POWER CORPORATION OF CANADA

NOTICE OF 2011 ANNUAL MEETING OF SHAREHOLDERS

To the holders of Participating Preferred Shares and Subordinate Voting Shares:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of POWER CORPORATION OF CANADA will be held at the InterContinental Hotel, 360 St. Antoine Street West, Montréal, Québec, Canada on Friday, May 13, 2011, at 11:00 a.m., local time, for the following purposes:

[1] to elect directors;

[2] to appoint auditors;

[3] to receive the consolidated financial statements for the year ended December 31, 2010 and the auditors' report thereon;

[4] to consider the shareholder proposals attached as Schedule A to the Management Proxy Circular; and

[5] to transact such other business as may properly come before the Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Edward Johnson
Senior Vice-President, General Counsel and Secretary
Montréal, Québec
March 10, 2011

IF YOU DO NOT EXPECT TO BE PRESENT AT THE MEETING, PLEASE COMPLETE, DATE AND SIGN THE ACCOMPANYING FORM OF PROXY AND RETURN IT IN THE ENVELOPE ENCLOSED.

Si vous préférez recevoir un exemplaire en français,
veuillez vous adresser au secrétaire,
Power Corporation du Canada
751, square Victoria
Montréal (Québec)
Canada H2Y 2J3

MANAGEMENT PROXY CIRCULAR

This Management Proxy Circular is sent in connection with the solicitation by the management of Power Corporation of Canada ("Power", "PCC" or the "Corporation") of proxies for use at the Annual Meeting of Shareholders of the Corporation to be held on Friday, May 13, 2011 (the "Meeting"), or any adjournment thereof. The method of solicitation will be primarily by mail. However, proxies may also be solicited by employees of the Corporation in writing or by telephone at nominal cost. The Corporation may also engage a third party to provide proxy solicitation services on behalf of management in connection with solicitation of proxies for the Meeting. The cost of solicitation will be borne by the Corporation.

The following abbreviations have been used throughout this Management Proxy Circular:

NAME IN FULL	ABBREVIATION
Power Financial Corporation	PFC
Great-West Lifeco Inc.	Lifeco
IGM Financial Inc.	IGM
Pargesa Holding SA	Pargesa
The Canada Life Assurance Company	Canada Life
The Great-West Life Assurance Company	Great-West
Toronto Stock Exchange	TSX
Canadian Securities Administrators	CSA

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

On March 10, 2011, there were outstanding 48,854,772 Participating Preferred Shares and 410,899,556 Subordinate Voting Shares of the Corporation. The Participating Preferred Shares and the Subordinate Voting Shares are herein sometimes collectively referred to as the "Shares".

Each holder of Participating Preferred Shares is entitled to 10 votes and each holder of Subordinate Voting Shares is entitled to one vote at the Meeting, or any adjournment thereof, for each share registered in the holder's name as at the close of business on March 18, 2011 (the "Record Date"). The Subordinate Voting Shares represent 45.68 per cent of the aggregate voting rights attached to the Corporation's outstanding Shares.

The Articles of the Corporation do not contain any rights or provisions applicable to holders of Subordinate Voting Shares of the Corporation where a takeover bid is made for the Participating Preferred Shares of the Corporation.

To the knowledge of the Directors and officers of the Corporation, as of March 10, 2011, the Honourable Paul Desmarais, Chairman of the Executive Committee of the Corporation, exercised, directly and through holding corporations, control over 48,603,392 Participating Preferred Shares and 63,825,142 Subordinate Voting Shares in the aggregate, representing 99.49 per cent and 15.53 per cent, respectively, of the outstanding shares of such classes and 61.13 per cent and 24.45 per cent, respectively, of the votes and equity associated with the total outstanding Shares of the Corporation. To the knowledge of the Directors and officers of the Corporation, no other person or company beneficially owns, or controls or directs, directly or indirectly, more than 10 per cent of the shares of any class of shares of the Corporation.

PROXIES — REGISTERED SHAREHOLDERS

A shareholder is a registered shareholder if shown as a shareholder on the Record Date on the shareholder list kept by Computershare Investor Services Inc. ("Computershare"), as registrar and transfer agent of the Corporation for the Shares, in which case a share certificate will have been issued to the shareholder which indicates the shareholder's name and the number of Shares owned by the shareholder. Registered holders of Shares will receive with this Management Proxy Circular a form of proxy from Computershare representing the Shares held by the registered shareholder.

APPOINTMENT OF PROXY

To be effective, proxies from registered shareholders must be received by Computershare, 9th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1 (or be deposited with Computershare, 9th Floor, 100 University Avenue, Toronto, Ontario, Canada) not later than 5:00 p.m. on the last business day preceding the day of the Meeting.

REVOCATION OF PROXY

A registered shareholder giving a proxy may revoke the proxy by instrument in writing executed by the registered shareholder or his or her attorney authorized in writing or, if the registered shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the registered office of the Corporation, located at 751 Victoria Square, Montréal, Québec, Canada, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, or in any other manner permitted by law, but prior to the exercise of such proxy in respect of any particular matter.

PROXIES — NON-REGISTERED SHAREHOLDERS

A shareholder is a non-registered (or beneficial) shareholder if [i] an intermediary (such as a bank, trust company, securities dealer or broker, trustee or administrator of RRSPs, RRIFs, RESPs and similar plans), or [ii] a clearing agency (such as CDS Clearing and Depository Services Inc.), of which the intermediary is a participant, holds the shareholder's Shares on behalf of the shareholder (in each case, an "Intermediary").

APPOINTMENT OF PROXY

In accordance with CSA *National Instrument 54-101 — Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation is distributing copies of materials related to the Meeting to Intermediaries for distribution to non-registered shareholders and such Intermediaries are to forward the materials related to the Meeting to each non-registered shareholder (unless the non-registered shareholder has waived the right to receive such materials). Such Intermediaries often use a service company (such as Broadridge Investor Communication Solutions in Canada), to permit the non-registered shareholder to direct the voting of the Shares, held by the Intermediary, on behalf of the non-registered shareholder. Non-registered shareholders should carefully follow the instructions on the request for voting instructions or form of proxy that they receive from their Intermediary in order to vote the Shares that are held through that Intermediary. Non-registered shareholders of the Corporation should submit voting instructions to Intermediaries in sufficient time to ensure that their votes are received from the Intermediaries by the Corporation.

Since Power generally does not have access to the names of its non-registered shareholders, non-registered shareholders who wish to attend the Meeting and vote in person should insert their own name in the blank space provided in the request for voting instructions or form of proxy to appoint themselves as proxy holders and then follow their Intermediary's instructions for returning the request for voting instructions or proxy form.

REVOCATION OF PROXY

A non-registered shareholder giving a proxy may revoke the proxy by contacting his or her Intermediary in respect of such proxy and complying with any applicable requirements imposed by such Intermediary. An Intermediary may not be able to revoke a proxy if it receives insufficient notice of revocation.

ELECTION OF DIRECTORS

The Board of Directors of the Corporation (sometimes herein referred to as the "Board") may consist of not less than 9 and not more than 28 members as determined from time to time by the Board of Directors, such number presently being fixed at 21. The 21 persons named hereunder will be proposed for election at the Meeting as Directors of the Corporation. Except where authority to vote in respect of the election of Directors is withheld, the nominees named in the accompanying form of proxy will vote the shares represented thereby for the election of the persons named hereunder. Management of the Corporation does not contemplate that any of the persons named hereunder will be unable or unwilling to serve as a Director; however, if such event should occur prior to the election, the nominees named in the accompanying form of proxy reserve the right to vote for the election in his or her stead of such other person as they, in their discretion, may determine. Under policies adopted by the Board, shareholders have the ability to vote for or withhold from voting for each individual Director proposed for election to the Board of Directors of the Corporation.

The *Canada Business Corporations Act* and applicable securities legislation require that the Corporation have an Audit Committee. The Board of Directors also appoints an Executive Committee, a Compensation Committee, a Related Party and Conduct Review Committee, and a Governance and Nominating Committee as more fully described in the section entitled "Statement of Corporate Governance Practices" in this Management Proxy Circular.

The term of office of each Director currently in office expires at the close of the Meeting. Each Director elected at the Meeting shall hold office until the close of the next Annual Meeting of Shareholders, unless he or she resigns or his or her office becomes vacant for any reason.

NOMINEES FOR ELECTION TO THE BOARD

Set forth below are the names of the nominees for election to the Board, their place of residence, certain biographical information and the number of voting securities and deferred share units of the Corporation and its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by each of them.

The information below also reflects the number of Board of Directors and Board of Directors Committee meetings held and attendance, for the financial year ended December 31, 2010, by Directors who are nominated for election at the Meeting. Shareholders should be aware that Directors make important contributions to the welfare of the Corporation outside meetings of the Board and its Committees which are not reflected in attendance figures.

PIERRE BEAUDOIN
QUÉBEC, CANADA

Mr. Beaudoin is President and Chief Executive Officer of Bombardier Inc., a diversified transportation manufacturing company, a position he has held since 2008. Prior thereto, he was President and Chief Operating Officer of Bombardier Aerospace, a division of Bombardier Inc., from 2001 to 2008, and Executive Vice-President of Bombardier Inc., from 2004 to 2008. He was also President of Bombardier Business Aircraft and President and Chief Operating Officer of Bombardier Recreational Products, which were both divisions of Bombardier Inc. Mr. Beaudoin is also a Director of Bombardier Inc. and BRP Inc.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE	COMMITTEE MEETINGS ATTENDED	
May 2005	3/6	N/A	N/A	10,000 Subordinate Voting Shares of the Corporation 19,603 Deferred Share Units of the Corporation

MARCEL R. COUTU
ALBERTA, CANADA

Mr. Coutu is President and Chief Executive Officer of Canadian Oil Sands Limited since 2001 and Chairman of Syncrude Canada Ltd., one of Canada's largest oil sands projects, since 2002. He was previously Senior Vice-President and Chief Financial Officer of Gulf Canada Resources Limited, and prior to that held various positions in the areas of corporate finance, investment banking, and mining and oil and gas exploration and development. Mr. Coutu is a Director of Lifeco and its wholly owned subsidiaries, Great-West and Canada Life. He is also a Director of Brookfield Asset Management Inc. Mr. Coutu serves on the Pension and Compensation Committee of Calgary Exhibition and Stampede Board and is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. He 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.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE	COMMITTEE MEETINGS ATTENDED	
N/A*	N/A	N/A	N/A	10,000 Common Shares of Lifeco 6,857 Deferred Share Units of Lifeco

* Mr. Coutu is proposed for election as a Director of the Corporation for the first time.

LAURENT DASSAULT
PARIS, FRANCE

Mr. Dassault is Vice-President of Groupe Industriel Marcel Dassault SA, an investment and financing company based in Paris, France. He was previously Managing Director of Banque parisienne internationale. Mr. Dassault is Chairman of Immobilière Dassault SA in France and a Director of a broad range of companies in France and elsewhere, including Groupe Industriel Marcel Dassault SA, Dassault Systèmes SA, SITA SA, Generali France SA, Kudelski SA and Banque de Gestion Edmond de Rothschild.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE	COMMITTEE MEETINGS ATTENDED	
May 1997	4/6	N/A	N/A	13,809 Subordinate Voting Shares of the Corporation

ANDRÉ DESMARAIS, O.C., O.Q.
QUÉBEC, CANADA

Mr. Desmarais is a Deputy Chairman, President and Co-Chief Executive Officer of the Corporation and Co-Chairman of PFC. Prior to joining the Corporation in 1983, he was Special Assistant to the Minister of Justice of Canada and an institutional investment counsellor at Richardson Greenshields Securities Ltd. He has held a number of senior positions with Power group companies and was named President and Co-Chief Executive Officer of the Corporation in 1996. He is a Director of many Power group companies in North America, including PFC, Lifeco, The Great-West Life Assurance Company, Great-West Life & Annuity Insurance Company, London Life Insurance Company, Canada Life Financial Corporation, The Canada Life Assurance Company, Crown Life Insurance Company, Putnam Investments, LLC, IGM, Investors Group Inc. and Mackenzie Inc. He is also a Director of Pargesa in Europe and of CITIC Pacific Limited in Asia (in which Power holds a minority interest). He was also a Director of BELLUS Health Inc. until 2009. Mr. Desmarais is Honorary Chairman of the Canada China Business Council and is a member of several China-based organizations. Mr. Desmarais is active in cultural, health and other not-for-profit organizations in Montréal. In 2003, he was named an Officer of the Order of Canada and, in 2009, he was named an Officer of the National Order of Québec. He has received Doctorates *Honoris Causa* from Concordia University and the Université de Montréal.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE [2]	COMMITTEE MEETINGS ATTENDED	
May 1988	6/6	Executive	2/2	1,567,909 Subordinate Voting Shares of the Corporation 43,200 Common Shares of PFC 103,318 Common Shares of Lifeco 38,798 Deferred Share Units of the Corporation 36,964 Deferred Share Units of PFC 71,634 Deferred Share Units of Lifeco 28,142 Deferred Share Units of IGM
		Governance and Nominating	3/3	

THE HONOURABLE PAUL DESMARAIS, P.C., C.C., O.Q.
QUÉBEC, CANADA

Mr. Desmarais is Chairman of the Executive Committee of the Corporation. He acquired control of the Corporation in 1968. He is Chairman of the Board and Executive Director of Pargesa. He is also a Director of PFC and Groupe Bruxelles Lambert. He is a Member of the Queen's Privy Council for Canada, and was named a Companion of the Order of Canada, an Officer of the National Order of Québec, a Grand'Croix de l'Ordre national de la Légion d'honneur (France) and a Commandeur de l'Ordre de Léopold II (Belgium).

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE [2]	COMMITTEE MEETINGS ATTENDED	
May 1968	4/6	Executive	1/2	63,825,142 Subordinate Voting Shares of the Corporation [3] 48,603,392 Participating Preferred Shares of the Corporation [4] 467,839,296 Common Shares of PFC [5] 686,032,770 Common Shares of Lifeco [6] 157,132,080 Common Shares of IGM [6] 31,347 Deferred Share Units of the Corporation 14,000 Deferred Share Units of PFC
		Governance and Nominating	3/3	

PAUL DESMARAIS, JR., O.C., O.Q.
QUÉBEC, CANADA

Mr. Desmarais is Chairman and Co-Chief Executive Officer of the Corporation and Co-Chairman of PFC. Prior to joining the Corporation in 1981, he was with S.G. Warburg & Co. in London, England, and with Standard Brands Incorporated in New York. He was Chairman of the Board of PFC from 1990 to 2005, Vice-Chairman of PFC from 1989 to 1990 and President and Chief Operating Officer of PFC from 1986 to 1989. He was named to his present position with the Corporation in 1996. He is a Director of many Power group companies in North America, including PFC, Lifeco, The Great-West Life Assurance Company, Great-West Life & Annuity Insurance Company, London Life Insurance Company, Canada Life Financial Corporation, The Canada Life Assurance Company, Crown Life Insurance Company, Putnam Investments, LLC, IGM, Investors Group Inc. and Mackenzie Inc. He is also Vice-Chairman of the Board and Executive Director of Pargesa, and a Director of Groupe Bruxelles Lambert, GDF Suez, Total S.A. and Lafarge S.A. He was Vice-Chairman of the Board and a Director of Imerys S.A. until 2008. He was also a member of the International Advisory Board of Groupe La Poste until 2007. Mr. Desmarais is a member of the International Council and a Director of the European Institute of Business Administration (INSEAD), Chairman of the Board of Governors of the International Economic Forum of the Americas, Chairman of the International Advisory Committee of École des hautes études commerciales of Montréal, a Trustee of the Brookings Institution (Washington), and Founder and a member of the International Advisory Board of the McGill University Faculty of Management in Montréal. He is also involved in charitable and community activities in Montréal. In 2005, he was named an Officer of the Order of Canada and, in 2009, he was named an Officer of the National Order of Québec. He has received Doctorates *Honoris Causa* from Université Laval and the Université de Montréal.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE [2]	COMMITTEE MEETINGS ATTENDED	
May 1988	6/6	Executive	2/2	58,284 Subordinate Voting Shares of the Corporation 100,000 Common Shares of Lifeco 26,312 Deferred Share Units of the Corporation 25,462 Deferred Share Units of PFC 13,303 Deferred Share Units of Lifeco 14,190 Deferred Share Units of IGM
		Governance and Nominating	2/3	

GUY FORTIN
QUÉBEC, CANADA

Mr. Fortin is a Director and Vice-Chairman of Sanpalo Investments Corporation (Sanpalo), a private investment company, a position he has held since 1998. Prior to joining Sanpalo in 2005 on a full-time basis, he was a senior partner at Ogilvy Renault LLP and, prior to that, a partner at Stikeman Elliott LLP. He is also a Director and officer of several private corporations under the management of Sanpalo. He has been a lecturer at McGill University Law School since 1983. He was Chairman of the Board of Governors of the Canadian Tax Foundation, a Toronto-based taxation research and educational not-for-profit organization, in 1994-1995. He is also a Director and officer of a number of foundations and charitable organizations.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE	COMMITTEE MEETINGS ATTENDED	
May 2010	3/3*	N/A	N/A	3,046 Deferred Share Units of the Corporation 3,655 Common Shares of PFC

* Mr. Fortin was elected to the Board on May 13, 2010.

