



POWER CORPORATION
OF CANADA

2019 Annual Information Form

March 24, 2020

TABLE OF CONTENTS

Item 1	General Information	3
Item 2	Documents Incorporated by Reference	4
Item 3	Forward-Looking Information	5
Item 4	Corporate Structure	6
	Item 4.1 Incorporation	6
	Item 4.2 Intercorporate relationships	7
Item 5	General Development of the Business	10
	Item 5.1 Business of Power	10
	Item 5.2 Development of the business over the last three years	10
Item 6	Narrative Description of the Business	13
	Item 6.1 Power Financial Corporation	13
	Item 6.2 Investment platforms and other	13
Item 7	Risk Factors	15
Item 8	Description of the Share Capital	17
	Item 8.1 General	17
	Item 8.2 Subordinate Voting Shares	17
	Item 8.3 Participating Preferred Shares	18
	Item 8.4 First Preferred Shares	18
Item 9	Ratings	20
Item 10	Dividends	23
Item 11	Market for Securities	24
Item 12	Directors and Officers	26
	Item 12.1 Directors	26
	Item 12.2 Executive and other officers	27
Item 13	Voting Securities	29
Item 14	Committees	30
	Item 14.1 Audit Committee	30
Item 15	Interest of Management and Others in Material Transactions	33
Item 16	Material Contracts	33
Item 17	Transfer Agent	34
Item 18	Experts	34
Item 19	Environmental, Social and Governance Factors	35
Item 20	Additional Information	36
Appendix A	Power Corporation of Canada Audit Committee Charter	37

ITEM 1 GENERAL INFORMATION

The following abbreviations have been used throughout this Annual Information Form:

Name in full	Abbreviation
Annual Information Form of Great-West Lifeco Inc., dated February 12, 2020	Lifeco's Annual Information Form
Annual Information Form of IGM Financial Inc., dated March 19, 2020	IGM Financial's Annual Information Form
Annual Information Form of Power Financial Corporation, dated March 24, 2020	Power Financial's Annual Information Form
The Canada Life Assurance Company	Canada Life
China Asset Management Co., Ltd.	China AMC
Gesca Holdings Inc.	La Presse
Great-West Life & Annuity Insurance Company	Empower Retirement
Great-West Lifeco Inc.	Lifeco
Groupe Bruxelles Lambert	GBL
IGM Financial Inc.	IGM Financial
Investors Group Inc.	IG Wealth Management
Lion Buses inc.	Lion Electric
Lumenpulse Group Inc.	Lumenpulse
Mackenzie Financial Corporation	Mackenzie Investments
Mackenzie Inc.	Mackenzie
Management's Discussion and Analysis of Power Corporation of Canada, dated March 18, 2020	Power's MD&A
Nautilus Solar Energy, LLC	Nautilus
Pansolo Holding Inc.	Pansolo
Pargesa Holding SA	Pargesa
Parjointco N.V.	Parjointco
Peak Achievement Athletics Inc.	Peak
Portag3 Ventures Limited Partnership	Portag3 Ventures Fund I
Portag3 Ventures II Limited Partnership	Portag3 Ventures Fund II
Potentia Renewables Inc.	Potentia
Power Corporation of Canada	Power or the Corporation
Power Energy Corporation	Power Energy
Power Financial Corporation	Power Financial
Power Financial Europe B.V.	PFE
Power Pacific Investment Management Inc.	Power Pacific
Putnam Investments, LLC	Putnam
Sagard Credit Partners, LP	SCP Fund
Sagard Holdings ULC	Sagard Holdings

ITEM 2 DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated herein by reference to the extent specified herein:

- > Certain portions of Power Financial's Annual Information Form;
- > Certain portions of Lifeco's Annual Information Form; and
- > Certain portions of IGM Financial's Annual Information Form.

The above documents have been prepared by Power Financial, Lifeco and IGM Financial, respectively, and are available on SEDAR under their respective company profiles at www.sedar.com.

In addition, certain portions of Power's MD&A and the material change report of the Corporation dated December 18, 2019 are incorporated herein by reference to the extent specified herein. Power's MD&A and the foregoing material change report are available on SEDAR under the Corporation's profile at www.sedar.com.

ITEM 3 FORWARD-LOOKING INFORMATION

Certain statements in this Annual Information Form, 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 and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments, 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 including the fintech strategy, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, the intended effects of the Reorganization (as defined herein), the NCIB (as defined herein) and the proposed redemption by the Corporation and Power Financial of certain classes of their First Preferred Shares. 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 rates, 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, manmade disasters, terrorist attacks, wars and other conflicts, or an outbreak of a public health pandemic or other public health crises, 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 the availability of cash to complete purchases under the NCIB and to redeem First Preferred Shares of the Corporation and Power Financial and 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 this Annual Information Form and Power's MD&A, filed with the securities regulatory authorities in Canada and available at www.sedar.com. The section entitled "Forward-Looking Information" of Power Financial's Annual Information Form (which section also incorporates by reference therein certain portions of Lifeco's Annual Information Form and of IGM Financial's Annual Information Form) is incorporated herein by reference.

ITEM 4 CORPORATE STRUCTURE

Item 4.1 Incorporation

Power Corporation of Canada — Power Corporation du Canada was incorporated on April 18, 1925 under *The Companies Act* (Canada) and continued under the *Canada Business Corporations Act* (“CBCA”) on June 13, 1980. Its head and registered office is located at 751 Victoria Square, Montréal, Québec H2Y 2J3.

Since June 13, 1980, the Articles of Power have been amended as follows:

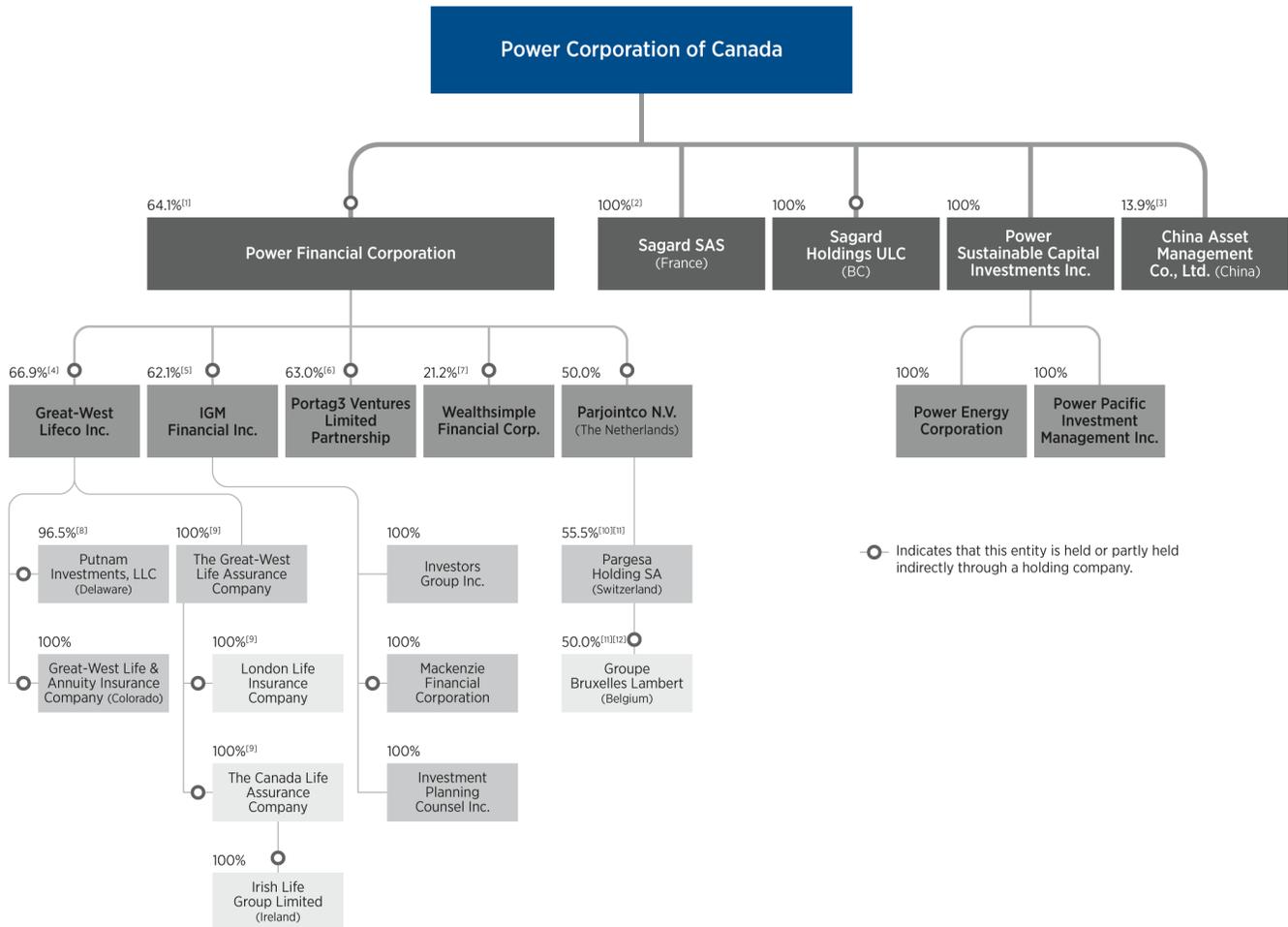
- > effective May 11, 1984, to re-designate as Subordinate Voting Shares the common shares of Power;
- > effective June 3, 1985, to subdivide the 15¢ Participating Preferred Shares and the Subordinate Voting Shares on a two-for-one basis, to re-designate the 15¢ Participating Preferred Shares as 7½¢ Participating Preferred Shares and to increase the size of the Board of Directors to a maximum of 27 members;
- > effective January 31, 1986, to create 2,000,000 Cumulative Redeemable First Preferred Shares, 1986 Series (the “1986 Series First Preferred Shares”);
- > effective May 1, 1986, to increase the size of the Board of Directors to a maximum of 28 members;
- > effective June 16, 1986, to subdivide the 7½¢ Participating Preferred Shares and the Subordinate Voting Shares on a two-for-one basis and to re-designate the 7½¢ Participating Preferred Shares as 3¾¢ Participating Preferred Shares;
- > effective July 9, 1998, to subdivide the 3¾¢ Participating Preferred Shares and the Subordinate Voting Shares on a two-for-one basis and to re-designate the 3¾¢ Participating Preferred Shares as Participating Preferred Shares;
- > effective June 9, 1999, to create 6,000,000 5.60 per cent Non-Cumulative First Preferred Shares, Series A (the “Series A First Preferred Shares”);
- > effective November 22, 2001, to create 8,000,000 5.35 per cent Non-Cumulative First Preferred Shares, Series B (the “Series B First Preferred Shares”);
- > effective December 2, 2002, to create 6,000,000 5.80 per cent Non-Cumulative First Preferred Shares, Series C (the “Series C First Preferred Shares”);
- > effective July 23, 2004, to subdivide the Participating Preferred Shares and the Subordinate Voting Shares on a two-for-one basis;
- > effective October 12, 2005, to create 10,000,000 5.00 per cent Non-Cumulative First Preferred Shares, Series D (the “Series D First Preferred Shares”); and
- > effective February 22, 2012, to create 8,000,000 5.60 per cent Non-Cumulative First Preferred Shares, Series G (the “Series G First Preferred Shares”).

