a successful past and a bright future.

Thank you for listening, and for allowing me to reflect and share such thoughts with you on this occasion.