ANTHONY R. GRAHAM, LL.D.
ONTARIO, CANADA

Mr. Graham is President and a Director of Wittington Investments, Limited ("Wittington"), an investment management company and the principal holding company of the Weston-Loblaw Group. Prior to joining Wittington, he held senior positions in Canada and the U.K. with National Bank Financial Inc. (formerly Lévesque Beaubien Geoffrion Inc.), a Montréal-based investment dealer. Mr. Graham is Chairman and a Director of President's Choice Bank. He also serves on the Boards of PFC and a private company in the Power group, as well as George Weston Limited, Loblaw Companies Limited, Graymont Limited, Brown Thomas Group Limited, De Bijenkorf B.V., Holt Renfrew & Co., Limited and Selfridges & Co. Ltd. Mr. Graham serves as Chairman of the Ontario Arts Foundation, The Shaw Festival Foundation and the Branksome Hall Foundation. He is also a Director of the Art Gallery of Ontario, the Canadian Institute for Advanced Research, The Council for Business and the Arts in Canada, St. Michaels Hospital and Luminato. In June 2007, he was awarded an Honorary Doctorate of Law Degree from Brock University.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE [2]	COMMITTEE MEETINGS ATTENDED	
May 2001	6/6	Executive	1/2	25,000 Subordinate Voting Shares of the Corporation 25,000 Common Shares of PFC 26,737 Deferred Share Units of the Corporation 22,726 Deferred Share Units of PFC
		Compensation	2/2*	
		Related Party and Conduct Review	3/4	
		Governance and Nominating	3/3	

* Mr. Graham was appointed to the Compensation Committee on May 13, 2010.

ROBERT GRATTON
QUÉBEC, CANADA

Mr. Gratton is a Deputy Chairman of the Board of the Corporation, a position he has held since May 2008. He was previously, until May 2005, President of PFC from 1989 and Chief Executive Officer since May 1990, and had been Chairman of the Board from May 2005 until 2008. He is also a Director of PFC. He was Chairman of the Board and Chairman of the Executive Committee of Lifeco, The Great-West Life Assurance Company, Great-West Life & Annuity Insurance Company, The Canada Life Assurance Company, Canada Life Financial Corporation, London Insurance Group Inc. and London Life Insurance Company until May 2008 and a Director until October 2008. He was Chairman of the Executive Committee of IGM from 1990 until 2005, Chairman of the Board from 1993 until May 2008, as well as a Director until October 2008. He was also Chairman of the Executive Committee of Investors Group Inc. from 2004 to 2005, Chairman of the Board from 2004 until May 2008 and a Director until October 2008. Mr. Gratton was also Chairman of the Executive Committee of Mackenzie Inc. from 2002 until 2005, Chairman of the Board from 2002 until May 2008 and a Director until October 2008. He was also a Director of Pargesa from May 1992 to May 2010. Prior to joining PFC, Mr. Gratton started working at Crédit Foncier Franco-Canadien in 1971 and became Chief Operating Officer in 1975, and President and Chief Executive Officer in 1979. From 1982 until 1989, he was Chairman of the Board, President and Chief Executive Officer of Montreal Trust. Mr. Gratton is a member of the Harvard Business School Canadian Advisory Board since 1998. He served as a member of The Conference Board of Canada, The Conference Board, Inc., the C.D. Howe Institute and The Trilateral Commission. He has served as well as a Director of a number of other companies, community organizations and foundations.

	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]	
SERVED AS DIRECTOR FROM	BOARD MEETINGS ATTENDED	COMMITTEE	COMMITTEE MEETINGS ATTENDED		
July 1989	5/6	N/A	N/A	37,000	Subordinate Voting Shares of the Corporation
				9,734,761	Common Shares of PFC
				660,000	Common Shares of Lifeco
				75,000	Common Shares of IGM
				19,522	Deferred Share Units of the Corporation
				19,924	Deferred Share Units of PFC
				99,509	Deferred Share Units of Lifeco
				55,143	Deferred Share Units of IGM

ISABELLE MARCOUX
QUÉBEC, CANADA

Ms. Marcoux is Vice-Chair of the Board of Transcontinental Inc., a printing, publishing and marketing company, a position she has held since 2007 and Vice-President, Corporate Development, since 2004. Between 1997 and 2004, Ms. Marcoux was Director, Mergers and Acquisitions, as well as Director, Legal Affairs and Assistant Corporate Secretary at Transcontinental Inc., prior to which she was a lawyer at McCarthy Tétrault LLP. Ms. Marcoux is a member of the Boards of George Weston Limited and Rogers Communications Inc. She is also a member of the Boards of the Montreal Museum of Fine Arts and the Board of Trade of Metropolitan Montreal. She has been actively involved in a number of fundraising campaigns for community and not-for-profit organizations, including the Montreal Children's Hospital, United Way, the Montreal Museum of Fine Arts and the Montreal Mayor's Foundation For Youth.

	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]	
SERVED AS DIRECTOR FROM	BOARD MEETINGS ATTENDED	COMMITTEE	COMMITTEE MEETINGS ATTENDED		
May 2010	2/3*	N/A	N/A	2,967	Deferred Share Units of the Corporation

* Ms. Marcoux was elected to the Board on May 13, 2010.

THE RIGHT HONOURABLE DONALD F. MAZANKOWSKI, P.C., O.C., A.O.E.

ALBERTA, CANADA

Mr. Mazankowski is a company director. Previously, he was a Member of The Parliament of Canada for 25 years and, prior to his retirement from public life in 1993, held several senior Cabinet positions, including Deputy Prime Minister, Minister of Finance, President of the Treasury Board, Minister of Transport, Minister of Agriculture and President of the Queen's Privy Council. He is currently a Senior Adviser to Gowling Lafleur Henderson LLP. He is also a Director of PFC and Atco Ltd. He served as a Director of several Power group companies in Canada, including Lifeco, The Great-West Life Assurance Company, London Life Insurance Company, Canada Life Financial Corporation, The Canada Life Assurance Company, Crown Life Insurance Company, IGM, Investors Group Inc. and Mackenzie Inc. until May 2010. He was also a Director of Shaw Communications Inc. from 1993, and a lead Director from 1997 until January 2009. He was also a Director of Weyerhaeuser Company until January 2009, of Canadian Oil Sands Limited until April 2010 and of Yellow Pages Group Co., and a Trustee of Yellow Pages Income Fund, until January 2010.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE [2]	COMMITTEE MEETINGS ATTENDED	
May 1996	6/6	Executive	2/2	2,000 Subordinate Voting Shares of the Corporation 4,000 Common Shares of PFC 3,000 Common Shares of Lifeco 1,000 Common Shares of IGM 21,785 Deferred Share Units of the Corporation 20,601 Deferred Share Units of PFC 17,936 Deferred Share Units of Lifeco 9,351 Deferred Share Units of IGM
		Audit	5/5	
		Compensation	5/5	
		Related Party and Conduct Review	4/4	
		Governance and Nominating	3/3	

RAYMOND L. McFEETORS

MANITOBA, CANADA

Mr. McFeetors is a Vice-Chairman of PFC and Chairman of the Board of Lifeco, positions he has held since May 2008. Prior thereto, he was President and Chief Executive Officer of Lifeco, The Great-West Life Assurance Company, London Life Insurance Company, Canada Life Financial Corporation, The Canada Life Assurance Company, Crown Life Insurance Company and Great-West Life & Annuity Insurance Company and has been with the Great-West group of companies since 1968. Mr. McFeetors is also a Director and Chairman of the Board of The Great-West Life Assurance Company, London Life Insurance Company, Canada Life Financial Corporation, The Canada Life Assurance Company, Crown Life Insurance Company and Great-West Life & Annuity Insurance Company and is a Director of PFC, IGM, Investors Group Inc., Mackenzie Inc. and Putnam Investments, LLC. Mr. McFeetors is also a Director of a number of national organizations in the health, education, cultural and business sectors. In 2002, he was appointed Honorary Colonel of The Royal Winnipeg Rifles. Also in 2002, Mr. McFeetors was awarded the Queen Elizabeth II Golden Jubilee Medal. He received an Honorary Doctorate of Law from the University of Winnipeg in 2007.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE	COMMITTEE MEETINGS ATTENDED	
May 2008	6/6	N/A	N/A	17,047 Subordinate Voting Shares of the Corporation 170,500 Common Shares of PFC 2,107,303 Common Shares of Lifeco 10,000 Common Shares of IGM 11,877 Deferred Share Units of the Corporation 11,225 Deferred Share Units of PFC 77,633 Deferred Share Units of Lifeco 17,317 Deferred Share Units of IGM

JERRY E.A. NICKERSON

NOVA SCOTIA, CANADA

Mr. Nickerson is Chairman of the Board of H.B. Nickerson & Sons Limited, a management and holding company based in North Sydney, Nova Scotia. He is a Director of several Power group companies in North America, including PFC, Lifeco, The Great-West Life Assurance Company, Great-West Life & Annuity Insurance Company, London Life Insurance Company, Canada Life Financial Corporation, The Canada Life Assurance Company, Crown Life Insurance Company and Putnam Investments, LLC. He has also served on the boards of various organizations, federal and provincial Crown corporations, and other public and private companies.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE [2]	COMMITTEE MEETINGS ATTENDED	
May 1999	6/6	Executive	2/2	19,844 Subordinate Voting Shares of the Corporation 18,427 Common Shares of PFC 5,000 Common Shares of Lifeco 12,630 Deferred Share Units of Lifeco
		Compensation	5/5	

JAMES R. NININGER, PH.D.

ONTARIO, CANADA

Dr. Nininger is a company director and a retired President and Chief Executive Officer of The Conference Board of Canada, a leading research institute that provides its services to Canadian business, government and public sector organizations. He was a Director of Canadian Pacific Railway Limited until 2007. He is a member of the Board of Governors of the Ottawa Hospital, a member of the Board of Management of the Canada Revenue Agency, and past Chair of the Board of Governors of the Community Foundation of Ottawa.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE [2]	COMMITTEE MEETINGS ATTENDED	
May 2001	6/6	Audit	5/5	3,000 Subordinate Voting Shares of the Corporation 1,000 Common Shares of Lifeco 14,181 Deferred Share Units of the Corporation
		Compensation	5/5	

R. JEFFREY ORR
QUÉBEC, CANADA

Mr. Orr is President and Chief Executive Officer of PFC, a position he has held since May 2005. From May 2001 until May 2005, he was President and Chief Executive Officer of IGM. Prior to joining IGM, he was Chairman and Chief Executive Officer of BMO Nesbitt Burns Inc. and Vice-Chairman, Investment Banking Group of the Bank of Montreal. Mr. Orr had been with BMO Nesbitt Burns Inc. and predecessor companies since 1981. He is a Director of PFC, a Director and Chairman of the Executive, Compensation, and Governance and Nominating Committees of Lifeco, The Great-West Life Assurance Company, Great-West Life & Annuity Insurance Company, London Life Insurance Company, Canada Life Financial Corporation, The Canada Life Assurance Company, The Canada Life Insurance Company of Canada and Crown Life Insurance Company, and a Director and Chairman of the Executive Committee of London Insurance Group Inc. He is also a Director and Chairman of the Board and of the Executive and Compensation Committees of Putnam Investments, LLC, as well as a Director of Canada Life Capital Corporation. He is also a Director, Chairman of the Board and Chairman of the Executive, Investment, Compensation, and Governance and Nominating Committees of IGM and Investors Group Inc. and a Director, Chairman of the Board and Chairman of the Executive, Compensation, and Governance and Nominating Committees of Mackenzie Inc. Mr. Orr is active in a number of community and business organizations.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE	COMMITTEE MEETINGS ATTENDED	
May 2005	6/6	N/A	N/A	20,000 Subordinate Voting Shares of the Corporation 400,400 Common Shares of PFC 20,000 Common Shares of Lifeco 120,100 Common Shares of IGM 20,460 Deferred Share Units of the Corporation 20,529 Deferred Share Units of PFC 56,180 Deferred Share Units of Lifeco 28,368 Deferred Share Units of IGM

ROBERT PARIZEAU
QUÉBEC, CANADA

Mr. Parizeau is Chairman of Aon Parizeau Inc., insurance brokers and risk consultants. He was previously President and Chief Executive Officer of Sodarcan Inc., a public holding company (until 1997) operating in insurance, reinsurance and actuarial consulting. Mr. Parizeau is a Director of National Bank Life Insurance Company, Canam Group Inc. and SCOR Canada Reinsurance Company. He was a Director of National Bank of Canada for 23 years, until 2003, and Chairman of the Board of Gaz Métro Inc. from 1997 to February 2007. He was also a Director of Van Houtte Inc. from 2002 to 2007. He is a Director of the Institute for Governance of Private and Public Organizations and of the Institute of Corporate Directors. Mr. Parizeau has received a Doctorate *Honoris Causa* from the Université de Montréal and, in 2006, he received the Fellowship Award of the Institute of Corporate Directors. In 2010, he was named Director Emeritus of the Collège des administrateurs de l'Université Laval.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
	BOARD MEETINGS ATTENDED	COMMITTEE [2]	COMMITTEE MEETINGS ATTENDED	
May 1985	6/6	Audit	5/5	24,000 Subordinate Voting Shares of the Corporation 10,400 Common Shares of PFC 31,643 Deferred Share Units of the Corporation

MICHEL PLESSIS-BÉLAIR, FCA

QUÉBEC, CANADA

Mr. Plessis-Bélair is a Vice-Chairman of the Corporation, a position he has held since January 2008. Previously, he was Vice-Chairman and Chief Financial Officer of the Corporation and Executive Vice-President and Chief Financial Officer of PFC. Before joining the Corporation in 1986, he was Executive Vice-President and a Director of Société générale de financement du Québec and, prior thereto, Senior Vice-President of Marine Industries Limited. He is a Director of several Power group companies in both North America and Europe, including PFC, Lifeco, The Great-West Life Assurance Company, Great-West Life & Annuity Insurance Company, London Life Insurance Company, Canada Life Financial Corporation, The Canada Life Assurance Company, Crown Life Insurance Company, IGM, Investors Group Inc., Mackenzie Inc., Pargesa and Groupe Bruxelles Lambert. He is also a Director of Lallemand Inc., the Université de Montréal and Hydro-Québec, and he is a member of the International Advisory Board of École des hautes études commerciales of Montréal.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]	
	BOARD MEETINGS ATTENDED	COMMITTEE	COMMITTEE MEETINGS ATTENDED		
May 1988	5/6	N/A	N/A	162,426	Subordinate Voting Shares of the Corporation
				6,000	Common Shares of PFC
				40,000	Common Shares of Lifeco
				4,000	Common Shares of IGM
				18,071	Deferred Share Units of the Corporation
				17,700	Deferred Share Units of PFC
				12,630	Deferred Share Units of Lifeco
				5,655	Deferred Share Units of IGM

JOHN A. RAE, C.M.[7]

QUÉBEC, CANADA

Mr. Rae is Executive Vice-President, Office of the Chairman of the Executive Committee of the Corporation. He joined the Corporation in 1971 as Executive Assistant to the President and Chief Executive Officer. In 1978, he was named Vice-President of the Corporation. He is also a Director of Fednav Limited, BNP Paribas (Canada) and of the Montreal Heart Institute Foundation, and is Chair Emeritus of the Board of Trustees of Queen's University and Chair of the "Best Care for Life" Campaign of the McGill University Health Centre. He was appointed to the Order of Canada in June 2006.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR			NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]	
	BOARD MEETINGS ATTENDED	COMMITTEE	COMMITTEE MEETINGS ATTENDED		
May 1988	6/6	N/A	N/A	116,294	Subordinate Voting Shares of the Corporation
				14,776	Deferred Share Units of the Corporation

HENRI-PAUL ROUSSEAU, PH.D.

QUÉBEC, CANADA

Mr. Rousseau is a Vice-Chairman of the Corporation and of PFC, positions he has held since January 2009. He was previously President and Chief Executive Officer of the Caisse de dépôt et placement du Québec from May 2005 to May 2008 and Chairman and Chief Executive Officer from September 2002 to April 2005. Prior thereto, he was President and Chief Executive Officer of the Laurentian Bank of Canada from 1994 to 2002, Vice-Chairman, President and Chief Executive Officer of Boréal Assurances Inc. from 1992 to 1994 and Vice-President of the National Bank of Canada from 1986 to 1992. Mr. Rousseau was a professor of economics at the Université Laval from 1975 until 1986 and at the Université du Québec à Montréal from 1973 until 1975. He is a Director of several Power group companies, including PFC, Lifeco, The Great-West Life Assurance Company, Great-West Life & Annuity Insurance Company, London Life Insurance Company, Canada Life Financial Corporation, The Canada Life Assurance Company, Crown Life Insurance Company, IGM, Investors Group Inc., Mackenzie Inc. and Putnam Investments, LLC. As well, he is a member of the Board of Directors of the Global Financial Markets Association. Mr. Rousseau has received Doctorates *Honoris Causa* from Concordia University, the Université Lumière Lyon 2 (France), the Université Laval and the Université de Sherbrooke. He is active in a number of community and not-for-profit organizations.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR: BOARD MEETINGS ATTENDED	COMMITTEE	COMMITTEE MEETINGS ATTENDED	NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
May 2009	6/6	N/A	N/A	7,469 Subordinate Voting Shares of the Corporation 5,400 Common Shares of PFC 2,800 Common Shares of Lifeco 2,300 Common Shares of IGM 3,233 Deferred Share Units of the Corporation 3,037 Deferred Share Units of PFC 3,683 Deferred Share Units of Lifeco 1,970 Deferred Share Units of IGM

T. TIMOTHY RYAN, JR.

NEW YORK, UNITED STATES

Mr. Ryan is President and Chief Executive Officer of the Securities Industry and Financial Markets Association ("SIFMA"), the leading trade association representing 680 global financial market participants. Prior to joining SIFMA, he was Vice-Chairman, Financial Institutions and Governments, at J.P. Morgan, where he was a member of the firm's senior leadership. He is a Director of many Power group companies, including Lifeco, The Great-West Life Assurance Company, Great-West Life & Annuity Insurance Company, London Life Insurance Company, The Canada Life Assurance Company, Crown Life Insurance Company and Putnam Investments, LLC. He is also a member of the Board of Lloyds Banking Group plc, where he serves on the Remuneration, Audit and Risk Committees. Mr. Ryan is a Director of the United States-Japan Foundation. He is also a private sector member of the Global Markets Advisory Committee for the National Intelligence Council. Prior to joining J.P. Morgan in 1993, Mr. Ryan was the Director of the Office of Thrift Supervision, U.S. Department of the Treasury. He was a Director of the Resolution Trust Corporation and a Director of the Federal Deposit Insurance Corporation until 1992. From 1983 to 1990, Mr. Ryan was a Partner in the Washington, D.C. office of the law firm Reed, Smith, Shaw & McClay, where he headed the Pension Investment Group and was a member of the firm's Executive Committee. From 1981 to 1983, he was Solicitor of Labor, U.S. Department of Labor. Mr. Ryan is a graduate of the Villanova University and the American University Law School.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR: BOARD MEETINGS ATTENDED	COMMITTEE	COMMITTEE MEETINGS ATTENDED	NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
N/A*	N/A	N/A	N/A	1,767 Deferred Share Units of Lifeco

* Mr. Ryan is proposed for election as a Director of the Corporation for the first time.