Item 4.2 Intercorporate relationships

The chart on the following page summarizes Power's corporate structure as at December 31, 2019, including interests in its material and certain other subsidiaries and investee companies. The chart sets forth the jurisdiction of incorporation (unless otherwise indicated, all companies were incorporated in Canada) and the approximate percentages of participating equity securities beneficially owned, or over which control or direction is exercised, directly or indirectly, by Power (unless otherwise indicated, such percentages also represent the approximate percentages of votes attached to voting securities beneficially owned, or over which control or direction is exercised, directly or indirectly, by Power) as at that date. Certain subsidiaries whose total assets or revenues did not represent more than 10 per cent of the Corporation's consolidated assets or revenues as at December 31, 2019 have been omitted^[a]. The subsidiaries that have been omitted represent, as a group, significantly less than 20 per cent of the consolidated assets and revenue of the Corporation as at December 31, 2019. The chart also omits certain subsidiaries whose primary role is to hold investments in other subsidiaries of the Corporation.

The section entitled "Corporate Structure – Intercorporate relationships" of Power Financial's Annual Information Form (which section also incorporates by reference therein certain portions of Lifeco's Annual Information Form and of IGM Financial's Annual Information Form) is incorporated herein by reference.

[a] Based on the Corporation's annual consolidated financial statements for the fiscal year ended December 31, 2019 filed with the Canadian securities regulators and which are available at www.sedar.com and on the Corporation's website.



- [1] On February 13, 2020, the Corporation and Power Financial completed the Reorganization (as further described in the section entitled “General Development of the Business – Development of the business over the last three years”). Following the completion of the Reorganization and as of the date hereof, the Corporation beneficially owns all of the issued and outstanding common shares of Power Financial, representing an aggregate equity and voting interest of 100 per cent in Power Financial.
- [2] Effective January 1, 2020, the Corporation transferred its equity interest in Sagard SAS to Sagard Holdings Participation Inc., a wholly owned subsidiary of the Corporation and Sagard Holdings’ direct parent.
- [3] Through Mackenzie Investments, IGM Financial also holds a 13.9 per cent interest in China AMC.
- [4] 53.8 per cent of the participating equity securities of Lifeco are owned by Power Financial and 3.1 per cent are owned by 3411893 Canada Inc., 6.8 per cent are owned by 3439453 Canada Inc. and 3.2 per cent are owned by 4400003 Canada Inc., each a wholly owned subsidiary of the Corporation. In addition, IGM Financial, a subsidiary of the Corporation, owns 4.0 per cent of the participating equity securities of Lifeco. The Corporation and its subsidiaries own, in the aggregate, voting securities to which are attached approximately 65.0 per cent of the votes attached to all voting securities of Lifeco.
- [5] 58.9 per cent of the participating equity securities of IGM Financial are owned by Power Financial and 2.3 per cent are owned by 3411893 Canada Inc. and 0.9 per cent are owned by 4400003 Canada Inc., each a wholly owned subsidiary of the Corporation. In addition, The Great-West Life Assurance Company, a subsidiary of the Corporation, owns 3.9 per cent of the participating equity securities of IGM Financial (excluding 0.01 per cent of equity securities of IGM Financial held by The Great-West Life Assurance Company in its segregated funds or for similar purposes). The Corporation and its subsidiaries own, in the aggregate, voting securities to which are attached approximately 66.0 per cent of the votes attached to all voting securities of IGM Financial.
- [6] Power Financial, Lifeco and IGM Financial respectively hold 63.0 per cent, 18.5 per cent and 18.5 per cent equity interest in Portag3 Ventures Fund I. Portag3 Ventures Fund I is managed by Sagard Holdings.

- [7] Power Financial holds a 21.2 per cent interest in Wealthsimple Financial Corp., and Portag3 Ventures Fund I and IGM Financial also hold 16.8 per cent and 46.9 per cent interests, respectively, for an aggregate equity and voting interest of 84.9 per cent and 85.3 per cent, respectively.
- [8] 100 per cent voting interest.
- [9] Effective January 1, 2020, The Great-West Life Assurance Company, London Life Insurance Company, Canada Life and their holding companies, Canada Life Financial Corporation and London Insurance Group Inc., amalgamated into one single life insurance company – The Canada Life Assurance Company.
- [10] 75.4 per cent voting interest.
- [11] On March 11, 2020, Parjointco and Pargesa announced an agreement for a proposed transaction that would simplify the group structure. As per the agreement, a public exchange offer will be initiated by Parjointco for all Pargesa shares not already owned by Parjointco under which Pargesa shareholders will be entitled to receive 0.93 shares of GBL for each Pargesa bearer share they hold. Following the proposed transaction, it is anticipated that Pargesa will be delisted from the Swiss Stock Exchange and Parjointco is expected to retain *de facto* control of GBL. The proposed transaction will be subject to Parjointco holding or having received shareholder acceptances with respect to at least 90 per cent of Pargesa's total voting rights and it is conditional upon GBL shareholders approving the implementation of double-voting rights at GBL's Extraordinary Shareholders Meeting to be held on April 28, 2020.
- [12] Certain companies in the Pargesa group are more fully described in the section entitled "Narrative Description of the Business – The Pargesa Group" of Power Financial's Annual Information Form, which is incorporated herein by reference.

ITEM 5 GENERAL DEVELOPMENT OF THE BUSINESS

Item 5.1 Business of Power

Power is an international management and holding company that focuses on financial services in North America, Europe and Asia. Its core holdings are leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms.

As at December 31, 2019, Power held a 64.1 per cent equity and voting interest in Power Financial. Immediately following the completion of the Reorganization (as defined below), Power owned all of the issued and outstanding common shares of Power Financial, representing an aggregate equity and voting interest of 100 per cent in Power Financial. Through its controlling interest in Power Financial, Power controls Lifeco and IGM Financial and in recent years has implemented an active fintech strategy. As at December 31, 2019, through Power Financial, Power also indirectly held jointly with Frère-Bourgeois / Compagnie Nationale à Portefeuille a 55.5 per cent equity interest, representing 75.4 per cent of the voting rights, in Pargesa, a holding company with significant interests in a portfolio of global companies based in Europe. Recent developments regarding Power Financial's interest in Pargesa are described in the section entitled "General Development of the Business - Development of the business over the last three years - Europe" of Power Financial's Annual Information Form, which is incorporated herein by reference.

Power conducts investment activities, built upon a network of deep and long-standing relationships, to provide superior returns on a diversified basis. Investment activities include investments in alternative asset managers and investment funds including Sagard Europe, Sagard Holdings, Power Pacific, Power Energy and interests in China resulting from more than 40 years of engagement.

As at December 31, 2019, Power and its subsidiaries had, in aggregate, approximately 30,600 employees worldwide.

Item 5.2 Development of the business over the last three years

The section entitled "General Development of the Business - Development of the business over the last three years" of Power Financial's Annual Information Form (which section also incorporates by reference therein certain portions of Lifeco's Annual Information Form and of IGM Financial's Annual Information Form) is incorporated herein by reference.

NORTH AMERICA

On January 31, 2017, Power completed its offering of \$250 million principal amount of 4.81 per cent debentures due January 31, 2047. The net proceeds were used by the Corporation to finance the purchase price of its acquisition of an additional 3.9 per cent equity interest in China AMC and for general corporate purposes. See "Development of the business over the last three years - Asia".

On February 27, 2017, Peak, an acquisition vehicle jointly controlled by an affiliate of Sagard Holdings and Fairfax Financial Holdings Limited, acquired substantially all the assets of Performance Sports Group Ltd. and its U.S. and Canadian subsidiaries for a purchase price of US\$575 million and the assumption of related operating liabilities.

On June 21, 2017, Power Energy acquired 55.7 per cent of Lumenpulse for a consideration of \$267 million as part of a going-private transaction. Lumenpulse is a leading manufacturer of high-performance, specification-grade LED lighting solutions. In 2018, Power Energy invested an additional \$41 million in Lumenpulse, increasing its interest in the company to 60.5 per cent.

On October 31, 2017, Power Energy acquired a 43.8 per cent interest in Lion Electric, an innovative company manufacturing zero emission vehicles sold throughout North America.

On December 21, 2017, Sagard Holdings completed the first closing of SCP Fund, a fund which provides credit capital directly to public and private middle-market companies across Canada and the United States.

On December 29, 2017, Sagard Holdings completed the disposition of its 97.3 per cent interest in Vein Clinics of America, Inc., a private healthcare services company.

On July 14, 2018, La Presse, a French-language news media company, wholly owned by the Corporation through its subsidiary Square Victoria Communications Group Inc., transferred its net assets to a new not-for-profit structure. Power retained responsibility for the funding, on a going-concern basis, of the retirement obligations accrued at the transaction date.

On July 25, 2018, Power issued \$250 million principal amount of 4.455 per cent debentures due July 27, 2048. On September 6, 2018, the net proceeds were used by the Corporation to fund the early redemption of all of its \$250 million aggregate principal amount of 7.57 per cent debentures due April 22, 2019.

On November 27, 2018, Power Energy, through its indirect subsidiary Power Energy Eagle Creek LLP, completed the disposition of its 54.8 per cent interest in Eagle Creek Renewable Energy, LLC, a U.S.-based owner and operator of hydroelectric facilities.

On April 17, 2019, the Corporation completed a substantial issuer bid and purchased for cancellation 40,909,041 of its Subordinated Voting Shares, representing approximately 9.8 per cent of its issued and outstanding Subordinated Voting Shares on a non-diluted basis prior to the repurchase, at a purchase price of \$33.00 per Subordinated Voting Share. The substantial issuer bid allowed the Corporation to return capital to its shareholders while maintaining a strong capital position to fund future growth opportunities.

On July 30, 2019, Power Energy acquired a 100 per cent equity interest in Nautilus, a company that acquires, develops, finances and manages distributed solar projects across community, municipal/utility-scale, commercial and industrial markets.

On December 13, 2019, the Corporation and Power Financial announced the Reorganization (as defined below), the intention of Pansolo, a corporation controlled by the Desmarais Family Residuary Trust, to exercise the Pre-Emptive Right (as defined below) in connection with the Reorganization, the Corporation's intent to undertake further initiatives to benefit shareholders in conjunction with the Reorganization (including, following completion of the Reorganization, the anticipated increase of and change in timing for the quarterly dividend paid to holders of Subordinate Voting Shares and Participating Preferred Shares and the redemption of an aggregate of \$350 million of certain classes of the Corporation's and Power Financial's respective First Preferred Shares with available cash, which is anticipated to result in reduced annual financing costs of approximately \$15 million per year), expected changes to the management of the Corporation, and the Corporation's intention to launch the NCIB (as defined below).