EMŐKE J.E. SZATHMÁRY, C.M., O.M., PH.D.

MANITOBA, CANADA

Dr. Szathmáry is President Emeritus of the University of Manitoba, since July 2008, and a professor in the Departments of Anthropology and of Biochemistry and Medical Genetics. From 1996 to 2008, she was President and Vice-Chancellor of the University of Manitoba. She was previously Provost and Vice-President (Academic) of McMaster University in Hamilton and, prior thereto, Dean of the Faculty of Social Science of the University of Western Ontario in London. She is a Director of several Power group companies in North America, including PFC, Lifeco, The Great-West Life Assurance Company, London Life Insurance Company, Canada Life Financial Corporation, The Canada Life Assurance Company and Crown Life Insurance Company. She also serves on the Board of Directors of the International Institute for Sustainable Development and 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 and five 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.

SERVED AS DIRECTOR FROM	SUMMARY OF ATTENDANCE OF DIRECTOR: BOARD MEETINGS ATTENDED	COMMITTEE [2]	COMMITTEE MEETINGS ATTENDED	NUMBER OF EACH CLASS OF VOTING SECURITIES OF THE CORPORATION AND ITS SUBSIDIARIES BENEFICIALLY OWNED, OR CONTROLLED OR DIRECTED, DIRECTLY OR INDIRECTLY, AND NUMBER OF DEFERRED SHARE UNITS HELD, AS OF MARCH 10, 2011 [1]
May 1999	5/6	Audit	5/5	3,000 Common Shares of PFC 22,644 Deferred Share Units of the Corporation 18,293 Deferred Share Units of PFC 14,450 Deferred Share Units of Lifeco
		Related Party and Conduct Review	4/4	

[1] The members of the Board of Directors receive all or a portion of their annual retainer and attendance fees in the form of deferred share units or in the form of Subordinate Voting Shares of the Corporation. The value of a deferred share unit of the Corporation is equal to the value of a Subordinate Voting Share at the relevant time. See "Compensation of Directors". The number of deferred share units held by each proposed nominee above is as at December 31, 2010.

[2] Director is currently a member of each Committee noted.

[3] 62,263,392 Subordinate Voting Shares of the Corporation are beneficially owned, directly or indirectly, or controlled by associates or affiliates of Mr. Desmarais.

[4] Beneficially owned or controlled, directly or indirectly, by associates or affiliates of Mr. Desmarais. The security holdings of Gelco Enterprises Ltd., controlled by Mr. Desmarais, constitute at least 10 per cent of the voting rights attached to all voting securities of the Corporation.

[5] Beneficially owned or controlled, directly or indirectly, by associates or affiliates of Mr. Desmarais. The security holdings of 171263 Canada Inc. constitute at least 10 per cent of the voting rights attached to all voting securities of PFC, and the Corporation owns all of the outstanding shares of 171263 Canada Inc. and is controlled by Mr. Desmarais.

[6] Owned directly and/or through subsidiaries of the Corporation.

[7] On May 31, 2006, while Mr. Rae was a Director of Kasten Chase Applied Research Limited ("KCA"), the TSX suspended trading of KCA's common shares for failure to meet the continued listing requirements. KCA was de-listed by the TSX on June 30, 2006. Cease trade orders were issued by the Securities Administrators in Ontario, Québec, British Columbia and Manitoba in September and October 2006 and in Alberta in February 2007. On June 2, 2006, shortly after Mr. Rae resigned as a Director, KCA made a voluntary assignment in bankruptcy. The bankruptcy was subsequently annulled by a court order dated December 22, 2006. On February 19, 2007, the shareholders of KCA approved a series of resolutions that may result in a dividend being paid to shareholders and the common shares of KCA being re-listed for trading on the TSX. In 2008, the Alberta Securities Commission issued an order revoking the cease trade order issued against KCA. Similarly, the British Columbia Securities Commission, the Manitoba Securities Commission, the Ontario Securities Commission and the Autorité des marchés financiers issued orders revoking the cease trade order issued by each of them.

COMPENSATION OF DIRECTORS

DIRECTOR COMPENSATION

The Compensation Committee monitors developments in director compensation practices with the assistance of outside compensation consultants. For the financial year ended December 31, 2010, the retainers and fees payable to all Directors remained as follows:

RETAINERS AND FEES	
Annual Retainer	$100,000
Additional Retainer – Member of Committees, except Audit	$5,000
Additional Retainer – Member of Audit Committee	$6,000
Additional Retainer – Chairmen of Committees, except Executive and Audit	$15,000
Additional Retainer – Chairman of Audit Committee	$25,000
Additional Retainer – Chairman of Executive Committee	$250,000
Attendance Fee – Board and Committee Meetings	$2,000

DEDICATED ANNUAL BOARD RETAINER

All Directors receive a basic annual retainer of $100,000. Of this amount, $50,000 consists of a dedicated annual board retainer which is received by Directors in deferred share units (“DSUs”) under the Corporation’s Deferred Share Unit Plan (the “DSU Plan”), described below, or in the form of Subordinate Voting Shares acquired in the market under the Corporation’s Directors Share Purchase Plan (the “DSP Plan”), also described below. Participation in the DSU Plan or the DSP Plan is mandatory.

Pursuant to the DSU Plan, for Directors who participate in the DSU Plan, the $50,000 dedicated portion of the annual board retainer is used to acquire DSUs. The number of DSUs granted is determined by dividing the amount of remuneration payable by the five-day average closing price on the TSX of the Subordinate Voting Shares of the Corporation on the last five days of the fiscal quarter (the “value of a DSU”). A Director who receives DSUs receives additional DSUs in respect of dividends payable on Subordinate Voting Shares, based on the value of a DSU at that time. A DSU is redeemable at the time a Director’s membership on the Board is terminated, or in the event of the death of a Director, by a lump sum cash payment, based on the value of a DSU at that time. Directors may also elect to receive the balance of the annual board retainer and the board and committee attendance fees, committee retainer, and committee chairman retainer in the form of DSUs under the DSU Plan.

Pursuant to the DSP Plan, for Directors who participate in the DSP Plan, the $50,000 dedicated portion of the annual board retainer is used to acquire Subordinate Voting Shares of the Corporation in the market. The Corporation also pays the administrative costs and brokerage expenses incurred in connection with participation in the DSP Plan, excluding fees and expenses associated with the sale of shares and taxes payable by a Director. Directors may also elect to receive the balance of the annual board retainer and board and committee attendance fees, committee retainer and committee chairman retainer in the form of Subordinate Voting Shares acquired under the DSP Plan.

In the view of the Compensation Committee and the Board, these plans further align the interests of Directors with those of the Corporation’s shareholders.

DIRECTOR COMPENSATION TABLE*

The following chart shows the compensation paid to each Director (other than Named Executive Officers ("NEOs"), see "Executive Compensation — Summary Compensation Table") for services as a Director of the Corporation, and in any other capacities if applicable, during the financial year ended December 31, 2010.

COMPENSATION OF DIRECTORS [1,2,3]

DIRECTOR	FEES EARNED [4] [$]	SHARE-BASED AWARDS [5] [$]	ALL OTHER COMPENSATION [$]	TOTAL COMPENSATION [$]
Pierre Beaudoin	56,000	50,000	—	106,000
Laurent Dassault	58,000	50,000	—	108,000
The Hon. Paul Desmarais	321,000	50,000	423,000 [6]	794,000
Guy Fortin [7]	43,500	37,500	—	81,000
Anthony R. Graham	98,750	50,000	38,000 [8]	186,750
Robert Gratton	60,000	50,000	1,000,000 [9]	1,110,000
Isabelle Marcoux [7]	41,500	37,500	—	79,000
The Rt. Hon. Donald F. Mazankowski	134,000	50,000	2,000 [10]	186,000
Raymond L. McFeetors [11]	62,000	50,000	—	112,000
Jerry E.A. Nickerson	96,000	50,000	—	146,000
James R. Nininger	110,000	50,000	2,000 [10]	162,000
R. Jeffrey Orr [12]	62,000	50,000	—	112,000
Robert Parizeau	76,000	50,000	2,000 [10]	128,000
Michel Plessis-Bélair	60,000	50,000	348,000 [13]	458,000
Amaury de Seze [14]	16,500	25,000	414,209 [15]	455,709
Emőke J.E. Szathmáry	87,000	50,000	2,000 [10]	139,000

*Footnotes to this table appear on the following page.

[1] Table does not include any amounts paid as reimbursement for expenses.

[2] Compensation paid (including compensation paid as a Director of the Corporation and its subsidiaries) to the NEOs who served as Directors of the Corporation is disclosed in the Summary Compensation Table. See "Executive Compensation" below.

[3] Some Directors also receive compensation in their capacity as Directors of subsidiaries of the Corporation, namely: the Honourable Paul Desmarais is also a Director of PFC; Anthony R. Graham is also a Director of PFC; Robert Gratton is also a Director of PFC; Donald F. Mazankowski is also a Director of PFC and was a Director of Lifeco and IGM and certain of their subsidiaries until May 2010; Raymond L. McFeetors is also a Director of PFC, Lifeco, IGM and certain of their subsidiaries; Jerry E.A. Nickerson is also a Director of PFC and Lifeco and certain of its subsidiaries; R. Jeffrey Orr is also a Director of PFC, Lifeco, IGM and certain of their subsidiaries; Michel Plessis-Bélair is also a Director of PFC, Lifeco, IGM and certain of their subsidiaries and Emőke J.E. Szathmáry is also a Director of PFC and Lifeco and certain of its subsidiaries.

[4] Of the fees disclosed, each of the following Directors has elected to receive the following amounts in the form of additional DSUs under the Corporation's DSU Plan: Pierre Beaudoin: $56,000; Guy Fortin: $43,500; Anthony R. Graham: $68,750; Isabelle Marcoux: $41,500; Donald F. Mazankowski: $43,000; Raymond L. McFeetors: $62,000; and R. Jeffrey Orr: $62,000. Of the fees disclosed, each of the following Directors has elected to receive the following amounts in the form of Subordinate Voting Shares of the Corporation under the DSP Plan: Jerry E.A. Nickerson: $96,000 and Amaury de Seze: $16,500. These amounts are in addition to the amounts shown in the "Share-Based Awards" column above.

[5] Represents the dedicated portion of the annual board retainer that, under the Corporation's DSU Plan and DSP Plan adopted by the Board, is required to be paid to Directors in DSUs or Subordinate Voting Shares of the Corporation.

[6] The Hon. Paul Desmarais received a salary of $400,000 during the financial year ended December 31, 2010 in his capacity as Chairman of a private, wholly owned subsidiary of the Corporation, and compensation of $23,000 in his capacity as a Director of private, wholly owned subsidiaries of the Corporation.

[7] Mr. Fortin and Ms. Marcoux were elected to the Board of the Corporation on May 13, 2010.

[8] Mr. Graham received compensation of $38,000 during the financial year ended December 31, 2010 in his capacity as a Director of a private, wholly owned subsidiary of the Corporation.

[9] Given Mr. Gratton's experience and knowledge of the Power group, the Corporation retained the services of Mr. Gratton as special adviser for a period of three years following his retirement as Chairman of the Board of PFC in May 2008. Under this arrangement, Mr. Gratton was entitled to receive $1 million per year for three years, subject to certain non-competition provisions. $1 million was paid to Mr. Gratton for the year ended December 31, 2010 in connection with this arrangement.

[10] From time to time, Directors may be called upon to attend meetings relating to the affairs of the Corporation, other than formal Board or Committee meetings, for which an attendance fee may be paid.

[11] Mr. McFeetors is a Vice-Chairman of PFC and his compensation as such (including compensation paid as a Director of PFC and its subsidiaries) for the financial year ended December 31, 2010 is disclosed in the Management Proxy Circular of PFC dated March 10, 2011.

[12] Mr. Orr is the President and Chief Executive Officer of PFC and his compensation as such (including compensation paid as a Director of PFC and its subsidiaries) for the financial year ended December 31, 2010 is disclosed in the Management Proxy Circular of PFC dated March 10, 2011.

[13] Mr. Plessis-Bélair received a salary of $260,000 during the financial year ended December 31, 2010 in his capacity as Senior Adviser to a private, wholly owned subsidiary of the Corporation, and compensation of $88,000 in his capacity as a Director of private, wholly owned subsidiaries of the Corporation.

[14] Mr. de Seze did not stand for re-election as a Director of the Corporation at the May 13, 2010 Annual Meeting of Shareholders. He attended 2 out of 2 Board meetings of the Corporation in 2010. Mr. de Seze was elected as a Director of PFC and appointed as a Vice-Chairman of PFC on May 12, 2010. Please refer to the Management Proxy Circular of PFC dated March 10, 2011 for more details on his compensation for his role at PFC.

[15] Mr. de Seze received compensation of $414,209, comprised of salary and annual incentive plan award, during the financial year ended December 31, 2010 in his capacity as a Vice-Chairman of the Corporation until May 13, 2010. See also note [14] above.

DIRECTOR COMPENSATION EQUITY HOLDINGS AS AT DECEMBER 31, 2010

The following table shows equity holdings as at December 31, 2010 for each Director (other than NEOs) in respect of DSUs and Subordinate Voting Shares received as compensation under the Corporation's DSU Plan or DSP Plan in 2010 and prior years.

DIRECTOR	NUMBER OF DSP PLAN SHARES AS AT DECEMBER 31, 2010 [1] [#]	NUMBER OF DSUS UNDER THE DSU PLAN AS AT DECEMBER 31, 2010 [2] [#]	TOTAL VALUE OF DSP PLAN SHARES AND DSUS AS AT DECEMBER 31, 2010 [3] [$]
Pierre Beaudoin	—	19,603	542,415
Laurent Dassault	11,809	—	326,755
The Hon. Paul Desmarais	—	31,347	867,371
Guy Fortin	—	3,046	84,283
Anthony R. Graham	—	26,737	739,813
Robert Gratton	—	19,522	540,174
Isabelle Marcoux	—	2,967	82,097
The Rt. Hon. Donald F. Mazankowski	—	21,785	602,791
Raymond L. McFeetors	—	11,877	328,637
Jerry E.A. Nickerson	12,844	—	355,393
James R. Nininger	—	14,181	392,388
R. Jeffrey Orr	—	20,460	566,128
Robert Parizeau	—	31,643	875,562
Michel Plessis-Bélair	—	18,071	500,025
Emőke J.E. Szathmáry	—	22,644	626,559

[1] Amount includes shares representing the dedicated portion of the annual board retainer, as well as fees which Directors elected to receive in Subordinate Voting Shares of the Corporation under the Corporation's DSP Plan.

[2] Amount includes DSUs representing the dedicated portion of the annual board retainer, as well as fees which Directors elected to receive in DSUs under the Corporation's DSU Plan. Amount also includes DSUs that were received in respect of dividend equivalents payable on DSUs.

[3] Calculated based on December 31, 2010 closing price of $27.67 per Subordinate Voting Share of the Corporation on the TSX.

The foregoing table does not disclose all of the equity holdings in the Corporation of members of the Board of the Corporation. Please refer to the table under "Election of Directors" earlier in this Management Proxy Circular for this information.

DIRECTOR OUTSTANDING OPTIONS

Certain Directors hold options to acquire Subordinate Voting Shares, subject to the applicable vesting restrictions, under the Corporation's Executive Stock Option Plan (the "Executive Stock Option Plan") which options were awarded to such Directors in their capacity as officers of the Corporation at the time of such award. The following tables show information for all such unexercised options as at December 31, 2010.

NAME [1]	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS [#]	OPTION EXERCISE PRICE [$]	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS [2] [$]
Michel Plessis-Bélair	69,225	37.07	March 25, 2017	Nil
	74,750	33.285	April 2, 2016	Nil
	66,000	32.025	February 22, 2015	Nil
	78,000	26.375	May 16, 2014	101,010
	70,000	17.6625	April 3, 2011	700,525
				801,535
Amaury de Seze [3]	112,077	30.065	March 15, 2020	Nil
	105,332	18.52	March 15, 2019	963,788
				963,788

[1] Robert Gratton holds options previously granted to him as an officer of PFC, which are disclosed in the Management Proxy Circular of PFC dated March 10, 2011. R. Jeffrey Orr holds options of PFC granted to him as an officer of PFC, which are disclosed in the Management Proxy Circular of PFC dated March 10, 2011. Mr. Orr also holds options of IGM previously granted to him as an officer of IGM, which are disclosed in the Management Proxy Circular of IGM dated March 1, 2011. Raymond L. McFeetors holds options of PFC granted to him as an officer of PFC, which are disclosed in the Management Proxy Circular of PFC dated March 10, 2011. Mr. McFeetors also holds options of Lifeco previously granted to him as an officer of Lifeco, which are disclosed in the Management Proxy Circular of Lifeco dated February 22, 2011.

[2] Calculated based on December 31, 2010 closing price of $27.67 on the TSX per Subordinate Voting Share of the Corporation. In accordance with the CSA requirements, this amount includes values for unvested (non-exercisable) options as well as vested (exercisable) options.

[3] Mr. de Seze did not stand for re-election as a Director of the Corporation at the May 13, 2010 Annual Meeting of Shareholders.

OPTION BASED AWARDS — VALUE VESTED DURING THE YEAR

NAME	OPTION-BASED AWARDS — VALUE VESTED DURING THE YEAR [1] [$]
Michel Plessis-Bélair	Nil
Amaury de Seze [2]	Nil

[1] Summarizes for each of the noted Directors the aggregate value that would have been realized by them if options held by them under the Executive Stock Option Plan had been exercised on the vesting date during the financial year ended December 31, 2010.

[2] Mr. de Seze did not stand for re-election as a Director of the Corporation at the May 13, 2010 Annual Meeting of Shareholders.

MANDATORY HOLDINGS BY DIRECTORS

It is the policy of the Corporation that Directors should hold Shares of the Corporation or DSUs with a value equivalent to $375,000 within five years of the later of: [a] their becoming a Director of the Corporation; and [b] March 29, 2006.

EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE*

The Summary Compensation Table and Notes below describe the total compensation paid, awarded or earned by each of the named executive officers (collectively, the "NEOs") for services rendered in all capacities to the Corporation and its subsidiaries, including PFC in the case of certain NEOs, during the financial years indicated. The amounts shown below

SUMMARY COMPENSATION TABLE

		POWER FINANCIAL CORPORATION						
NAME AND PRINCIPAL POSITION	YEAR	SALARY [1] [$]	SHARE-BASED AWARDS [2] [$]	OPTION-BASED AWARDS [3] [$]	ANNUAL INCENTIVE PLANS [1] [$]	PENSION VALUE [1,4] [$]	ALL OTHER COMPEN-SATION [5] [$]	**COMPEN-SATION TOTAL FOR PFC [$]**
Paul Desmarais, Jr. [9] Chairman and Co-Chief Executive Officer	2010	500,000	133,168	—	750,000	464,920	284,030	2,132,118
	2009	500,000	125,000	—	500,000	Nil	320,000	1,445,000
	2008	500,000	122,500	—	625,000	516,840	308,500	2,072,840
André Desmarais [9] Deputy Chairman, President and Co-Chief Executive Officer	2010	500,000	133,168	—	750,000	406,140	338,530	2,127,838
	2009	500,000	125,000	—	500,000	61,320	334,000	1,520,320
	2008	500,000	122,500	—	625,000	249,480	282,250	1,779,230
Philip K. Ryan [9,11] Executive Vice-President and Chief Financial Officer	2010	312,500	83,168	192,750 [12]	350,000	371,000	291,055	1,600,473
	2009	306,000	75,000	136,501	325,000	311,000	249,120	1,402,621
	2008	268,899	66,182	136,501	250,000	348,000	189,985	1,259,567
John A. Rae Executive Vice-President, Office of the Chairman of the Executive Committee	2010	—	—	—	—	—	—	—
	2009	—	—	—	—	—	—	—
	2008	—	—	—	—	—	—	—
Henri-Paul Rousseau [9,15] Vice-Chairman	2010	280,500	133,168	—	125,000	16,000	315,922	870,590
	2009	275,000	86,813	—	50,000	14,500	180,182	606,495
Arnaud Vial [9,17] Senior Vice-President	2010	133,750	—	—	62,500	67,560	—	263,810
	2009	262,500	—	—	125,000	125,810	—	513,310
	2008	257,500	—	—	125,000	148,300	—	530,800

*Footnotes to this table appear on pages 24 and 25.

under "Power Financial Corporation" for "Salary", "Annual Incentive Plans" and "Pension Value" represent inter-company reimbursements from PFC to the Corporation and do not represent amounts paid directly by PFC to the applicable NEOs. Although the Corporation paid or credited these amounts to the applicable NEOs, they are not included in "Salary", "Annual Incentive Plans" and "Pension Value" under "Power Corporation of Canada" in the chart below as they have been accounted for in the columns below under "Power Financial Corporation".

POWER CORPORATION OF CANADA							
SALARY [$]	SHARE-BASED AWARDS [6] [$]	OPTION-BASED AWARDS [7] [$]	ANNUAL INCENTIVE PLANS [$]	PENSION VALUE [$]	ALL OTHER COMPEN-SATION [8] [$]	COMPEN-SATION TOTAL FOR PCC [$]	TOTAL COMPENSATION [$]
500,000	50,000	1,488,218 [10]	750,000	323,080	128,000	3,239,298	5,371,416
500,000	50,000	741,541	500,000	Nil	132,000	1,923,541	3,368,541
500,000	48,125	1,449,001	625,000	359,160	128,500	3,109,786	5,182,626
500,000	50,000	1,488,218 [10]	750,000	560,860	276,000	3,625,078	5,752,916
500,000	50,000	741,541	500,000	84,680	277,000	2,153,221	3,673,541
500,000	48,125	1,449,001	625,000	344,520	273,500	3,240,146	5,019,376
312,500	—	215,746 [10,13]	350,000	371,000	6,250	1,255,496	2,855,969
306,000	—	146,997	325,000	311,000	6,120	1,095,117	2,497,738
268,899	—	146,997	250,000	348,000	2,444	1,016,340	2,275,907
517,000	50,000	227,479 [10]	150,000	-93,000 [14]	77,510	928,989	928,989
507,000	50,000	165,916	125,000	-74,000	79,210	853,126	853,126
497,000	48,125	325,980	250,000	-24,000	73,410	1,170,515	1,170,515
280,500	50,000	258,686 [16]	125,000	16,000	93,391	823,577	1,694,167
275,000	37,500	258,686	50,000	14,500	46,885	682,571	1,289,066
401,250	—	250,113 [10]	187,500	251,440	16,050	1,106,353	1,370,163
262,500	—	208,622	125,000	127,190	15,751	739,063	1,252,373
257,500	—	290,202	125,000	149,700	15,451	837,853	1,368,653

[1] The amounts shown under Power Financial Corporation for "Salary", "Annual Incentive Plans" and "Pension Value" represent inter-company reimbursements from PFC to the Corporation and do not represent amounts paid or credited directly by PFC to the applicable NEOs.

[2] Share-based awards represent the portion of the annual board retainer that, under the DSU Plan and DSP Plan of PFC, and similar plans of PFC's subsidiaries, is required to be paid to NEOs in DSUs or shares in their capacity as Directors of PFC or its subsidiaries. See "Compensation of Directors — Dedicated Annual Board Retainer" in PFC's Management Proxy Circular dated March 10, 2011. The value of these awards is determined based on the grant date fair value.

[3] The grant date fair value for options awarded by PFC in 2010 was calculated as disclosed in PFC's Management Proxy Circular dated March 10, 2011.

[4] Represents the portion of the compensatory value of the annual pension benefits under the Corporation's Supplementary Executive Retirement Plan ("SERP") and Mr. Ryan's pension benefit arrangement attributable to PFC in 2010, as disclosed in PFC's Management Proxy Circular dated March 10, 2011.

[5] A substantial portion of this compensation represents board fees paid in cash or DSUs for services as a Director of PFC and its subsidiaries, as disclosed in PFC's Management Proxy Circular dated March 10, 2011. These amounts do not include the portion of the annual board retainer required to be paid in shares or DSUs which are disclosed in the "Share-Based Awards" column under "Power Financial Corporation" in the table above.

[6] Share-based awards represent the portion of the annual board retainer that, under the DSU Plan and DSP Plan of the Corporation, is required to be paid to certain NEOs in DSUs or shares in their capacity as Directors of the Corporation. See "Compensation of Directors — Dedicated Annual Board Retainer" above. The value of these awards is determined based on the grant date fair value.

[7] The grant date fair value for options awarded by the Corporation has been calculated using the binomial lattice method. This methodology for determining the fair value of the grants has been used by the Corporation since 2005 and corresponds to the compensation value which the Board intended to provide to the NEOs, within the Corporation's total compensation policy. The Corporation's use of this methodology is also consistent with the method used by its external compensation adviser when valuing the equity-based awards of other companies for competitive total compensation comparison purposes. The grant date fair value for these options determined for accounting purposes for options awarded in 2010 is $2,290,500 in the case of Mr. Paul Desmarais, Jr. and Mr. André Desmarais, $105,811 in the case of Mr. Ryan, $350,111 in the case of Mr. Rae, nil in the case of Mr. Rousseau and $384,947 in the case of Mr. Vial. The "nil" value in the case of Mr. Rousseau is due to the fact that no options were awarded to him by the Corporation during the financial year ended December 31, 2010. See Notes [13] and [16] for explanations of the values shown for 2010 in the table above for Messrs. Ryan and Rousseau, respectively. The amount of the differences between the fair value of the award presented in the table above and the fair value determined for accounting purposes are as follows: $802,282 in the case of Mr. Paul Desmarais, Jr. and Mr. André Desmarais, $109,935 in the case of Mr. Ryan, $122,632 in the case of Mr. Rae, $258,686 in the case of Mr. Rousseau and $134,834 in the case of Mr. Vial. The difference between the grant date fair value for accounting purposes and the grant date fair value for the purposes of the "Option-Based Awards" column in the above table is due to the use of different methodologies (Black-Scholes vs. Binomial), different assumptions for the expected life of the options and the period over which the volatility is calculated and, in respect of certain multi-year allotments of options, the recognition of the determined value in a year as described in Notes [13] and [16]. Options awarded by the Corporation in 2010 have a 10-year term and 50 per cent of the award vests on the third anniversary of the award, while the remaining 50 per cent vests on the fourth anniversary of the award.

[8] Except for Mr. Ryan and Mr. Vial, a substantial portion of this compensation represents board fees paid in cash or DSUs for services as a Director of the Corporation and its subsidiaries other than PFC and its subsidiaries. Amounts for 2010 include the following board fees: Mr. Paul Desmarais, Jr.: $113,000, Mr. André Desmarais: $261,000, Mr. Rae: $62,000 and Mr. Rousseau: $62,000. This compensation also includes the amounts contributed by the Corporation to proportionately supplement contributions by employees to acquire shares under the Corporation's Employee Share Purchase Program, which is offered to all employees of the Corporation. These amounts do not include the portion of the annual board retainer required to be paid in shares or DSUs which are disclosed in the "Share-Based Awards" column under "Power Corporation of Canada" in the table above. The Dedicated Annual Board Retainer is more fully described above in this circular.

[9] This NEO serves both as an executive officer of the Corporation and of PFC, a subsidiary of the Corporation. A portion of the amounts under salary, annual incentive plans and pension value paid or credited to this NEO by the Corporation is reimbursed by PFC to the Corporation as disclosed in the table above under "Power Financial Corporation" and for Mr. Paul Desmarais, Jr., Mr. André Desmarais and Mr. Ryan, in PFC's Management Proxy Circular dated March 10, 2011. The amount of the reimbursement is an inter-company payment from PFC to the Corporation and does not represent a payment by PFC directly to the NEO. Although the Corporation paid or credited these amounts to the applicable NEOs, they are not included in "Salary", "Annual Incentive Plans" and "Pension Value" under "Power Corporation of Canada" in the table above as they have been accounted for in the appropriate columns under "Power Financial Corporation".

[10] The grant date fair value for options awarded by the Corporation to Mr. Paul Desmarais Jr., Mr. André Desmarais, Mr. Ryan, Mr. Rae and Mr. Vial in 2010 was calculated using the binomial lattice model. The binomial factor has been determined using a 5-year average volatility of 23 per cent at the date of grant and a 1-year dividend yield of 4.5 per cent. The risk free interest rates for the 2010 grants were based on a yield curve of risk free interest rates based on the median, zero coupon yield curve data calculated on a daily basis by the Bank of Canada. Based on these assumptions, the binomial factor used for 2010 is 11 per cent of the exercise price.

[11] Mr. Ryan was appointed Executive Vice-President and Chief Financial Officer of the Corporation and PFC on January 31, 2008.

[12] Represents the grant date fair value for options awarded by PFC in 2010, as well as part of a multi-year allotment of options awarded prior to 2010 in accordance with the terms of employment of Mr. Ryan, as disclosed in PFC's Management Proxy Circular dated March 10, 2011.

[13] Represents the grant date fair value for options awarded by the Corporation in 2010, as well as part of the grant date fair value for a multi-year allotment of options awarded prior to 2010 in accordance with the terms of employment of Mr. Ryan. Consequently, calculations include recognition of one-fifth of the determined value beginning in 2008 for options awarded to Mr. Ryan by the Corporation during the financial year ended December 31, 2008 (in accordance with the period of vesting of the options). The grant date fair value for options awarded in 2010 is calculated as described in Note [10] above, while the grant date fair value for the multi-year allotments is calculated using the same methodology as the one described in Note [10] above, except that the binomial factor used is 14 per cent.

[14] Mr. Rae has attained the maximum pension accrual. His expected future earnings have decreased over the past year, since his actual earnings in 2010 were lower than initially projected for pension benefits purposes. Accordingly, his compensatory change for the 2010 accrued benefit obligation results in a negative amount.

[15] Mr. Rousseau was appointed a Vice-Chairman of the Corporation and a Vice-Chairman of PFC effective January 1, 2009.

[16] Represents part of the grant date fair value for a multi-year allotment of options awarded prior to 2010 in accordance with the terms of employment of Mr. Rousseau. Consequently, calculations include recognition of one-seventh of the determined value beginning in 2009 for options awarded to Mr. Rousseau by the Corporation during the financial year ended December 31, 2009 (also in accordance with the period of vesting of the options). The grant date fair value is calculated using the same methodology as the one described in Note [10] above, except that the binomial factor used is 10 per cent in the case of Mr. Rousseau.

[17] In the case of Mr. Vial, the amounts accounted for under Power Financial Corporation for "Salary", "Annual Incentive Plans" and "Pension Value" are determined according to the estimated proportion of Mr. Vial's time attributed to the affairs of Power Financial Corporation. These proportions were 25 per cent for 2010 and 50 per cent for 2009 and 2008.

INCENTIVE PLAN AWARDS

The table below shows information for each NEO, award by award, for all unexercised options as at December 31, 2010, and for the value of DSP Plan shares and DSUs of the Corporation and its subsidiaries held by NEOs as at December 31, 2010.

OPTION AWARDS					
		NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS [#]		OPTION EXERCISE PRICE [$]	OPTION EXPIRATION DATE
NAME		VESTED	UNVESTED [3]		
Paul Desmarais, Jr.			450,000 [4]	30.065	March 15, 2020
			364,000	18.52	March 15, 2019
			346,275	29.89	March 17, 2018
		134,275	134,275	37.07	March 25, 2017
		290,125		33.285	April 2, 2016
		263,000		32.025	February 22, 2015
		268,000		26.375	May 16, 2014
		800,000 [5]		17.6625	April 3, 2011
André Desmarais			450,000 [4]	30.065	March 15, 2020
			364,000	18.52	March 15, 2019
			346,275	29.89	March 17, 2018
		134,275	134,275	37.07	March 25, 2017
		290,125		33.285	April 2, 2016
		263,000		32.025	February 22, 2015
		268,000		26.375	May 16, 2014
Philip K. Ryan	PCC		20,788 [4]	30.065	March 15, 2020
		57,954	86,931	36.235	January 30, 2018
	PFC		19,254	32.46	March 15, 2020
		56,566	84,849	37.125	January 30, 2018
John A. Rae			68,784 [4]	30.065	March 15, 2020
			81,443	18.52	March 15, 2019
			77,900	29.89	March 17, 2018
		29,650	29,650	37.07	March 25, 2017
		64,550		33.285	April 2, 2016
		57,000		32.025	February 22, 2015
		68,000		26.375	May 16, 2014
		96,338		17.6625	April 3, 2011
Henri-Paul Rousseau		114,286	685,714	22.635	January 5, 2019
Arnaud Vial			75,628 [4]	30.065	March 15, 2020
			102,406	18.52	March 15, 2019
			69,350	29.89	March 17, 2018
		30,000	30,000	37.07	March 25, 2017
		49,250		33.285	April 2, 2016
		36,000		32.025	February 22, 2015
		42,000		26.375	May 16, 2014

Pursuant to options awarded by the Corporation, subject to the applicable vesting restrictions, the NEOs have the right to acquire Subordinate Voting Shares under the Executive Stock Option Plan. As noted below, Mr. Ryan also has the right to acquire Common Shares of PFC under the PFC Employee Stock Option Plan, in respect of which such disclosure is also made.

		SHARE-BASED AWARDS
VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS [1] [$]		MARKET VALUE OF ALL OUTSTANDING DSP PLAN SHARES AND DSUS [2] [$]
VESTED	UNVESTED [3]	
	Nil	2,478,397
	3,330,600	
	Nil	
Nil	Nil	
Nil		
Nil		
347,060		
8,006,000 [5]		
8,353,060	3,330,600 [3]	
Total: 11,683,660		
	Nil	5,323,633
	3,330,600	
	Nil	
Nil	Nil	
Nil		
Nil		
347,060		
347,060	3,330,600 [3]	
Total: 3,677,660		
	Nil	1,021,813
Nil	Nil	
	Nil	
Nil	Nil	
	Nil	408,852
	745,203	
	Nil	
Nil	Nil	
Nil		
Nil		
88,060		
964,103		
1,052,163	745,203 [3]	
Total: 1,797,366		
575,430	3,452,570 [3]	365,632
Total: 4,028,000		
	Nil	—
	937,015	
	Nil	
Nil	Nil	
Nil		
Nil		
54,390		
54,390	937,015 [3]	
Total: 991,405		

[1] Calculated based on December 31, 2010 closing price of $27.67 on the TSX per Subordinate Voting Share of the Corporation and $30.73 per Common Share of PFC (in the case of Mr. Ryan). In accordance with the CSA requirements, the total amount includes values for unvested (non-exercisable) options as well as vested (exercisable) options.

[2] Represents the portion of the annual retainer that, under the DSU Plan and DSP Plan of the Corporation, and similar plans of the Corporation's subsidiaries, is required to be paid in DSUs or in shares. This amount also includes the fees that the NEOs, in their capacity as Director of the Corporation or its subsidiaries, elected to receive as DSUs or shares. The amount is calculated based on the following December 31, 2010 closing prices on the TSX: PCC Subordinate Voting Shares: $27.67, PFC Common Shares: $30.73, Lifeco Common Shares: $26.40 and IGM Common Shares: $43.46.

[3] These values are related to non-exercisable options and are therefore not available to the NEOs.

[4] Options awarded to the NEO by the Corporation during the financial year ended December 31, 2010. These options have a 10-year term. 50 per cent of these options vests on the third anniversary of the award and the remaining 50 per cent vests on the fourth anniversary of the award.