On February 13, 2020, the Corporation and Power Financial completed a reorganization transaction (the "Reorganization") pursuant to which each common share of Power Financial ("PFC Common Share") held by shareholders other than the Corporation and its wholly owned subsidiaries (the "PFC Minority Shareholders") was exchanged for 1.05 Subordinated Voting Shares and \$0.01 in cash. In connection with the Reorganization, the Corporation issued an aggregate of 250,628,173 Subordinate Voting Shares to the PFC Minority Shareholders. Following the completion of the Reorganization and as of the date hereof, the Corporation beneficially owns all of the issued and outstanding PFC Common Shares. Power Financial's First Preferred Shares remain outstanding shares of Power Financial and listed on the TSX following the completion of the Reorganization, and Power Financial's 6.9 per cent debentures due March 11, 2033 remain outstanding as obligations of Power Financial. The Reorganization was initially announced on December 13, 2019 by the Corporation and Power Financial and was approved by Power Financial shareholders at a meeting held on February 11, 2020 and received final court approval on February 12, 2020.

On February 12, 2020, in connection with the Reorganization, and in accordance with the pre-emptive right (the "Pre-Emptive Right") in favour of holders of Participating Preferred Shares included in the Corporation's Articles, the Corporation issued 6,006,094 Participating Preferred Shares to holders who duly exercised the Pre-Emptive Right. The Pre-Emptive Right entitled holders of Participating Preferred Shares to acquire from the Corporation, *pro rata* to their respective holdings in Participating Preferred Shares, an aggregate number of Participating Preferred Shares that is equal to 12.0 per cent of the number of Subordinate Voting Shares proposed to be issued pursuant to the Reorganization. Pansolo purchased 6 million Participating Preferred Shares on February 12, 2020, so as to own, as of February 13, 2020, approximately 48.4 million Subordinate Voting Shares and 54.7 million Participating Preferred Shares, representing an aggregate 50.6 per

cent of the total votes of all Power shares outstanding. There were no further exercises of the Pre-Emptive Right on or prior to the subsequent deadline of March 12, 2020.

On February 18, 2020, the Corporation announced that the TSX had accepted the Corporation's notice of intention to make a normal course issuer bid (the "NCIB"). Pursuant to the NCIB, the Corporation may purchase for cancellation, on the open market, at its discretion during the period commencing on February 20, 2020 and ending on the earlier of February 19, 2021 and the completion of purchases under the NCIB, up to 30,000,000 Subordinate Voting Shares, representing approximately 5.2 per cent of the "public float" of the Corporation's issued and outstanding Subordinate Voting Shares. Purchases under the NCIB are expected to be made through the facilities of the TSX or any alternative trading system in Canada, at prevailing market prices.

ASIA

On August 31, 2017, Power completed the acquisition of an additional 3.9 per cent equity interest in China AMC for \$178 million. Together with a 10 per cent interest purchased in 2011, Power's ownership in China AMC as at December 31, 2019 was 13.9 per cent. In August 2017, IGM Financial also finalized its investment in China AMC, which resulted in a 13.9 per cent ownership interest at a total cost of \$638 million. As at December 31, 2019, Power and IGM Financial therefore held a combined 27.8 per cent interest in China AMC.

COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

ITEM 6 NARRATIVE DESCRIPTION OF THE BUSINESS

Power is an international management and holding company that focuses on financial services in North America, Europe and Asia. Its core holdings are leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms.

Item 6.1 Power Financial Corporation

Power Financial, a wholly owned subsidiary of the Corporation, is an international management and holding company with interests in financial services and asset management businesses in Canada, the United States and Europe through its controlling interests in Lifeco and IGM Financial. Through its indirect investment in Pargesa, it also has significant holdings in a portfolio of global companies based in Europe, active in the following industries: mineral-based specialty solutions for industry; design and distribution of sportswear; wines and spirits; testing, inspection and certification; cement, aggregates and concrete; materials technology and recycling of precious metals; oil, gas and chemical industries; supply of equipment and project management for a wide range of processing industries primarily in the food and beverage sectors; disposable hygiene products; provision of customer experience and business process outsourcing; and operation of regional leisure parks. These European investments are held by Pargesa through its subsidiary, GBL, a Belgian holding company.

The section entitled “Narrative Description of the Business” of Power Financial’s Annual Information Form (which section also incorporates by reference therein certain portions of Lifeco’s Annual Information Form and of IGM Financial’s Annual Information Form) is incorporated herein by reference.

Item 6.2 Investment platforms and other

Since the launch of the first Sagard fund in 2002, the Corporation has continued to build investment platforms that manage portfolios on behalf of the Corporation and third-party investors in several alternative asset classes in three principal geographies: Europe, North America and China. The investment platforms, Sagard Europe, Sagard Holdings, Power Pacific and Power Energy are managed locally by experienced investment professionals who have an in-depth knowledge of the local public and private markets.

SAGARD EUROPE

Sagard Europe is managed by Sagard SAS, a wholly owned subsidiary of the Corporation based in France. In February 2020, Sagard Europe announced the launch of its fourth fund, Sagard 4. Since its inception in 2002, GBL and third parties have also invested in Sagard Europe’s funds. Sagard Europe invests in mid-sized private companies based in France, Belgium, Luxembourg and Switzerland. Effective January 1, 2020, the Corporation transferred its equity interest in Sagard SAS to Sagard Holdings Participation Inc., a wholly owned subsidiary of the Corporation and Sagard Holdings’ direct parent.

SAGARD HOLDINGS

Sagard Holdings, a wholly owned subsidiary of the Corporation that was founded in 2005, managed US\$2.0 billion of assets including unfunded commitments across four asset classes as at March 18, 2020: equity, private credit, royalties and venture capital.

In equity, Sagard Holdings held, as at December 31, 2019, a 91.6 per cent interest in IntegraMed America, Inc., a private healthcare services company operating a network of fertility clinics in North America. Sagard Holdings held a 42.6 per cent equity interest and 50.0 per cent of the voting rights in Peak. Peak designs and markets sports equipment and apparel for ice hockey, baseball, softball and lacrosse under iconic brands including Bauer and Easton. Sagard Holdings also held a 21.4 per cent equity interest in GP Strategies Corporation, a global performance improvement company offering sales and technical training, eLearning solutions, management consulting and engineering services.

In private credit, SCP Fund, a fund launched and managed by Sagard Holdings, provides credit capital directly to public and private middle-market companies across the United States and Canada.

In royalties, Sagard Holdings announced in January 2019 the launch of Sagard Healthcare Royalty Partners, which is dedicated to the life sciences sector with a focus on investments protected by strong intellectual property.

In venture capital, Portag3 Ventures, an investment manager within Sagard Holdings, manages investment funds dedicated to backing innovative financial services companies that have the potential for change and global impact. Through its funds, Portag3 Ventures Fund I and Portag3 Ventures Fund II, Portag3 Ventures had invested in more than 45 fintech companies and investment funds as at March 18, 2020.

POWER PACIFIC

Power Pacific (formerly, Sagard China) invests in the mainland China A-Shares ("A" shares) market through a Qualified Foreign Institutional Investor (QFII) licence as well as through Hong Kong Stock Connect. Power Pacific has a long-term fundamentals-based investment philosophy, and benefits from ongoing growth across multiple attractive sectors in China.

POWER ENERGY

Power Energy actively manages investments in the sustainable and renewable energy sector with the goal of building and owning, over the long term, companies that can generate growing and stable cash flows. Power Energy invests in companies that benefit from the global energy transformation. It has invested in companies that develop, own and operate solar and wind generating assets in North America as well as companies in the sustainable sector. Current investments are as follows: Potentia, a renewable energy generation company that is a fully integrated developer, owner and operator of solar and wind energy assets active in North America and the Caribbean; Nautilus, a company that acquires, develops, finances and manages distributed solar projects across community, municipal/utility-scale, commercial and industrial markets; Lumenpulse, a leading manufacturer of high-performance, specification grade LED lighting solutions; and Lion Electric, an innovative company manufacturing zero emission vehicles sold throughout North America.

CHINA AMC

As at December 31, 2019, the Corporation and IGM Financial each held a 13.9 per cent interest in China AMC.

Founded in 1998 as one of the first fund management companies in China, China AMC has developed and maintained its position among the market leaders in the Chinese asset management industry.

ITEM 7 RISK FACTORS

There are certain risks inherent in an investment in the securities of the Corporation and in the activities of the Corporation, including the following and other risks discussed elsewhere in this Annual Information Form, which investors should carefully consider before investing in securities of the Corporation. This description of risks does not include all possible risks, and there may be other risks of which the Corporation is not currently aware.

Power is an international management and holding company that focuses on financial services in North America, Europe and Asia. Its core holdings are leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms. Its principal holding is its beneficial ownership of all of the issued and outstanding PFC Common Shares. Power Financial in turn controls Lifeco and IGM Financial. Power Financial also holds a joint controlling interest in Parjointco, which itself holds a controlling interest in GBL through Pargesa. As a result, the Corporation bears the risks associated with being a significant shareholder of these operating companies. The risks of being an investor in Power Financial are described in the section entitled “Risk Factors” of Power Financial’s Annual Information Form, which section is incorporated herein by reference; the risks of being an investor in Lifeco are described and referenced in the subsection entitled “Risk Factors” of Lifeco’s Annual Information Form, which subsection and further references are incorporated herein by reference; and the risks of being an investor in IGM Financial are referenced in the subsection entitled “Risk Factors” of IGM Financial’s Annual Information Form, which subsection and further references are incorporated herein by reference.

The share price of Power, Power Financial and its subsidiaries may be volatile and subject to fluctuations in response to numerous factors beyond Power’s and such subsidiaries’ control, including as a result of the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”. There is no market over which the Corporation’s debentures may be traded, and it is very unlikely that one will develop. Consequently, debenture holders may not be able to liquidate their debentures in a timely manner, if at all. Economic conditions may adversely affect Power and its subsidiaries, including fluctuations in foreign exchange, inflation and interest rates, as well as monetary policies, business investment and the health of capital markets in Canada, the United States, Europe and Asia. At times, financial markets have experienced significant price and volume fluctuations that have affected the market prices of equity securities held by the Corporation and its subsidiaries, and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. These factors may cause decreases in asset values that are deemed to be significant or prolonged, which may result in impairment charges. In periods of increased levels of volatility and related market turmoil, Power’s subsidiaries’ operations could be adversely impacted and the trading price of Power’s securities may be adversely affected.