[5] These options were exercised by Mr. Paul Desmarais, Jr. on January 25, 2011.

INCENTIVE PLAN AWARDS — VALUE VESTED OR EARNED DURING THE YEAR

The table below shows information for each NEO for the year ended December 31, 2010.

NAME	OPTION-BASED AWARDS — VALUE VESTED DURING THE YEAR [1] [$]		NON-EQUITY INCENTIVE PLAN COMPENSATION — VALUE EARNED DURING THE YEAR [2] [$]	
	POWER FINANCIAL CORPORATION	POWER CORPORATION OF CANADA	POWER FINANCIAL CORPORATION	POWER CORPORATION OF CANADA
Paul Desmarais, Jr.	—	Nil	750,000 [3]	750,000
André Desmarais	—	Nil	750,000 [3]	750,000
Philip K. Ryan	Nil	Nil	350,000 [3]	350,000
John A. Rae	—	Nil	—	150,000
Henri-Paul Rousseau	—	764,002	125,000 [3]	125,000
Arnaud Vial	—	Nil	62,500 [3]	187,500

[1] Summarizes for each of the NEOs the aggregate value that would have been realized if the options under the Executive Stock Option Plan (and for Mr. Ryan under PFC's Employee Stock Option Plan) had been exercised on the vesting date during the financial year ended December 31, 2010.

[2] These are the same amounts as disclosed under the respective PFC and PCC "Annual Incentive Plans" columns in the Summary Compensation Table earlier in this Management Proxy Circular.

[3] This amount represents an inter-company reimbursement from PFC to the Corporation. It does not represent an additional amount paid to the NEOs by PFC. Although the Corporation paid these amounts to the applicable NEOs, they are not included under "Power Corporation of Canada" above as they have been accounted for in the appropriate column under "Power Financial Corporation".

EQUITY COMPENSATION PLAN INFORMATION

The following table shows the number of securities authorized for issuance under equity compensation plans of the Corporation. The only equity compensation plan under which shares of the Corporation may be issued is the Executive Stock Option Plan.

AS AT DECEMBER 31, 2010	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS [EXCLUDING SECURITIES REFLECTED IN COLUMN [A]]
Plan category	[A]	[B]	[C]
Equity compensation plans approved by security holders	12,789,163	$27.66	4,866,209
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	12,789,163	$27.66	4,866,209

EQUITY COMPENSATION PLANS

Pursuant to the Executive Stock Option Plan, options on 11,666,239 Subordinate Voting Shares are presently outstanding and options on 4,866,209 Subordinate Voting Shares are available for issuance. Options currently outstanding and options available for issuance under the Executive Stock Option Plan represent approximately 2.53 per cent and 1.06 per cent, respectively, of the aggregate outstanding Shares of the Corporation. Accordingly, there are 16,532,448 Subordinate Voting Shares reserved for issuance representing approximately 3.6 per cent of the aggregate outstanding Shares of the Corporation. During the year ended December 31, 2010, the Corporation granted options on 1,810,282 Subordinate Voting Shares, representing approximately 0.39 per cent of the aggregate outstanding Shares of the Corporation. This percentage is commonly referred to as the annual "burn" rate. The Executive Stock Option Plan was accepted by the TSX and was approved by shareholders on May 10, 1985. Amendments to the number of shares available for issuance under the Executive Stock Option Plan and other provisions have also been approved by the Corporation's shareholders from time to time.

The Executive Stock Option Plan provides for the grant of options to key employees and key associates of Power and its subsidiaries, as designated by the Compensation Committee. The Compensation Committee determines the number of Subordinate Voting Shares to be covered by each such grant of options and determines, subject to the Executive Stock Option Plan, the terms of each such grant of options. The options are granted for a period of not more than 10 years, although a shorter option period may be established by the Compensation Committee. Generally, options granted prior to March 2004 vest on the basis of [i] as to the first 50 per cent, one year from the date of grant; [ii] as to the next 25 per cent, two years from the date of grant; and [iii] as to the remaining 25 per cent, three years from the date of grant. Options granted since March 2004 generally vest on the basis of [i] as to the first 50 per cent, three years from the date of grant; and [ii] as to the remaining 50 per cent, four years from the date of grant. Options may be exercised earlier in the event of death, disability or a change of control of the Corporation.

The options granted under the Executive Stock Option Plan permit option holders to purchase Subordinate Voting Shares of the Corporation on payment of the subscription price. The subscription price is not less than the market value of Subordinate Voting Shares on the date of the grant. The market value of Subordinate Voting Shares for this purpose is calculated by taking the average of the high and low prices of Subordinate Voting Shares on the TSX on the immediately preceding trading day or, if two or more sales of Subordinate Voting Shares have not been reported for that day, the average of the bid and ask for the Subordinate Voting Shares on such day.

Unless otherwise determined by the Compensation Committee, options terminate upon the earlier of the date first established by the Compensation Committee and [i] three years from termination of employment by reason of death; [ii] three years from the date of death in the event of the death of a retiree holding stock options; [iii] 12 months from termination of employment other than by reason of death, disability, retirement or dismissal for fraud or wilful fault or neglect; [iv] the date of termination of employment by reason of dismissal for fraud or wilful fault or neglect; and [v] the date of termination of employment for any cause other than death or disability, in the case of an employee with less than one year's service at the date of grant. The termination date of an option, as first established by the Compensation Committee, will not change as a result of a change of control of the Corporation unless the option holder agrees to an earlier termination date for such option. Options are not assignable other than by will or succession law, except, if and on such terms as the Committee may permit, options can be transferred to certain of the optionee's family members, or trusts or holding companies controlled by the optionee, in which case the options shall continue to be subject to the Executive Stock Option Plan as if the optionee remained the holder thereof.

If options granted under the Executive Stock Option Plan would otherwise expire during a blackout period or within 10 business days of the end of such period, the expiry date of the option will be extended to the tenth business day following the end of the blackout period.

The number of Subordinate Voting Shares issuable to insiders (as defined under TSX rules for this purpose) at any time under options issued and outstanding pursuant to the Executive Stock Option Plan and under any other security-based compensation arrangements (also as defined under applicable TSX rules) of the Corporation shall not exceed in the aggregate 10 per cent of the Corporation's total issued and outstanding Shares, and the number of Subordinate Voting Shares issued to insiders within any one-year period under options issued and outstanding pursuant to the Executive Stock Option Plan and under any other security-based compensation arrangements of the Corporation shall not exceed in the aggregate 10 per cent of the Corporation's total issued and outstanding Shares. The number of Subordinate Voting Shares reserved for issuance to any one person pursuant to options is limited to 5 per cent of the outstanding Shares.

The Board may at any time and from time to time amend, suspend, cancel or terminate the Executive Stock Option Plan or an option granted thereunder, in whole or in part, provided however that approval of the holders of the Shares, by a majority of votes cast by voting shareholders present or represented by proxy at a meeting, is required for the following:

1. increasing the number of Subordinate Voting Shares that can be issued under the Executive Stock Option Plan;
2. reducing the subscription price of an outstanding option, including a cancellation and regrant of an option in conjunction therewith constituting a reduction of the subscription price of the option;
3. extending the term of any outstanding option;
4. permitting the grant of an option with an expiry date of more than 10 years from the grant date;
5. expanding the authority of the Board to permit assignability of options beyond that currently contemplated by the Executive Stock Option Plan;
6. adding non-employee Directors to the categories of participants eligible to participate in the Executive Stock Option Plan;
7. amending the Executive Stock Option Plan to provide for other types of compensation through equity issuance;
8. increasing or deleting the percentage limit on shares issuable or issued to insiders under the Executive Stock Option Plan (being 10 per cent of the Corporation's total issued and outstanding Shares);
9. increasing or deleting the percentage limit on shares reserved for issuance to any one person under the Executive Stock Option Plan (being 5 per cent of the Corporation's total issued and outstanding Shares); and
10. amending the amendment provisions other than as permitted under TSX rules,

unless, in any of the foregoing cases, the change results from application of the anti-dilution provisions of the Executive Stock Option Plan.

The Board approved certain amendments to the Executive Stock Option Plan on November 12, 2010. The amendments were desirable in light of changes to the *Income Tax Act* (Canada) which became effective on January 1, 2011, relating to withholdings in respect of option exercises. The Executive Stock Option Plan was amended to enable the Corporation to comply with the applicable requirements of any federal or provincial tax law or authority relating to the withholding of tax, or any other required deductions with respect to options, and to satisfy any liability for any such withholding obligations.

RETIREMENT PLAN BENEFITS

The Corporation has a Supplementary Executive Retirement Plan (the "SERP") pursuant to which pension benefits may become payable, in addition to the pension benefits payable from the Corporation's basic pension plan, to certain of the executive officers of the Corporation or any subsidiary of the Corporation (collectively, the "Power Group"), as may be designated for participation by the Compensation Committee of the Board of Directors. The NEOs, except Mr. Ryan and Mr. Rousseau participate in the SERP.

Under the SERP and the Corporation's basic pension plan, a participant becomes entitled to a maximum annual pension at normal retirement age of 62 years equal to 60 per cent of the average of the highest 3 years of the participant's compensation out of the final 10 years of credited service (the "supplementary pension"), less the amount of the benefits payable under the Canada Pension Plan or the Québec Pension Plan on the date of retirement. The participant's average compensation covered under the SERP is calculated based on salary and bonuses received in respect of all Power Group positions during the participant's final 10 years of credited service. Entitlement to the maximum supplementary pension under the SERP requires 15 years of credited service with the Power Group. The amount of the supplementary pension is reduced by 6 ⅔ per cent for each year of credited service with the Power Group less than 15. No benefit is payable to a participant with less than 5 years of credited service at retirement. In the event of retirement prior to normal retirement age, the supplementary pension earned to the date of early retirement becomes payable, provided the participant has completed 10 years of credited service with the Power Group, but is subject to a reduction in the supplementary pension benefit of 6 per cent for each year by which the retirement precedes age 60. Under the SERP, early retirement may not be elected prior to age 55.

Under his pension benefit arrangement and the Corporation's basic pension plan, Mr. Ryan becomes entitled to a maximum annual pension at age 62 equal to 60 per cent of the average of the highest 3 years of his compensation out of the final 10 years of credited service less the amount of the benefits payable under the Canada Pension Plan or the Québec Pension Plan on the date of retirement. His average compensation covered under his pension benefit arrangement is calculated based on salary and bonuses received in respect of all Power Group positions during his final 10 years of credited service. No benefit is payable with less than 10 years of credited service at retirement under Mr. Ryan's pension benefit arrangement. Under these arrangements, Mr. Ryan is entitled to pension benefits starting at age 62.

Mr. Rousseau participates in Power's basic pension plan and has no other pension benefit arrangement with the Corporation.

The following table presents information on the pension benefits offered to each NEO calculated as of the end of 2010 for both the Corporation's basic pension plan, the SERP and Mr. Ryan's pension benefit arrangement for services rendered in all capacities to the Corporation and its subsidiaries, including PFC in the case of certain NEOs. The amounts shown below under "Power Financial Corporation" and "Power Corporation of Canada" represent the portion of the annual

	POWER FINANCIAL CORPORATION						
		ANNUAL BENEFITS PAYABLE [$]					
NAME	NUMBER OF YEARS OF CREDITED SERVICE [1] [#]	AT YEAR-END [2]	AT AGE 65 [2]	ACCRUED OBLIGATION AT START OF YEAR [3,4] [$]	COMPEN-SATORY CHANGE [4,5] [$]	NON-COMPEN-SATORY CHANGE [6] [$]	ACCRUED OBLIGATION AT YEAR-END [3,4] [$]
Paul Desmarais, Jr.	33.7 [7]	1,034,264	1,034,264	9,354,450	464,920	1,294,460	11,113,830
André Desmarais	27.7 [7]	736,256	736,256	5,918,640	406,140	892,080	7,216,860
Philip K. Ryan	2.9 [7]	3,637 [8]	356,875	731,000	371,000	157,000	1,259,000
John A. Rae	39.7	—	—	—	—	—	—
Henri-Paul Rousseau [9]	2.1	2,595	2,595	17,000	16,000	2,000	35,000
Arnaud Vial	13.8	202,688	220,219	2,427,600	67,560	252,360	2,747,520

[1] Only 15 years of credited service are recognized under the SERP (first 10 years under Mr. Ryan's pension benefit arrangement).

[2] The annual benefits payable at year-end and at age 65 represent the estimated pension earned for all service to date, and based on total service projected to age 65, respectively. This estimated pension is calculated based on actual pensionable earnings as at the end of the financial year ended December 31, 2010 and on the terms of the current retirement agreements. The benefits payable at year-end, as shown above, do not include any reduction that may apply if a NEO retires prior to the normal retirement age.

[3] The accrued obligation represents the value of the projected pension benefits from all pension plans, earned for all service to date.

[4] The estimated accrued obligation values are calculated each year, based on the same method and assumptions used in the Corporation's Financial Statements. The key assumptions include a discount rate of 5.75 per cent per year to calculate the accrued obligation at start of year and the annual service cost, a discount rate of 5.25 per cent to calculate the accrued obligation at year-end and a rate of increase in future compensation of 3.50 per cent per year.

TERMINATION AND CHANGE OF CONTROL BENEFITS

There are no change of control provisions in place for the NEOs.

The Corporation has a contract with Mr. Ryan relating to his employment as Executive Vice-President and Chief Financial Officer of the Corporation. The contract provides that the vesting period of any unvested options will continue for one year if his employment is terminated without "cause" (as such term is defined in the contract).

AGGREGATE INDEBTEDNESS

The following table presents the aggregate outstanding indebtedness, as at March 10, 2011, of all current and former executive officers, directors and employees of the Corporation or any of its subsidiaries, to the Corporation.

AGGREGATE INDEBTEDNESS [$]	
PURPOSE	TO THE CORPORATION
Share Purchases	5,635,450 [1]
Other	Nil

[1] Reflects indebtedness of employees of a private subsidiary of the Corporation in connection with such employees' co-investment, with the Corporation and other investors, in investment funds managed by the subsidiary investment company. Such indebtedness bears a rate of interest of 5 per cent. None of such indebted employees are NEOs or executive officers of the Corporation.

pension benefits payable and the accrued obligation that are shared by PFC and the Corporation. As at the end of 2010, the percentages attributable to PFC and the Corporation are, respectively, 59 per cent and 41 per cent for Paul Desmarais, Jr., 42 per cent and 58 per cent for André Desmarais, 50 per cent each for Philip K. Ryan and Henri-Paul Rousseau and 48 per cent and 52 per cent for Arnaud Vial.

POWER CORPORATION OF CANADA						TOTAL		
ANNUAL BENEFITS PAYABLE [$]						ANNUAL BENEFITS PAYABLE [$]		
AT YEAR-END [2]	AT AGE 65 [2]	ACCRUED OBLIGATION AT START OF YEAR [3,4] [$]	COMPEN-SATORY CHANGE [4,5] [$]	NON-COMPEN-SATORY CHANGE [6] [$]	ACCRUED OBLIGATION AT YEAR-END [3,4] [$]	AT YEAR-END [2]	AT AGE 65 [2]	ACCRUED OBLIGATION AT YEAR-END [3,4] [$]
718,726	718,726	6,500,550	323,080	899,540	7,723,170	1,752,990	1,752,990	18,837,000
1,016,734	1,016,734	8,173,360	560,860	1,231,920	9,966,140	1,752,990	1,752,990	17,183,000
3,637 [8]	356,875	731,000	371,000	157,000	1,259,000	7,274 [8]	713,750	2,518,000
428,190	428,190	4,861,000	-93,000	333,000	5,101,000	428,190	428,190	5,101,000
2,595	2,595	17,000	16,000	2,000	35,000	5,190	5,190	70,000
219,579	238,571	2,332,400	251,440	392,640	2,976,480	422,267	458,790	5,724,000

[5] Includes service cost at the beginning of the year, the impact on the accrued obligation of the difference between actual and estimated earnings and the impact of amendments to the applicable plans or arrangements, if any.

[6] Includes the impact on the accrued obligation of the change in the discount rate from 5.75 per cent to 5.25 per cent, non-pay related experience such as mortality and retirement, and increase in the obligation due to interest.

[7] Represents the total years of credited service in the Power group.

[8] Represents annual benefits under Power's basic pension plan. Vesting conditions were not met as at December 31, 2010 under Mr. Ryan's pension benefit arrangements.

[9] Mr. Rousseau participates in Power's basic pension plan and has no other pension benefit arrangement with the Corporation or PFC. He does not participate in the SERP.

COMPENSATION DISCUSSION AND ANALYSIS

THE COMPENSATION COMMITTEE

The Compensation Committee of the Corporation (the "Committee") oversees the executive compensation program. The Committee is composed entirely of independent directors within the meaning of the Instruments, as more fully described in the "Statement of Corporate Governance Practices" section later in this Management Proxy Circular. The Board and the Committee recognize the importance of executive compensation decisions to the management and shareholders of the Corporation and have given careful consideration to the process which is followed to make decisions.

The Committee considers it important that total compensation (cash and all other employment-related costs incurred by the Corporation) reflects the Corporation's entrepreneurial roots and corporate culture. The various elements of executive compensation, the relative weighting allocated to cash compensation versus options, and the mix of annual as opposed to long-term incentives, is not quantified by the Committee on the basis of a formulaic approach. The Committee reviews each compensation element in the context of the compensation mix (fixed versus variable) determined in accordance with the Corporation's executive compensation policy.

COMPENSATION CONSULTANT

The Committee retained the services of Towers Watson to assist with preparing information for, and offering advice to, the Committee. The consulting agreement entered into between Towers Watson and the Committee provides that all consulting services related to executive compensation matters fall under the authority of the Committee. Towers Watson may work with management in the execution of the work with the Committee's approval. The Committee is informed as to the nature of the work performed for and at the request of management and the Committee has access to the findings and recommendations prepared by Towers Watson. Towers Watson's services typically include performing competitive reviews of senior executive and Board compensation levels and trends. Towers Watson also provides retirement and benefit consulting services to the Corporation. The Committee meets alone as required without the compensation adviser and without management. The Committee also meets from time to time with its compensation adviser without any member of management present to discuss compensation matters. Decisions made by the Committee reflect many other factors and considerations in addition to the information and recommendations provided by Towers Watson.

On an annual basis, Towers Watson discloses to the Committee its full relationship with the Corporation including the total fees charged to the Corporation and the split of those fees between executive compensation and non-executive compensation consulting. Towers Watson also informs the Committee of its consulting structure and other safeguards put in place to avoid conflict of interest when consulting on executive compensation matters.

EXECUTIVE COMPENSATION POLICY

Power's executive compensation policies and programs have been designed to support the Corporation's primary objective of generating added value for shareholders over the long term. Unlike the Corporation's operating subsidiaries, where compensation may be tied directly to specific objectives, the Corporation is a holding company and its compensation is deliberately structured to reflect the long-term value-building nature of the duties of senior management and the absence of precise shorter term operating measures. The main goals of the Corporation's executive compensation policy are to:

> attract and retain key executive talent with the knowledge and expertise required to develop and execute business strategies to achieve the Corporation's primary objective;
> provide executives with a total compensation package competitive with that offered by other large global organizations based in North America; and
> ensure that long-term incentive compensation is a major component of total compensation.

The Corporation's executive compensation program is designed to reward the following:

> excellence in crafting and executing strategies and transactions that will produce significant value for the shareholders over the long term;
> management vision and an entrepreneurial approach;
> quality of decision-making;
> strength of leadership; and
> record of performance over the long term.

THE COMPENSATION COMMITTEE'S DECISION-MAKING PROCESS

BENCHMARKING

To assist in determining competitive compensation for executive positions, the Committee reviews data from reference groups that include large financial services organizations, management holding companies and other large diversified companies. Because of the international scope and the size of the Power Group, the reference groups are composed of Canadian and U.S.-based companies, thus allowing the Corporation to offer its executives total compensation that is competitive in the North American market. Companies included in the reference groups are typically publicly traded, operate in the financial services industry and other sectors, are large in scope and have global operations. While performing its review, the Committee may consider some or all of the companies in the reference groups. The companies included in the reference groups for 2010 were the following:

CANADIAN COMPARATOR GROUP (16) – LARGE HOLDING, FINANCIAL SERVICES AND DIVERSIFIED COMPANIES	U.S. COMPARATOR GROUP (20) – LARGE CONGLOMERATE AND FINANCIAL SERVICES COMPANIES
> Bank of Montreal > BCE Inc. > Bombardier Inc. > Canadian Imperial Bank of Commerce > George Weston Limited > HSBC Bank Canada > Manulife Financial Corporation > National Bank of Canada > Onex Corporation > Rogers Communications Inc. > Royal Bank of Canada > Royal & Sun Alliance Insurance Company of Canada > Scotiabank > SunLife Financial Services > TD Bank Financial Group > Thomson Reuters Corporation	> Aetna Inc. > Allstate Corporation > American Express Company > Bank of America Corporation > Capital One Financial Corporation > CIGNA Corporation > Citigroup Inc. > Hartford Financial Services Group Inc. > Honeywell International Inc. > HSBC North America Holdings Inc. > ING North America Insurance Company > MetLife Inc. > New York Life Insurance Company > PNC Financial Services Group Inc. > Prudential Financial Inc. > State Street Corporation > SunTrust Banks Inc. > Textron Inc. > U.S. Bancorp > Wells Fargo & Company

While performing its review, the Committee does not specifically identify a median or percentile for total compensation of the Corporation's NEOs. Generally, the Committee takes into account the compensation of executives of companies in the reference group by considering the placement of the Corporation's NEOs compensation approximately in the middle of the group's ranges, with exceptional performance allowing for compensation towards the upper range of the reference group.

ANNUAL REVIEW BY THE COMMITTEE

The Committee reviews the total compensation of each NEO annually. The review covers all forms of compensation and the Committee considers a number of factors and performance indicators, including in particular the long-term financial return of the Corporation relative to that of other large corporations in the financial services industry and other sectors, which includes corporations in the reference groups above. The comparative evaluation is not based on a mathematical formula that integrates specific, weighted performance measures. Rather, the Committee qualitatively considers such factors in the context of the overall achievements of the Corporation, be they financial or strategic in nature.

The Committee obtained the recommendations of the Co-Chief Executive Officers (the "Co-CEOs") in reviewing the compensation of each of the other NEOs, together with the Co-CEO's evaluation of the performance of each such NEO for the year.

COMPONENTS OF EXECUTIVE COMPENSATION

The principal components of the compensation program for the NEOs, each component's primary role in the compensation mix and how the components are linked together are presented in the table below:

<table>
<tr><th>ELEMENTS</th><th>PRIMARY ROLE</th><th>LINK TO OTHER ELEMENTS</th></tr>
<tr><td>Base Salary</td><td>Reflects skills, competencies, experience and performance appraisal of the incumbent</td><td>Influences annual incentive, long-term incentive, pension and some benefits</td></tr>
<tr><td>Annual Bonus</td><td>Reflects performance for the year</td><td>Influences pension</td></tr>
<tr><td>Long-Term Incentive (Stock Option Plan)</td><td>Links interests of NEOs with interests of the shareholders</td><td rowspan="4">None, except that the value of these elements is considered within the total compensation policy of the Corporation</td></tr>
<tr><td>Retirement Arrangements</td><td>Provide for competitive and appropriate replacement income upon retirement based on years of service with the Corporation</td></tr>
<tr><td>Group Benefits</td><td>Provide competitive and adequate protection in case of sickness, disability or death</td></tr>
<tr><td>Executive Perquisites</td><td>Provide a competitive compensation package and facilitate the effective performance of the incumbent's functions</td></tr>
</table>

A - BASE SALARY

The Committee reviews and approves the base salary for each NEO taking into account each executive's responsibilities, experience and performance assessment. During the review, the Committee considers the total compensation of each NEO to ensure it remains aligned with the Corporation's total compensation policy.

For 2010, increases in salary from 2009 were nil in the case of Paul Desmarais, Jr. and André Desmarais and ranged from 1.9 per cent to 2.1 per cent for the other NEOs.

The Committee believes the increases (for the applicable NEOs) were in line with average increases granted in the market and with market competitive salaries for comparable positions, taking into account compensation for companies in the reference groups above.

B - INCENTIVE COMPENSATION

The Committee believes it to be appropriate, in the context of a management holding company, to determine executive incentive compensation using a review and global assessment of the performance of the Corporation, in terms of financial results, achievements and strategic positioning, and specific individual contributions, among others, rather than adhering to a formulaic approach.

[I] ANNUAL BONUS

Bonuses may be paid to NEOs. The amount of individual bonuses is neither fixed nor defined as a percentage of annual salary, but rather is determined by reference to a number of factors including:

> financial performance of the Corporation for the year in absolute terms and compared with similar organizations, including some in the reference groups referred to above;
> contribution to the execution of business plans and/or initiation and implementation of major transactions;
> specific individual achievements;
> total compensation and alignment with the Corporation's executive compensation policy; and
> competitiveness of the total compensation having regard to the reference groups above although there is no specific target as to where annual bonuses should be positioned within the reference group.

Bonuses, when paid, are determined toward the end of the fiscal year and are not related to specific, quantifiable performance targets determined prior to or at the beginning of the fiscal year.

The bonuses for 2010 for the NEOs reflect a consideration of the above criteria.

[II] STOCK OPTIONS

The Committee believes that stock options, with a 10-year term and appropriate vesting conditions, are the most appropriate long-term incentive for the Corporation for reasons that include the following:

> stock options are an effective means of attracting and retaining key executives; and
> grant recipients only benefit if shareholder value increases over the long term.

In determining option grants, the Committee considers several factors, including the amount and terms of the executive's outstanding stock options, and the alignment of the executive's total compensation with the Corporation's executive compensation policy.

In determining the amount of option grants, reference is also made to the competitiveness of the NEO's compensation having regard to the reference groups described above.

The factors considered and the relative weighting allocated to these factors vary from year to year.

Stock options granted to NEOs in 2010 reflect a consideration of the above criteria.

As disclosed in the notes to the Summary Compensation Table above, Mr. Ryan received in 2008 a five-year allotment of options in accordance with the terms of his employment agreement. In normal circumstances, Mr. Ryan would not be entitled to receive further grants of options until the expiration of the five-year allotment period ending in 2013. However, the Committee approved in 2010 a grant of options to Mr. Ryan in compliance with the terms of his employment agreement.

C - RETIREMENT ARRANGEMENTS

The Corporation offers retirement arrangements to certain NEOs, including the SERP and other pension benefit arrangements. The main provisions of the pension benefit arrangements are described in more detail above in this Management Proxy Circular. The purpose of the pension benefit arrangements is to:

> offer an adequate and competitive level of retirement income to the executive officers who have spent a significant portion of their career with the Corporation;
> provide an incentive for the NEOs to remain in service with the Corporation, through the vesting provisions of the pension benefit arrangements and their respective benefit accrual formula; and
> supplement registered pension plans benefits to assist in attracting officers.

There were no changes in 2010 to the terms of the SERP or any other pension benefit arrangements the Corporation has with the NEOs.

D - GROUP INSURANCE BENEFITS

The Corporation offers medical, dental, life, accidental death and dismemberment and short and long-term disability insurance coverage to NEOs as well as to all employees of the Corporation under the same program.

E - SHARE PURCHASE PROGRAM

The Corporation offers a share purchase program to all employees of the Corporation, under which NEOs may purchase Subordinate Voting Shares of the Corporation through payroll deductions. Under the program, the Corporation makes a contribution equal to 50 per cent of the participant's contribution which is used to purchase Subordinate Voting Shares of the Corporation.

F - EXECUTIVE PERQUISITES

The Corporation currently provides a limited number of perquisites to its NEOs, the nature and value of which, in the view of the Committee, are reasonable and competitive.

MANDATORY SHARE OWNERSHIP

The Committee believes that members of the executive team should own a significant amount of equity of the Corporation to further align their interests with those of the Corporation's shareholders.

Accordingly, members of the Corporation's senior management, including the NEOs, are required to hold, within five years of their becoming a member of senior management of the Corporation, Shares and/or deferred share units of the Corporation with an aggregate minimum value determined as follows:

MINIMUM OWNERSHIP REQUIREMENT (% OF ANNUAL BASE SALARY)	
Co-Chief Executive Officers	600%
Executive/Senior Vice-Presidents and Chief Financial Officer	300%
Vice-Presidents	100%

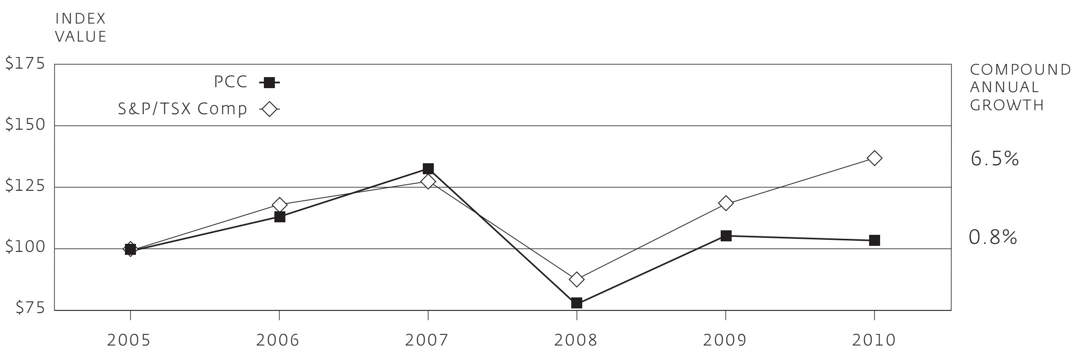
PERFORMANCE GRAPHS

The following Performance Graph shows the yearly change in the cumulative total shareholder return on the Corporation's Subordinate Voting Shares compared with the S&P/TSX Composite Index, over the five-year period ended December 31, 2010.

The year-end values of each investment are based on share appreciation plus dividends paid in cash, with the dividends reinvested on the date they were paid.

FIVE-YEAR CUMULATIVE TOTAL RETURNS

Value of $100 invested on December 31, 2005



NOTE:
POWER CORPORATION: Assumes that all dividends were reinvested.
S&P/TSX COMPOSITE INDEX: Total return index [all dividends reinvested]
SOURCE: Bloomberg

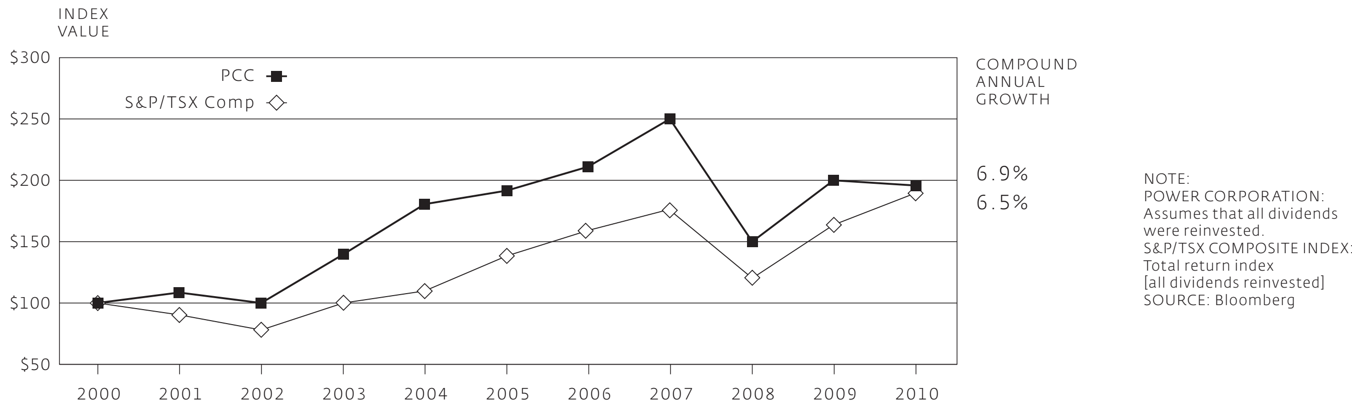
For each NEO who has been with the Corporation throughout the last five years, the trend of the NEOs' cumulative total direct compensation is consistent with the trend of cumulative value earned by the Corporation's shareholders over the five-year period; however, the Corporation's determination of executive compensation is based upon the policies and procedures described above and is not based upon the total return of the Corporation's shares relative to any particular stock index.

The following Performance Graph shows the yearly change in the cumulative total shareholder return on the Corporation's Subordinate Voting Shares compared with the S&P/TSX Composite Index, over the ten-year period ended December 31, 2010.

The year-end values of each investment are based on share appreciation plus dividends paid in cash, with the dividends reinvested on the date they were paid.

TEN-YEAR CUMULATIVE TOTAL RETURNS

Value of $100 invested on December 31, 2000



APPOINTMENT OF AUDITORS

It is proposed to reappoint Deloitte & Touche LLP as auditors of the Corporation at the Meeting, or any adjournment thereof, to hold office until the close of the next Annual Meeting of Shareholders. Except where authority to vote in respect of the appointment of auditors is withheld, the nominees named in the accompanying form of proxy will vote the shares represented thereby for the appointment of Deloitte & Touche LLP as auditors of the Corporation. The resolution to reappoint Deloitte & Touche LLP will be approved, if passed, by a majority of the votes cast at the Meeting.

SHAREHOLDER PROPOSALS

Shareholder proposals submitted for consideration of the Corporation's shareholders are attached as Schedule "A". For the reasons set forth below each proposal in Schedule "A", the Board of Directors recommends that shareholders vote against the proposals. Except where authority to vote in respect of a shareholder proposal is withheld, the nominees named in the accompanying form of proxy will vote the shares represented thereby against each shareholder proposal.

The final date by which the Corporation must receive a proposal for any matter that a shareholder proposes to raise at the Annual Meeting of Shareholders of the Corporation to be held in 2012 is December 10, 2011.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation believes in the importance of good corporate governance and the central role played by directors in the governance process. The Corporation believes that sound corporate governance is essential to the well-being of the Corporation and its shareholders.

Power is an international management and holding company. It has had controlling shareholders since its beginnings in 1925. Its present controlling shareholder has held control since 1968 and today holds in the aggregate, directly or indirectly, or holds voting power over, shares carrying approximately 61.13 per cent of the votes. Power is not an operating company and a substantial portion of its interests are located outside Canada, specifically in the United States, Europe and Asia. These characteristics are important in any consideration of governance philosophy and practices as they apply to the Corporation.

In 2005, the CSA adopted National Policy 58-201 — *Corporate Governance Guidelines* (the "Policy") which sets forth a number of suggested guidelines on corporate governance practices (the "CSA Guidelines"). Under the Policy, issuers are encouraged to consider the CSA Guidelines in developing their own corporate governance practices.

In the Board's view, no single corporate governance model is superior or appropriate in all respects. The Board believes that the Corporation's governance system is effective and is appropriate to its circumstances, and that there are in place appropriate structures and procedures to ensure the Board's independence from management and to ensure that actual or potential conflicts of interest between the Corporation and its controlling shareholder are dealt with appropriately. Furthermore, any review of governance practices should include consideration of long-term returns to shareholders, as the Board believes this to be an important indicator of the effectiveness of a governance system.

INDEPENDENCE OF DIRECTORS

A - CURRENT APPLICABLE STANDARDS

The CSA Guidelines and National Instrument 52-110 and National Instrument 58-101 (the "Instruments") provide that a director is "independent" of an issuer if he or she has no direct or indirect relationship with the issuer which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of the director's independent judgment. The Corporation's Board of Directors agrees with this approach to assessing director independence.