As a holding company, Power’s ability to meet its obligations, including payment of interest, other operating expenses and dividends, and to complete current or desirable future enhancement opportunities or acquisitions generally depends upon dividends from its principal subsidiaries and other investments, and its ability to raise additional capital. Dividends to shareholders of Power are dependent on the operating performance, profitability, financial position and creditworthiness of its subsidiaries, jointly controlled corporations and associates as well as on their ability to pay dividends. The ability of Power Financial, which is also a holding company, to meet its obligations and pay dividends is dependent upon receipt of dividends from its subsidiaries. The payment of interest and dividends by Power Financial’s principal subsidiaries is subject to restrictions set out in relevant corporate and insurance laws and regulations, which require that solvency and capital ratios be maintained.

The ability of Power to arrange additional financing in the future will depend in part upon prevailing market conditions as well as the business performance of Power and its subsidiaries. Although the Corporation has been able to access capital on financial markets in the past, there can be no assurance this will be possible in the future. The inability of Power to access sufficient capital on acceptable terms could have a material adverse effect on Power’s business, prospects, dividend paying capability and financial condition, and further enhancement opportunities or acquisitions.

A holder of First Preferred Shares has no voting rights in the Corporation, except in limited circumstances, as may be required by law or as specifically provided in the provisions attaching to such securities.

The Corporation may choose to redeem the First Preferred Shares from time to time, including when prevailing interest rates are lower than yields borne by the First Preferred Shares, and investors might not be able to reinvest the redemption proceeds in a comparable investment.

Additional information about the risks and uncertainties of the Corporation's business is provided in the section entitled "Risk Management" in Power's MD&A, which section is incorporated herein by reference.

ITEM 8 DESCRIPTION OF THE SHARE CAPITAL

Item 8.1 General

The authorized capital of Power consists of an unlimited number of First Preferred Shares (the “First Preferred Shares”), an unlimited number of Participating Preferred Shares (the “Participating Preferred Shares”), and an unlimited number of Subordinate Voting Shares (the “Subordinate Voting Shares”). As at March 18, 2020, there were issued and outstanding:

Share Class	Number of Shares Issued and Outstanding
Non-Participating Shares	
First Preferred Shares	
1986 Series	189,400
Series A	6,000,000
Series B	8,000,000
Series C	6,000,000
Series D	10,000,000
Series G	8,000,000
Participating Shares	
Participating Preferred Shares	54,860,866
Subordinate Voting Shares	624,323,591

Dividends on the Subordinate Voting Shares, Participating Preferred Shares and First Preferred Shares are payable only as and when declared by the Board of Directors.

The following is a summary of the features of the Corporation’s share capital. Reference should be made to the Articles of the Corporation for a complete description of all terms and conditions of our share capital. These Articles can be found on our website at www.powercorporation.com and are filed on SEDAR at www.sedar.com.

Item 8.2 Subordinate Voting Shares

Each Subordinate Voting Share entitles the holder to one vote at all meetings of shareholders (other than meetings exclusively of another class or series of shares) provided that holders of Subordinate Voting Shares are not entitled to vote separately as a class in the case of an amendment to the Articles of the Corporation referred to in paragraphs (a), (b) and (e) of subsection 176(l) of the CBCA. Subject to the rights of holders of the Participating Preferred Shares and the First Preferred Shares, each Subordinate Voting Share entitles the holder 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 holders of 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 attached to the Subordinate Voting Shares.

In connection with the Reorganization, the Corporation issued an aggregate of 250,628,173 Subordinate Voting Shares to the PFC Minority Shareholders.

As at March 18, 2020, the Subordinate Voting Shares represented 53.22 per cent 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 takeover bid is made for the Participating Preferred Shares.

Item 8.3 Participating Preferred Shares

Each Participating Preferred Share entitles the holder to ten votes at all meetings of shareholders (other than meetings exclusively of another class or series of shares), provided that holders of Participating Preferred Shares are not entitled to vote separately as a class in the case of an amendment to the Articles of the Corporation referred to in paragraphs (a), (b) and (e) of subsection 176(1) of the CBCA. Subject to the rights of holders of the First Preferred Shares, each Participating Preferred Share entitles the holder to receive a non-cumulative dividend of \$0.009375 per share per annum before any dividends are paid for the Subordinate Voting Shares, and the further right to participate, share and share alike, with the holders of Subordinate Voting Shares in any dividends that may be paid with respect to the Subordinate Voting Shares after payment of a dividend of \$0.009375 per share per annum on the Subordinate Voting Shares. Upon any dissolution or liquidation, in whole or in part, of Power or upon any other distribution of capital for the purpose of winding-up Power's affairs, the holders of Participating Preferred Shares, subject to the prior rights of the holders of the First Preferred Shares and by preference over the holders of the Subordinate Voting Shares or any other shares ranking junior to the Participating Preferred Shares, are entitled to receive an amount equal to \$0.421875 per share plus any declared and unpaid dividends. Power may not, without approval of two-thirds of the holders of Participating Preferred Shares, issue any Subordinate Voting Shares unless Power contemporaneously with such issue offers to the holders of Participating Preferred Shares the right to acquire from Power *pro rata* to their holdings an aggregate number of Participating Preferred Shares that is equal to 12.0 per cent of the number of Subordinate Voting Shares proposed to be issued for a consideration per share that is equal to the average stated capital amount per share for which the Subordinate Voting Shares are to be issued.

On February 12, 2020, in connection with the Reorganization, and in accordance with the Pre-Emptive Right in favour of holders of Participating Preferred Shares included in the Corporation's Articles, the Corporation issued 6,006,094 Participating Preferred Shares to holders who duly exercised the Pre-Emptive Right.

Item 8.4 First Preferred Shares

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. With respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of Power, whether voluntary or involuntary, or any other distribution of the assets of Power 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. Holders of First Preferred Shares of any series shall not be entitled to notice of or to attend or to vote at any meeting of its shareholders except as may be required by law or as specifically provided in the provisions attaching to the First Preferred Shares of such series.

For the Series A, Series B, Series C, Series D and Series G First Preferred Shares (for the purposes of this paragraph, the "Non-Cumulative First Preferred Shares"), in the event of the liquidation, dissolution or winding-up of Power or other distribution of the assets of Power 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 Power and of holders of shares of Power ranking prior to the Non-Cumulative First Preferred Shares, the holders of the Non-Cumulative First Preferred Shares shall be entitled to be paid and to receive an amount equal to \$25.00 per Non-Cumulative First Preferred Share plus declared and unpaid dividends before any amount shall be paid or any assets of Power shall be distributed to the holders of Participating Preferred Shares, Subordinate Voting Shares or of shares of any other class of Power ranking junior to the Non-Cumulative First Preferred Shares.

The following table sets out, for each series of First Preferred Shares, the quarterly dividend payable to the holders of First Preferred Shares along with the current (and, if applicable, future) redemption price of each series. Each series of First Preferred Shares ranks equally with all other First Preferred Shares.

	Cumulative floating dividend	Fixed non-cumulative annual dividend (payable quarterly)	Redemption price ^[1] (plus declared and unpaid dividends)
1986 Series First Preferred Shares	One quarter of 70.0% of Prime ^[2] , payable quarterly	-	\$50.00 ^[3]
Series A First Preferred Shares	-	5.60%	\$25.00
Series B First Preferred Shares	-	5.35%	\$25.00
Series C First Preferred Shares	-	5.80%	\$25.00
Series D First Preferred Shares	-	5.00%	\$25.00
Series G First Preferred Shares	-	5.60%	\$25.50 since April 15, 2019 \$25.25 on or after April 15, 2020 \$25.00 on or after April 15, 2021

- [1] All series of First Preferred Shares other than the 1986 Series First Preferred Shares may be redeemed in whole or in part.
- [2] Prime means, for any quarterly dividend period, the arithmetic average of the Prime Rates quoted by two reference banks in effect during each day during the three-month period which ends on the last day of the calendar month immediately preceding the first day of the calendar month preceding the month in which the applicable dividend payment date in respect of which the determination is being made, and "Prime Rate" is the reference rate as quoted by those two banks for determining interest rates on Canadian dollar commercial loans made to prime commercial borrowers in Canada.
- [3] Power must make all reasonable efforts to purchase for cancellation on the open market 20,000 1986 Series First Preferred Shares per quarter at a price not exceeding \$50.00 per share.

ITEM 9 RATINGS

The table below provides the ratings assigned to the Corporation and its outstanding securities as at March 24, 2020.

	DBRS Limited ("DBRS")	Standard & Poor's Ratings Services ("S&P")
Issuer rating	A	A+
8.57% debentures due April 22, 2039	A	A+
4.81% debentures due January 31, 2047	A	A+
4.455% debentures due July 27, 2048	A	A+
Preferred shares:		
Cumulative	Pfd-2	Canadian scale P-1 (Low) Global scale A-
Non-cumulative	Pfd-2	Canadian scale P-1 (Low) Global scale A-

The ratings of the Corporation and its outstanding securities have been assigned a stable trend by DBRS and a stable outlook by S&P.

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. The definitions of the categories of each rating set forth below have been obtained from the respective rating agencies' websites.

The Corporation has paid customary rating fees to S&P and DBRS in connection with the above-mentioned ratings. In addition, the Corporation has, in the ordinary course of business, made payments in respect of other services provided to the Corporation by S&P and DBRS during the last two years.

(A) DBRS LIMITED

In general terms, DBRS ratings are opinions that reflect the creditworthiness of an issuer, a security or an obligation.

DBRS corporate rating analysis begins with an evaluation of the fundamental creditworthiness of the issuer, which is reflected in an issuer rating. Issuer ratings address the overall credit strength of the issuer and, unlike ratings on individual securities or classes of securities, are based on the entity itself, without consideration for security or ranking. Ratings that apply to actual securities may be higher, lower or equal to the issuer rating for a given entity.

DBRS' securities ratings are opinions based on forward-looking measurements that assess an issuer's ability and willingness to make timely payments on outstanding obligations (whether principal, interest, dividend, or distributions) with respect to the terms of an obligation.

The DBRS long-term obligation rating scale provides an opinion on the risk of default, which is the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims.

The DBRS preferred share rating scale is used in the Canadian securities market and is meant to give an indication of the risk that a borrower will not fulfill its full obligations in a timely manner, with respect to both dividend and principal commitments. Every DBRS rating is based on quantitative and qualitative considerations relevant to the borrowing entity.

Most rating categories are denoted by the subcategories “high” and “low”. The absence of either a “high” or “low” designation indicates the rating is in the middle of the category. Rating trends provide guidance in respect of DBRS’ opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories - “Positive”, “Stable” or “Negative”. The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue, or in some cases, unless challenges are addressed. In general, the DBRS view is based primarily on an evaluation of the issuing entity itself, but may also include consideration of the outlook for the industry or industries in which the issuing entity operates.

DBRS typically assigns issuer ratings on a long-term basis using its long-term obligation rating scale. The Corporation’s DBRS issuer rating is A. The Corporation’s debentures rating of A is the sixth highest of twenty-six ratings used by DBRS for long-term debt. Long-term debt rated “A” by DBRS is of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than that of “AA” rated entities. Entities in this category may be vulnerable to future events, but qualifying negative factors are considered manageable.

The Corporation’s preferred shares rating of Pfd-2 is the fifth highest of sixteen ratings used by DBRS for preferred shares in Canada. Preferred shares with a Pfd-2 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, a Pfd-2 rating corresponds with companies whose senior bonds are rated in the “A” category.

(B) STANDARD & POOR’S RATINGS SERVICES

An S&P issuer credit rating is a current opinion of an obligor’s overall financial capacity (creditworthiness) to pay its financial obligations and focuses on the obligor’s capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation.

In contrast, an issue rating relates to a specific financial obligation, a specific class of financial obligations, or a specific financial program. The rating on a specific issue may reflect positive or negative adjustments relative to the issuer’s rating for (i) the presence of collateral, (ii) explicit subordination, or (iii) any other factors that affect the payment priority, expected recovery, or credit stability of the specific issue.

Since there are future events and developments that cannot be foreseen, the assignment of credit ratings is not an exact science and, for this reason, S&P ratings opinions are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular security issue will default. Instead, ratings express relative opinions about the creditworthiness of an issuer or credit quality of an individual issue, from strongest to weakest, within a universe of credit risk.

Most ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major letter rating categories. An S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future credit watch action.

An S&P issuer rating usually refers to the issuer’s ability and willingness to meet senior, unsecured obligations. The Corporation’s S&P issuer rating is A+. The Corporation’s debentures’ rating of A+ is the fifth highest of twenty-two ratings used by S&P in its long-term issue credit rating scale. A long-term debenture rated “A+” is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories; however, the obligor’s capacity to meet its financial commitment on the obligation is still strong.

The S&P Canadian preferred share rating scale serves issuers, investors and intermediaries in the Canadian financial markets by expressing preferred share ratings (determined in accordance with global rating criteria) in terms of rating symbols that have been actively used in the Canadian market over a number of years. An S&P preferred share rating on the Canadian scale is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific preferred share obligation issued in the Canadian market, relative to preferred shares issued by other issuers in the Canadian market. There is a direct correspondence between the specific ratings assigned on the Canadian preferred share scale and the various rating levels on the global debt rating scale of S&P. The Canadian scale rating is fully determined by the applicable global scale rating, and there are no additional analytical criteria associated with the determination of ratings on the Canadian scale. It is the practice of S&P to present an issuer's preferred share ratings on both the global rating scale and on the Canadian national scale when listing the ratings for a particular issuer.

The Corporation's preferred shares' rating of P-1 (Low) on S&P's Canadian national preferred share rating scale corresponds to A- on S&P's Global preferred share rating scale. A P-1 (Low) rating is the third highest of eighteen ratings used by S&P in its Canadian national preferred share rating scale. Correspondingly, a A- rating is the fifth highest of twenty ratings used by S&P in its Global preferred share rating scale. A preferred share rated "A-" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories; however, the obligor's capacity to meet its financial commitments on the obligation is still strong.

ITEM 10 DIVIDENDS

The cash dividends declared per share over the last three years for each class of the Corporation's shares outstanding as at December 31, 2019 were as follows:

(in dollars)	2019	2018	2017
Subordinate Voting Shares (POW)	2.0020	1.5045	1.4105
Participating Preferred Shares (POW.PR.E)	2.0020	1.5045	1.4105
Series A First Preferred Shares (POW.PR.A)	1.4000	1.4000	1.4000
Series B First Preferred Shares (POW.PR.B)	1.3375	1.3375	1.3375
Series C First Preferred Shares (POW.PR.C)	1.4500	1.4500	1.4500
Series D First Preferred Shares (POW.PR.D)	1.2500	1.2500	1.2500
1986 Series First Preferred Shares (POW.PR.F)	1.3824	1.2390	0.9994
Series G First Preferred Shares (POW.PR.G)	1.4000	1.4000	1.4000

The current practice of the Corporation is to pay dividends to the holders of Participating Preferred Shares and Subordinate Voting Shares on a quarterly basis. All future dividend amounts and dates are subject to approval by the Board of Directors.

DIVIDEND INCREASES

The table below describes the increases in the Corporation's Subordinate Voting Shares quarterly dividends over the last three years, starting with the quarterly dividend payable on June 30, 2017.

Date of Announcement	Amount of the quarterly increase	Effective Date
May 12, 2017	7.0 per cent (from \$0.3350 per share to \$0.3585 per share)	June 30, 2017
May 11, 2018	6.6 per cent (from \$0.3585 per share to \$0.3820 per share)	June 29, 2018
May 14, 2019	6.0 per cent (from \$0.3820 per share to \$0.4050 per share)	June 28, 2019
March 18, 2020	10.5 per cent (from \$0.4050 per share to \$0.4475 per share)	May 1, 2020

ITEM 11 MARKET FOR SECURITIES

The following table provides information regarding the price range and volume traded for each of these classes of securities of Power on the Toronto Stock Exchange (the "TSX") on a monthly basis for each month of the year ended December 31, 2019.

	Subordinate Voting Shares (POW)	Participating Preferred Shares (POW.PR.E)	First Preferred Shares, Series A (POW.PR.A)	First Preferred Shares, Series B (POW.PR.B)	First Preferred Shares, Series C (POW.PR.C)	First Preferred Shares, Series D (POW.PR.D)	First Preferred Shares, 1986 Series (POW.PR.F)	First Preferred Shares, Series G (POW.PR.G)
January 2019								
Intraday High (\$)	26.14	29.00	24.70	23.51	25.24	22.30	47.00	24.78
Intraday Low (\$)	24.16	29.00	23.50	22.39	24.65	20.87	46.00	23.70
Volume	23,127,955	100	47,954	70,027	82,446	137,656	900	63,780
February 2019								
Intraday High (\$)	28.14	29.00	24.75	23.75	25.38	22.50	45.75	24.99
Intraday Low (\$)	25.40	28.00	24.25	23.22	25.00	21.70	44.50	24.35
Volume	23,964,561	300	34,071	89,482	37,313	189,352	1,400	25,859
March 2019								
Intraday High (\$)	31.66	33.00	25.53	24.59	25.76	23.03	45.50	25.85
Intraday Low (\$)	28.11	30.00	24.61	23.56	25.22	21.91	44.25	24.95
Volume	45,537,113	1,690	52,585	93,491	152,813	121,063	700	199,028
April 2019								
Intraday High (\$)	32.60	-	25.59	24.55	25.74	22.95	46.00	25.87
Intraday Low (\$)	30.26	-	25.12	24.20	25.30	22.25	45.25	25.50
Volume	43,819,552	-	43,306	67,763	82,195	92,696	1,300	316,862
May 2019								
Intraday High (\$)	30.93	33.00	25.35	24.43	25.60	23.28	47.00	25.55
Intraday Low (\$)	27.81	30.00	24.67	23.54	25.40	22.19	45.00	24.90
Volume	33,101,822	1,300	54,980	77,718	90,297	90,131	7,000	74,897
June 2019								
Intraday High (\$)	28.95	30.00	25.05	23.92	25.75	22.50	48.00	25.05
Intraday Low (\$)	27.19	30.00	24.68	23.45	25.37	22.00	46.99	24.75
Volume	27,633,959	200	56,945	55,978	97,379	44,477	8,300	43,013
July 2019								
Intraday High (\$)	28.67	-	25.17	24.19	25.60	22.63	48.00	25.16
Intraday Low (\$)	27.67	-	24.81	23.62	25.37	22.15	46.06	24.86
Volume	17,959,671	-	39,589	44,899	45,732	137,065	4,835	41,040
August 2019								
Intraday High (\$)	28.11	29.56	25.11	24.16	25.70	22.56	47.07	25.14
Intraday Low (\$)	26.66	29.04	24.50	22.83	25.46	21.74	46.01	24.41
Volume	18,004,594	4,430	82,294	88,526	74,091	386,086	3,732	77,028
September 2019								
Intraday High (\$)	30.77	31.00	25.25	24.29	25.83	22.60	48.00	25.20
Intraday Low (\$)	27.80	28.16	24.69	23.62	25.49	22.20	47.50	24.70
Volume	28,121,083	4,925	63,070	59,421	45,941	340,450	6,725	106,452

	Subordinate Voting Shares (POW)	Participating Preferred Shares (POW.PR.E)	First Preferred Shares, Series A (POW.PR.A)	First Preferred Shares, Series B (POW.PR.B)	First Preferred Shares, Series C (POW.PR.C)	First Preferred Shares, Series D (POW.PR.D)	First Preferred Shares, 1986 Series (POW.PR.F)	First Preferred Shares, Series G (POW.PR.G)
October 2019								
Intraday High (\$)	31.21	30.01	25.31	24.50	25.94	22.94	49.90	25.29
Intraday Low (\$)	29.13	30.00	25.01	23.88	25.73	22.32	47.21	24.85
Volume	20,391,707	300	32,628	94,420	28,389	317,204	2,400	118,074
November 2019								
Intraday High (\$)	32.39	32.00	25.66	24.91	25.95	23.25	47.00	25.63
Intraday Low (\$)	30.50	31.39	25.16	24.32	25.70	22.75	46.76	25.15
Volume	19,617,949	550	65,860	123,617	54,390	221,906	290	55,291
December 2019								
Intraday High (\$)	35.15	37.50	25.69	25.22	25.95	23.85	47.50	25.73
Intraday Low (\$)	31.50	32.61	25.20	24.52	25.45	23.14	47.00	25.27
Volume	33,200,443	2,051	59,338	61,133	70,041	85,329	770	67,583

ITEM 12 DIRECTORS AND OFFICERS

Item 12.1 Directors

The following table sets forth the full name, province or state and country of residence, current principal occupation and, if applicable, previous occupation in the last five years for each current Director of the Corporation.