However, the Instruments go on to provide that a director is *deemed* to have such a direct or indirect relationship with an issuer (and thus not to be independent) if, among other things, the director is, or has been within the last three years, an executive officer or an employee of the issuer's parent corporation. In the view of the Board, the determination of director independence should be based upon whether or not the director is independent of the corporation's management, and whether or not the director has any other relationships with the corporation which could reasonably be expected to interfere with the exercise of the director's independent judgment. In the Board's view, that is a question of fact that should be determined by the issuer's board of directors on a case-by-case basis without reference to any presumptions such as those which are currently contained in the Instruments.

One of the most important functions of a board of directors is to oversee management in the drive to achieve long-term shareholder returns.

A financially strong and long-term oriented controlling shareholder can have a significant positive impact on a corporation's long-term returns, benefiting all shareholders and the corporation as a whole. The benefits can include the ability to encourage and support management in the pursuit of long-term strategies and the provision of directors who are experienced and knowledgeable about the business of the corporation. In the case of our corporate group, many of these attributes are provided through a governance model which has been developed over many years, and which includes a group of directors on the boards of our subsidiaries who are also Directors and/or officers of the Corporation or PFC. These Directors have no other relationship with the subsidiaries other than as directors and shareholders, and the full-time job of a number of officers of the Corporation is to focus on and become knowledgeable about the affairs of our subsidiaries.

The effect of the "deeming provision" regarding director independence, if followed, would be to deny the Corporation, all of its shareholders, and its corporate group the benefit of this governance model. It would prevent Power or PFC representatives from participating fully in the oversight function at their subsidiaries.

Any concerns which may exist in a controlled company situation about conflicts of interest or self-dealing should, in the view of the Board of Directors, be resolved directly through a committee of directors who are independent of the controlling shareholder. The governance model at the Corporation includes such a committee, the Related Party and Conduct Review Committee, which is discussed below in the section entitled "Resolution of Conflicts". Each of our publicly traded subsidiaries also has such a committee.

The CSA has acknowledged the concerns expressed by some reporting issuers as to whether the CSA's view of director independence is appropriate to companies such as the Corporation and its publicly traded subsidiaries which have a majority shareholder. Thus, the Policy stated at the time of its implementation that the CSA "intend(s), over the next year, to carefully consider these concerns in the context of a study to examine the governance of controlled companies" and that it "will consider whether to change how this Policy...treat(s) controlled companies". On December 19, 2008, the CSA published "Request for Comment — *Proposed Repeal and Replacement of NP 58-201 Corporate Governance Guidelines, NI 58-101 Disclosure of Corporate Governance Practices, and NI 52-110 Audit Committees and Companion Policy 52-110 CP Audit Committees*" (the "Proposal") which included, among other things, the replacement of the current prescriptive approach, and use of deeming rules, to independence with a more principles-based approach. Although the Board of Directors was encouraged by the new direction proposed by the CSA, the CSA subsequently decided not to proceed with its proposed revisions as then-published. The CSA has indicated that it is still considering potential changes to the corporate governance regime. The Corporation encourages the CSA to continue its review of the "independence" definition as it relates to majority shareholders and to proceed with appropriate revisions at an early opportunity.

B - ASSESSMENT OF INDEPENDENCE

The Board of the Corporation is currently composed of 19 Directors. In the Board's view, the following 9 current Directors, namely Pierre Beaudoin, Laurent Dassault, Anthony R. Graham, Isabelle Marcoux, the Right Honourable Donald F. Mazankowski, Jerry E.A. Nickerson, James R. Nininger, Robert Parizeau, and Emőke J.E. Szathmáry are independent of management and have no other relationships that could reasonably interfere with the exercise of their independent judgment in discharging their duties to the Corporation. The foregoing 9 Directors are also independent within the meaning of the Instruments.

The Board has determined that Marcel R. Coutu and T. Timothy Ryan, Jr., who are proposed for election as Directors of the Corporation for the first time, are independent in the Board's view and within the meaning of the Instruments. Of the 21 Directors proposed for election at the Meeting, 11 would be independent within the meaning of the Instruments.

Paul Desmarais, Jr., Chairman and Co-CEO, André Desmarais, a Deputy Chairman, President and Co-CEO, John A. Rae, Executive Vice-President, Office of the Chairman of the Executive Committee of the Corporation and Henri-Paul Rousseau, Vice-Chairman, being executive officers of the Corporation, are not independent. R. Jeffrey Orr, President and Chief Executive Officer of PFC, being an executive officer of a subsidiary of Power, is not independent.

The Honourable Paul Desmarais, who receives a salary as Chairman of a wholly owned subsidiary of the Corporation (see "Director Compensation Table" above), and Michel Plessis-Bélair, a Vice-Chairman, who receives compensation in his capacity as Senior Adviser to a wholly owned subsidiary of the Corporation (see "Directors Compensation Table" above), are not independent.

Robert Gratton, a Deputy Chairman of the Corporation who within the past three years was employed by and exercised certain management responsibilities for PFC, a subsidiary of Power, and Raymond L. McFeetors, a Vice-Chairman of PFC, who within the past three years was the President and Chief Executive Officer of certain subsidiaries of Power, including Lifeco, are not independent.

Guy Fortin has an indirect material relationship with the Corporation and is not independent.

C - MEETINGS OF INDEPENDENT DIRECTORS

The Chairman of the Board is responsible for ensuring that the Directors who are independent of management have opportunities to meet without management present. All independent Directors are encouraged by the Chairman of the Board to have open and candid discussions with the Chairman or with the Co-CEOs.

The Board has adopted a policy relating to meetings of independent Directors at Board and Committee meetings. The Directors on the Board who are independent of management meet at least once annually, and more frequently as needed, without members of management present. The Audit Committee, the Related Party and Conduct Review Committee, and the Compensation Committee are composed entirely of Directors who are independent in the Board's view and within the meaning of the Instruments. Under the policy, each of these committees are to meet without members of management as follows: Audit Committee — at least four times per year, and Related Party and Conduct Review Committee and Compensation Committee — at every meeting.

D - CHAIRMAN OF THE BOARD

The Board believes it is appropriate in a management and holding company such as Power, with a controlling shareholder, that the positions of the Chairman of the Board and Co-CEO overlap. The Board has implemented structures and procedures to provide assurance that the Board can act independently of management. Eleven of the 21 Directors proposed for election at the Meeting are independent in the Board's view and within the meaning of the Instruments. The Audit Committee, the Related Party and Conduct Review Committee and the Compensation Committee are constituted entirely with Directors who are independent in the Board's view and within the meaning of the Instruments. The Executive Committee and the Governance and Nominating Committee include Directors who are independent in the Board's view and within the meaning of the Instruments.

RESOLUTION OF CONFLICTS

It is the duty of the Board to supervise the management of the business and affairs of the Corporation for the benefit of all shareholders. In discharging this duty, the Board establishes procedures for the identification and resolution of conflicts that might arise between the interests of Power and the interests of its controlling shareholder.

Power has established a Related Party and Conduct Review Committee composed entirely of Directors who are independent of management and independent of the Corporation's controlling shareholder. The mandate of the Related Party and Conduct Review Committee is to review proposed transactions, if any, with related parties of the Corporation and to approve only those transactions that it deems appropriate.

Each of The Great-West Life Assurance Company ("Great-West Life"), London Life Insurance Company ("London Life") and The Canada Life Assurance Company ("Canada Life") is a regulated financial institution that is required by law to have a conduct review committee that establishes procedures for the review of proposed related party transactions to ensure that any such transactions are on terms and conditions at least as favourable to those companies as market terms and conditions. These conduct review committees are composed of Directors who are independent of the management of Great-West Life, London Life and Canada Life and who are neither officers nor employees of the Corporation, PFC or any of their affiliates. Similarly, Lifeco and IGM have also established their own conduct review committees composed entirely of Directors who are independent of management and who are neither officers, employees nor Directors of Power or PFC. PFC has also established its own related party and conduct review committee composed entirely of Directors who are independent of management and who are neither officers, employees nor Directors of Power.

For a description of the Board's procedures in respect of transactions involving Directors or officers of Power, see also "Ethical Business Conduct".

BOARD OF DIRECTORS

The mandate of the Board, which it discharges directly or through one of the five Board Committees, is to supervise the management of the business and affairs of the Corporation, and includes responsibility for approving strategic goals and objectives, review of operations, disclosure and communication policies, oversight of financial reporting and other internal controls, corporate governance, Director orientation and education, senior management compensation and oversight, and Director nomination, compensation and assessment. The Executive Committee has and may exercise all or any of the powers vested in and exercisable by the Board, except the power to do certain things as outlined in its Charter. The primary mandate of the Audit Committee is to review the financial statements of the Corporation and public disclosure documents containing financial information and to report on such review to the Board, to be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure documents that contain financial information, to oversee the work and review the independence of the external auditors, and to review any evaluation of the Corporation's internal control over financial reporting. The primary mandate of the Compensation Committee is to approve compensation policies and guidelines for employees of the Corporation, to approve compensation arrangements for executives of the Corporation, to recommend to the Board compensation arrangements for the Directors and for the Co-CEOs, to oversee the management of incentive compensation plans and equity compensation plans, and to review succession plans for senior management. The primary mandate of the Related Party and Conduct Review Committee is to recommend to the Board procedures for the consideration and approval of transactions with related parties of the Corporation and to review and, if deemed appropriate, to approve such transactions. The primary mandate of the Governance and Nominating Committee is to oversee the Corporation's approach to governance issues, to recommend to the Board corporate governance practices consistent with the Corporation's commitment to high standards of corporate governance, to assess the effectiveness of the Board of Directors, of Committees of the Board and of the Directors, and to recommend to the Board candidates for election as Directors and for appointment to Board Committees.

COMMITTEE MEMBERSHIP

The Audit Committee, the Related Party and Conduct Review Committee, and the Compensation Committee are composed entirely of Directors who are independent in the Board's view and within the meaning of the Instruments.

The Executive Committee and the Governance and Nominating Committee include Directors who are independent in the Board's view and within the meaning of the Instruments.

BOARD AND COMMITTEE MANDATES

The Board has adopted a Charter for itself and for each of its five committees. The Board Charter is attached as Schedule B. The mandates of all five committees are described in summary above in this section.

DIRECTOR AFFILIATIONS AND ATTENDANCE

Additional information relating to Directors standing for election, including a list of all public companies, and certain private companies, for which they serve as board members, as well as their attendance records for all Board and Committee meetings for the year ended December 31, 2010, can be found in the section entitled "Election of Directors" above in this Management Proxy Circular.

The Corporation believes that the interests of the Corporation, a holding company, are well served by the experience of and expertise in the affairs of its group companies that is brought to the Corporation by those Directors who also serve on the boards of affiliates. Over the years, Power has sought to increase the number of Directors with such interlocks. Their presence enriches the discussion and enhances the quality of governance of the Corporation's Board and at the other group boards on which they serve.

CHAIRMEN AND CO-CEOS' POSITION DESCRIPTIONS

The Board has approved written position descriptions for the Chairman of the Board and for the Chairman of each Board Committee. In general terms, the Chairman of the Board and the Chairmen of the Board Committees are responsible for ensuring that the Board or Committee is able to fulfill its duties and responsibilities in an effective manner, for planning and organizing the activities of the Board or of the Committee, for ensuring that delegated Committee functions are carried out and reported as necessary, for facilitating effective interaction with management, and for engaging outside advisers where necessary.

The Board has approved a written position description for the Co-CEOs. In general terms, the Co-CEOs are responsible for managing the strategic and operational performance of the Corporation in accordance with the goals, policies and objectives set from time to time by the Board, including developing for the Board's consideration and approval the Corporation's financial plan and developing sound operating strategies to implement such plan, for managing the day-to-day operations of the Corporation, for setting an operational environment that is performance driven, for assisting the Board with succession planning, and for representing the Corporation to its major stakeholders.

ORIENTATION AND CONTINUING EDUCATION

Director orientation and education is conducted under the aegis of the Chairman of the Board. Newly elected Directors are provided with orientation as to the nature and operation of the business and affairs of the Corporation and the Corporation's major operating subsidiaries, as to the role of the Board and its Committees, and as to the contributions that individual Directors are expected to make. Directors are periodically updated in respect of these matters, including by way of regular presentations to the Board regarding the Corporation's major operating subsidiaries and operating segments thereof. As noted above, certain of the Corporation's Directors also serve as Directors of the Corporation's public and private company investments.

In order to orient new Directors as to the nature and operation of the Corporation's business, they are also given the opportunity to meet with members of the Corporation's executive management team and with members of the executive management teams of the Corporation's major operating subsidiaries to discuss the Corporation's businesses and activities.

ETHICAL BUSINESS CONDUCT

The Board has adopted a written Code of Business Conduct and Ethics (the "Code of Conduct") that governs the conduct of the Corporation's Directors, officers and employees. A copy of the Code of Conduct is available on SEDAR (www.sedar.com), or may be obtained by contacting the Corporation's General Counsel and Secretary.

The Board oversees compliance with the Code of Conduct through the Corporation's General Counsel and Secretary who monitors compliance with the Code of Conduct. Directors, officers and employees who believe that a violation of the Code of Conduct or any law, rule or regulation has been or is likely to be committed have an obligation to promptly report the relevant information to an appropriate supervisor or, in the case of Directors and senior officers, to the General Counsel and Secretary. Alternatively, in any case, the violation or potential violation may be reported to the Chairman, the Co-CEOs or any member of the Audit Committee, as appropriate, in accordance with the Corporation's procedures. Directors and officers of the Corporation are required to confirm annually their understanding of, and agreement to comply with, the Code of Conduct (which contains the Corporation's conflict of interest policy). There have been no material change reports filed that pertain to any conduct of a Director or executive officer that constitutes a departure from the Code of Conduct.

In order to ensure that Directors exercise independent judgment in considering transactions and agreements in respect of which a Director or an executive officer has a material interest, the Director or executive officer having a conflict of interest must declare his/her interest and, if requested by any other Director, excuse himself or herself from the meeting during the consideration of that particular matter. Such Director may not vote on such matter. In addition, the Corporation has a Related Party and Conduct Review Committee, the role of which is described earlier in this Management Proxy Circular.

NOMINATION AND ASSESSMENT OF DIRECTORS

The Board has established a Governance and Nominating Committee which is responsible for identifying new candidates for Board nomination and for recommending to the Board candidates for Directors who possess the qualifications, competencies, skills, business and financial experience, leadership roles and level of commitment required of a Director to fulfill Board responsibilities. The Committee recognizes that each Director will contribute differently to the Board and will each bring particular strengths in different areas of qualification. After considering the qualifications that existing Directors possess and that each potential new nominee would be expected to bring to the Board, and after considering the appropriate level of representation on the Board by Directors who are independent, the Committee identifies candidates qualified for Board membership, and recommends to the Board nominees to be placed before the shareholders at the next Annual Meeting of Shareholders.

The Committee and the Board are mindful of the importance of having a Board with a balance of competencies, skills and experience, as well as geographic representation. The Committee and the Board believe that these factors and the continuity of membership are critical to the Board's efficient operation.

The Corporation has adopted a form of proxy which gives shareholders the ability to vote for or withhold from voting for each individual Director proposed for election to the Board of Directors of the Corporation.

The Committee is also responsible for assessing the effectiveness and contribution of the Board, of Board Committees, and individual Directors from time to time. The Board assesses its effectiveness at least annually at a meeting without members of management present.

The Board believes that it is normal and appropriate, especially in the case of a holding company with a controlling shareholder, like the Corporation, to have Directors who are related to the controlling shareholder (in this case the Honourable Paul Desmarais, Paul Desmarais, Jr. and André Desmarais) as members of the Governance and Nominating Committee, as well as Directors who are independent and not related to the controlling shareholder.

COMPENSATION COMMITTEE

The Board has established a Compensation Committee, which is responsible for approving (or, in the case of the Co-CEOs, recommending to the Board for approval) the compensation for the executives of the Corporation. The Compensation Committee also recommends to the Board for approval the compensation arrangements for the Directors, for the Chairman of the Board, for the Chairmen of Board Committees and for members of Board Committees. The Compensation Committee also approves compensation policies and guidelines applicable to employees; it recommends for approval by the Board such incentive compensation plans, equity compensation plans, registered pension plans, supplemental pension plans and other compensation plans for employees as it deems appropriate; and it oversees the management of the Corporation's incentive compensation plans and equity compensation plans.

Further particulars of the process by which compensation for the Corporation's Directors and officers is determined are set forth above in this Management Proxy Circular.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT: DISCLOSURE CONCERNING IMPLEMENTATION

Power Corporation has a long and established tradition of acting in a responsible and ethical manner, and of being actively and positively present in the communities where it operates. In 2007, Power adopted a Corporate Social Responsibility Statement (the "Statement", available at www.powercorporation.com) reflecting the core values that have guided, and continue to guide the Corporation.

The Statement provides guidance to our investment professionals at the holding company, facilitating their consideration of potential corporate social responsibility issues when investments are made. We are fortunate to invest in companies which share the same philosophy and commitment to acting responsibly and ethically, and to serving the larger community in general. In the portfolio companies in which we have influence, we engage with senior management, both formally and informally, on a regular basis and when questions or issues may arise, through our representation on their respective boards. In all of these interactions, and in a manner consistent with our core values as reflected in the Statement, there is an open and constructive dialogue in order to ensure that we have a proper understanding of how the management teams of our investee companies manage corporate social responsibility in this respect.

ADDITIONAL INFORMATION

Upon request to the Secretary of the Corporation at 751 Victoria Square, Montréal, Québec, Canada H2Y 2J3, the Corporation shall provide to any person or company, one copy of: [i] the Corporation's annual information form ("AIF"), together with any document, or the pertinent pages of any document, incorporated therein by reference; [ii] the financial statements of the Corporation for its most recently completed financial year in respect of which such financial statements have been issued, together with the report of the auditors thereon, management's discussion and analysis of operating results ("MD&A") and any interim financial statements of the Corporation issued subsequent to the annual financial statements together with the related MD&A; and [iii] the information circular of the Corporation in respect of the most recent annual meeting of its shareholders. The Corporation may require the payment of a reasonable charge when the request is made by someone who is not a security holder thereof, unless securities of the Corporation are in the course of a distribution pursuant to a short-form prospectus, in which case such documents will be provided free of charge.