Name and Province/State and Country of Residence	Director since	Current Principal Occupation	Previously held position(s) (in the past five years)	Committee Membership ^[1]
Pierre Beaudoin Québec, Canada	May 2005	Chairman of Bombardier Inc., a diversified transportation manufacturing company since July 2017	Executive Chairman of Bombardier Inc.	RP&CR
Marcel R. Coutu Alberta, Canada	May 2011	Company Director	n/a	AUDIT, HR
André Desmarais Québec, Canada	May 1988	Deputy Chairman of the Corporation and of Power Financial	President and Co-Chief Executive Officer of the Corporation and Executive Co-Chairman of Power Financial ^[2]	G&N
Paul Desmarais, Jr. Québec, Canada	May 1988	Chairman of the Corporation and of Power Financial	Co-Chief Executive Officer of the Corporation and Executive Co-Chairman of Power Financial ^[2]	G&N (Chair)
Gary A. Doer Manitoba, Canada	May 2016	Senior Business Advisor at Dentons Canada LLP since August 2016	Canada's Ambassador to the United States	AUDIT
Anthony R. Graham ^[3] Ontario, Canada	May 2001	Chairman and Chief Executive Officer of Sumarri Inc., an investment management company	Vice-Chairman of Wittington Investments, Limited, the principal holding company of the Weston-Loblaw Group	HR (Chair), G&N
J. David A. Jackson Ontario, Canada	May 2013	Senior Counsel at Blake, Cassels & Graydon LLP	n/a	AUDIT (Chair)
Isabelle Marcoux Québec, Canada	May 2010	Chair of the Board of Transcontinental Inc., a leader in flexible packaging in North America and Canada's largest printer and a leader in school textbook publishing	n/a	HR, G&N
Christian Noyer Paris, France	May 2016	Company Director since May 2016	Governor of the Banque de France	G&N, RP&CR
R. Jeffrey Orr Québec, Canada	May 2005	President and Chief Executive Officer of the Corporation and of Power Financial ^[2]	n/a	
T. Timothy Ryan, Jr. Florida, United States of America	May 2014 ^[4]	Company Director	n/a	AUDIT
Emőke J.E. Szathmáry Manitoba, Canada	May 1999	President Emeritus of the University of Manitoba	n/a	AUDIT, RP&CR (Chair)

[1] Committee Membership acronyms: AUDIT = Audit Committee; HR = Human Resources Committee; G&N = Governance and Nominating Committee; RP&CR = Related Party and Conduct Review Committee.

[2] As part of the Reorganization, Messrs. Paul Desmarais, Jr. and André Desmarais retired as Co-Chief Executive Officers of the Corporation on February 13, 2020 and as Executive Co-Chairmen of Power Financial on March 18, 2020. They continue to serve as Chairman and Deputy Chairman, respectively, of the Board of Directors of the Corporation and of Power Financial. Mr. R. Jeffrey Orr, President and Chief Executive Officer of Power Financial, became President and Chief Executive Officer of the Corporation on February 13, 2020.

[3] Mr. Graham was also appointed Lead Director on March 23, 2018.

[4] Mr. Ryan also served as a Director of the Corporation from May 2011 to May 2013.

All Directors listed above were elected as Directors at the Annual Meeting of Shareholders held on May 14, 2019, to hold office until the close of the next annual meeting of shareholders.

Item 12.2 Executive and other officers

The following table sets forth the full name, province or state and country of residence, current principal occupation and, if applicable, previous occupation in the last five years for each current executive and other officers of the Corporation.

Name and Province/State and Country of Residence	Current Principal Occupation	Previously held position(s) (in the past five years)
R. Jeffrey Orr Québec, Canada	President and Chief Executive Officer of the Corporation and of Power Financial ^[1]	n/a
Michel Plessis-Bélair Québec, Canada	Vice-Chairman of the Corporation	Vice-Chairman of Power Financial from May 2012 to March 2020 ^[2]
Gregory D. Tretiak Québec, Canada	Executive Vice-President and Chief Financial Officer of the Corporation and of Power Financial	n/a
Claude Généreux Québec, Canada	Executive Vice-President of the Corporation since March 2015	Executive Vice-President of Power Financial from March 2015 to March 2020 ^[2] ; previously, Senior Director of McKinsey & Company
Olivier Desmarais Québec, Canada	Senior Vice-President of the Corporation since January 2017 and Chairman and Chief Executive Officer of Power Sustainable Capital Investments Inc. since June 2018	Senior Vice-President of Power Financial from January 2017 to March 2020 ^[2] ; previously, Vice-President of the Corporation and of Power Financial
Paul Desmarais, III Québec, Canada	Chairman and Chief Executive Officer of Sagard Holdings since July 2018 and Senior Vice-President of the Corporation since January 2017	Senior Vice-President of Power Financial from January 2017 to March 2020 ^[2] ; previously, Vice-President of the Corporation and of Power Financial
Paul C. Genest Ontario, Canada	Senior Vice-President of the Corporation since September 2016	Senior Vice-President of Power Financial from September 2016 to March 2020 ^[2] ; fellow at the Brookfield Institute for Innovation and Entrepreneurship since October 2015; previously, Deputy Minister in the Ontario Government
Arnaud Bellens Québec, Canada	Vice-President of the Corporation since September 2016	Chief Financial Officer and Vice-President of Finance at La Presse
Hugo Breton Québec, Canada	Vice-President of the Corporation since January 2020	Vice-President of Power Financial from January 2020 to March 2020 ^[2] ; previously, Director, Strategy at the Corporation and Power Financial since December 2015; previously, Vice-President, Global Strategy and Corporate Development at Aimia Inc.
Mei Dong Ontario, Canada	Vice-President of the Corporation since January 2020	Vice-President of Power Financial from January 2020 to March 2020 ^[2] ; previously, Partner at McKinsey & Company
Stéphane Lemay Québec, Canada	Vice-President, General Counsel and Secretary of the Corporation and of Power Financial	n/a
Denis Le Vasseur Québec, Canada	Vice-President and Controller of the Corporation and of Power Financial	n/a
Yuhong Liu (Henry) Québec, Canada	Vice-President of the Corporation	n/a
Eoin Ó hÓgáin Québec, Canada	Vice-President of the Corporation since September 2016	Vice-President of Power Financial from September 2016 to March 2020 ^[2] ; previously, Vice-President, Fundamental Equities Investing at State Street Global Advisors
Richard Pan Québec, Canada	Vice-President and Head of Corporate Finance of the Corporation	Vice-President of Power Financial from May 2010 to March 2020 ^[2]

Name and Province/State and Country of Residence	Current Principal Occupation	Previously held position(s) (in the past five years)
Pierre Piché Québec, Canada	Vice-President of the Corporation since May 2017	Vice-President of Power Financial from May 2017 to March 2020 ^[2] ; previously, Senior Advisor of the Corporation and of Power Financial
Luc Reny Québec, Canada	Vice-President of the Corporation	Vice-President of Power Financial from November 2009 to March 2020 ^[2]
Samuel Robinson New York, United States of America	President and a Director of Sagard Holdings since May 2017 and May 2018, respectively, and Vice-President of the Corporation since March 2016	n/a
Adam Vigna Ontario, Canada	Chief Investment Officer of Sagard Holdings since May 2017 and Vice-President of the Corporation since November 2016	Managing Director at the Canada Pension Plan Investment Board
Delia Cristea Québec, Canada	Assistant General Counsel and Assistant Secretary of the Corporation since March 2018	Assistant General Counsel and Assistant Secretary of Power Financial from March 2018 to March 2020 ^[2] ; previously, Senior Legal Counsel and Assistant Secretary of the Corporation and of Power Financial since March 2017; previously, Senior Legal Counsel of the Corporation and of Power Financial since March 2016; previously, Legal Counsel of the Corporation and of Power Financial

[1] On February 13, 2020, as part of the Reorganization, Mr. R. Jeffrey Orr, President and Chief Executive Officer of Power Financial, became President and Chief Executive Officer of the Corporation.

[2] On March 18, 2020, following the Reorganization, the Board of Directors of Power Financial decided to reduce the number of officers of Power Financial from 19 to 4.

ITEM 13 VOTING SECURITIES

The aggregate number and percentage of securities of each class of voting securities of Power and its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by all Directors and executive officers of Power as a group^[1], as at December 31, 2019, was:

Name	Number of shares	Percentage
Power		
Subordinate Voting Shares	31,004,237	8.21
Power Financial		
Common Shares ^[2]	534,440	0.08
Lifeco		
Common Shares	547,029	0.06
IGM Financial		
Common Shares	243,384	0.10

- [1] Securities directly or indirectly controlled or beneficially owned by Power, Power Financial, Lifeco and IGM Financial have not been included in the table. The Desmarais Family Residuary Trust exercises control over Pansolo which, as at December 31, 2019, directly and indirectly owned voting shares of Power carrying 61.8 per cent of the votes attached to the voting securities of Power. As at December 31, 2019, Power in turn controlled 64.1 per cent of the voting shares of Power Financial, which in turn controlled directly or indirectly 65.0 per cent and 66.0 per cent of the voting shares of Lifeco and IGM Financial, respectively. The Desmarais Family Residuary Trust is for the benefit of members of the family of The Honourable Paul G. Desmarais. The trustees of the Desmarais Family Residuary Trust are Paul Desmarais, Jr., André Desmarais, Sophie Desmarais, Michel Plessis-Bélair and Guy Fortin. The trustees also act as voting administrators. Decisions with respect to voting and disposition of Pansolo's shares of Power are determined (subject to the rights of Paul Desmarais, Jr. and André Desmarais to direct the sale or pledge of up to 15,000,000 and 14,000,000 Subordinate Voting Shares of Power, respectively, as discussed below) by a majority of the trustees of the Desmarais Family Residuary Trust, excluding Sophie Desmarais, provided that, if there is no such majority, Paul Desmarais, Jr. and André Desmarais, acting together, may make such decisions. Paul Desmarais, Jr., André Desmarais and Michel Plessis-Bélair are each a Director and/or officer of Power. Other than 29,000,000 Subordinate Voting Shares of Power, for which control and direction is shared by Pansolo and Paul Desmarais, Jr. or his designee as to 15,000,000 Subordinate Voting Shares or André Desmarais or his designee as to 14,000,000 Subordinate Voting Shares, securities controlled by Pansolo have not been included in the table.
- [2] Following the completion of the Reorganization and as of the date hereof, Power beneficially owns 100 per cent of the issued and outstanding PFC Common Shares.

ITEM 14 COMMITTEES

The CBCA and securities legislation require the Corporation to have an Audit Committee. The Corporation also appoints a Human Resources Committee, a Related Party and Conduct Review Committee and a Governance and Nominating Committee. The current membership of the committees is set forth in the Directors table of page 26 of this Annual Information Form.

Item 14.1 Audit Committee

AUDIT COMMITTEE'S CHARTER

The charter of the Audit Committee is attached as Appendix A to this Annual Information Form.

COMPOSITION OF AUDIT COMMITTEE

The members of the Audit Committee are J. David A. Jackson, Marcel R. Coutu, Gary A. Doer, T. Timothy Ryan, Jr. and Emőke J.E. Szathmáry. Each member of the Audit Committee is independent (as defined under National Instrument 52-110 – *Audit Committees*) and none receives, directly or indirectly, any compensation from Power other than for service as a member of the Board of Directors and its committees. All members of the Audit Committee are financially literate (as defined under National Instrument 52-110 – *Audit Committees*).

RELEVANT EDUCATION AND EXPERIENCE OF AUDIT COMMITTEE MEMBERS

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

Mr. Jackson retired as a Partner of the law firm Blake, Cassels & Graydon LLP ("Blakes") in 2012, and currently serves as Senior Counsel to the firm, providing advice primarily in the areas of mergers and acquisitions and corporate governance. He was the Chairman of Blakes from 1995 to 2001. He was recognized throughout his career as a leading practitioner in the areas of mergers and acquisitions, corporate finance and corporate governance by numerous independent assessment organizations. He has served as Chairman of the Audit Committee of Power since May 2013. Mr. Jackson is also a Director of several Power group companies including Lifeco and Canada Life. He served as a Director on the Board of Power Financial from May 2013 to February 2020 and of IG Wealth Management from 1991 to 2001. Mr. Jackson has also served as a Director of a number of public and private corporations. He was a Director and the Vice-Chairman of the Board of Sunnybrook Health Sciences Centre until June 2011. He holds a Bachelor of Commerce degree from the University of Windsor and a Bachelor of Laws (LL.B.) from Osgoode Hall Law School, and was called to the Bar of Ontario in 1974.

Mr. Coutu is a Company Director. He is a Director of Brookfield Asset Management Inc. and Enbridge Inc. From 2001 to January 1, 2014, he was President and Chief Executive Officer of Canadian Oil Sands Limited and Chairman of Syncrude Canada Ltd., a Canadian oil sands project. Mr. Coutu was previously Senior Vice-President and Chief Financial Officer of Gulf Canada Resources Limited. He has more than 25 years of experience in the energy sector, primarily focused in the areas of corporate finance, investment banking, mining, and oil and gas exploration and development. He has been a member of the Audit Committee of Power since May 2012. He is a Director of several Power group companies including Lifeco, Canada Life, Empower Retirement, Putnam, IGM Financial, IG Wealth Management and Mackenzie. He is the Chair and Designated Financial Expert of the Audit Committee of Brookfield Asset Management Inc. and also serves as a Director of the Calgary Exhibition and Stampede Board. Mr. Coutu has also held board positions with Gulf Indonesia Resources Limited, TransCanada Power Limited Partnership and the Board of Governors of the Canadian Association of Petroleum Producers. He holds a Bachelor of Science (Honours) in Geology from the University of Waterloo and an MBA from the University of Western Ontario (now Western University). Mr. Coutu was a member of the Canadian Council of Chief Executives (now the Business Council of Canada) and a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta until 2014.

Mr. Doer is a Senior Business Advisor to the law firm Dentons Canada LLP since August 2016. From October 2009 to January 2016, he served as Canada's Ambassador to the United States. He was previously the Premier of Manitoba from 1999 to 2009, and served in a number of roles in the Legislative Assembly of Manitoba from 1986 to 2009. In 2005 as Premier, Mr.

Doer was named by Business Week Magazine as one of the top 20 international leaders on climate change. In 2017, Mr. Doer joined the Trilateral Commission as a member of the North American Group. He was a Director of Barrick Gold Corporation from 2016 to 2018. Mr. Doer is also a Director of several Power group companies, including Power Financial, Lifeco, Empower Retirement, Canada Life, Putnam, IGM Financial, IG Wealth Management and Mackenzie. He is also a Director and a member of the Audit, Finance & Risk Committee of Air Canada since May 2018. Mr. Doer serves as volunteer Co-Chair of the Wilson Centre's Canada Institute, a non-partisan public policy forum which focuses on Canada-United States relations. In 2010, Mr. Doer was named a Member of the Order of Manitoba and, in 2011, he received a diplomatic service award from the World Affairs Council.

Mr. Ryan is a Company Director. Until October 2014, he was Managing Director, Global Head of Regulatory Strategy and Policy for JPMorgan Chase & Co. ("J.P. Morgan"), a global financial services firm. Previously, Mr. Ryan was President and Chief Executive Officer of the Securities Industry and Financial Markets Association (SIFMA), a trade association representing 680 global financial markets participants, and Chief Executive Officer of the Global Financial Markets Association (GFMA), SIFMA's global affiliate, until February 2013. Prior to joining SIFMA, Mr. Ryan held a number of senior positions with J.P. Morgan from 1993 to 2008, including Vice-Chairman, Financial Institutions and Governments, and Managing Director. He was a private sector member of the Global Markets Advisory Committee for the U.S. National Intelligence Council from 2007 to 2011. From 2002 to 2004, Mr. Ryan was a member of the U.S.-Japan Private Sector/Government Commission with responsibility for Corporate Restructuring and the Non-Performing Loans workout, and from 2000 to 2004, he served as a board member and Chairman of the Audit Committee at KorAm Bank of Seoul, Korea. Before joining J.P. Morgan, Mr. Ryan was the Director of the Office of Thrift Supervision, U.S. Department of the Treasury, where he served as the principal manager of the savings and loan cleanup that involved closing approximately 700 insolvent institutions, improving capital bases, and selling over \$300 billion of assets. He is also a Director of several Power group companies, including Power Financial, Lifeco, Empower Retirement, Canada Life and Putnam. In addition, Mr. Ryan is Chairman of the Boards of Santander Holdings USA, Inc., Santander Bank, N.A. and Banco Santander International. He served as a Director of Markit Group Limited from April 2013 to October 2014, Lloyds Banking Group from March 2009 to April 2013, Power and Power Financial from May 2011 to May 2013, and Lifeco from May 2010 to May 2013. He has been a member of the Corporation's Audit Committee since May 2014 and previously served as a member and the Chairman of the Audit Committee from May 2012 to May 2013. Mr. Ryan is a graduate of Villanova University and the American University Law School. He served as an officer in the U.S. Army from 1967 to 1970.

Dr. Szathmáry was named President Emeritus of the University of Manitoba in 2008. She received the title of Professor Emeritus in the Department of Anthropology in 2014. From 1996 to 2008, she was President and Vice-Chancellor of the University of Manitoba, a member of its Board of Governors and a member of the Board's Audit Committee and a member of the Finance, Administration and Human Resources Committee. In the course of her administrative duties at the University, she was accountable for monitoring and communicating financial information with respect to the University's annual budget, including its trust and endowment funds. She was also a member of the committee that is responsible for the University's endowments, which oversees the professional investment managers of these funds. Dr. Szathmáry was previously Provost and Vice-President (Academic) at McMaster University in Hamilton and, prior thereto, Dean of the Faculty of Social Science at the University of Western Ontario (now Western University) in London. She has been a member of the Corporation's Audit Committee since May 2002, and was a Director of Power Financial and a member of its Audit Committee from May 1999 to February 2020. Until May 2017, she served as a Director of several other Power group companies including Lifeco and Canada Life. She also serves on the Board of Directors of several national and provincial educational, research and philanthropic not-for-profit organizations. She has received the Lieutenant Governor's Medal for Excellence in Public Administration in Manitoba, as well as seven Honorary Doctorates. Dr. Szathmáry is a Fellow of the Royal Society of Canada and is a member of the Order of Canada and of the Order of Manitoba. In 2015, she was appointed Honorary Colonel of the Royal Winnipeg Rifles, and was re-appointed in 2018.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has adopted a Policy Regarding Pre-approval of Services Provided by the External Auditor (the "Policy"), which also applies to Power Financial. The Policy sets out audit services that are pre-approved by the Committee,

outlines prohibited non-audit services and sets out a pre-approved list of permitted non-audit services. The pre-approved list of permitted non-audit services is to be reviewed and pre-approved periodically and certain other non-audit services must be approved on a case-by-case basis by the Audit Committee. The Policy further requires that the external independent auditor (referred to as “the auditor” hereafter) implement its own policies and procedures to provide that prohibited services are not provided and that permitted services are pre-approved before an engagement is accepted.

AUDITOR'S FEES

Fees payable by Power^[1] and Power Financial for the years ended December 31, 2019 and December 31, 2018 to Deloitte LLP and its affiliates were, respectively, as follows:

	Years ended December 31			
	Power		Power Financial	
	2019	2018	2019	2018
Audit Fees	\$1,009,000	\$1,081,000	\$1,218,000	\$1,176,000
Audit-Related Fees ^[2] ^[3]	\$100,000	\$118,000	\$58,000	\$108,000
Tax Fees ^[2] ^[3]	\$534,000	\$607,000	\$49,000	\$2,000
All Other Fees ^[3]	\$34,000	\$100,000	\$34,000	\$58,000
TOTAL	\$1,677,000	\$1,906,000	\$1,359,000	\$1,344,000

[1] Fees payable by Lifeco are described in the section entitled “Audit Committee Information” of Lifeco’s Annual Information Form and fees payable by IGM Financial are described in the section entitled “Audit Committee” of IGM Financial’s Annual Information Form.

[2] During the financial year ended December 31, 2019, Deloitte LLP provided audit-related and tax services to certain subsidiary entities of the Corporation, other than Power Financial and its subsidiaries, including Lifeco and IGM Financial, for additional fees in the amount of \$1,181,000 (2018 - 1,780,000) and \$356,000 (2018 - \$434,000), respectively.

[3] During the financial year ended December 31, 2019, Deloitte LLP provided audit-related, tax and other services to certain subsidiary entities of Power Financial, other than Lifeco and IGM Financial, for additional fees in the amount of \$711,000 (2018 - \$705,000), \$10,000 (2018 - \$57,000) and nil (2018-\$68,000), respectively.

The nature of each category of fees is described below.

AUDIT FEES

Audit fees were incurred for professional services rendered by the auditor for the audit of the annual financial statements of Power and Power Financial, for the review of Power’s and Power Financial’s respective quarterly financial statements and for services provided in connection with regulatory, prospectus and other offering document filings or similar engagements. In addition, audit fees included the cost of translation of various continuous disclosure documents of Power and Power Financial.

AUDIT-RELATED FEES

Audit-related fees were incurred for assurance and related services that are reasonably related to the performance of the audit or review of the annual financial statements and that are not reported under the audit fees item above. These services consisted primarily of other attest services not required by statute or regulation and consultations with respect to accounting and reporting standards.

TAX FEES

Tax fees were incurred for tax compliance services, assistance with tax audits and assistance with various other tax related questions.

ALL OTHER FEES

These fees were incurred in connection with other permitted non-audit services. In 2018 and 2019, these related to innovation projects and presentations to management.

PROCEDURES FOR COMPLAINTS

In accordance with National Instrument 52-110 – *Audit Committees*, the Corporation has established procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, which also applies to Power Financial. Persons wishing to utilize such procedures may contact the Vice-President, General Counsel and Secretary of the Corporation at 751 Victoria Square, Montréal, Québec H2Y 2J3.