Financial information is provided in the Corporation's financial statements and MD&A for its most recently completed financial year.

Information relating to the Audit Committee can be found in the section of the AIF entitled "Audit Committee".

Additional information relating to the Corporation is available on SEDAR at www.sedar.com.

APPROVAL BY DIRECTORS

The contents and the sending of this Management Proxy Circular have been approved by the Board of Directors.

Signed

Montréal, Québec
March 10, 2011

Edward Johnson
Senior Vice-President, General Counsel and Secretary

SCHEDULE A

POWER CORPORATION OF CANADA

SHAREHOLDER PROPOSALS

The Corporation is required by applicable law to attach the following proposals, and the related supporting statements, to the Management Proxy Circular. The Corporation has, and assumes, no responsibility for the content of such proposals and related supporting statements, including the opinions expressed or the accuracy of any statements contained therein. For the reasons set forth below each proposal under Board and Management Statement, the Board of Directors recommends that shareholders vote AGAINST each such proposal.

The Mouvement d'éducation et de défense des actionnaires ("MÉDAC"), 82 Sherbrooke Street West, Montréal, Québec, H2X 1X3 has submitted the following three shareholder proposals for consideration at the Meeting.

PROPOSAL 1

Critical mass of women on board

Studies show that businesses with a critical mass of women on their boards do better. Bearing in mind that institutions renew the composition of their board over a period ranging from 5 to 10 years, it is proposed that the board adopt a policy for achieving parity within no more than ten years.

Argument

The following are a few of the competitive advantages noted by numerous studies on the issue of the presence of women on boards of directors. All these studies have shown that the benefits increase with the number of women on the board.

> better performance during financial crises, especially if such crises are caused by excessive risk-taking. Studies have shown that women have a different management style from men. In particular with respect to risk-taking, women tend to be more reticent and therefore will make less risky decisions and take more cautious positions;

> better governance: according to a Conference Board study, boards with more women directors place greater importance on managing conflicts of interest, monitoring risk, financial control and maintaining good relationships with investors and other stakeholders in the organization;

> better decision-making through discussions allowing different perspectives to be brought forward. In this regard, studies show that men place more importance on the short-term in their decision-making whereas women favour the long term, which generates points of view that enrich reflection and enhance the decision-making process;

> better financial performance: according to a McKinsey study, businesses with women on their boards have better performance on average than their peers in terms of return on equity and results of operations;

> better perception among investors: note in this regard that the number of women directors is one of the criteria used by the Globe and Mail's "Board Games" to evaluate the performance of organizations and by "Corporate Knights" to assess the performance of organizations with respect to social responsibility.

Recognizing that the renewal of the composition of the board members is slow and wishing, as investors, that the selection of women directors be made in accordance with the charter of director competencies, we propose that a policy of equal representation be adopted by the Board of Directors, to be attained within ten years.

BOARD AND MANAGEMENT STATEMENT:

At the Corporation's annual meetings of shareholders held in 2007, 2008 and 2009, the proponent presented similar proposals, which were defeated by a vote of the Corporation's shareholders.

The Board believes that it has in place an effective mechanism for identifying appropriate candidates for Board nomination. The Board's Governance and Nominating Committee is responsible for recommending to the Board candidates for Directors who possess the qualifications, competencies, skills, business and financial experience, leadership roles and level of commitment required of a Director to fulfill Board responsibilities. While gender diversity is among the factors considered by the Committee in assessing potential candidates, the Board also believes that continuity of membership is important to its effective operation and that determining the appropriate composition of the Board based on arbitrary percentages and timelines would not be in the best interests of the shareholders as a whole.

The Board believes in the importance of having an increased number of women on boards, and in business in general, and will continue to strive in that direction. The Board believes it can do so in a timely and diligent manner and in accordance with the Corporation's practices for recruiting Directors, something this proposal would not allow.

The Board of Directors recommends that shareholders vote AGAINST this proposal.

PROPOSAL 2

Additional information about benchmark compensation

It is proposed that the Compensation Committee give shareholders more information regarding the benchmark group used to compare the competitiveness of its executive compensation and the importance placed on such comparison in setting compensation.

Argument

Studies show that disclosing compensation has had the perverse effect of causing a continued increase in executive compensation. More specifically, a recent study shows that 50% of increases in the compensation of presidents and CEOs in the United States from 1992 to 2006 resulted from the one-upmanship created by benchmarking. Other researchers have shown that corporations tend to use peer groups in which executive compensation is often greater than their own executives' compensation.

This approach undermines the healthy relationship that should exist between compensation and the organization's performance. In this regard, we paraphrase the Canadian Coalition for Good Governance, which warned against placing too much reliance on peer comparisons in setting executive compensation: [Translation] "Regardless, we must be careful not to overstate the importance of comparisons with the benchmark group in setting the compensation structure."

Shareholders currently have little information about the choice of the benchmark universe or the corporation's positioning relative to its peers:

> the corporation's ranking among the corporations identified as comparable by the compensation committee with respect to each component of compensation and the total compensation for the five most senior executive officers;

> the corporation's ranking relative to its peers based on various financial performance indicators.

Shareholders also have little information regarding the importance given by the Compensation Committee to the following data in setting compensation: choice of benchmarking universe (national or international), target percentile ranking and for which components of the compensation.

We therefore feel it is essential that this information be included in the information provided with the compensation policy. As a well-known compensation consultant recently noted, [Translation] "Corporations making up the benchmark group will influence your compensation policy more than any other data. It is therefore essential to make every effort to choose the right comparison group."

MÉDAC believes that it is crucial to understand the effects of such a tool in the executive compensation setting process and that an ethically and socially acceptable internal pay ratio be used as a guideline.

BOARD AND MANAGEMENT STATEMENT:

The Corporation and the Board of Directors appreciate the importance that shareholders place on effective executive compensation governance and programs.

The Board of Directors believes that this Management Proxy Circular already contains clear information on the Corporation's executive compensation policy in the section above entitled "Compensation Discussion and Analysis", including a table disclosing applicable reference groups and information on the Corporation's approach to benchmarking in accordance with applicable disclosure requirements, some of which is summarized below.

The Board, through its Compensation Committee comprised entirely of independent Directors, oversees the implementation of an executive compensation program in order to attract, retain and reward qualified and experienced executive officers. One of the Board's key responsibilities is to assess the performance of the Corporation's executive officers and approve their compensation arrangements, with the objective of generating superior long-term performance.

To assist in determining competitive compensation for executive positions, the Committee reviews data from reference groups that include large financial services organizations, management holding companies and other large diversified companies. Because of the international scope and the size of the Power Group, the reference groups are composed of Canadian and U.S.-based companies, thus allowing the Corporation to offer its executives total compensation that is competitive in the North American market. Companies included in the reference groups are typically publicly traded, operate in the financial services industry and other sectors, are large in scope and have global operations.

While performing its review, the Committee does not specifically identify a median or percentile for total compensation of the Corporation's executive officers. Generally, the Committee takes into account the compensation of executives of companies in the reference group by considering the placement of the Corporation's executives' compensation approximately in the middle of the group's ranges, with exceptional performance allowing for compensation towards the upper range of the reference group, as disclosed above in this Management Proxy Circular.

The Board of Directors believes that the Corporation has implemented robust processes in respect of the preparation of the Corporation's executive compensation policy and that the composition of comparator groups and how benchmarking analysis is used in its compensation decisions are clearly disclosed in this Management Proxy Circular in accordance with applicable disclosure requirements.

The Board of Directors recommends that shareholders vote AGAINST this proposal.

PROPOSAL 3

Multiple voting

It is proposed that the Board of Directors adopt governance rules ensuring that minority shareholders may have a reasonable impact on the corporation's future and on its good governance.

Arguments

For the minority shareholders MÉDAC represents, multiple voting shares raise significant issues legally, economically and in terms of good governance. The recent scandal in the Magna case illustrates this.

MÉDAC is quick to acknowledge that shareholding structures with multiple voting shares have been — and continue to be — a positive element in the development of the Canadian and Quebec economy and that of its family-run businesses. As President of The Institute for Governance of Private and Public Organizations ("IGPPO"), Professor Yvan Allaire astutely demonstrated in a study published on November 17, 2006[1] that such structures [Translation] "would foster continuity and long-term commitment of the corporation's officers and founders and present better financial results than other types of corporations".

However, MÉDAC would like to ensure that minority shareholders are not just fodder and that they can influence the corporation's future through their votes. In our opinion, as pointed out by the Canadian Coalition for Good Governance, "Any corporate governance regime is suspect if all the structures, protections and processes can be negated by a voting interest well beyond the economic interest [...][2]". One example is the outcome of our proposal on the advisory vote at Bombardier where, although we obtained close to 50% of shareholder votes, management did not act upon it.

In the spirit of the principles put forward by the IGPPO, MÉDAC is proposing the following governance rules:

1. One shareholder (or related shareholders) should not exercise absolute control (more than 50% of the votes) without holding at least 20% of the corporation's capitalization.
2. Disassociation of the duties of Chairman of the Board and President and CEO, as the Board should be chaired by an independent director.
3. At least one-third of Board members elected by minority shareholders. The Governance Committee should prepare a director's profile in terms of experience and competence and draw up a list of nominees meeting the independence criteria set by regulatory authorities.
4. A policy stating that a director who does not obtain the majority of votes cast by subordinate shareholders, should immediately submit his resignation to the Chairman of the Board, who shall accept it.
5. Voting equality (one share = one vote) regarding shareholder proposals and the advisory vote on executive compensation.

BOARD AND MANAGEMENT STATEMENT:

The Corporation has had a shareholding structure with multiple voting shares and controlling shareholders since its incorporation in 1925. The Corporation's share structure is compliant with the applicable requirements of Canadian corporate law, Canadian securities laws (including the requirements of the TSX) and the Corporation's constating documents. Investors who acquire Subordinate Voting Shares do so knowing that the Corporation has multiple classes of shares with different attributes. In addition, the controlling shareholder holds 61.13% of the votes and 24.45% of the equity of the Corporation. The Board notes that the percentage of equity held by the controlling shareholder exceeds the threshold recommended by the proponent in #1 above.

The Board believes that the Corporation's governance system is effective and is appropriate to its circumstances, and that there are in place appropriate structures and procedures to ensure both that the Board's independence from management and actual or potential conflicts of interest between the Corporation and its controlling shareholder are dealt with appropriately, as disclosed in more detail above in the Statement of Corporate Governance Practices section.

The proponent acknowledges that "shareholding structures with multiple voting shares have been — and continue to be — a positive element in the development of the Canadian and Quebec economy and that of its family-run businesses". The Corporation's share structure ensures its continued long-term stability and has allowed the Corporation to develop a consistent vision and business strategy, attracting shareholders and employees who know with certainty that business decisions will be made with a view to the long-term best interests of the Corporation and its stakeholders.

The Board of Directors recommends that shareholders vote AGAINST this proposal.

1 "Dual-class share structures in Canada: Review and recommendations, Policy Paper #1, The Institute for Governance of Private and Public Organizations ("IGPPO"), November 2006, http://www.igopp.ca/IMG/pdf/2006-11-16_Allaire-Policy_Paper_1.pdf

2 http://www.ccgg.ca/site/ccgg/assets/pdf/CBCA_Amendments_from_CCGG.pdf

SCHEDULE B

POWER CORPORATION OF CANADA BOARD OF DIRECTORS CHARTER

SECTION 1. MEMBERSHIP

The Board of Directors (the "Board") shall consist of such number of directors, not greater than the maximum nor less than the minimum set out in the articles of Power Corporation of Canada (the "Corporation"), at least a majority of whom shall be, at the time of each Director's election or appointment, resident Canadians.

SECTION 2. PROCEDURAL MATTERS

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

1. Meetings > The Board shall meet at least four times every year, and more often if necessary, to discharge its duties and responsibilities hereunder. The Board may meet at any place within or outside of Canada.
2. Advisers > The Board may, at the Corporation's expense, engage such outside advisers as it determines necessary or advisable to permit it to carry out its duties and responsibilities.
3. Quorum > A quorum at any meeting of the Board shall be as fixed from time to time by the Board, but, unless so fixed, a majority of the Directors shall constitute a quorum.
4. Secretary > The Chairman (or, in the absence of the Chairman, the acting Chairman) of the Board shall appoint a person to act as secretary of meetings of the Board.
5. Calling of Meetings > A meeting of the Board may be called by the Chairman of the Board, a Deputy Chairman, the President or a majority of the Directors, on not less than 48 hours notice to the members of the Board, unless otherwise provided in the by-laws, specifying the place, date and time of the meeting. Meetings may be held at any time without notice if all members of the Board waive notice. If a meeting of the Board is called by anyone other than the Chairman of the Board, the person(s) calling such meeting shall so advise the Chairman of the Board.
6. Board Meeting Following Annual Meeting > As soon as practicable after each annual meeting of shareholders, there shall be held, without notice, a meeting of such of the newly elected Directors as are then present, provided that they constitute a quorum, at which meeting the Directors may appoint officers, may appoint the Chairman of the Board, may appoint members to and the Chairman of each Board Committee, and may transact such other business as comes before the meeting.

SECTION 3. DUTIES AND RESPONSIBILITIES

The Board shall supervise the management of the business and affairs of the Corporation and shall exercise, as appropriate, the powers vested in and exercisable by the Board pursuant to applicable laws and regulations. Without limiting the generality of the foregoing, the Board shall have the following duties and responsibilities, which it may discharge, either directly or indirectly, through one or more Committees of the Board. In fulfilling its duties and responsibilities, the Board will rely on the information, advice and recommendations provided to it by management, but will exercise independent judgment:

1. Strategic Planning > The Board shall approve strategic goals and objectives for the Corporation and shall consider management's financial plan, which will be subject to approval by the Board.
2. Review of Operations > The Board shall:
   - [a] monitor the implementation by management of the approved financial plan and shall monitor financial and operating results and other material developments;
   - [b] monitor the implementation and maintenance by management of appropriate systems, policies, procedures and controls to manage the risks associated with the Corporation's businesses and operations;
   - [c] approve significant acquisitions and dispositions, financings and other capital market transactions, capital management decisions, and other significant business and investment decisions and transactions; and
   - [d] review and monitor those operational issues, including those of a regulatory nature, which, in the view of management or the Board, may have a potential material impact on the Corporation's ongoing business, affairs, and/or reputation.
3. Disclosure and Communication Policies > The Board shall:
   - [a] approve policies with respect to the accurate, timely and full public disclosure of material information while maintaining confidentiality where necessary and permitted, and shall, where required, review specific disclosure documents; and
   - [b] approve appropriate communication policies respecting the communication of information to the Corporation's stakeholders and regulators.

4. Financial Control > The Board shall monitor the integrity of the Corporation's financial reporting systems and the effectiveness of the Corporation's internal controls and management information systems by:
   [a] overseeing the establishment and maintenance by management of appropriate financial control systems;
   [b] reviewing reports provided by management on material deficiencies in, or material changes to, internal controls;
   [c] reviewing and approving the Corporation's annual and interim financial statements and annual Management's Discussion and Analyses, the Corporation's Annual Information Forms, and other public disclosure documents containing financial information requiring board approval; and
   [d] overseeing compliance with applicable audit, accounting and reporting requirements.
5. Corporate Governance > The Board shall oversee the development of the Corporation's approach to corporate governance, including the development of corporate governance policies, principles and guidelines, and shall approve such policies, principles and guidelines, as it deems appropriate.
6. Senior Management > The Board shall:
   [a] approve a position description for, and the appointment of, the Co-Chief Executive Officers (the "Co-CEOs") and approve their compensation in accordance with the Charter of the Compensation Committee;
   [b] approve the appointment of senior management, approve their compensation, and oversee the evaluation of their performance;
   [c] approve incentive compensation plans, equity compensation plans and other compensation plans for senior management, as appropriate; and
   [d] oversee the succession planning processes of the Corporation with respect to senior management.
7. Director Orientation and Education > All newly appointed Directors shall be provided with an orientation as to the nature and operation of the business and affairs of the Corporation and as to the role of, and expectations as to the contributions to be made by, the Board, of Board Committees and of each Director, and existing Directors shall be periodically updated in respect of the foregoing.
8. Code of Conduct > The Board shall support management in seeking to maintain a culture of integrity throughout the Corporation. The Board shall adopt a code of business conduct and ethics (the "Code") to promote integrity and deter wrongdoing that is applicable to Directors, officers and employees of the Corporation and that addresses, among other things, conflicts of interest (including procedures to identify and resolve conflicts and potential conflicts), protection and proper use of corporate assets and opportunities, confidentiality and use of confidential information, accounting complaints, fair dealing with all parties, compliance with applicable laws, rules and regulations and the reporting of illegal or unethical behaviour, and shall require management to establish processes and procedures to monitor compliance with the Code.
9. Chairman of the Board > The Board shall approve a position description for the Chairman of the Board.
10. Board Committees > The Board shall:
   [a] establish an Audit Committee, an Executive Committee, a Related Party and Conduct Review Committee, a Compensation Committee, and a Governance and Nominating Committee, and may establish such other committees as it deems advisable to assist it in discharging its duties under this Charter, and may establish committee charters and otherwise delegate to those committees such duties and responsibilities as may be permitted by law and as it deems necessary or advisable; and
   [b] approve position descriptions for the Chairman of each Board Committee.
11. Director Nomination, Compensation and Assessment > The Board shall:
   [a] nominate and recommend to the shareholders candidates for election to the Board;
   [b] approve compensation arrangements for the Directors, for the Chairman of the Board, and for the Chairmen and members of Board Committees; and
   [c] assess, on a regular basis, the structure, composition, size, effectiveness and contribution of the Board, of all Committees of the Board, and of the Directors.

SECTION 4. ACCESS TO INFORMATION

The Board shall have access to all information, documents and records of the Corporation that it determines necessary or advisable to permit it to carry out its duties and responsibilities.

SECTION 5. REVIEW OF CHARTER

The Board shall periodically review this Charter, and approve any changes that it deems appropriate, and be responsible for approving any changes to Committee Charters recommended by the relevant Committee.

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