ITEM 15 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out below or as described elsewhere in this Annual Information Form, none of (i) the Directors or executive officers of the Corporation, (ii) shareholders who beneficially own or control directly or indirectly more than 10 per cent of the Subordinated Voting Shares or Participating Preferred Shares, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

On April 17, 2019, Power Financial completed a substantial issuer bid and purchased for cancellation 49,999,973 of its common shares, representing approximately 7.0 per cent of its issued and outstanding common shares on a non-diluted basis prior to the repurchase, at a purchase price of \$33.00 per common share. Pursuant to the bid, 42,436,370 of the PFC Common Shares beneficially owned by Power were purchased by Power Financial.

ITEM 16 MATERIAL CONTRACTS

Except for the arrangement agreement entered into by Power and Power Financial on December 12, 2019 and the related voting rights and support agreements entered into by Power and each of Power Financial's Directors and executive officers as well as with Pansolo which were filed on December 18, 2019 on SEDAR (www.sedar.com) under Power's and Power Financial's respective company profiles, Power is not bound by any material contract for which a filing is required. The descriptions of the foregoing agreements, as contained within the material change report of the Corporation dated December 18, 2019, are incorporated herein by reference.

ITEM 17 TRANSFER AGENT

Power's securities are transferable at the principal offices of its transfer agent and registrar, Computershare Investor Services Inc., in Toronto, Vancouver and Montréal.

ITEM 18 EXPERTS

Power's auditor is Deloitte LLP. Deloitte LLP has advised the Corporation that it is independent with respect to the Corporation within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

ITEM 19 ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

Power recognizes that the effective management of environmental, social and governance (ESG) factors can have a positive impact on our Corporation's profitability, long-term performance and ability to create value in a sustainable manner.

Power has established a series of corporate policies (which also apply to Power Financial) articulating its commitments towards and management of ESG-related topics such as business conduct and ethics, anti-corruption, human rights, respectful and inclusive workplace, diversity, responsible procurement, data privacy and security, environmental responsibility, etc. Through its Third Party Code of Conduct, Power also extends these commitments to third parties with which it has a business relationship. Power has been a signatory to United Nations Global Compact (UNGC) since 2014.

Power is committed to transparent disclosure with regards to ESG factors. On an annual basis, its CSR-dedicated website (www.powercorporationcsr.com), as well as its Data Supplement, which presents Power's performance against key ESG metrics are updated. Power has also been responding to the Climate Change questionnaire of the Carbon Disclosure Project (CDP) since 2012, obtaining a score of A- (Leadership) in 2019.

Power's approach to community investment consists of the contributions it makes to numerous organizations through corporate donations and investments, and through its support of employee volunteering initiatives. Power has established a community investment microsite, www.PowerCorporationCommunity.com, to highlight some of the organizations it supports, and the positive outcomes they achieved.

As part of its active ownership approach, Power engages with its portfolio companies to confirm they continue to be managed in a manner consistent with the Corporation's responsible management philosophy. Many of Power's group companies are signatories to the Principles for Responsible Investment (PRI) - including Lifeco subsidiaries GLC Asset Management Group, Putnam and Irish Life Investment Managers; IGM Financial subsidiaries IG Wealth Management and Mackenzie, as well as GBL.

ITEM 20 ADDITIONAL INFORMATION

Additional information relating to Power may be found on SEDAR at www.sedar.com. Information including Directors' and officers' remuneration and indebtedness, principal holders of Power's securities, stock options and interests of insiders in material transactions is, where applicable, contained in its latest Management Proxy Circular. Additional financial information is provided in the financial statements for the year ended December 31, 2019 and Power's MD&A, which have been filed on SEDAR.

Power Financial, Lifeco and IGM Financial, the major direct and indirect subsidiaries of Power, are reporting issuers under Canadian securities legislation. These issuers are required to file annual and interim financial statements, material change reports and copies of material contracts. Investors who wish to do so may view such documents under the respective company profiles at www.sedar.com.

APPENDIX A

Power Corporation of Canada Audit Committee Charter

1. PURPOSE AND COMPOSITION

The purpose of the Audit Committee (the “*Committee*”) of Power Corporation of Canada (the “*Corporation*”) is to assist the Board of Directors (the “*Board*”) in reviewing:

- 1.1 the Corporation’s financial disclosure;
- 1.2 the qualifications and independence of the Corporation’s external auditor; and
- 1.3 the performance of the external auditor.

The Committee of the Corporation shall be composed of not less than three directors of the Corporation, all of whom shall be *independent* and *financially literate* within the meaning of the Canadian Securities Administrators National Instrument 52-110.

2. PROCEDURAL MATTERS

In connection with the discharge of its duties and responsibilities, the Committee shall observe the following procedures:

- 2.1 **Meetings** – The Committee shall meet at least four times every year, and more often if necessary, to discharge its duties and responsibilities hereunder.
- 2.2 **Advisors** – The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay, at the Corporation’s expense, the compensation of such advisors.
- 2.3 **Quorum** – A quorum at any meeting of the Committee shall be a majority of the Committee members.
- 2.4 **Secretary** – The Chair, or any person appointed by the Chair, shall act as secretary of meetings of the Committee.
- 2.5 **Calling of Meetings** – A meeting of the Committee may be called by the Chair of the Committee, by the Chair of the Board, by the external auditor of the Corporation, or by any member of the Committee, on not less than 48 hours’ notice to the members of the Committee specifying the place, date and time of the meeting. Meetings may be held at any time without notice if all members of the Committee waive notice. If a meeting of the Committee is called by anyone other than the Chair of the Board, the person(s) calling such meeting shall so inform the Chair of the Board and the Chair of the Committee.

3. DUTIES AND RESPONSIBILITIES

- 3.1 **Financial Disclosure** – The Committee shall:
 1. unless otherwise determined by the Board, approve the Corporation’s interim management’s discussions and analyses (pursuant to delegation of authority by the Board);
 2. review the Corporation’s:
 - a interim and annual financial statements;
 - b annual management’s discussions and analyses;
 - c interim and annual earnings press releases; and
 - d other documents containing audited or unaudited financial information, at its discretion;
 and report thereon to the Board before such documents are approved by the Board and disclosed to the public; and
 3. be satisfied that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, other than the disclosure provided

by the financial statements, management's discussions and analyses and earnings press releases, and shall periodically assess the adequacy of those procedures.

3.2 **President and Chief Executive Officer's Expense Reports.** The Chair of the Committee shall review, at least annually, the expense reports of the President and Chief Executive Officer. Following this review, the Chair shall report to the Committee.

3.3 **Policy on Use of Corporate Aircraft.** The Chair of the Committee shall review, at least annually, the application of the Policy on Use of Corporate Aircraft. Following this review, the Chair shall report to the Committee.

3.4 **External Audit.** The Committee shall:

1. recommend to the Board the external auditor to be appointed for purposes of preparing or issuing an auditor's report or performing other audit, review or attest services;
2. review the terms of the external auditor's engagement, the appropriateness and reasonableness of proposed audit fees, and any issues relating to the payment of audit fees, and make a recommendation to the Board with respect to the compensation of the external auditor;
3. review the independence of the external auditor, including an annual report prepared by the external auditor regarding its independence;
4. meet with the external auditor and with management to review the audit plan, audit findings, and any restrictions on the scope of the external auditor's work;
5. review with the external auditor and management any changes in Generally Accepted Accounting Principles that may be material to the Corporation's financial reporting;
6. have the authority to communicate directly with the external auditor;
7. require the external auditor to report directly to the Committee;
8. directly oversee the work of the external auditor that is related to the preparation or issue of an auditor's report or other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
9. meet with the external auditor to discuss the annual financial statements (including the report of the external auditor thereon) and the interim financial statements (including the review engagement report of the external auditor thereon);
10. review any management letter containing the recommendations of the external auditor, and the response and follow up by management in relation to any such recommendations;
11. review any evaluation of the Corporation's internal control over financial reporting conducted by the external auditor, together with management's response;
12. pre-approve (or delegate such pre-approval to one or more of its independent members) in accordance with a pre-approval policy, all engagements for non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor, together with all non-audit services fees, and consider the impact of such engagements and fees on the independence of the external auditor;
13. review and approve the Corporation's hiring policy regarding partners, employees and former partners and employees of the present and former external auditor; and
14. in the event of a change of auditor, review and approve the Corporation's disclosure relating thereto.

3.5 **Risk Oversight** – In performing its duties and exercising its powers, the Committee shall consider and address:

1. the risks related to the establishment, maintenance and implementation of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR) in relation to disclosure by the Corporation in accordance with applicable law; and

2. the risks related to cybersecurity that would reasonably be expected to have a material effect on the Corporation's ongoing business, affairs and/or reputation.

3.6 **Financial Complaints Handling Procedures** – The Committee shall establish procedures for:

1. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
2. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

3.7 **Global Anti-Bribery Policy** – The Committee shall be responsible for monitoring the implementation of, and compliance with, the Corporation's Global Anti-Bribery Policy.

3.8 **In-Camera Sessions** – At least four times a year, the members of the Committee shall meet without members of management present. The Committee shall also periodically meet separately with each of the external auditor and management, as the Committee deems appropriate.

3.9 Subsidiaries

1. With respect to any Material Operating Subsidiary in the corporate ownership chain between the Corporation and any Direct Subsidiary, the Committee shall review the financial statements of that **Material Operating Subsidiary**.
2. With respect to any Direct Subsidiary:
 - a. the Committee shall rely on the review and approval of the financial statements of the Direct Subsidiary by the audit committee and the board of directors of the Direct Subsidiary, and on reports or opinions of the external auditor on those financial statements;
 - b. the Committee shall receive a copy of the charter of the Direct Subsidiary's audit committee, together with a memorandum summarizing its meeting processes and structure ("Process Memorandum"); and
 - c. at each meeting of the Committee, the secretary of the Committee shall table a report from the secretary of the Direct Subsidiary's audit committee confirming that the processes mandated by its charter and Process Memorandum have been followed.
3. For these purposes:
 - a. "**Material Operating Subsidiary**" means an operating subsidiary whose net income represents 10% or more of the net income of the Corporation; and
 - b. "**Direct Subsidiary**" means the first Material Operating Subsidiary entity below the Corporation in a corporate ownership chain that has an audit committee which is comprised of a majority of independent directors.

4. AUDITOR'S ATTENDANCE AT MEETINGS

The external auditor shall be entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, to attend and be heard at any meeting of the Committee. If so requested by a member of the Committee, the external auditor shall attend every meeting of the Committee held during the term of office of the external auditor.

5. ACCESS TO INFORMATION

The Committee shall have access to any information, documents and records that are necessary in the performance of its duties and the discharge of its responsibilities under this Charter.

6. REVIEW OF CHARTER

The Committee shall periodically review this Charter and recommend any changes to the Board as it may deem appropriate.

7. REPORTING

The Chair of the Committee shall report to the Board, at such times and in such manner, as the Board may from time to time require and shall promptly inform the Chair of the Board of any significant issues raised during the performance of the functions as set out herein, by the external auditor or any Committee member, and shall provide the Chair of the Board copies of any written reports or letters provided by the external auditor to the Committee.